City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Regular Meeting Agenda - Final

City Council

Tuesday, May 19, 2020 | **6:00 PM** | **Virtual Meeting**

Due to COVID-19, this will be a virtual meeting. To view the meeting please go to www.sanmarcostx.gov/videos or watch on Grande channel 16 or Spectrum channel 10.

I. Call To Order

II. Roll Call

III. 30 Minute Citizen Comment Period

Persons wishing to speak during the citizen comment period please submit your written comments to citizencomment@sanmarcostx.gov no later than 12:00pm on the day of the meeting. The first 10 comments will be read aloud during the citizen comment portion of the meeting. Comments shall have a time limit of three minutes each. Any threatening, defamatory or other similar comments prohibited by Chapter 2 of the San Marcos City Code will not be read.

PRESENTATIONS

1. Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.

2. Receive the FY2021 - FY2030 Capital Improvement Plan (CIP) with Planning & Zoning Commission Recommendation, and provide direction to Staff.

CONSENT AGENDA

THE FOLLOWING ORDINANCES, RESOLUTIONS AND OTHER ITEMS MAY BE ACTED UPON BY ONE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THE ITEMS IS NECESSARY UNLESS DESIRED BY A COUNCIL MEMBER OR A CITIZEN, IN WHICH EVENT THE ITEM SHALL BE CONSIDERED IN ITS NORMAL SEQUENCE AFTER THE ITEMS NOT REQUIRING SEPARATE DISCUSSION HAVE BEEN ACTED UPON BY A SINGLE MOTION.

3. Consider approval, by motion, of the following meeting Minutes:
A. April 21, 2020 - Regular Meeting Minutes
B. April 30, 2020 - Special Meeting Minutes
C. May 5, 2020 - Regular Meeting Minutes

4. Consider approval of Ordinance 2020-27, on the second of two readings, amending Article 6, Divisions 1 and 2 of Chapter 2 of the San Marcos City Code to revise and update the City's public records management program; including procedural provisions; and declaring an effective date.

5. Consider approval of Ordinance 2020-28, on the second of two readings, amending

Chapter 82, Traffic and Vehicles, of the San Marcos City Code, by adding a new Article 9 that prohibits the placement and use of Motor-Assisted Scooters owned by Commercial Scooter Companies on public property, streets and sidewalks; providing a savings clause; providing for the repeal of any conflicting provisions; providing for penalties; and providing an effective date.

6. Consider approval of Resolution 2020-98R, approving the renewal of the agreement with Matchpoint Water Asset Management, Inc. for leak detection services for three additional one-year terms in the amount of $26,475.00 each for a total contract price of $132,375.00; authorizing the City Manager or his designee to execute the appropriate documents related to the renewal of the agreement; and declaring an effective date.

7. Consider approval of Resolution 2020-99R, approving an agreement that renews the service contract for Water Treatment Facilities Operations and Asset Management with the Guadalupe Blanco River Authority for an additional five years; authorizing the City Manager or his designee to execute the agreement; and declaring an effective date.

8. Consider approval of Resolution 2020-100R, approving a professional services agreement with Cobb, Fendley & Associates, Inc., for the provision of professional engineering services in connection with the Bishop and Belvin Street Improvements Project in an estimated amount of $976,921.90; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

9. Consider approval of Resolution 2020-101R, approving a professional services agreement with Weston Solutions, Inc. for design services relating to the Highway 21 Waterline Project in the estimated amount of $215,917.36; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

10. Consider approval of Resolution 2020-102R, approving a change in service to the construction contract with Cash Construction Company, Inc. relating to the Main Lift Station Force Main Replacement Project to decrease the contract price by $2,936,550.26; authorizing the City Manager or his designee to execute the appropriate documents relating to the change in service on behalf of the City; and declaring an effective date.

11. Consider approval of Resolution 2020-103R, approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for “City of San Marcos, Texas special assessment revenue bonds, series 2020, Whisper Public Improvement District.”

12. Consider approval of Resolution 2020-104R, approving an agreement with OpenGov, Inc. for software that allows multiple years of financial data to be accessible to citizens and staff through an online portal in the annual amount of $12,000.00 for a total contract price of $60,000.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

PUBLIC HEARINGS

Persons wishing to participate (speak) during the Public Hearing portion of the meeting you must email citizencomment@sanmarcostx.gov prior to 12:00PM the day of the meeting. A call in number will be

provided for participation.

13. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-31, amending the official zoning map of the city by rezoning approximately 5.217 acres of land, generally located west of the intersection of Old Ranch Road 12 and Craddock Avenue, from “FD” Future Development, “CC” Community Commercial, and “P” Public and Institutional districts to “SF-6” Single Family District; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-31, on the first of two readings.

14. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-32, annexing into the City approximately 9.61 acres of land, generally located in the 400 Block of Centerpoint Road; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-32, on the first of two readings.

15. Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-33, amending the Official Zoning Map of the City by rezoning approximately 7.959 acres of land, generally located in the 400 Block of Centerpoint Road, from “FD” Future Development District to “HC” Heavy Commercial District; and including procedural provisions; and consider approval of Ordinance 2020-33, on the first of two readings.

16. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-34, annexing into the City approximately 59.89 acres of land located at 4087 State Highway 21; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-34, on the first of two readings.

17. Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-35, amending the Official Zoning Map of the City by rezoning approximately 14.90 acres of land located at 4087 State Highway 21, from “FD” Future Development District to “LI” Light Industrial District; and including procedural provisions; and consider approval of Ordinance 2020-35, on the first of two readings.

18. Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-36, amending the Official Zoning Map of the City by rezoning approximately 44.99 acres of land located at 4087 State Highway 21, from “FD” Future Development District to “MH” Manufactured Home District; and including procedural provisions; and consider approval of Ordinance 2020-36, on the first of two readings.

19. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-37, approved an update to the Service and Assessment Plan for the Whisper Public Improvement District; making a finding of special benefit to the property in the district, levying additional assessments against property with the district; establishing a lien on such property; approving an updated assessment roll for the district; providing for payment of the assessments in accordance with Chapter 372, Texas Local Government Code; providing for the method of assessment and the payment of the additional assessments; providing for penalties and interest on delinquent assessments; providing for a severability clause; providing an effective date; and providing for related matters; and

consider approval of Ordinance 2020-37, on the first of two readings.

20. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Resolution 2020-105R, approving a Consolidated Plan for fiscal years 2020-2024 that provides guidance for annual Community Development Block Grant ("CDBG") allocations; authorizing the City Manager, or his designee, to act as the Official Representative of the City in matters related to the CDBG Program; declaring an effective date, and consider approval of Resolution 2020-105R.

21. Receive a Staff presentation and hold a Public Hearing to receive comments in regards to amending the 2015-2019 Community Development Block Grant (CDBG) Consolidated Plan to add Economic Development as a funding category and add the Community Development Block Grant-Coronavirus (CDBG-CV) allocation of $425,261.

22. Receive a Staff presentation and hold a Public Hearing to receive comments in regards to amending the proposed 2020-2024 Citizen Participation Plan to add a shortened review period for actions related to the COVID-19 response.

NON-CONSENT AGENDA

23. Consider approval of Ordinance 2020-38, on first and final reading, authorizing the issuance and sale of an amount not to exceed $40,000,000 of Combination Tax And Revenue Certificates Of Obligation, Series 2020 for constructing, improving, designing and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the City Hall and other city facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation and other matters related thereto; providing for adoption of this Ordinance on one reading only in accordance with State Law.

24. Consider approval of Ordinance 2020-39, on first and final reading, authorizing the issuance of City of San Marcos, Texas General Obligation Refunding Bonds in the amount not to exceed $120,000,000 in one year or more series; approving an official statement, a paying agent/registrar agreement, a bond purchase agreement and an escrow agreement; establishing the procedures for selling and delivering one or more series of the bonds; providing for the approval of this ordinance on one reading only as authorized by state law; and authorizing other matters relating to the bonds.

25. Hold discussion regarding the recent use of the policy and purpose statements in Section 2.421 of the San Marcos Code of Ethics as the basis of ethics complaints; and provide direction to staff

EXECUTIVE SESSION (if necessary)

NOTE: The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of the basis for the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for Executive Session.

26. Executive Session in accordance with Section §551.074 of the Texas Government Code: Personnel Matters - to discuss and provideAnnual Appointee Evaluations to the City Attorney and Interim City Clerk.

ACTION/DIRECTION FOLLOWING EXECUTIVE SESSION

27. Consider action, by motion, or provide direction to Staff regarding the following Executive Session item in accordance with Section §551.074 of the Texas Government Code: Personnel Matters - to discuss and provide Annual Appointee Evaluations to the City Attorney and Interim City Clerk.

IV. Question and Answer Session with Press and Public.

This is an opportunity for the Press and Public to ask questions related to items on this agenda.

V. Adjournment.

POSTED ON WEDNESDAY, MAY 13, 2020 @ 3:00PM

TAMMY K. COOK, INTERIM CITY CLERK

Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to ADArequest@sanmarcostx.gov

File #: ID#20-275, **Version:** 1

AGENDA CAPTION:
Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.
Meeting date: May 19, 2020

Department: City Manager's Office

Amount & Source of Funding
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☒ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

Status Report
Item 1

Receive status reports and updates on response to COVID-19 pandemic; hold Council discussion, and provide direction to Staff.

SAN MARCOS

Known Cases – as of today

- **1,480,349 U.S. cases with at least 89,407 fatalities (13,284 new cases since yesterday)**

- **48,693 cases in 222 Texas counties with 1,347 fatalities**

- **235 in Hays County with 3 fatalities (80 active after 152 recovered)**
  - 2,215 tests returned negative
  - 22 active in San Marcos with 44 recovered
  - 25 cases have required hospitalization, 4 current

Updates to Governor Abbott's Actions

- **May 18: Governor announced Texas moving to Phase 2 of reopening**
  - Cited downward trajectory of positivity rate of testing and good availability of hospital beds with ventilators
  - Key dates are May 18, May 22, and May 31

- **Key openings:**
  - May 18: Gyms, massage therapy, youth sports
  - May 22: Restaurants @50%, Bars and tasting rooms @25%, Bowling alleys
  - May 31: Youth camps, certain professional sports without in-person spectators
  - June 1: Schools may conduct summer school sessions

Efforts to date (updated)

- **Nursing Home Testing**
  - Underway with first sites tested in Dripping Springs and Wimberley
- **Processed Late Fee Exemptions for 125 commercial utility accounts, 82 residential utility accounts since implementation on March 26**
  - Set up payment arrangements totaling over $218,000 for 819 utility customer accounts over that same time period
- **Grants update**
  - GRILLS grant not awarded
  - CDBG-CV applications received
  - USAID – WIC extra funding was awarded ($9,805)

Upcoming considerations

- **Parks reopening plan**

- **Phased approach of re-opening City services and facilities**

Helpful community links

- http://www.sanmarcostx.gov/covid19info
- https://gov.texas.gov/organization/opentexas
- http://haysinformed.com/health-update/
- https://hayscountytx.com/covid-19-information-for-hays-county-residents/
- https://www.txstate.edu/coronavirus
- https://www.smcisd.net/
- https://sanmarcostexas.com/

File #: ID#20-272, **Version:** 1

AGENDA CAPTION:
Receive the FY2021 - FY2030 Capital Improvement Plan (CIP) with Planning & Zoning Commission Recommendation, and provide direction to Staff.
Meeting date: May 19, 2020

Department: Eng/CIP

Amount & Source of Funding
Funds Required: N/A
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☒ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

In compliance with the City Charter the City Council must receive the proposed 10-yr Capital Improvement Plan (CIP) 120 days prior to the adoption of the budget. The first year of the CIP plan is approved for funding with the annual budget.

A brief overview of the CIP will be provided along with the Planning and Zoning Commission recommendation. The P&Z will vote on the plan and any recommendations at their May 12th meeting. The City Council will be presented additional information on the CIP at the May 26th Budget Workshop.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

10 Year Capital Improvements Program

City Council Meeting

May 19th, 2020

Capital Improvements Program

- Long-range plan and schedule for capital projects and system assets
- Identifies options for financing projects
- Only the first year CIP is approved in the budget
- Detailed look at projects in first 3-years
- Projects out 4-10 years are less defined

Capital Improvements Program Funding

Electric Fund

- Electric Rates

Drainage or Stormwater Fund

- Drainage Utility Fee
- Drainage and Water Quality

Water/Wastewater Fund

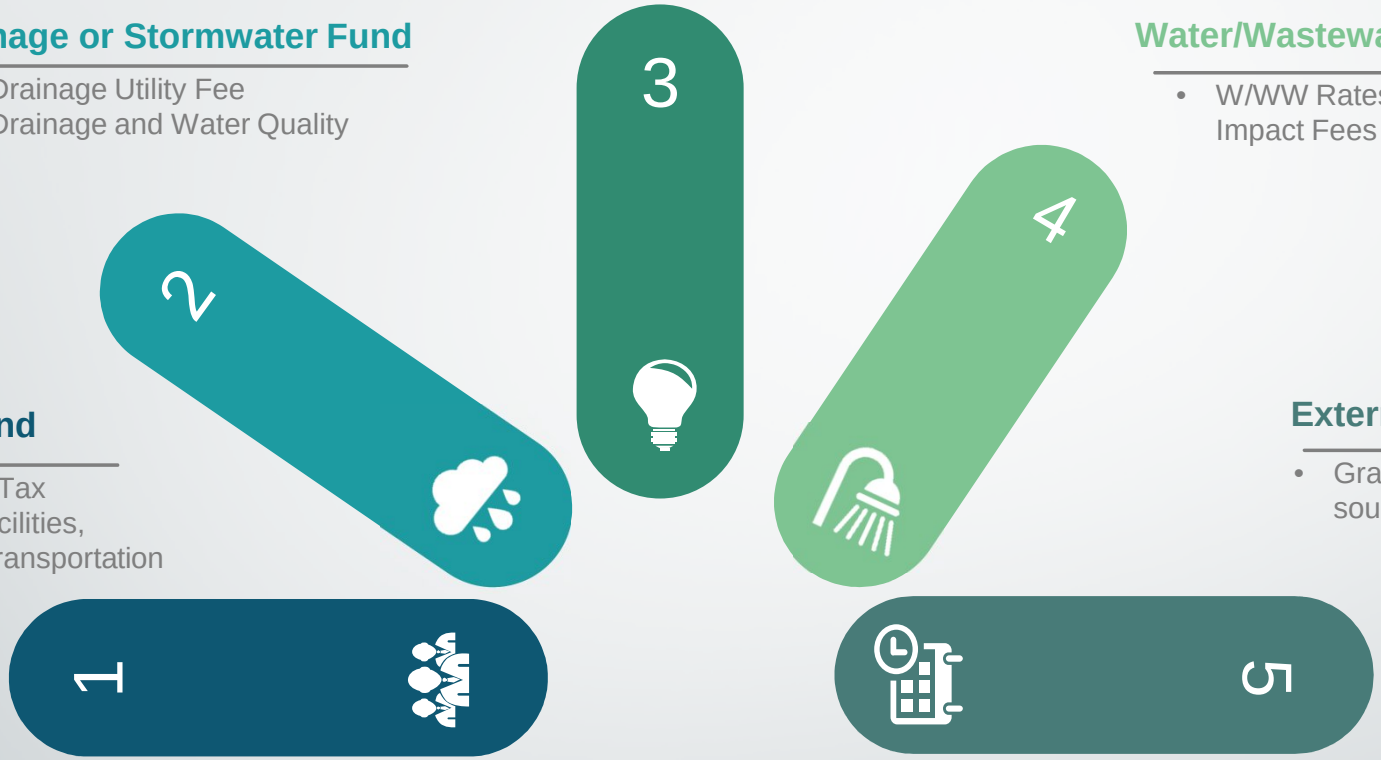
- W/WW Rates and Impact Fees

General Fund

- Property & Sales Tax
- Airport, Parks, Facilities, Public Safety & Transportation

External Funding

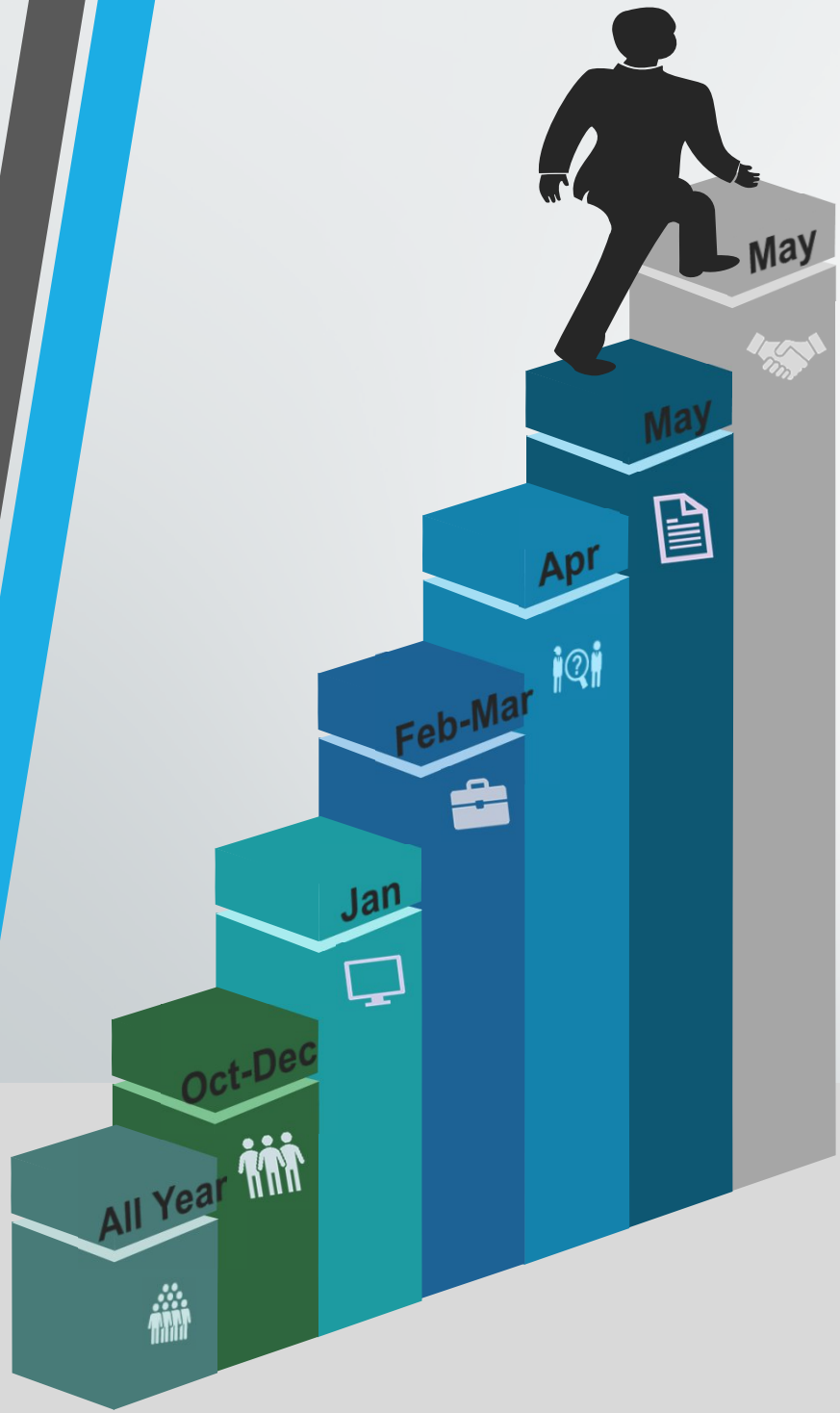
- Grants or outside sources



Funding Sources

4 City Funding Sources
External Sources

FY 21 CIP Process – Where are we?



New Projects

Departments Submit New Project Requests

Department Review

All Departments Review Comprehensive List of Projects

Workload Capacity

Projects reviewed for timeline and workload capacity

General Fund Constraints

Bond Project Constraints of $10M per year

P&Z Review

Discussion with P&Z Commission & Public Hearing

P&Z Recommendation

Receive P&Z Recommendation for City Council

Recommendation to Council

Present City Council with P&Z Recommendation

Understanding the Spreadsheet

Categ	Project	Project Name	Project Description	Comp Plan Goal	Strategic Initiative	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027
*Approved Bond Projects															
*Potential 2022 Bond Projects															
*Potential TIRZ Funding Projects															
Multi	524	Airport – Taxiway System, Ramp Rehab Design	Various analysis in 2013, 2015, and 2017 indicate failure of pavement on taxiways Alpha through Foxtrot. The City will initiate design for taxiways Alpha and Charlie as the priority, to be ready for construction when discretionary or other funds become available. 2022 funding is a 10% local match to TxDOT's Aviation CIP for repair of Taxiway Alpha or possible normal discretionary funds. 2023 funding is to support future repairs on Taxiway Charlie.	EDG601 EDG602 EDG603 EDG604		40	General	$ 374,000		$ 1,280,000					
							Stormwater	$ 15,000							
Multi	507	Airport – Utilities & Stormwater Imps	Extension of utilities and stormwater improvements from the Airport entrance to the ILS of runway 13, to provide for development sites on the north side development area. Waterlines are within the airport property and are separate connections to the 12" waterline	LUG105 EDG601 EDG602 EDG603	Stormwater	10	Water			$ 140,000		$ 1,400,000			
							Wastewater			$ 140,000		$ 1,400,000			
							Stormwater			$ 140,000		$ 1,400,000			
Multi	627	Belvin Street Improvements	Belvin Street improvements to include waterline and wastewater upsize/replacement from Johnson to Southside of Scott street, and on streets/alleys between Belvin to Hopkins. Stormwater improvements will be added on Belvin and connect to 6'x4' box culvert on Travis Street. Belvin will be receive a full depth reconstruction with sidewalks to accommodate stormwater improvements. Sidewalk gaps will be closed on Mitchell and	ERPG204 ERPG101 LUG302	Stormwater, Multi-Modal Transportation	30	General	$ 60,000			$ 90,000		$ 750,000		
							Water	$ 160,000			$ -		$ 800,000		
							Wastewater	$ 75,000			$ 125,000		$ 900,000		
							Stormwater	$ 130,000			$ 170,000		$ 1,600,000		
							Electric	$ 100,000			$ -		$ 150,000		
Multi	730	Bishop Sidewalk Imps – Franklin to Prospect	Construct sidewalks on N. Bishop Street from Prospect Street to Franklin Drive. The project will include approximate 3,100 LF of sidewalks, drainage, curbs, driveways, and impacting mailboxes and trees. Project construction should start after the Bishop Street Sidewalk project, which ends at Prospect Street.		Stormwater, Multi-Modal Transportation	20	General						$ 225,000		$ 980,000
							Stormwater						$ 75,000		$ 325,000

Page 1

Grouped by Category
- Multi – projects with more than one funding source.

Supporting Strategic Initiatives & Comp Plan Goals

Prioritization Ranking

Shows funding needed by Source and Year

Purple Highlight = Approved Bond Project

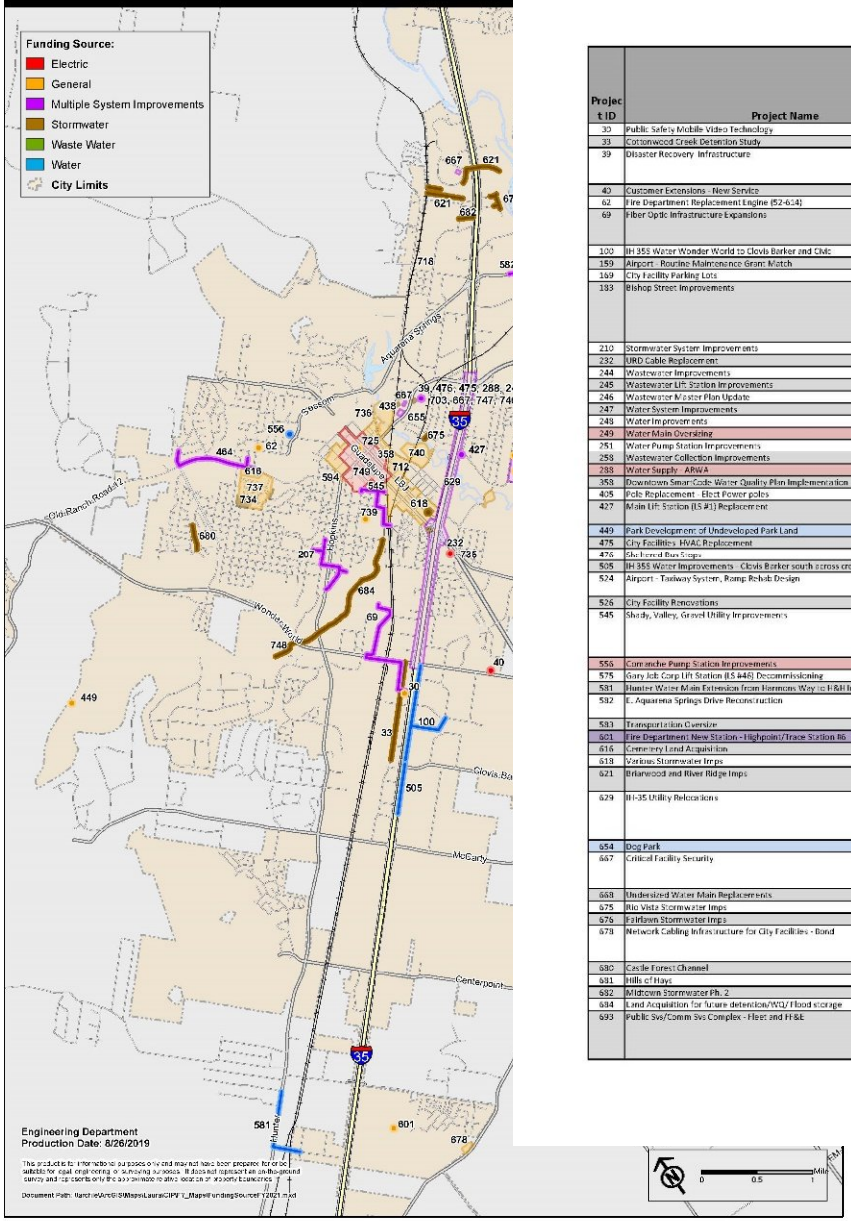
Blue Highlight = Potential Bond Project

Pink Highlight = Impact Fee Funds

Brown Highlight = TIRZ Funding

Binders -Yearly Tabs

FY 2021 CAPITAL IMPROVEMENT PROJECTS: FUNDING SOURCES



FY 2021 CIP Project List

8/26/2019

Project ID	Project Name	Funding Source	Previously Approved Funding
30	Public Safety Mobile Video Technology	General	
33	Cottonwood Creek Detention Study	Stormwater	$ 250,000
39	Disaster Recovery Infrastructure	General	$ 166,666
		Wastewater	$ 166,666
		Electric	$ 166,666
40	Customer Extensions - New Service	Electric	$ 1,394,179
62	Fire Department Replacement Engine (52-614)	General	
69	Fiber Optic Infrastructure Expansions	General	$ 517,000
		Wastewater	$ 517,000
		Electric	$ 517,000
100	IH 35 Water Wonder World to Clovis Barker and Civic	Water	$ 125,000
159	Airport - Routine Maintenance Grant Match	General	$ 200,000
169	City Facility Parking Lots	General	$ 500,000
183	Bishop Street Improvements	General	$ 220,000
		Water	$ 170,000
		Wastewater	$ 190,000
		Stormwater	$ 720,000
		Electric	$ 200,000
210	Stormwater System Improvements	Stormwater	$ 120,000
232	URD Cable Replacement	Electric	$ 4,200,000
244	Wastewater Improvements	Wastewater	$ 150,000
245	Wastewater Lift Station Improvements	Wastewater	$ 150,000
246	Wastewater Master Plan Update	Wastewater	
247	Water System Improvements	Water	$ 150,000
248	Water Improvements	Water	$ 150,000
249	Water Main Oversizing	Water I	$ 150,000
251	Water Pump Station Improvements	Water	$ 150,000
258	Wastewater Collection Improvements	Wastewater	$ 150,000
288	Water Supply - ARWA	Water I	$ 33,605,000
358	Downtown Smart Code Water Quality Plan Implementation	Stormwater	$ 100,000
405	Pole Replacement - Elect Power poles	Electric	$ 225,000
427	Main Lift Station (LS #1) Replacement	Wastewater	
		Electric	
449	Park Development of Undeveloped Park Land	General	
475	City Facilities HVAC Replacement	General	$ 150,000
476	Sheltered Bus Stops	General	$ 240,000
505	IH 35 Water Improvements - Clovis Barker south across creek	Water	$ 100,000
524	Airport - Taxiway System, Ramp Rehab Design	General	$ 374,000
		Stormwater	$ 5,000
526	City Facility Renovations	General	$ 1,495,000
545	Shady, Valley, Gravel Utility Improvements	General	
		Water	
		Wastewater	
		Stormwater	
556	Comanche Pump Station Improvements	Water I	
575	Gary Job Corp Lift Station (LS #46) Decommissioning	Wastewater	
581	Hunter Water Main Extension from Harmon Way to I-35 Industrial Park	Water	
582	E. Aquarena Springs Drive Reconstruction	General	$ 100,000
		Stormwater	$ 50,000
583	Transportation Oversize	General	$ 100,000
621	Fire Department New Station - Highpoint/Trace Station #6	General II	
616	Cemetery Land Acquisition	General	$ 2,300,000
618	Various Stormwater Imps	Stormwater	$ 1,200,000
621	Briarwood and River Ridge Imps	Water	$ 50,000
		Stormwater	$ 270,000
629	IH-35 Utility Relocations	Water	$ 650,000
		Wastewater	$ 250,000
		Stormwater	$ 325,000
		Electric	$ 250,000
654	Dog Park	General	
667	Critical Facility Security	General	$ 50,000
		Water	$ 150,000
		Electric	$ 100,000
668	Undersized Water Main Replacements	Water	
675	Rio Vista Stormwater Imps	Stormwater	
676	Fairdown Stormwater Imps	Stormwater	
678	Network Cabling Infrastructure for City Facilities - Bond	General	$ 325,000
		Water	
		Electric	
680	Castle Forest Channel	Stormwater	$ 250,000
681	Hills of Hays	Stormwater	$ 50,000
682	Midtown Stormwater Ph. 2	Stormwater	$ 200,000
684	Land Acquisition for future detention/WQ/Flood storage	Stormwater	$ 1,000,000
693	Public Svs/Comm Svs Complex - Fleet and FF&E	General	
		Water	
		Wastewater	
		Electric	

10 Year Capital Improvement Program Projects

Stormwater

Cottonwood Creek Detention Study Project ID 33

Study feasibility of constructing regional detention structures along/within Cottonwood Creek watershed to improve water quality and reduce flooding along IH35 from Centerpoint to Wonder World. Ph. 1 will be an analysis and identification of potential sites. Ph. 2 will be land acquisition and phased pond design. Future years will be ongoing pond construction. Fee in lieu of may be used for additional funds. DMP#36, DMP#57

Department Responsible for project: Engineering-CIP Estimated Project Cost: $16,750,000.00

Strategic Initiatives: Stormwater

Year	General	Water	WW	Stormwater	Electric	Total for FY
2019				$250,000		$250,000
2021				$1,000,000		$1,000,000
2022				$1,000,000		$1,000,000
Total				**$2,250,000**		$2,250,000

PROJECT PRIORITIZATION RANK

Strategic Initiative	5
Federal/State Mandate	0
External Funding	0
Public Health/Safety	0
Project underway/Prev. App	10
Multi Fund	0
Operational Necessity	10
Total Rank	25

Wednesday, April 1, 2020 Recommended Projects

P&Z Recommendation

- See Page 36-37

Next Steps

May 26th – City Council Work Session

June & Aug - Council Budget Workshops

Sept - Budget Adoption by City Council including the FY21 CIP Projects

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
***Approved Bond Projects**																	
***Potential 2022 Bond Projects**																	
***Potential TIRZ Funding Projects**																	
Multi	524	Airport - Taxiway System, Ramp Rehab Design	Various analysis in 2013, 2015, and 2017 indicate failure of pavement on taxiways Alpha through Foxtrot. The City will initiate design for taxiways Alpha and Charlie as the priority, to be ready for construction when discretionary or other funds become available. 2022 funding is a 10% local match to TxDOT's Aviation CIP for repair of Taxiway Alpha or possible normal discretionary funds. 2023 funding is to support future repairs on Taxiway Charlie.	EDG601 EDG602 EDG603 EDG604	40	General	$ 374,000		$ 1,280,000								
						Stormwater	$ 15,000										
Multi	507	Airport - Utilities & Stormwater Imps	Extension of utilities and stormwater improvements from the Airport entrance to the ILS of runway 13, to provide for development sites on the north side development area. Waterlines are within the airport property and are separate connections to the 12' waterline constructed in project #414.	LUG105 EDG601 EDG602 EDG603	10	Water			$ 140,000		$ 1,400,000						
						Wastewater			$ 140,000		$ 1,400,000						
						Stormwater			$ 140,000		$ 1,400,000						
Multi	627	Belvin Street Improvements	Belvin Street improvements to include waterline and wastewater upsize/replacement from Johnson to Southside of Scott street, and on streets/alleys between Belvin to Hopkins. Stormwater improvements will be added on Belvin and connect to 6'x4' box culvert on Travis Street. Belvin will be receive a full depth reconstruction with sidewalks to accommodate stormwater improvements. Sidewalk gaps will be closed on Mitchell and Endicott.	ERPG204 ERPG101 LUG302	30	General				$ 150,000		$ 750,000					
						Water				$ 160,000		$ 800,000					
						Wastewater				$ 200,000		$ 900,000					
						Stormwater				$ 300,000		$ 1,600,000					
						Electric				$ 100,000		$ 150,000					
Multi	730	Bishop Sidewalk Imps - Franklin to Prospect	Construct sidewalks on N. Bishop Street from Prospect Street to Franklin Drive. The project will include approximate 3,100 LF of sidewalks, drainage, curbs, driveways, and impacting mailboxes and trees. Project construction should start after the Bishop Street Sidewalk project, which ends at Prospect Street.	LUG105	20	General						$ 225,000		$ 980,000			
						Stormwater						$ 75,000		$ 325,000			
Multi	183	Bishop Street Improvements	Stormwater (DMP #35 & creek improvements next to Veramendi), Water (per master plan) and Wastewater improvements along Belvin & S. Bishop to improve Stormwater issues downstream along San Antonio Street. Includes a sidewalk and full depth construction.	LUG105	40	General	$ 220,000			$ 850,000							
						Water	$ 170,000			$ 900,000							
						Wastewater	$ 190,000			$ 800,000							
						Stormwater	$ 720,000			$ 6,100,000							
						Electric	$ 400,000			$ -							
Multi	325	Briarwood and River Ridge Imps	Replace 2 in. undersized mains to 8" PVC that serve & connect Briarwood Drive neighborhood to system. approx. 5100 LF. WMP#41B. Install stormwater improvements through River Ridge Subdivision, underneath IH-35 and toward the Blanco River on River Ridge Drive. Potential reduction in flooding west of IH-35 by improving capacity across the interstate. DMP #44	LUG105	35	Water	$ 50,000		$ 300,000								
						Stormwater	$ 270,000		$ 2,430,000								
Multi	680	Castle Forest Channel	Increase capacity along Castle Forest Channel due to erosion and damage caused to fences during recent storm events. DMP #51 to repair driveway at 2029 Castle Gate Circle and extend storm system down Castle Gate Circle. The project will include an H&H analysis considering the entire subdivision, development of proposed flood risk reduction alternatives and summarized in a Preliminary Engineering Report (Phase 1). Recommendations include stormwater detention, channel improvements and modification to	LUG105	30	Water		$ 50,000	$ 100,000								
						Wastewater		$ 50,000	$ 100,000								
						Stormwater	$ 350,000	$ 100,000	$ 1,300,000								
Multi	657	Cheatham Water Line Guadalupe to CM Allen	Upgrade Cheatham 12" WL from Guadalupe to CM Allen and install stub outs on McGhee approx. 1700lf WMP#35 Convert overhead electric to underground between Guadalupe and LBJ approx. 250 LF.	LUG105	10	Water			$ 80,000		$ 450,000						
						Electric			$ 60,000		$ 300,000						
Multi	199	Chestnut Street Improvements	Construct new sidewalks along Chestnut St. from Holland to Acorn. Replace wastewater from Ridgeway to N.LBJ and the water from Holland to N.LBJ. Mill and overlay from Holland to N.LBJ. Replace culverts on Ridgeway DMP #34	LUG105 ERPG306	20	General						$ 375,000		$ 1,230,000			
						Water						$ 150,000		$ 500,000			
						Wastewater						$ 110,000		$ 360,000			
						Stormwater						$ 65,000		$ 150,000			
						Electric						$ 20,000		$ 100,000			
Multi	31	Comprehensive Plan	Implement items in Vision San Marcos. $100k in HUD-DR funds combined with FY2019 funding will be used to update the comprehensive plan to reflect new flood information. 2022 funding will be implementation of the updated Comp plan. Comp Plan updated every 5 years.	NHG101 LUG101	40	General	$ 216,000					$ 100,000					
						Water	$ 416,000					$ 100,000					
						Electric	$ 416,000					$ 100,000					
Multi	667	Critical Facility Security	Security access control and video security for city facility security needs.	LUG105	40	General	$ 100,000		$ 50,000	$ 50,000							
						Water	$ 200,000		$ 50,000	$ 50,000							
						Electric	$ 150,000		$ 50,000	$ 50,000							
Multi	39	Disaster Recovery Infrastructure	Upgrade recovery system due to age, every 5 years.	PPSFG401	30	General	$ 166,666	$ 170,000					$ 170,000				
						Wastewater	$ 166,666	$ 170,000					$ 170,000				
						Electric	$ 166,666	$ 170,000					$ 170,000				
Multi	415	Downtown Alley Reconstruction	Reconstruct the alleys between LBJ and Guadalupe from Hopkins to University, approx. 1200 LF. Kissing Alley from University to Hopkins will occur first in 2020 and 2021. Pavers will be used and overhead electric and telecom will be converted to underground along Kissing Alley and well as the cross alley. Possible TIRZ funding. May include green infrastructure. Electric will need a place for transformer (acquisition needed) in Kissing Alley.	EDG105 TG205	40	General T	$ 60,000	$ 600,000									
						Water	$ 30,000	$ 30,000	$ 250,000								
						Wastewater	$ 30,000	$ 30,000	$ 250,000								
						Stormwater	$ 50,000	$ 30,000	$ 350,000								
						Electric	$ 50,000	$ 150,000	$ 1,000,000								
Multi	752	Downtown Alley Reconstruction Ph 2	Reconstruct the remaining alley between Hopkins and Hutchison from Guadalupe to LBJ, approx. 400 LF. The alley will be constructed in 2025/2027, with asphalt paving. Possible TIRZ funding. May include green infrastructure.	EDG105 TG205	25	General T						$ 40,000		$ 160,000			
						Water						$ 20,000		$ 100,000			
						Wastewater						$ 20,000		$ 100,000			
						Stormwater											
						Electric						$ 20,000		$ 100,000			

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Multi	712	Downtown Pedestrian Safety & Comfort Improvements	Sidewalk, Curbs, landscaping, trees, pedestrian lighting (250 light poles) and 32 signals, pavement markings, signage, wayfinding and place making improvements in focused (smaller) areas to improve safety, aesthetics, act as a demonstration project to encourage private development/participation.	LUG207 PPSFG201 TG102 TG201	40	General T	$ 400,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000						
						Electric	$ 470,000		$ 235,000		$ 235,000						
Multi	614	Downtown Property Acquisition	Acquire future site downtown for potental parking areas as recommended in Downtown parking implementation plan. Acquiring a site now will ensure future location. TIRZ funding.		25	General T		$ 2,000,000									
						General	$ 750,000	$ 224,000									
Multi	45	Downtown Reconstruction Ph. II - LBJ: Grove St. to Hopkins	Reconstruction to implement goals of Downtown Master Plan. Includes street, stormwater, water, wastewater, underground electric and telecom $200k/$1M (included in electric funding) as required. Design funds in first year, Construction funds in second year. Proj # 37 - MLK/LBJ Intersection Traffic Signal & Crosswalk Improvements Design and installation of traffic signal and crosswalk will be completed with this project.	LUG105 LUG203	25	General T			$ 540,000		$ 5,300,000						
						Water			$ 100,000		$ 1,000,000						
						Wastewater			$ 100,000		$ 1,000,000						
						Stormwater			$ 300,000		$ 3,000,000						
						Electric			$ 500,000		$ 3,000,000						
Multi	704	Dunbar Utility Imps	Upgrade water and wastewater mains to 8" to provide fire protection and improve flows on San Antonio, MLK, Faris, Wilson, Johnson, Mead and Dailey.	LUG105	25	Water	$ 500,000		$ 2,200,000								
						Wastewater	$ 500,000		$ 2,200,000								
Multi	582	E. Aquarena Springs Drive Reconstruction	This is a safety project to reconstruct E. Aquarena Springs Drive at the curve to super elevate the road to decrease accidents in this area. The road is currently super elevated in the wrong direction. This project will also address stormwater issues in the area.	LUG105	40	General	$ 125,000			$ 500,000							
						Stormwater	$ 75,000			$ 200,000							
Multi	547	Ed JL Green Dr Imps	This project consists of replacing the existing 8-inch wastewater line with a 10-inch main along Ed JL Green Dr. from Sessom to Alta Vista. Additionally, the project will address storm water issues identified in the comprehensive storm water Master Plan at Sites 18a (South of Alta Vista St.) and 18b (Rogers Ridge St. to Alta Vista St.) along Ed JL Green. Additional stormwater infrastructure will be constructed to address local flooding along Mimosa Circle. Water funding to address possible utility conflicts. Sidewalk and pedestrian improvements within project limits. Electric funding to address pole conflicts.	LUG105	30	General					$ 220,000		$ 580,000				
						Water					$ 25,000		$ 60,000				
						Wastewater					$ 85,000		$ 415,000				
						Stormwater					$ 350,000		$ 1,100,000				
						Electric					$ 10,000		$ 70,000				
Multi	69	Fiber Optic Infrastructure Expansions	Purchase the required fiber optic equipment to expand fiber ring. Locations for expansion include the PSAP ($35k), Airport, Gary Sports Complex, Surface Water Treatment Plant, Electric Substations.	EDG304	30	General	$ 597,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 35,000					
						Wastewater	$ 597,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 35,000					
						Electric	$ 597,000										
Multi	691	Heritage Neighborhood Imps	Improvements on Viola, Serur, Browne, Burleson, Scott, Blanco, Rogers and Lindsey Streets. Replacement of old inadequate water lines to improve flows, system pressure and fire protection. Replacement AC and cast Iron pipes, non-operational valves and upgrade fire protection with additional hydrant locations. Drainage is needed and rehab of Wastewater lines.	ERPG204 ERPG101 LUG302	20	General					$ 400,000			$ 2,000,000			
						Water					$ 280,000			$ 1,400,000			
						Wastewater					$ 240,000			$ 1,200,000			
						Stormwater					$ 1,000,000			$ 5,000,000			
						Electric					$ 100,000			$ 500,000			
Multi	719	Hopkins Drainage and Wastewater Imps from Riverside to City Hall	Stormwater improvements per DMP# 40 and replace 6" sanitary sewer crossing with 8" at Hopkins and Riverside. Street lighting will be replaced along the drainage ditch and a 10ft sidewalk will be installed.	LUG105	25	General					$ 200,000		$ 700,000				
						Wastewater					$ 20,000		$ 100,000				
						Stormwater					$ 60,000		$ 230,000				
						Electric					$ 100,000		$ 200,000				
Multi	594	Hopkins Street Improvements Project from Moore to Guadalupe	Reconstruct street, water, wastewater, stormwater and electric infrastructure pursuant with complete streets ordinance on Hopkins Street from Moore St. to Guadalupe. Widen Comanche Street to add a dedicated Left turn lane onto Hopkins St. to improve safety and intersection capacity to alleviate the congestion. Modify the traffic signal to accommodate new geometry. Acquisition will be needed, funding in 2022.	ERGP204 ERGP306 LUG105	35	General B	$ 350,000		$ 200,000	$ 3,500,000							
						Water	$ 130,000			$ 1,300,000							
						Wastewater	$ 130,000			$ 1,300,000							
						Stormwater	$ 100,000			$ 1,000,000							
						Electric	$ 200,000			$ 2,000,000							
Multi	96	Hwy 123 12" Water AC Line Replacement	Replace existing AC water line along Hwy 123 between IH35 to just past DeZevala 5,400 feet. Rebuild sections of sidewalk along the project limits. Will coordinate with proposed TxDOT IH-35 & SH 123 intersection improvements to start design in 2019 with construction in 2021. Increase and replace all culverts along SH 123, DMP #38. Widen Hays Street at the intersection of Staples Road to improve safety and intersection capacity. Modify the traffic signal to accommodate new geometry.	LUG105	25	General			$ 25,000		$ 300,000						
						Water			$ 250,000		$ 2,500,000						
						Stormwater			$ 50,000		$ 300,000						
						Electric			$ 25,000		$ 75,000						
Multi	629	IH-35 Utility Relocations	Phase 1 of the project will include utility relocation along IH35 frontage roads from River Ridge to Loop 82 and IH35/Posey Rd. interchange, which will include the County Water Line Crossing. Phase 2 will include relocation/upsizing of utilities at IH-35/SH123 interchange including W/WW upsizing at Riverside, Marshall, and Woodcrest water line crossings and a Storm Drain system between SH80 and RM12. TxDOT project consists of reconstructing portions of northbound and southbound frontage roads, including improving bicycle and pedestrian facilities. Future Phase 3 will extend from Wonderworld to Posey and will include the Wonderworld Dr, Cottonwood, McCarty and Centerpoint Water Line Crossings. Funding reimbursable by TxDOT for any utilities that are in conflict.	LUG105	45	General		$ 350,000									
						Water	$ 700,000	$ 1,000,000			$ 200,000		$ 500,000				
						Wastewater	$ 250,000	$ 450,000			$ 100,000		$ 250,000				
						Stormwater	$ 325,000	$ 5,300,000			$ 200,000		$ 500,000				
						Electric	$ 350,000	$ 250,000			$ 100,000		$ 250,000				
Multi	600	Kingwood and Sherwood Imps	Rehabilitate existing wastewater lines along Kingwood and Sherwood Streets. Approx. 1800 LF total. Reconstruction of streets and stormwater. The existing water line is needed due to the line being undersized and does not provide fire coverage. Install stormwater channel to Willow Springs Creek. DMP#50 Construct cul-de-sac at the end of Sherwood. Possible new sidewalks. May	LUG105	35	General	$ 70,000			$ 300,000							
						Water	$ 20,000	$ 150,000		$ 650,000							
						Wastewater	$ 20,000	$ 150,000		$ 650,000							
						Stormwater	$ 230,000	$ 110,000		$ 1,100,000							

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			include ROW acquisition.			Electric				$ 350,000							
Multi	563	Linda Drive Improvements	Replace or rehabilitate the 18-inch sewer main that runs from LS#1 to Hwy 80, approximately 3,300 ft., due to failure of the pipe. Street improvements to be provided along Linda Drive including sidewalk extension. Replace undersized waterlines and provide a loop from Linda to Bugg Ln. Coordinate with Blanco Gardens Stormwater and Clarewood Stormwater. DMP#49, 1SM9 & 2SM9 out of the 1994 Drainage Master Plan. Electric to be converted from overhead to underground. Design for 2nd phase, #669 Hwy 80/Davis Ln Wastewater will be included in this project.	LUG105	40	General	$ 200,000		$ 1,000,000								
						Water	$ 200,000		$ 700,000								
						Wastewater	$ 900,000		$ 1,500,000								
						Stormwater	$ 300,000		$ 1,400,000								
						Electric	$ 70,000	$ 90,000	$ 1,700,000								
Multi	559	Long Street Realignment	Realign Long Street at SH-80 with Cheatham and the traffic signal. This will provide a 4-way intersection at the current signalized intersection. Assumes donation of ROW by Wendy's.	LUG105	15	General								$ 250,000	$ 550,000		
						Stormwater								$ 50,000	$ 200,000		
						Electric								$ 25,000	$ 75,000		
Multi	427	Main Lift Station (LS #1) Replacement	This project consists of replacing the Main Lift Station from a capacity of 14.4 MGD to 23 MGD and allowing for future 29.6 MGD capacity. WWMP#17	LUG105	15	Wastewater			$ 1,200,000		$ 8,600,000						
						Electric			$ 50,000								
Multi	733	Midway Utility Improvements	Install new wastewater mains on and around Midway St and part of Perkins St and alley's to provide service to future properties, and existing properties not connected to the city sewer system. Project may also include improvements to existing sewer along Alto St. Water system improvements and extensions will be provided along Waco St and city alleys.	LUG105	25	Water			$ 500,000								
						Wastewater	$ 500,000		$ 400,000								
Multi	692	MLK Street Reconstruction	Reconstruction of MLK Drive as a complete street from Shady Lane to Faris. Upgrade existing culvert at creek crossing near Shady Lane and install pedestrian bridge to connect sidewalk.	TG101	25	General					$ 450,000		$ 2,100,000				
						Water					$ 165,000		$ 825,000				
						Wastewater					$ 165,000		$ 825,000				
						Stormwater					$ 30,000		$ 50,000				
Multi	509	Mockingbird Hills Subdivision Imps	Total Street reconstruction with sidewalks, stormwater as needed, and water mains replacement on De Zavala, Cloverleaf, Mockingbird, Lacey and Suncrest. Improve existing asbestos-cement aged water lines. Add sidewalk on Parkview. Convert electrical from rear of lots to front of lots on streets with full depth reconstruction. If underground conversion is needed, an additional $1.5M will need to be added.	LUG105	25	General					$ 750,000			$ 4,000,000			
						Water					$ 250,000			$ 1,200,000			
						Stormwater					$ 70,000			$ 350,000			
						Electric					$ 300,000		$ 1,500,000				
Multi	742	Nance North Drainage Imps.	Basin study and storm sewer upsizing improvements along Nance and North from MLK to Hopkins St. Approx 1400 LF. Replace conflicts of water and wastewater, and relocate electric poles. Total Reconstruction throughout the project limits.	ERPG204	15	General					$ 30,000		$ 200,000				
						Water					$ 80,000		$ 450,000				
						Wastewater					$ 90,000		$ 550,000				
						Stormwater					$ 250,000		$ 1,200,000				
						Electric					$ -		$ 200,000				
Multi	678	Network Cabling Infrastructure for City Facilities - Bond	New network cabling and fiber infrastructure for city facilities due to redesign, expansions or new buildings. 2018 funds include cabling for the Library and Police Department ($225k). 2019 funds include cabling for Fire Station #2 ($100k). 2020 funds include cabling for Fire Station #2 ($150k). 2022 funds include cabling for Fire Station #6 - Trace ($300k).		30	General	$ 325,000	$ 300,000									
						Water	$ 75,000										
						Electric	$ 75,000										
Multi	464	Old Ranch Road 12 Improvements – Craddock to Holland	Addition of bike and pedestrian facilities, as well as a center turn lane to improve mobility and increase safety along Old RR 12 between Craddock and Holland. Replacement of utilities and stormwater improvements at problem locations within project limits will also be addressed.	LUG105 LUG302	40	General B			$ 50,000	$ 1,500,000							
						Water			$ 50,000	$ 1,500,000							
						Wastewater			$ 50,000	$ 1,200,000							
						Stormwater			$ 100,000	$ 3,400,000							
						Electric	$ 350,000		$ -	$ -							
Multi	593	Old RR12/Moore Street Reconstruction	Reconstruct roadway section from Hopkins to Blanco Street with new curb, sidewalk, stormwater, traffic signal and intersection upgrades, retaining walls and roadway surface. Project will reduce localized flooding, improve pedestrian facilities and traffic movements. DMP Sites #30, #2, #16 & #7.	ERPG204 ERPG306 LUG105	25	General						$ 250,000		$ 2,200,000			
						Stormwater						$ 400,000		$ 1,550,000			
						Electric						$ 200,000		$ 2,000,000			
Multi	372	Pat Garrison Improvements from Comanche to Guadalupe	New waterline from Guadalupe to the dead-end past Comanche, include road and sidewalk improvements in this area and the possible realignment of Pat Garrison at Fredericksburg. Continue the WW improvements from Vistas 2, upsize the 6" WW line to 8" WW line in the alley and continue down Pat Garrison from the dead end to Comanche. Electrical improvements to include underground conversion at the end of Pat Garrison. Initial layouts of Pat Garrison and Fredericksburg intersection complete. Drainage Master Plan sites #20 & #27, Comanche at Lindsey St. Water Quality Imp #46. PER was prepared by HDR in March 2017. Require ROW for the private street from the bank.	LUG302	40	General				$ 75,000		$ 750,000					
						Water	$ 70,000			$ 205,000		$ 250,000					
						Wastewater				$ 10,000		$ 100,000					
						Stormwater				$ 70,000		$ 700,000					
						Electric				$ 50,000		$ 2,500,000					
Multi	679	Purgatory Creek Improvements Ph 1	Purgatory Creek Improvements from the San Marcos River to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. The project will be conducted in two phases. Phase 1 limits is from the San Marcos River to near Johnson Avenue. Other possible funding sources (FEMA, TxDOT, grants, etc.) are being explored. Phase 1 project designs, permitting and purchase of right-of-way will be conducted through year 2020 and construction estimated to start in	ERPG204	55	General B	$ 2,500,000			$ 19,305,000							
						Water	$ 121,000			$ 850,000							
						Wastewater	$ 121,000			$ 850,000							
						Stormwater	$ 1,535,000		$ 900,000	$ -							
						Electric	$ 100,000										

FY 2021-2030 10 Year CIP Project List

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Multi	748	Purgatory Creek Improvements Ph 2	This project is a continuation of the Purgatory Creek Improvement Phase 1 project. Phase 2 project limits is from near Johnson Avenue to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. Phase 2 project designs, permitting and right-of-way acquisition will be conducted in 2020 and 2021. Phase 2 construction is estimated to start in 2024	ERPG204	35	General				$ 1,800,000	$ 1,710,000		$ 660,000				
						Water				$ 81,000			$ 415,000				
						Wastewater				$ 81,000			$ 415,000				
						Stormwater							$ 3,100,000	$ 1,710,000		$ 11,950,000	
Multi	596	Ramsay St. Reconstruction	Ramsay St. from N. LBJ to the dead end is in need of total reconstruction with new curb and gutter and sidewalks. Due to unstable soils it is going to need soil stabilization. Ramsay St. holds a score of around 10-15 for a PCI Index. 1,050 LF of water line will be replaced. Wastewater will be replaced if in conflict. Stormwater will be needed. Previously approved funds for acquisition.	TG205	25	General				$ 150,000		$ 700,000					
						Water				$ 100,000		$ 515,000					
						Wastewater				$ 25,000		$ 115,000					
						Stormwater				$ 50,000		$ 400,000					
						Electric	$ 300,000			$ 115,000		$ 605,000					
Multi	695	Ridgeway Hillcrest Drainage Improvements	Drainage repairs as identified in DMP #34 on Hillcrest and Ridgeway, from Sessom Creek along Canyon Rd. from Loquat to Canyon Fork. Water and sewer adjustments as required to make drainage improvements.	ERPG204	15	Water							$ 25,000		$ 25,000		
						Wastewater							$ 25,000		$ 25,000		
						Stormwater							$ 50,000		$ 200,000		
Multi	173	River Ridge Extension to Post Road	Extend roadway to include bicycle lanes and sidewalks to provide accessibility to IH35, approx. 3,100 lf with railroad overpass. Possible future bond project.	ERGPG204	20	General						$ 3,200,000		$ 6,300,000			
						Stormwater						$ 200,000		$ 800,000			
Multi	419	Sessom/Academy Intersection Improvements	Stormwater improvements along Sessom Drive from Yale to Comanche. Abandon a storm drain that currently runs through private property. Mill and overlay within utility improvements. Water and Wastewater replacement within project limits. Improvements and cost participation will be coordinated with development and TX State and with Drainage Master Plan #31.		45	General	$ 950,000	$ 155,000									
						Water	$ 350,000	$ 200,000									
						Wastewater	$ 150,000	$ 300,000									
						Stormwater	$ 700,000	$ 900,000									
						Electric	$ 350,000	$ -									
Multi	707	Sessom Creek Restoration - Phase 2	Relocate 850 LF of wastewater main in Sessom Creek along Canyon Rd from Loquat to Canyon Fork, in conflict with the Sessom Creek Restoration Project. This may be a joint bid project (if HCP funding is available) between the City and the Habitat Conservation Plan team who will design and fund the creek restoration work using Natural Channel Design, stabilize eroding streambanks and provide grade control structures to balance the processes of	ERPG101, LUG105, LUG302	40	Water			$ 150,000								
						Wastewater	$ 300,000		$ 1,400,000								
						Stormwater			$ 600,000								
Multi	650	Sessom Shared Use Path from N LBJ to Comanche	Construct a 10' shared use path along Sessom from N.LBJ to Comanche. Work includes retaining walls, additions lighting and potential signal improvements at Comanche. Applying for CAMPO Funding. If funded, later years would be removed.	ERPG306 LUG105 TG203 TG205	35	General					$ 230,000			$ 200,000		$ 2,000,000	
						Stormwater					$ 20,000			$ 20,000		$ 100,000	
						Electric					$ 230,000			$ 50,000		$ 500,000	
Multi	545	Shady, Valley, Gravel Utility Improvements	This project consists of replacing the existing 12-inch wastewater main with a 18-inch wastewater interceptor from the corner of Martin Luther Kind Blvd. & Nance St. to the proposed 18-inch wastewater interceptor from WWMP #4 (Victory Gardens Neighborhood) across the railroad tracks at the intersection of Patton and Roosevelt. Replace the exposed wastewater line at the creek intersection with Jackman. Replacement of culvert at MLK and Shady. Upgrade 6" and 8" waterline to 12" approximately 3000lf. Mill and overlay entire stretch of utility replacement approx. 3000'. DMP Site #6 Upsizing stormwater outfall on Shady Up at Purgatory Creek and basin study of area drainage	ERPG204	20	Water				$ 200,000		$ 850,000					
						Wastewater				$ 350,000		$ 1,700,000					
						Stormwater				$ 350,000		$ 1,700,000					
						Electric				$ 40,000		$ 250,000					
Multi	694	Stagecoach Road Extension	Extend Stagecoach Road from its current terminus near the Hays County Justice Center, across Purgatory Creek, to connect with MLK Drive.	TG101	20	General							$ 310,000		$ 1,550,000		
						Water							$ 125,000		$ 620,000		
						Wastewater							$ 125,000		$ 620,000		
						Stormwater							$ 685,000		$ 3,500,000		
						Electric							$ -		$ -		
Multi	747	Strategic Land Acquisition	Land purchases for future city operations.		20	General				$ 250,000							
						Water				$ 250,000							
						Wastewater				$ 250,000							
						Electric				$ 250,000							
Multi	644	Sunset Acres Subdivision	Drainage study of subdivision to determine improvements needed. Water on Del Sol per WMP #41U. An existing 8" waterline is inside a section of 24" storm sewer on Ebony that needs to be vertically realigned. Offsite flows from the creek as well from Sunset Acres will be conveyed to the proposed storm drainage system along IH 35 Northbound Frontage Road. Upsize existing 6" wastewater line along the rear of homes on Parkdale. Replacement of existing 8" VCP on Broadway due to deteriorating condition. Final construction numbers will be determined. DMP #39. Reconstruct water line along Patricia Drive from Del Sol Drive to Parker Dr and connect to the existing WL along IH35, approx. 3000 LF. Abandon existing WL along east side of IH 35 Frontage Road from Del	ERPG204	40	General	$ 225,000		$ 1,500,000								
						Water	$ 475,000		$ 1,850,000								
						Wastewater	$ 125,000		$ 1,000,000								
						Stormwater	$ 600,000		$ 4,000,000								
						Electric		$ 40,000	$ 410,000								
Multi	638	Surface Water Treatment Plant Access	Short term improvements will reconstruct the driveway where damage from the flood occurred and cleaning of the creek using FEMA PW funding. Long term improvements include either modifying the crossing or construction a new road to the Surface Water Treatment Plant as an alternate high water entry to access plant during flood events.	ERPG204	50	General	$ 50,000										
						Water				$ 560,000							
						Stormwater				$ 510,000							

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Multi	746	Telephone System and Replacement	City wide telephone system and desk phone replacement. Avaya CS1000 Telephone System will go to end of part support and no longer be eligible for adding phone licenses to as of June 2024- this will make repair difficult if not impossible. Replacing the phone system and all associated desk phones is necessary for business continuity.		20	General			$ 150,000								
						Water			$ 63,000								
						Wastewater			$ 62,000								
						Stormwater			$ 100,000								
						Electric			$ 125,000								
Multi	234	Victory Gardens Neighborhood Improvements Ph. II - South Section	Reconstruct deteriorating streets, stormwater, electric, water and wastewater infrastructure to meet the complete streets ordinance. DMP#24	LUG105 LUG302	25	General			$ 300,000			$ 1,500,000					
						Water			$ 450,000			$ 2,500,000					
						Wastewater			$ 500,000			$ 2,700,000					
						Stormwater			$ 300,000			$ 1,700,000					
						Electric			$ -			$ 1,500,000					
Multi	525	Wallace Addition Subdivision	Wallace Addition Water & Wastewater project started with replacing existing aged and sagging wastewater and water lines. In 2018, Wallace Addition drainage improvements feasibility study was initiated to identify improvements required to mitigate flooding. Both on-site and off-site drainage improvements including curb inlets, storm trunk line, channel improvements and box culverts are recommended. On-site drainage improvements will be constructed with Wallace Addition Subdivision improvements project, while off-site improvements will be constructed as part of a separate project i.e. "Wallace Addition Off-site Drainage Improvements". Water and wastewater lines will be replaced and streets will be reconstructed with sidewalks within the neighborhood. Additional funding is required to replace water and wastewater lines, install new drainage system, and roadway reconstruction.	ERPG204 LUG105 LUG302	40	General B					$ 6,750,000						
						Water	$ 1,300,000				$ 1,310,000						
						Wastewater	$ 325,000				$ 1,700,000						
						Stormwater			$ 450,000		$ 3,000,000						
						Electric		$ 115,000	$ 1,685,000								
General Fund Subtotal								**$ 4,079,000**	**$ 5,375,000**	**$ 28,710,000**	**$ 16,620,000**	**$ 7,925,000**	**$ 4,720,000**	**$ 17,320,000**	**$ 2,100,000**	**$ 2,000,000**	**$ -**
Potential Bond or TIRZ Projects								**$ 2,800,000**	**$ 990,000**	**$ 24,505,000**	**$ 12,250,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
New General Fund Subtotal								**$ 1,279,000**	**$ 4,385,000**	**$ 4,205,000**	**$ 4,370,000**	**$ 7,925,000**	**$ 4,720,000**	**$ 17,320,000**	**$ 2,100,000**	**$ 2,000,000**	**$ -**
Water Fund Subtotal								**$ 1,430,000**	**$ 7,233,000**	**$ 6,806,000**	**$ 7,660,000**	**$ 5,185,000**	**$ 2,400,000**	**$ 3,200,000**	**$ 645,000**	**$ -**	**$ -**
Wastewater Fund Subtotal								**$ 1,230,000**	**$ 8,982,000**	**$ 5,796,000**	**$ 13,480,000**	**$ 5,680,000**	**$ 2,875,000**	**$ 1,660,000**	**$ 645,000**	**$ -**	**$ -**
Stormwater Fund Subtotal								**$ 6,440,000**	**$12,420,000**	**$ 13,080,000**	**$ 9,680,000**	**$ 6,840,000**	**$ 6,915,000**	**$ 9,955,000**	**$ 3,900,000**	**$ 12,050,000**	**$ -**
Electric Fund Subtotal								**$ 815,000**	**$ 5,840,000**	**$ 2,955,000**	**$ 4,450,000**	**$ 5,345,000**	**$ 2,390,000**	**$ 2,775,000**	**$ 75,000**	**$ 500,000**	**$ -**
***Approved Bond Project**																	
Airport	159	Airport - Routine Maintenance Grant Match	50/50 match with TxDOT for routine airport maintenance; move into operating cost in 2022		30	General	$ 250,000	$ 50,000									
Airport	520	Airport - Runway 17-35 Extension	Extension of Runway 17-35 to over 7000 ft. in order to accommodate larger aircraft at the airport. Acquisition will be needed for the runway protection zone. Will need an overlay on the current runway within the next 5 years. The Airport Master Plan will determine exact dates. Funding is 10% match.		10	General				$ 500,000		$ 2,000,000					
Airport	605	Airport - WWII Tower and Electric Vault relocation	Create a developable site by relocating the major electric control vault and WWII tower out of prime development area, with access to ramp and utility infrastructure. The vault contains the controls and switches to the airfield lighting system. The WWII tower requires rehabilitation due to deterioration of lead paint and asbestos mitigation. The tower would make a unique entry feature to the airport and its location will be determined following the design of new FM 110 connection driveway (Project 606).	EDG604 PPSFG3 LUG105	0	General					$ 150,000	$ 385,000					
CVB	473	Arts District to enhance performing and visual space	Multiple locations to implement the Arts Master Plan- in a district. Planning implementation in first funding year, design in second funding year, construction in third funding year.		0	General										$ 100,000	
Eng.	606	Airport - FM 110 Connection Drive	New Roadway to connect the airport to FM 110. Include Airport Drive Improvements in this project. Supplemental funding may come from other sources regarding the land release and negotiatians with Gary Job Corp.	EDG603	30	General	$ 100,000			$ 1,000,000							
Eng.	630	Cheatham Street Sidewalks	Add 70' of sidewalk on South Side of Cheatham St from end of existing sidewalk to the end of the west side of Riverside. Add sidewalk on Downstream side of Cheatham St. to connect Mill Race and San Marcos River bridge sidewalks.	TG201	10	General					$ 20,000	$ 200,000					
Eng.	700	Craddock/Bishop Intersection Imps	Improve intersection for safety and capacity to alleviate the congestion. Possible single lane roundabout.	TG207	5	General					$ 50,000		$ 450,000				
Eng.	701	Ed JL Green Sidewalk	Planning, design and construction of sidewalk and related pedestrian amenities, in conjunction with other improvements to be undertaken by Texas State University, along the northern perimeter of Spring Lake from Rogers Ridge St. to Loop 82/Aquarena Springs Dr.	TG201	10	General							$ 20,000		$ 120,000		
Eng.	702	North, Hutchison and Mary St. Roundabout	Construction of a roundabout at the 5-way intersection of Hutchison, North and Mary Streets.	TG207	5	General								$ 75,000	$ 375,000		
Eng.	195	SH 21 San Marcos River Bridge Prel Eng. Rpt	Preliminary engineering report to construct a four-lane bridge across the San Marcos River to extend SH 21 south as an alternative regional reliever for IH 35.	ERPG204 TG102 TG207	5	General					$ 200,000						
Eng.	230	Transportation Master Plan	Update Transportation master plan to maintain a five year interval insuring capital improvements that meet growth.		10	General				$ 400,000					$ 400,000		
Eng.	583	Transportation Oversize	Provide an annual funding source for the City to participate in transportation projects with new development. This will allow for the construction of facilities beyond the proportional impact of new development.	TG102	N/A	General	$ 100,000		$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Eng.	718	UPRR Quiet Zone - Uhland Rd. Quad Gates	UP to install quad gates (cross-arms) at the intersection of Uhland and Post Road in order to enforce a Quiet Zone on that crossing.		10	General					$ 850,000						
Fire	776	Fire Department Replacement Battalion Chief Command	Replacement of the Battalion Chief Command Vehicle.	PPSFG401	5	General									$ 225,000		
Fire	403	Fire Department Replacement Brush Truck #2 (52-319)	Replace Brush Truck #2: Unit # 52-319, 2003 Ford F-550, 4-wheel drive. This apparatus is 11 years old and has 49,391 miles. Station 2	PPSFG401	5	General							$ 285,000				
Fire	62	Fire Department Replacement Engine (52-614)	Replace Fire Engine. 2007 Smeal Pumper at Station 2	PPSFG401	10	General		$ 785,000									
Fire	773	Fire Department Replacement Engine (52-628)	Replace Fire Engine Station 1	PPSFG401	10	General			$ 910,000								
Fire	775	Fire Department Replacement Engine (17050)	Replace Fire Engine Station 4	PPSFG401	5	General										$ 1,200,000	
Fire	774	Fire Department Replacement Truck (52-631)	Replace Fire Truck Station 3	PPSFG401	5	General							$ 1,500,000				
Fire	603	Fire Department New Engine - Airport	New Engine for Station at the Airport. Apparatus needs to be in the same year as the construction, will take 1 year to build.	PPSFG401	5	General				$ 955,000							
Fire	772	Fire Department New Engine - Yarrington and IH 35 (Blanco	New Engine for Station at Yarrington and IH 35. Apparatus needs to be in the same year as the construction, will take 1 year to build.	PPSFG401	10	General				$ 865,000							
Fire	8	Fire Department New Station - Airport	Future Fire Station. 50/50 match - joint-use fire station located on airport property along SH 21. This will be a dual-purpose Airport Rescue Fire Fighting (ARFF) station and an municipal structure fire and EMS station. It will need to house specialized ARFF vehicles and meet FAA requirements as well as house traditional engine/ladder companies, an ambulance, and possibly a brush truck. $100k of the project cost is for fiber.	PPSFG402	15	General			$ 650,000	$ 8,100,000							
Fire	601	Fire Department New Station - Highpoint/Trace Station #6	A new Station in the Highpoint/Trace development which donated land and $2M towards construction. Timing will be based upon the Highpoint/Trace Development. Design funding in first year and total project costs including construction and misc. project associated funding in second year. The station is necessary to meet response times.	PPSFG402	N/A	General B		$ 4,500,000									
Fire	771	Fire Department New Station - Yarrington and IH 35 (Blanco Vista)	New Station near the intersection of Yarrington and IH 35. Potential use of TIRZ funding for land purchase. First year of funding for land, second year for updates to design, third year for construction.	PPSFG402	15	General			$ 1,500,000	$ 500,000	$ 8,000,000						
Fire	722	Fire Station #2 Demolition	Tear down and haul-off all debris of existing fire station, to include front and rear driveways/aprons. Station 2 is approx. 3,104 square feet.	PPSFG402	15	General			$ 50,000								
Fire	728	Fire Station #5 Parking Lot Expansion	Extend the existing front parking lot at Fire Station 5 to connect to the back parking lot (see attached picture). We would lose six spaces in the back parking lot for the connection but it looks like we would add 31, for a net of 25 new spaces. There is a storm water drain that will have to be relocated as part of this project. We are frequently over capacity and this is with most of Fire Admin parking in front of the apparatus bay - which is not ideal.		0	General				$ 25,000	$ 150,000						
Fire	725	Fire Station #1 Remodel	This facility was opened in 1968 and is in need of substantial remodel. Numerous deficiencies were identified in the 2010 Broaddus Facility Needs Assessment and numerous others have come to light since that time. Items include: collapsed sewer line, poor use/limited office and dorm space, insufficient space in the apparatus bays for all equipment, minimal electrical panel expansion capabilities, aprons for apparatus are too steep, vehicles park in the ROW during daily apparatus checkout, exercise equipment located in the bay, no fire alarm, no fire suppression system, no elevator, paving in poor condition, dorm/kitchen/restrooms need updated/remodeling, some building systems are outdated and not energy efficient, etc.	PPSFG402	15	General			$ 200,000	$ 1,800,000							
Fire	726	Fire Station #3 Remodel	This facility was opened in 2001 and is in need of renovation and maintenance. Numerous deficiencies were identified in the 2010 Broaddus Facility Needs Assessment and numerous others have come to light since that time. Items include: insufficient space available in apparatus bays for all equipment, minimal expansion capacity in the electrical panel, sharp turning radius at drive entrance has caused damage to equipment frames, no fire suppression system, exercise area is too small and some equipment is located in the bay, kitchen and restrooms in need of update/remodel.	PPSFG402	15	General				$ 100,000	$ 900,000						
Gen Svs	736	Boy Scout Hut Stabilization	Stabilize historic boy scout hut at dog beach to ensure public safety. Further research on possible grants, group fundraising, and/or County participation for further funding sources.		15	General		$ 50,000									
Gen Svs	475	City Facilities HVAC Replacement	HVAC Replacement for City Facilities at multiple locations. Replace 3-5 HVAC Units per year. 2021 Will begin replacement of SECO units (installed 2011/12) over multiple years. Low Interest loan SECO possibility.	ERPG204	40	General	$ 400,000	$ 500,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000					

FY 2021-2030 10 Year CIP Project List

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Gen Svs	169	City Facility Parking Lots	Repave/restripe all City parking facilities based upon condition, with drainage improvements as needed. Geotech assessment on all parking lots underway to determine highest priority. Funding for this project is split over multiple years. Amount currently in hole $85,000 due to previous years. Need $250,000 to complete current projects.	PPSFG101	25	General	$ 650,000	$ 250,000	$ 250,000								
Gen Svs	753	City Facility Roof Replacements	Replacement of roofs on multiple city facilities, 3-5 per year.		15	General		$ 500,000	$ 500,000	$ 500,000							
Gen Svs	526	City Facility Major Maintenance/Repairs	Major maintenance or repairs to currently city facilities. Complete an assessment of all city facilities to determine priorities.	PPSFG101	25	General	$ 1,495,000	$ 500,000	$ 1,000,000	$ 1,000,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000
Gen Svs	739	Dunbar Education Building Stabilization	Stabilize historic Dunbar education building to ensure public safety. Further research on possible grants, group fundraising, and/or County participation for further funding sources. Future facility use is undetermined at this time.		25	General	$ 25,000			$ 75,000	$ 250,000						
Gen Svs	589	Senior Citizens Center	Provide funding to build an additional or larger Senior Citizens Center for San Marcos.		0	General							$ 300,000	$ 2,000,000	$ 250,000		
Gen Svs	476	Sheltered Bus Stops/ADA Improvements	The project continues to improve bus stop locations throughout the City based on the Strategic Plan completed in 2014. Funding will occur over a six year period. New recommendations will result from the 2019 Transit Strategic Plan and be implemented.	TG102 EDG703	40	General	$ 240,000		$ 80,000		$ 80,000						
Gen Svs	754	Transit Intermodal Station	The City of San Marcos became the direct recipient of federal and state transit funds on October 1, 2019. Currently the City does not have a transit facility to enable local and regional transit service connections for residents. The Transit Intermodal facility will become a focal point for transit services and other modes of transportation in the City of San Marcos and central Texas region.		15	General					$ 500,000	$ 5,000,000					
Gen Svs	755	Transit Maintenance and Administration Facility	Maintenance facility for transit rolling stock and office space for administration. Federal Transit Administration capital improvement grant funds to be leveraged with local funds.		10	General										$ 200,000	$ 2,000,000
Nbrhood Enhan.	732	Animal Shelter - Long Term Imps	Renovation and expansion due to the 90% live outcome resolution and initiative. First year funding for concept design. Future year funding for design and construction, including a dog park.		30	General		$ 75,000		$ 750,000	$ 5,500,000						
Nbrhood Enhan.	697	Household Hazardous Waste New Facility	Relocation of the HHW Facility to 750 River Rd. This construction will also include office space for Resource Recovery, Parks & Recreation and meeting space. Resource Recovery and General funding will be used. We will need fiber for future staffing. Possibility of the County participating. Possible grant funding opportunities.		15	General HHW		$ 500,000		$ 5,000,000							
Parks & Rec	655	Activity Center Splash Pad/Playground	Construct a Spray Pad water park and playground in the court yard of the Activity Center. This project would provide a water feature for families using the	EDG703	0	General			$ 50,000	$ 100,000	$ 500,000						
Parks & Rec	411	Blanco River Village City Park	City park for neighborhood on dedicated land. Property for park split by non-owned land. Bigalow (developer) has committed $100K for clubhouse. Property is currently land locked. Access to land will occur through the development		10	General						$ 200,000					
Parks & Rec	616	Cemetery Improvements	Master Plan on developing newly acquired land and development of columbarium. Razing 1 house and rehabilitating 1 house for an office. Survey of property for platting, new fence, road ways, electric lines and water lines. Construction of infrastructure. First year funding is for demo of buildings, 2nd year funding is for master plan, 3rd year is for construction.		20	General	$ 3,000,000	$ 225,000	$ 400,000								
Parks & Rec	751	Gary Softball Complex Renovation Ph 2.	Renovate concession building, restrooms, fencing, bleachers and sidewalks.	EDG703 ERPG204	20	General				$ 2,000,000							
Parks & Rec	590	Nature Center	Provide funding to build a Nature Center for San Marcos in Purgatory Park. First year of funding is for design, second year for construction.	EDG703 ERPG103	0	General								$ 300,000	$ 2,750,000		
Parks & Rec	756	Open Space Development Plan	Develop a strategic plan for the implementation of the new Open Space that has been acquired over the last 2 years.	PPSFG404 ERPG204	10	General		$ 100,000									
Parks & Rec	740	River Parks ADA Restroom Imps	Public restroom improvements including ADA access in River Park system; City Park or San Marcos Plaza Park.		10	General			$ 600,000								
Parks & Rec	449	River Parks Development Plan	Develop a strategic plan for the parks along the San Marcos River.	PPSFG404	10	General		$ 100,000									
Parks & Rec	189	San Marcos Youth Baseball Complex	Renovate existing facilities to last 10-years. Includes concession, ADA restrooms, fencing and parking. Long term, Provide new, up-to-date facility at a location along Highway 80. Long term design funds and construction funds split over 4 years.		5	General	$ 150,000					$ 900,000	$ 3,000,000	$ 3,000,000	$ 3,000,000		
Parks & Rec	656	Spray Pads East side/West Side	In lieu of pool complex, build two spray pad amenities in parks on the east side and west side of San Marcos. Will reevaluate when the Parks Master Plan is complete.	EDG703	0	General			$ 100,000	$ 400,000	$ 400,000						
Public Safety	610	Police Department Renovations	HVAC and electrical not included within the bond funding.		35	General		$ 2,000,000									
Public Safety	30	Public Safety Mobile Video Technology	Public Safety in-vehicle technology refresh for 140 laptops purchased in 2016; Police (115), Fire (20) and Park Rangers (5). 45 laptops per year over a 3 year period. Replacement every 5 yrs.	PPSFG401	15	General		$ 200,000	$ 200,000	$ 200,000			$ 230,000	$ 230,000	$ 230,000		

FY 2021-2030 10 Year CIP Project List

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Public Svs	703	Traffic Signal Synchronization and Improvement Project	Over time, traffic patterns change. If traffic signal timings are not updated routinely to reflect traffic changes, traffic signals will not be coordinated resulting in added delays, congestion, and increased emissions. This project will keep the traffic signals synchronized to optimize traffic flow and include installation of leading pedestrian indicators where warranted through the City. Synchronization will occur every 3 years and upgrade of signals annually, reimbursed by TxDOT through 2021.	TG101	35	General	$ 125,000	$ 125,000	$ 226,000		$ 106,000			$ 111,000			
General Fund Grand Total								**$ 14,039,000**	**$13,191,000**	**$ 49,080,000**	**$ 35,676,000**	**$ 18,010,000**	**$ 10,905,000**	**$ 23,436,000**	**$ 9,850,000**	**$ 3,900,000**	**$ 2,400,000**
General Fund Existing Bond								**$ 4,500,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Potential Future Bond/TIRZ/Other Funding								**$ 3,300,000**	**$ 990,000**	**$ 32,005,000**	**$ 18,650,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
New General Fund Grand Total Less Alt Funding								**$ 6,239,000**	**$12,201,000**	**$ 17,075,000**	**$ 17,026,000**	**$ 18,010,000**	**$ 10,905,000**	**$ 23,436,000**	**$ 9,850,000**	**$ 3,900,000**	**$ 2,400,000**
***Impact Fee Eligible Project**																	
Water	24	Centerpoint Rd 12" Water Main Extension	Install a 12" water main 4,600 LF on Centerpoint Road from the existing 12" water main at the Masters School to the 6" water main just South of Old Bastrop Hwy. Crystal Clear transfer line. Design in first funding year, Acquisition in second funding year, construction in third funding year. Project will use impact fees, if available. WMP#32	LUG105	5	Water I						$ 200,000	$ 450,000	$ 850,000			
Water	658	Clovis Barker Water Line	Upgrade water lines along Clovis Barker to 16" to tie into existing 24". 5100lf WMP#31	LUG105	5	Water						$ 100,000		$ 1,000,000			
Water	556	Comanche Pump Station Improvements	New Pumps at Comanche to fill RR12 & 50 LF 16" yard piping. WMP#1	LUG105	20	Water I	$ 50,000		$ 250,000								
Water	659	Comanche Pump Station to Old Ranch Road 12 Water Line	Parallel of existing 20"/16" Water line from Comanche Pump Station, along Orchard St, Alamo St, W Holland St, to Old Ranch Road 12 and Franklin St. 4000lf WMP#20	LUG105	5	Water						$ 100,000		$ 900,000			
Water	538	Deerwood Water Improvements	Design replacement of undersized water mains throughout the Deerwood (approx. 16,000 LF) neighborhood. All water on Whitetail Dr, Deerwood Dr, Hunter Ridge and the 3"-4" on Quail Run from Hunter Rd the existing 12". The existing mains are undersized and deteriorating and require weekly maintenance. This area is not in the City limits but is in the water CCN. Design funds in 1st year, construction in second year. WMP#41X	ERPG302 LUG105	5	Water					$ 700,000		$ 4,000,000				
Water	660	Harris Hill Rd Water Line	Construct 12" water line along Harris Hill Rd from Hwy 21 at the San Marcos Airport to River Ridge Pkwy. 9800lf WMP#28	LUG105	5	Water I					$ 150,000		$ 1,150,000				
Water	91	Hopkins Water Line Replacement - LBJ to CM Allen	Replace 8'' waterline on Hopkins from LBJ to CM Allen with a 12'' waterline and replace a 2'' waterline in Alley, approx. 1,300 LF.	LUG105	5	Water					$ 100,000		$ 400,000				
Water	581	Hunter Water Main Extension from Harmons Way to H&H Industrial Park	Replace the 3" water main along Village West Drive with an 8" water and extend the 12" water main 4,300 LF on Hunter Road from Harmons Way to Dead End of Industrial Fork Road as identified in the Alan Plummer Associate, Inc. Study titles "Harmon's Way - Oakridge Supply Line Phase III Recommendation" Dated	LUG105	10	Water		$ 600,000	$ 2,200,000								
Water	414	Hwy 21 Water	Extend the 12" water line in SH 21 approximately 9600lf from the airport entrance to William Pettus Road to accommodate future planned development along SH-21, including expansion of businesses at the airport. WMP#17. May include conduit for future fiber optic to facilities.	LUG105	20	Water	$ 500,000		$ 2,500,000								
Water	661	Hwy 80 Water Line	Extend 12" line from existing 30" along SH 80 to edge of CCN, then north along property boundaries to connect to dead end at airport. 17,000lf WMP#29	LUG105	30	Water I	$ 250,000			$ 250,000	$ 2,000,000						
Water	98	IH 35 Water McCarty-Centerpoint	Construct water line along west side of I35 from N of McCarty to Centerpoint 6,000 feet. Coordinate with Phase 3 of IH35 Utilities Project.	LUG105	5	Water						$ 300,000	$ 1,500,000				
Water	505	IH 35S Water Improvements - Clovis Barker south across creek	Replace existing 12" water line South of Clovis Barker. Replacement of 1400 lf where break occurred and line is closed. Complete PER to determine if it can be combined with Leah Dr. #105	LUG105	20	Water	$ 100,000	$ 250,000									
Water	100	IH 35S Water Wonder World to Clovis Barker and Civic	Upsize 8" lines along East side of IH-35 frontage road from Clovis Barker to Wonder World. WMP#15. Project is waiting on TxDOT right-of-way acquisition in order to avoid relocation of new lines.	LUG105	5	Water					$ 225,000	$ 1,700,000					
Water	522	Lazy Lane Water Improvements	Replacement of undersized water mains in the Sleepy Hollow (approx. 8,000 Lf on Lazy Lane) neighborhood. The existing mains are undersized and deteriorating and require weekly maintenance. This area is not in the City limits but is in the water service area. Design funds in 1st year, construction in 2nd	ERPG302 LUG105	10	Water				$ 400,000	$ 2,100,000						
Water	99	Long St. Waterline Crossing	Replace existing 8" waterline crossing at Long St. and IH35 with new 16" crossing.WMP#16	LUG105	5	Water								$ 100,000		$ 600,000	
Water	662	Old Bastrop Hwy Posey to Francis Harris Water Line	Extend 8" line from existing terminus of 12" line at Old Bastrop Hwy and Posey to Francis Harris, then along Francis Harris to power plant. 13,300lf WMP#34	LUG105	5	Water I										$ 75,000	$ 750,000
Water	706	Old Bastrop Hwy Water Centerpoint to Horace Howard	Construct 12" line in Old Bastrop from Centerpoint to Horace Howard. 4,100 lf. Funding provided by impact fees. WMP#38	LUG105	5	Water I							$ 200,000	$ 850,000			

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water	613	Rattler Road Water Line Extension	Complete 12" Water main loop to provide a second feed to Cottonwood subdivision. Rattler road from Old Bastrop to Hwy 123. Currently we serve the subdivision with only one 18" water main along Hwy 123. Not having the ability to feed from a different source can become an issue if we have breaks or shutoffs on Hwy 123. Approx. 2500 lf.	LUG105	10	Water I				$ 100,000		$ 800,000					
Water	671	Reclaimed Water System Expansion Ph. 2	Expansion of the reclaimed water system for additional phases throughout various portions of the city. Including aquifer, storage and recovery.	ERPG204 LUG105	15	Water							$ 700,000	$ 6,400,000			
Water	663	Stagecoach to Bishop Water Line Extension	Extend line from end of Stagecoach to end of Bishop (existing 12" tie in). 2300 LF WMP#8 Coordinate with Transportation Master Plan and align with the roadway. 1500 lf constructed with CIP #183	LUG105	5	Water							$ 50,000		$ 500,000		
Water	208	Stagecoach to Great Oaks Drive Water Line	Connect McCarty Standpipe to 810 plane via Stagecoach with 16" WL 8400lf WMP#27 Upsize 12" & 8" lines across Stagecoach Trail to tie into existing 16" lines on either side. 100lf WMP#33	LUG105	5	Water							$ 200,000	$ 1,900,000			
Water	757	Surface Water Treatment Agreement w/CRWA	City of San Marcos participation in the upgrade of the Canyon Regional water plant. The upgrade will treat1,314 acre-ft/year for San Marcos coming from Wooten and TxState water rights. This additional supply is one of the sources identified to meet the City's 50-yr supply needs.	LUG101	20	Water		$ 5,146,575									
Water	664	Trails End Water Line Extension to Kissing Tree	Connect water line from Kissing Tree South East Loop to Trails End to feed Oakridge. 4700 lf WMP#24	LUG105	10	Water I				$ 40,000	$ 400,000						
Water	665	Trunk Hill Pumps	Pumps at Trunk Hill to fill La Cima Tank and deliver to 1063' pressure plane. 1600 GPM WMP#18a	LUG105	5	Water I						$ 2,500,000					
Water	231	Trunk Hill Tank	Construct a 500,000 gallon tank north of Quail Run/Sleepy Hollow Neighborhood. WMP#18b	LUG105	10	Water I				$ 1,790,000							
Water	666	Trunk Hill to Lazy Lane Water Line	Connect Trunk Hill to Sleepy Hollow at Lazy Ln (include flow control valve) 4900 lf WMP#23	LUG105	5	Water						$ 50,000	$ 400,000				
Water	668	Undersized Water Main Replacements	Miscellaneous water line upsizing to 8 inch pipes. Locations determined in the 2016 Water Master Plan.	LUG105	10	Water			$ 150,000		$ 1,000,000						
Water	720	University Dr. Water replacement - CM Allen to Sessom	Install approximately 1,400 feet of 12-inch water main along University Drive from CM Allen to the Sessom Drive/Aquarena Springs Dr intersection. This will replace an existing 12 inch water main installed in the 1940's that has suffered several breaks in recent years. The existing main is within the top five percent of all water mains with the highest consequences of failure.	LUG105	10	Water				$ 200,000	$ 600,000						
Water	248	Water Improvements	Minor engineering projects to repair waterlines	ERPG302	N/A	Water	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Water	249	Water Main Oversizing	Funds for oversizing water mains in conjunction with development	LUG105	N/A	Water I	$ 150,000	$ 150,000		$ 150,000		$ 150,000		$ 150,000		$ 150,000	
Water	250	Water Master Plan	Evaluate water system current and future needs and opportunities based on updated growth patterns	LUG105	N/A	Water						$ 500,000					$ 500,000
Water	251	Water Pump Station Improvements	Systematic repair, replacement and upgrade of water pump stations	ERPG302	N/A	Water	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Water	288	Water Supply - ARWA	COSM Water Supply. Acquiring future water supplies through participation with Hays Caldwell Public Utility for Carrizo Wilcox aquifer water.	LUG101	45	Water I	$ 33,605,000	$ 36,500,000					$ 5,300,000				
Water	247	Water System Improvements	On-going effort to replace, repair, and add water valves and hydrants throughout system, and make emergency replacements	LUG105	N/A	Water	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Water Fund Grand Total								**$ 44,526,575**	**$12,783,000**	**$ 10,186,000**	**$ 15,385,000**	**$ 12,035,000**	**$ 17,200,000**	**$ 15,800,000**	**$ 1,595,000**	**$ 1,275,000**	**$ 1,700,000**
Impact Fee Eligible Water Projects Total								**$ 36,650,000**	**$ 250,000**	**$ 2,330,000**	**$ 2,550,000**	**$ 3,650,000**	**$ 7,100,000**	**$ 1,850,000**	**$ -**	**$ 225,000**	**$ 750,000**
Wastewater	568	Airport 10-inch/12-inch Wastewater Main	Construct new 10-inch/12-inch wastewater mains, to convey municipal airport flows into the existing City owned 18-inch wastewater main near the railroad. WWMP#19. Rerouting of existing services from airport facilities are included to facilitate future development and replacing ageing service lines.	LUG105	10	Wastewater			$ 600,000	$ 2,500,000							
Wastewater	576	Blanco River Village Lift Station (LS #21) and City Softball Fields Lift Station (LS #47) Decommissioning	This project WWMP#31 consists of decommissioning the Blanco River Village Lift Station, located north of the Airport Hwy near Rush Haven and the City Softball Fields Lift Station, located along the Airport Hwy south of Arnold Ave. This project also consists of the construction of 8-inch gravity mains to convey wastewater flow upstream of the decommissioned lift stations to the proposed 24-inch wastewater main (WWMP #12).	ERPG204	10	Wastewater					$ 145,000	$ 720,000					
Wastewater	422	Brown Terrace Lift Station 20 Upsize	Upsize lift station. Development dependent	ERPG204	10	Wastewater I					$ 25,000	$ 125,000					
Wastewater	575	Gary Job Corp Lift Station (LS #46) Decommissioning	This project consists of decommissioning Lift Station #46, located along Railroad Ave. south of Arnold Ave. by constructing a new 18-inch, 21-inch, and 24-inch wastewater main to reroute flow to the Highway 80 Lift Station. Depending on the schedule of the SMART Terminal this will be a developer driven project with City participation. WWMP#30	ERPG204	20	Wastewater				$ 2,000,000							
Wastewater	564	Hemphill Creek 12-inch, 24-inch, 27-inch Wastewater Main	This project consists of constructing a new 12-inch, 24-inch, 27-inch wastewater mains from State Highway 21 & Harris Hill Rd. along Hemphill Creek to the proposed Highway 80 Lift Station (WWMP #11). This project also consists of tying in the existing 8-inch force main from the Gary Job Corp Lift Station and 6-inch force main from the Blanco River Village Lift Station into the proposed 24-inch wastewater main near the intersection of State Highway 21 and Old Bastrop Highway. WWMP#12	LUG105	10	Wastewater I					$ 1,400,000	$ 7,000,000					

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Wastewater	669	Highway 80/Davis Lane 18" Wastewater Rehab	Repair/Rehab approx. 3,700lf of 18" wastewater line from Hwy 80 to McCoy's Headquarters. Project being designed with #563 Linda Dr Improvements.	LUG105	10	Wastewater				$ 2,000,000							
Wastewater	572	Highway 80 Lift Station Expansion	This project consists of expanding the Highway 80 Lift Station firm capacity to 2.50 MGD from 1.25 MGD. WWMP#23	ERPG204	5	Wastewater							$ 130,000	$ 650,000			
Wastewater	97	IH 35 Ellis to Wonderworld WW Improvements	Use trenchless technology to rehabilitate existing wastewater line along IH35 from Ellis to Wonder World. Existing lines on Texas will be rehabilitated as well. Approx. 5000 LF total. 6" Wastewater line along Texas needs to be upsized to 8" lines and the 8" Wastewater line along IH35 needs to be upsized to a 12" line according to the Wastewater Master Plan.	LUG105	20	Wastewater	$ 200,000		$ 2,000,000								
Wastewater	642	Rehab LS14 River Road	Rehabilitation of lift station, replace discharge piping, discharge elbows, and rail system. Pumps and elbows are no longer sealing.	ERPG204	20	Wastewater	$ 100,000	$ 150,000									
Wastewater	573	Upper Blanco River 24-Inch Wastewater Transfer Interceptor	This project consists of installing a 24-Inch wastewater interceptor starting southeast of LS #23 to the proposed 24-inch wastewater interceptor (WWMP #12) at State Highway 21. This project also includes the construction of a 12-inch force main that will convey wastewater flow from LS #23 to the proposed 24-inch wastewater interceptor. WWMP#24	LUG105	5	Wastewater I							$ 950,000		$ 4,700,000		
Wastewater	258	Wastewater Collection Improvements	Minor operation projects to repair or replace deteriorating wastewater infrastructure, add cleanouts, install monitoring equipment, etc.	ERPG302	N/A	Wastewater	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Wastewater	244	Wastewater Improvements	Minor engineering projects to repair or replace deteriorating wastewater infrastructure, add cleanouts, install monitoring equipment, etc.	ERPG302	N/A	Wastewater	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Wastewater	245	Wastewater Lift Station Improvements	Operational systematic upgrade of existing wastewater lift stations.	ERPG302	N/A	Wastewater	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Wastewater	246	Wastewater Master Plan Update	5 year update; evaluate system needs and identify future projects	ERPG302	N/A	Wastewater			$ 400,000				$ 400,000				
Wastewater	708	Wastewater Oversizing	Funds for oversizing of interceptors.	ERPG302	N/A	Wastewater	$ 500,000				$ 500,000						
Wastewater	571	WWTP 4.0 MGD AADF Expansion	This project consists of expanding the existing wastewater treatment facility from an annual average daily flow (AADF) of 9.0 MGD to an AADF of 13.0 MGD, while increasing the peak 2-hour capacity from 31.0 MGD to 41.0 MGD. WWMP#22	LUG105	10	Wastewater I				$ 3,000,000		$ 17,500,000					
Wastewater	727	WWTP Misc. Improvements Ph 2	Additional fine screen and conveyor at headworks; roof replacement over grit & screenings area; sludge drying bed rehab; primary sludge screen; covers for secondary clarifier launders; sludge centrifuge replacement (2); new blower building to house existing and 1 additional high speed blower.	LUG105	20	Wastewater	$ 1,000,000	$ 7,704,000									
Wastewater Fund Grand Total								**$ 9,534,000**	**$12,432,000**	**$ 15,746,000**	**$ 16,000,000**	**$ 31,475,000**	**$ 4,805,000**	**$ 2,760,000**	**$ 5,795,000**	**$ 450,000**	**$ 450,000**
Impact Fee Eligible Wastewater Projects Total								**$ -**	**$ -**	**$ 3,000,000**	**$ 1,425,000**	**$ 24,625,000**	**$ 950,000**	**$ -**	**$ 4,700,000**	**$ -**	**$ -**
Stormwater	734	Cemetery/Franklin Stormwater Imps	This project will address drainage issues previously reported on Clyde Street, Clyde Court and along Franklin. The project considers runoff from the City Cemetery and through the Franklin Place subdivision and addressees the collapsed storm sewer pipe at Crockett Elementary. Proposed recommendations were identified from the Various Drainage Improvements (CIP 618) Technical Memorandum including replacement of an existing collapsed 48" RCP at Crockett Elementary and new storm drains on Clyde, Perkins and	ERPG204	25	Stormwater	$ 250,000			$ 100,000		$ 1,600,000					
Stormwater	33	Cottonwood Creek Detention Study	Study feasibility of constructing regional detention structures along/within Cottonwood Creek watershed to improve water quality and reduce flooding along IH35 from Centerpoint to Wonder World. Ph. 1 will be an analysis and identification of potential sites. Ph. 2 will be land acquisition and phased pond design. Future years will be ongoing pond construction. Fee in lieu of may be used for additional funds. DMP#36, DMP#57	ERPG101 ERPG105 ERPG204	25	Stormwater	$ 250,000		$ 1,000,000		$ 2,500,000		$ 6,000,000		$ 6,000,000		
Stormwater	358	Downtown SmartCode Water Quality Plan Implementation	Water quality features downtown from study in 2015. $500,000 over 5 years starting in 2019. Locations include City Hall at Hopkins St, Guadalupe and LBJ at RR Crossing, S. Guadalupe St and IH-35, LBJ at IH-35 truck stop parking lot, City Activity Center Parking Lot, City Library Parking Lot, City Memorial Park/RR ROW, Alleys between Hutchison, LBJ, Guadalupe and Hopkins Block, San Antonio St and LBJ Drive.	ERPG101 ERPG105 ERPG107 ERPG204	35	Stormwater	$ 200,000			$ 100,000	$ 100,000	$ 100,000					
Stormwater	676	Fairlawn Stormwater Imps	Infrastructure project to resolve flooding in events up to 25-years in Fairlawn Neighborhood including; reconstruction of Crepe Myrtle, Pecan and Hackberry streets to regrade the street and install storm sewer with a discharge to the Blanco River. DMP #41	ERPG204	15	Stormwater				$ 210,000		$ 1,890,000					
Stormwater	254	Girard/Earle Stormwater Improvements	Improvements to neighborhood storm system at the intersection of Girard and Earle. Removal of four-sided area inlet and installation of a 48" RCP headwall. Replace existing 48" CMP with 60" RCP. May need to move up if 2017 short term imps of additional inlet does not address street flooding of 2 homes.	ERPG204	15	Stormwater					$ 50,000	$ 200,000					
Stormwater	681	Hills of Hays	The Comprehensive Watershed Master Plan identified drainage improvements at 720 Clearview Circle including replacing a driveway approach and grading the gutter towards a drainage swale. To address other drainage issues in the subdivision, Ph 1 of the project will be to conduct preliminary engineering to evaluate drainage and flooding characteristics for the entire subdivision and then determine improvements to correct flooding. PER recommendations include new curb and gutters, storm sewer system and a new drainage ditch.	LUG105 ERPG204	25	Stormwater	$ 50,000	$ 3,000,000									

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Stormwater	599	Hughson Drive Stormwater Improvements	Install a 24" RCP in Hughson from Old RR12 to the outfall just past Craddock. Install an inlet near 405 Hughson to capture excess flows which are jumping the driveway at this address. See Old RR 12 Bike & Ped PER by Halff for more details. DMP#32	ERPG204	25	Stormwater	$ 400,000										
Stormwater	684	Land Acquisition for future detention/WQ/ Flood storage	Acquire land over multiple years for future stormwater detention, water quality, and flood storage improvements.	ERPG204 LUG105	25	Stormwater	$ 1,000,000			$ 500,000		$ 500,000		$ 500,000			
Stormwater	682	Midtown Stormwater Ph. 2	DMP #43 Address flooding issues on west side of IH-35 at Uhland and Mill St. Improvements to include storm water system to relieve flooding from upstream pond/outfall of Copper Beach Apartments. Possible DR Project.	ERPG204	10	Stormwater					$ 300,000		$ 1,250,000				
Stormwater	683	McKie at Willow Springs Creek Bridge Replacement	Willow Springs Creek low water crossing floods during frequent rainfall events. New bridge on McKie Street at Willow Springs Creek. DMP #1	ERPG204	10	Stormwater									$ 200,000		$ 700,000
Stormwater	675	Rio Vista Stormwater Imps	Infrastructure project to resolve local flooding in events up to 25-years in Rio Vista area including: re-grading of roadways and ditches in 3 areas along Riverside Dr. and Riviera St. to address overland flow and ponding issues by improving conveyance to the San Marcos River. Possible DR funding.	ERPG101 ERPG204 ERPG205	25	Stormwater	$ 70,000		$ 610,000								
Stormwater	190	Schulle Creek Culvert Imp	Replace culverts to provide greater service, reduce overtopping and provide area for debris collection, as a way of water quality treatment, before detention pond on east side of LBJ.	ERPG204	10	Stormwater							$ 150,000		$ 1,000,000		
Stormwater	53	Stormwater Master Plan Update	Update the City's Stormwater Master Plan, including the Airport area to maintain a five year interval insuring capital improvements that meet growth.	ERPG101	15	Stormwater			$ 600,000					$ 600,000			
Stormwater	210	Stormwater System Improvements	Annual program for minor unplanned stormwater improvements & repairs to address localized deficiencies and problems in the stormwater system.	ERPG101	N/A	Stormwater	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000
Stormwater	686	UP Railroad Corridor	Address drainage corridor along UP railroad between Uhland Rd and Wonderworld Drive. Acts as a dam with limited culverts along the corridor. DMP#46		10	Stormwater						$ 300,000		$ 1,270,000			
Stormwater	618	Various Stormwater Imps	This general project will fund design and construction for areas that don't require larger projects to address. Where possible design and construction will be handled in-house. Locations identified: FY17, FY18 and FY19 Projects: Crockett Elementary near Clyde; Fire Station No. 1 Drain (Hutchison Street); Harper Drive and River Road (DMP #48); South LBJ at Willow Springs Bridge Repair Hot Spot #22, Water Quality Imp #51 (S LBJ & IH35), Cemetery Area Drainage, Bishop St., Belvin St.; FY20 Projects: DMP #53 Rogers at Maury St. $230k. FY2021 projects - Hill Drive Drainage Imps. FY 2022 Proj - Browne	LUG105	25	Stormwater	$ 1,430,000		$ 200,000								
Stormwater	731	Wallace Addition Offsite Drainage Imps	Offsite drainage improvements are required to avoid flooding in Wallace Addition neighborhood. The existing Cape Road Channel as well as Staples Road ditch including culverts do not have adequate capacity to convey 25 year fully developed storm event without spilling out of their banks and resulting in runoff backing up into the neighborhood. Cape Channel improvements, culverts upsizing and Staples Road ditch diversion via a proposed culvert under Staples Road and a channel along fish hatchery property is required to contain 25 year fully developed storm. The proposed improvements will alleviate surface runoff and flooding issues currently experienced in the neighborhood.	ERPG204 LUG105	40	Stormwater	$ 825,000		$ 4,500,000								
Stormwater Fund Grand Total								**$ 9,560,000**	**$19,450,000**	**$ 14,110,000**	**$ 12,750,000**	**$ 11,550,000**	**$ 14,435,000**	**$ 12,445,000**	**$ 11,220,000**	**$ 12,170,000**	**$ 820,000**
Electric	758	Automatic Fault Indicators Project	Goal is to shorten outages by receiving data in real time. Sensors will be installed in key locations. Transmitters use 900 MHz signals to communicate to centralized receiver.	LUG105	10	Electric		$ 800,000									
Electric	759	Blanco Gardens Underground	This project will convert the existing overhead electrical infrastructure to underground and install lighting throughout the area. We propose to run all of the underground duct bank (with 3-6" and 4-4") in front of each house in the neighborhood. The project will be executed in the following Phases. Phase 1 Obtain Easements. Phase 2 – Install Underground Duct banks Throughout Neighborhood, as well as lighting. Phase 3 – Install Transformer and Secondary Enclosures and Convert neighborhood over.	LUG105	10	Electric		$ 1,910,000		$ 5,500,000	$ 1,590,000						
Electric	760	CA-30 Circuit Creation	To accommodate for growing loads in the Midtown area, another circuit must be created to help power the area. This new circuit will help increase the reliability of the area and allow SMEU to move loads more easily. Fiber will be installed the entire length of the circuit.	LUG105	10	Electric			$ 4,200,000								
Electric	40	Customer Extensions - New Service	Purchase of transformers to keep up with demand of growth	LUG105	N/A	Electric	$ 1,872,426	$ 485,421	$ 492,702								
Electric	761	Downtown Grid Automation	Goal is to install padmounted switchgear in 2 of 4 locations Downtown to increase reliability and create a smart grid to automate system switching and information feedback.	LUG105	10	Electric		$ 800,000									
Electric	762	HEB Warehouse Reconductor	Upgrade the entire circuit to 800 Amps between HEB Ware House to Wonder world Drive and Hunter Road. Project will upgrade 8,000 linear feet of electric wires. Fiber will be installed the entire length of the circuit.	LUG105	10	Electric		$ 600,000									

FY 2021-2030 10 Year CIP Project List

Category	Project ID	Project Name	Project Description	Comp Plan Goals	Prioritization Rank	Funding Source	Previously Approved Funding	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Electric	763	HT-70 Reroute/Reconductor	To provide a full 800 A circuit to the western side of Downtown, SMEU will reroute HT-70 to take over parts of the HT-110 circuit. This new configuration will be upgraded from 336 AAC to 795 AAC or UG equivalent. This project will include the replacement of 91 poles, 13,000 linear feet of OH and 1,500 linear feet of UG cable.	LUG105	10	Electric		$ 725,000									
Electric	764	HT-110 Reconductor	To provide a fully rated backup to the RR-100 circuit, SMEU would like to reconductor parts of the HT-110 circuit. This project would include the replacement of 53 poles, 7,000 linear feet of overhead wire, and a re-route of 1000 linear feet of underground cable. Fiber will be installed the entire length of the circuit.	LUG105	10	Electric			$ 725,000								
Electric	765	K1 Charter Academy Underground Conversion	Goal is to convert campus to an underground system. System is constantly affected by environmental factors (storms, trees, wildlife). There will be 22 street lights installed throughout campus.	LUG105	10	Electric		$ 90,000	$ 960,000								
Electric	735	Power Transformer Monitoring	Retrofit high voltage PWTs at San Marcos, Redwood, Hilltop, and Ranch Road 12 Substations with online dissolved gas monitors, temp and pressure alarms, LTC counters, etc.	LUG105	20	Electric	$ 45,000	$ 455,000									
Electric	766	RR-100 Reconductor	To provide a fully rated backup to the Downtown area, SMEU would like to reconductor parts of the RR-100 circuit. This project would include the replacement of 100 poles and 11,000 linear feet of overhead wire. Fiber will be installed the entire length of the circuit.	LUG105	10	Electric		$ 850,000									
Electric	767	San Marcos Mobile Home Park Maintenance	Goal is to rehabilitate the electric service and install LED Lighting at the mobile home park. System was damaged by flooding and general wear and tear.	LUG105	10	Electric		$ 400,000									
Electric	769	SM-220 Reconductor Ph 2	To address loading constraints for this circuit, we will be replacing all existing 336 AAC conductor with 795 AAC conductor starting from Highline Dr and Barbara and ending at Comal St and S LBJ. Fiber will be installed the entire length	LUG105	10	Electric		$ 965,000									
Electric	768	SM-230 Reconductor	To accommodate for growing loads in the area, we would like to replace the existing 336 AAC with 795 AAC starting at 630 E Hopkins and ending at the intersection of Aquarena Springs and Thorpe Lane. Fiber will be installed the	LUG105	10	Electric			$ 267,500								
Electric	749	Underground Electric Conversion	Annual funding amount for underground electric conversion to be available for addressing interconnections as downtown projects develop, but for which the developer is not responsible to complete	LUG105	N/A	Electric	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Electric	232	URD Cable Replacement	Required maintenance and replacement of Underground equipment. The project began in 2014 with $100,000 and will continue through 2021.	LUG105	N/A	Electric	$ 800,000	$ 100,000									
Electric	770	Zone 1 Pole Replacement	Replacement of 100 poles in Zone #1 due to structural problems and reconductor poles.	LUG105	10	Electric		$ 70,000	$ 730,000								
Electric Fund Grand Total								**$ 10,065,421**	**$14,215,202**	**$ 9,455,000**	**$ 7,040,000**	**$ 6,345,000**	**$ 3,390,000**	**$ 3,775,000**	**$ 1,075,000**	**$ 1,500,000**	**$ 1,000,000**

May 19th, 2020

The Honorable Mayor Hughson and Council of the City of San Marcos
630 E. Hopkins St.
San Marcos, TX 78666

Mayor Hughson and City Council,

The Planning and Zoning Commission of San Marcos was presented with Staff's recommendation of the 2021-2030 Capital Improvements Program on April 14th, 2020; April 28th, 2020 and May 12th, 2020. The Commission received a presentation from the Director of Engineering with details on the 2021-2030 recommended projects. The Planning Commission also conducted public hearings on April 28th, 2020 and May 12th, 2020 meetings to receive comments from the community.

Following the second hearing, the Commission recommended the CIP through the motion below, to the City Council on a 9-0 vote in favor. The recommendation on May 12th, 2020 complies with the City Charter requirement that the Commission recommend a CIP at least 120 days prior to the beginning of the next fiscal year. The recommended Fiscal Year 2021 through 2030 Capital Improvements Program is attached.

Motion

- Recommendation to City Council to approve the 10-year CIP with the following amendments:
    - Expediting Project 650 (Sessom Shared Use Path from N. LBJ to Comanche) to within the 3-year plan
    - Moving Project 464 (Old Ranch Road 12 improvements-Craddock to Holland) up to 2021
    - Highlight the importance of Project 464 moving forward
    - Project 464 (Old Ranch Road 12 improvements-Craddock to Holland) shall include on-street buffered bike lanes, separated sidewalks, not widening the road, and pedestrian crossings at the Franklin Intersection. Description shall be updated to reflect that these items are already in the project.
    - Project 419 (Sessom/Academy Intersection Improvements) shall create a road diet from the Sessom/Academy Intersection from Holland to N. LBJ) Create a road diet to encourage safety improvements through the restriping project.
    - Project 480 (Hopkins Sidewalk Widening CM Allen to Thorpe) shall support improved sidewalks and encourage safety improvements on Hopkins through a restriped road diet that will also support bike infrastructure.
    - Project 594 (Hopkins St. Improvements from Moore to Guadalupe) shall include complete street improvements, and not widening of the road.
    - Project 629 (IH-35 Utility Relocations) shall support pedestrian bike improvements to promote better east-west connectivity across IH-35, and does not including diverging diamond type projects which harm pedestrians and connectivity
    - Project 712 (Downtown Pedestrian Safety Comfort Improvements) - The Commission's support of the project shall be highlighted, noting its importance.

- Project 681 (Hills of Hays) - The Commission's support of the project shall be highlighted, noting its importance.
- Project 732 (Animal Shelter) The Commission's support of the project shall be highlighted, noting its importance.
- Project 8 (Fire Station - Airport) The project shall be moved up to 2021 or 2022.
- Project 739 (Dunbar Education Building) shall be moved up to 2021 with complete funding.
- Road improvements and pedestrian and bicycle facility improvements along on Old Ranch Road 12 between Blanco and Holland shall be added to the 10-year CIP.

In conclusion, the Commission recognizes the importance of investment to maintain our current infrastructure, maintain and improve levels of service, and expand San Marcos' ability to serve future growth. We thank you for the opportunity to serve the City in this capacity.

Sincerely,

Travis Kelsey, Vice Chair
City of San Marcos Planning and Zoning Commission

File #: ID#20-260, **Version:** 1

AGENDA CAPTION:

Consider approval, by motion, of the following meeting Minutes:

A. April 21, 2020 - Regular Meeting Minutes

B. April 30, 2020 - Special Meeting Minutes

C. May 5, 2020 - Regular Meeting Minutes

Meeting date: 5/19/2020

Department: City Clerk

Amount & Source of Funding

Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

Fiscal Note:

Prior Council Action: Approval of Previous Meeting Minutes

City Council Goal: [Please select goal from dropdown menu below]

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from below]

☐ Economic Development Choose an item.

☐ Environment & Resource Protection Choose an item.

☐ Land Use Choose an item.

☐ Neighborhoods & Housing Choose an item.

☐ Parks, Public Spaces & Facilities Choose an item.

☐ Transportation Choose an item.

☒ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The following minutes are attached for review:

A. April 21, 2020 - Regular Meeting Minutes

B. April 30, 2020 - Special Meeting Minutes

C. May 5, 2020 - Regular Meeting Minutes

Council Committee, Board/Commission Action: Click or tap here to enter text.

Alternatives:

Recommendation: Approve Minutes as attached

City of San Marcos
Regular Meeting Minutes
City Council

Tuesday, April 21, 2020 | **6:00 PM** | **Virtual Meeting**

This meeting was held using conferencing software due to the COVID-19 rules.

I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Hughson at 6:12 p.m. Tuesday, April 21, 2020. This meeting was held virtually.

II. Roll Call

Observed a moment of silence

Present: 7 - Council Member Melissa Derrick, Mayor Jane Hughson, Mayor Pro Tem Ed Mihalkanin, Council Member Joca Marquez, Deputy Mayor Pro Tem Mark Rockeymoore, Council Member Maxfield Baker and Council Member Saul Gonzales

III. 30 Minute Citizen Comment Period

The following comments were submitted as written comments and read aloud during the citizen comment portion of the meeting:

Lamar Hankins:
I am writing to make known my support for the Cite and Release ordinance, a policy that should have been in place long ago. With the Covid-19 pandemic, the need for the ordinance has reached critical mass because of crowding in jails. Diversion from the criminal legal system has always been an important tool for police officers, prosecutors, and judges. Its use with eligible misdemeanors takes pressure off all levels of the legal system and makes better use of resources. In addition, it helps equalize the treatment between low-income offenders and those with the ability to pay bail or who have ready access to an attorney. The exceptions to Cite and Release found in the ordinance provide adequate discretion to police officers to allow them to fulfill their primary purpose to “serve and protect." I have heard no arguments against Cite and Release that refutes any of what I have written. I urge all members of the City Council to vote in favor of this common-sense approach to keeping our community both safe and fair to all people.

Kate McCarty:

I feel that everyone in the community is mourning the loss of our valued police officer and the critical wounding of the other two officers. So I don't want the following remarks to appear insensitive to that. But San Marcos has an opportunity to set an example statewide in how to implement Cite and Release. I know the police association disagrees with the proposed ordinance, but I hope as they implement it, they will come to appreciate its value. I hope the council will reinstate the word "only" and make this law truly effective. Without the word "only" we really are making little change, and the stark statistics we see in arrests likely will remain. I also feel you understand that the ordinance as written gives police officers on the scene ample safeguards to protect citizens and the individual offenders. What we are doing now seems to unfairly target African-American and Latino citizens, while it overcrowds the jails at a high cost to taxpayers and disrupts individuals' schooling, jobs and families. This can't be what we want.

Jordan Buckley:
Dear Council, Months ago, I attended a San Marcos Police Officers Association meeting, the same group responsible for this despicable advertisement. At that SMPOA meeting, the presenters so poorly bungled the topic of discussion, by falsely conflating Cite & Release with the proposed Law Enforcement Assisted Diversion program, that Mayor Jane thankfully had to intervene to set the record straight. Now, that same organization is urging followers to send you all talking points that similarly suffer from serious inaccuracy. In some ways, SMPOA is talking out both sides of its mouth: they say they support Cite & Release, always have, and yet they also warn of the dire fallout & a fantasied Seattle-esque apocalypse that will result. They argue that the County must have their diversion program set up before the City can move forward with the ordinance; that is patently untrue. They argue that Failure to Appear rates -- of people not showing up to court -- will worsen, when according to system actors the FTA rate is already around 40%. To be clear, the FTA rate is chiefly a failure of our local criminal system. An exposé in the Houston Chronicle last year -- titled "Lazy Judges" -- singled out our particularly problematic court system in Hays County, observing that of more than 500 large-court systems in Texas, ours is the 7th slowest. Mano Amiga has steadily urged Hays County system actors to implement a text-message reminder system, particularly given how transient our college town is. Snail-mail notices to appear in court, in literally one of the most glacially delayed court systems in the Lone Star State, is a formula for failure. We can blame people accused of petty crimes all we want for the failure of our local court system, but those are disingenuous, irresponsible claims. Lastly, we are grateful that SMPD has done a great job during the pandemic of citing, instead

of arresting, and give credit to Chief Klett and his officers. But when the threats of the virus have faded, it will benefit SMPD to have the guidance provided by Council to ensure this prudent practice continues, even though the consequences are no longer fatal. Thank you, Council, for taking seriously your community who is tired of being arrested unnecessarily, who long for you to take action to spare residents the trauma & hardship that result from being locked in a cage like an animal when it does not have to be that way. Stay safe, and take care.

Eric Martinez:
Dear Council:
I write to encourage you to enact the 6 Critical Moves for Council Success
1. Undue the city attorney's amendment: The city attorney created a loophole in the ordinance designed to undermine the intent of the ordinance. By changing "there is reason to believe" & "it shall be considered" to "the arresting officer believes", he changed this disqualifying circumstance from an objective to subjective standard. There's nothing to argue if a cop says he believed safety required the arrest. You can't argue the facts - the only issue is whether [the arresting officer] believed it…Changing it from subjective to objective would not in any way increase their liability because Constitutional law already employs the objective standard." Please refer to emails & letters by legal organizations and representatives on this topic.
2. Bring back "only" the backbone of the ordinance: If there is no bar on the # of disqualifying circumstances, and the word "only" is removed then it will complicate data reporting, having dozens if not hundreds of "drop-downs" for officers to choose from, making it difficult for policy makers to assess whether or not there is a consistent rationale around officers approach to use of citations, thereby making it difficult to track changes in culture & more…
3. Bring back Authentic Community Participation in Working Groups by striking the provision about citizen comment: If you resign the public to a three-minute public comment portion, then the public cannot have discourse, dialogue, or conversations with the police, city manager, and other stakeholders in a timely manner. "[T]he peculiar evil of silencing the expression of an opinion is, that it is robbing the human race…If the opinion is right, they are deprived of the opportunity of exchanging error for truth: if wrong, they lose, what is almost as great a benefit, the clearer perception and livelier impression of truth, produced by its collision with error" Thank you for your leadership on this pivotal issue to advance the civil rights of San Martians in a period of inexcusable criminalization and mass incarceration.

Erin Ckodre:

Dear Council:
I write to encourage you to enact the The 6 Critical Moves for Council Success
4) Support and pass "The Clean Up Amendments": One of which clarifies that city manager is required to provide data on every instance in which an arrest was made for a citation-eligible charge (other than if there were other higher-level charges), even if it fell within a disqualifying circumstance.
5) Vote NO on a restrictive ID Policy: Mayor Jane promised to bring an amendment with a more limiting interpretation of acceptable IDs for the cite & release program, assuredly disadvantaging those who cannot afford government-issued ID, or are disallowed from obtaining it due to immigration status. People still have to get affirmatively ID'd & booked on the walkthrough when they show up for their citation to appear in court.
6) NO to any other Amendments!
Do not budge on any other amendments, especially in the 11th hour! This draft ordinance was given to Council in July -- the final minutes before its passage are entirely inappropriate to be introducing changes. And we know last Council meeting, a seemingly harmless amendment from the City attorney -- which Council accepted unanimously -- ended up designed to actually limit accountability for officers who violate the ordinance. No sneaky edits to sabotage the policy! It's way too late to tinker with the ordinance! Hold your ground, Council champions!
Thank you for your leadership on this pivotal issue to advance the civil rights of San Martians in a period of inexcusable criminalization and mass incarceration.

Karen Brown:
I am writing in support of the Cite and Release Ordinance. I have appeared before the Council asking for your support of this Ordinance. I strongly support it for many reasons. Since I can't attend, a council meeting because I am sheltering in place at home I want to request my comments are read during citizen comment this Friday, April 17.
I was a social worker and social work educator who taught policy and supervised social work interns. I worked with marginalized people as a social worker and work with them now as a volunteer. I have seen with my own eyes and the eyes of my students how marginalized persons often suffer needlessly at the hands of various institutions, including the criminal justice system. This ordinance is excellent policy to help protect vulnerable citizens. As originally written, the Ordinance provides guided discretion to police officers in our community who are charged with a very difficult and dangerous job. As professionals, they can benefit from this policy which provides clear guidance. I am shocked at the harsh reaction reflected in some of the public ads taken

out against some of you serving our community as council members. We elect you to make reasoned decisions whether they are ones we would make or not. I want you to know your community stands behind you as you grapple with the issues surrounding this Ordinance. Also, as originally written, the Ordinance, in Section 2, provides clear and precise and well-crafted guidelines. The sentence, "The City Council further recognizes that the use of the cite and release process may not be appropriate in all instances, and that SMPD officers may find it necessary to arrest a person suspected of having any of the above -listed offenses ONLY if any of the following circumstances are present…." should be returned to its original form with the word ONLY reinserted. I think this is essential. Also, please consider the overcrowding caused, in part, by large numbers of persons in jail for misdemeanors listed in this Ordinance. It is particularly important for our entire community that our jail population is reduced, in a responsible manner, during the corona virus pandemic. Again, this is for the entire community not only persons incarcerated for misdemeanors when they could be with their families. And last, I think it is extremely important that the citizen groups this Ordinance creates allow full participation by citizens not just short comments at the beginning of each meeting. Thank you for considering my request to support the Ordinance for the good of marginalized citizens, our police officers, and the entire community.

Isabella Briseno:
Hello Council Members, as a campus organizer with Texas Rising, a nonpartisan nonprofit devoted to encour4aging civic engagement among young Texans. I write to encourage you to vote YES! On the Cite & Release Ordinance. While all of you claim to support increased use of citations over arrests for various non-violent misdemeanors identified by state law as eligible, it is crucial that Council provide prudent guidance for officer discretion so that San Marcos Police Department ensures prompt and thorough compliance. Not only do I believe this ordinance is crucial to ensuring the more equitable treatment of all San Martians, I also believe that there are 6 further moves to foster council success in this matter: 4 key amendments and 2 key preventions. Other groups, like Mano Amiga, and concerned citizens have already outlines these 6 key moves, and while I cannot fit and explicate on each in so small a box or time window, I trust you know-as people who have taken on the job of fostering the safety and well being of this community – that each is more important than the last. This is an issue that impacts the livelihood, health, and safety of your neighbors, so please hear your constituents' calls to action and justice.

Kristian Caballero:
Dear Members of the San Marcos City Council:
On behalf of Texas Appleseed, I would like to express our strong support of the ordinance being considered on the Tuesday, April 21, 2020, City Council Meeting supporting the San Marcos Police Department's Increased Use of Citations in Lieu of Arrest. We urge you to vote for passage of the ordinance in order to maximize public safety, promote equity and reduce racial disparities in the criminal legal system.

We also urge you to undo several amendments to the ordinance made on April 7th that would significantly weaken its impact. Specifically:
• We support reinserting the word "only" into Section 2, so that it reads,
• "...SMPD officers may find it necessary to arrest a person suspected of having committed any of the above-listed offenses only if any of the following circumstances are present[.]"
• We also support undoing the amendment to the 3rd exception listed in
• Section 2, returning to language that reads: "There is reason to believe that the safety of persons (including the subject) would be imminently endangered by the release of the subject. In making this assessment, it shall be considered whether the subject has the physical or mental capacity to endanger the safety of themselves or the public, whether the subject is unlawfully carrying a weapon, and/or if the subject has made immediate threats against other individuals in the area."
• We urge you to meaningfully include the community in the future working group sessions by changing Section 6, so that the impacted individuals, advocacy organizations, policy experts and the public have more meaningful input than brief public comment at the beginning of each meaning. Aside from undoing those amendments, we encourage you to reject other last-minute amendments beyond the simple, clean-up amendments that Anita Gupta from the Immigrant Legal Resource Center has suggested for the sake of clarity and precision in the ordinance language. In particular, we oppose any amendments that would narrow the acceptable forms of identification. We commend you for your leadership to reduce unnecessary and harmful arrests in your city, which will be a statewide model for other cities if the ordinance is passed with the original language. In doing so, you would protect San Marcos residents from the harms of arrests and jail stays that serve no public safety purpose, and in turn, make the City of San Marcos safer. A growing body of research demonstrates how devastating arrests and jail time are for low-risk individuals, causing loss of employment, loss of housing, interruption of medical and mental health care, and ultimately increasing their likelihood of re-arrests in the future and decreasing their chances for future financial stability. Your

community will ultimately be safer if people who are low-risk avoid arrest and jail to the greatest extent possible. To maximize the impact of this ordinance, limits on when officers may arrest instead of issue a citation is essential. By allowing officers any justification for not issuing a citation at Council's last meeting (i.e., by striking "only" from Section 2), the issuance of a citation in lieu of arrest would no longer be limited to the enumerated circumstances and would essentially become entirely within each officer's discretion. If this amendment stands, the ordinance will not have its intended impact of improving safety and reducing racial disparities. The experience in Austin is instructive. Prior to the adoption of the Austin Police Department's new cite-and-release policy in November 2018 at the instruction of the Austin City Council, APD actually had an existing policy that covered most offenses eligible under state law. The problem was that the old policy provided such an extensive list of exceptions for when citation was not required to be used that custodial arrests were very common and citations less so. Moreover, Austin police discretionarily arrested Black residents at double the rate of white residents. (Comments were limited to three minutes, time expired)

Mary Schmid Mergler:
Testimony for Tuesday, April 21, 2020, Meeting of San Marcos City Council Submitted by Mary Mergler, Texas Appleseed. Texas Appleseed strongly supports the ordinance being considered today regarding the San Marcos Police Department's Increased Use of Citations in Lieu of Arrest. Texas Appleseed works across the state to reform the criminal legal system with the goals of ending wealth-based punishment, racial disparities and the cycle of debt and poverty perpetuated by the current system. Issuing citations so that low-risk people can avoid unnecessary arrests and jail stays is essential to accomplish those goals. A growing body of research shows how devastating arrests and jail time are for low-risk individuals, causing loss of employment, loss of housing, and other negative consequences, ultimately increasing their likelihood of re-arrests in the future and decreasing their chances of future employment and financial stability. San Marcos will ultimately be safer if people who are low-risk avoid arrest and jail to the greatest extent possible. We also urge you to undo several amendments to the ordinance made on April 7th that would significantly weaken its impact. Specifically, we support reinserting the word "only" into Section 2, so that officers do not have unfettered discretion as to whether to issue a citation or make an arrest. Only by limiting such discretion will this ordinance accomplish its intended goal of minimizing unnecessary arrests. Further, we support undoing the amendment made last meeting changing the "imminent danger" exception from an objective standard to a subjective one. Returning to the objective standard in the

original ordinance would prevent the "imminent danger" exception from becoming a catch-all that an officer could use to justify arrests whenever they wanted, again undermining the intent of the ordinance to significantly expand the use of citations.
We encourage you to reject other last-minute amendments beyond any simple, clean-up amendments. In particular, we oppose any amendments that would narrow the acceptable forms of identification. We have also submitted a letter to City Council expressing our support in greater detail and are happy to answer any questions that Council may have. By passing this ordinance with its original language, this Council would become a leader among Texas cities in protecting its citizens from unnecessary arrests. We urge you to vote for passage of the ordinance in order to maximize public safety, promote equity and reduce racial disparities in San Marcos. Thank you.

Ranjana Natarajan:
Dear Council Members and Mayor: I am writing to provide comment and legal analysis that I hope will be useful as the San Marcos City Council considers whether to adopt an Ordinance favoring the use of cite-and-release in lieu of arrest—as authorized by Texas Code of Criminal Procedure Article 14.06 and other provisions of state law—to guide the San Marcos Police Department.
For purposes of identification, I am a Clinical Professor at the University of Texas School of Law, where I teach and direct a Civil Rights Clinic. In the Clinic, students represent low-income Texas residents on a variety of civil rights matters, including police misconduct. As such, I am familiar with legal issues involving allegations of police misconduct, false arrest, and related legal defenses such as qualified immunity.
I. Ordinances and their Relationship to State Law
As you know, ordinances that touch upon areas also regulated by state law are invalid only if they conflict with state law or the Texas Constitution. See Tex. Const. art. XI, Sec. 5(a); City of Laredo v. Laredo Merchants Ass'n, 550 S.W.3d 586, 589, 593 (Tex. 2018) ("local regulation, ancillary to and in harmony with the general scope and purpose of the state enactment, is acceptable") (internal citation omitted). Here, the proposed cite-and-release ordinance does not conflict with state law so long as it does not require law enforcement officers (LEO's) to take any action forbidden by state law or forbid LEO's from taking action required by state law.
II. Policy Advantages of Cite and Release
The proposed cite-and-release ordinance has policy advantages. As you know, the Texas Legislature in 2007 amended Article 14.06 of the Texas Code of Criminal Procedure in light of the burdens on county jails around the state,

and to give localities more flexibility to meet public safety and public health needs. Jurisdictions promoting cite and release are able to devote finite law enforcement and criminal justice resources to more serious crimes while saving jail costs associated with low-level arrests. Also, reducing Class A and B arrests for the enumerated offenses would allow San Marcos residents to continue working, taking care of children, and paying bills without the interruption of arrest and incarceration, all of which benefits the community. At the same time, with clear instructions for court appearances, the City can ensure that people timely fulfill the obligations associated with Class A and B citations.
III. Cite and Release Preserves Law Enforcement Discretion
The proposed cite-and-release ordinance preserves officer discretion by enumerating exceptions for which officers may arrest individuals for the subject offenses. In addition, the ordinance does not create additional threat of civil liability for SMPD officers. People who believe they were arrested in violation of law may file civil suits in federal court for monetary damages pursuant to federal law, 42 U.S.C. §1983. The doctrine of qualified immunity shields officers from damages liability in those cases, if their actions were reasonable under the circumstances and did not violate the Constitution.
If a person arrested for a Class A or B offense were to sue an SMPD officer under 42 U.S.C. §1983…
(Comments were limited to three minutes, time expired)

Karl Brown:
Dear Members of our City Council. I know that some of you have good reasons for preferring a resolution rather than an ordinance. My experience with resolutions is that they are often ignored or cherry-picked to suit the picker. I can appreciate the difficult position in which you are often placed, trying to negotiate your way through competing interests. I can also understand the perspective of our police officers. But in my opinion this ordinance could, if properly executed, reduces their stress by their knowing not only the wishes of the City, but more clarity about its rules of enforcement. Furthermore, regulation of enforcement agencies by such an ordinance is not a radical idea, we do it on state, national and even global levels all the time. Finally, I have become increasingly aware that many residents in our community fear the police, thus making it difficult or impossible to obtain their cooperation in solving more serious crimes in our community. So, my effort in supporting this ordinance is outlined in my letter to the editor. I would only add that the reduction in the rate of arrests and incarceration makes even more sense during this pandemic when there are great concerns about the spread of the virus in our prisons. Thank you for your service and for this consideration. Letter to the Editor, San Marcos Daily Record, Cite &

Release Ordinance: A Better Way
Our City Council has the opportunity on Tuesday to pioneer a better way forward toward ending needless arrests.
In 2007, the Texas Legislature identified a host of minor offenses for which they deemed a citation would be sufficient as opposed to an arrest. Governor Rick Perry signed it with bi-partisan support. Last summer, Mano Amiga and other interested residents of San Marcos, urged the City Council to form the Criminal Justice Reform Committee and presented a draft ordinance that would make citations the default option for San Marcos police officers except in certain specified scenarios such as: the subject does not provide satisfactory identification or the subject has an outstanding arrest warrant, etc. At this point I think there are several other scenarios being suggested. In October of last year, official county data on SMPD's arrest rate for citation-eligible offenses was made available to the press and public. Regional media noted the high rate of needless arresting of residents as well as the special attention that African American residents got from our officers. A story on the Fox News affiliate, titled "Report shows San Marcos police didn't cite-and release any Black people in 2018," revealed a remarkable inequality of enforcement. With what appears to be a very high rate of arrests for citation-eligible offenses in 2019, I stand with those who believe that now is a prudent opportunity for our City Council to provide guidance on officer discretion and elucidate our priority of keeping people out of jail who do not need to be there. Let me be clear. I appreciate the vital work of our police officers. On several occasions I have been the beneficiary of their work. As a former city councilman for three terms, I learned about the danger and complexity of their service to our community. On a few occasions I rode with police officers to better understand the many challenges that they face each day. It is a tough job, requiring much professionalism and courage. It is my opinion that this ordinance will go a long way toward strengthening and building trust between the police department and the general public, including those who see themselves as more vulnerable to unnecessary arrests. This ordinance will provide a clearer set of boundaries and guidelines that will assist police officers as they make discretionary decisions in critical moments of enforcement. his ordinance will require more transparency about the way discretionary judgments are made and the reasoning behind them. Finally, this ordinance will likely help us move from our excessive dependence on incarceration as a way of holding minor offenders accountable to a better way known as restorative justice. (Comments were limited to three minutes, time expired)

Karen Munoz:
Dear Mayor Hughson & Council:

I trust you understand the power each of your positions gives you and hope that you take that power seriously tonight, that you think about the people most negatively impacted by our criminal justice system, and that in doing so you lead us into a more just community. I urge you all to vote yes to the Cite & Release Ordinance and, specifically, that you bring back community participation in the forthcoming Working Group, beyond just a 180-second soundbite at Citizen Comment. In a letter addressed to Council ahead of the first vote two weeks ago, Austin Councilmember Greg Casar said the community stakeholder meetings were "critical to their policy's success" and specifically highlighted how critical it was that those meetings included community members who could push the City to be accountable to their goals. It's THIS accountability I am urging you to include. The criminal justice system affects most among us; many of us then are "community stakeholders". A Working Group without consistent, genuine input from people who have themselves been incarcerated and organizers who may be critical of the system will not work for this Ordinance. People who are formerly incarcerated who have seen for themselves what the system is actually like, from the literal inside and not just from the perspective of the people doing the incarcerating. Without those experiences being listened to and taken seriously, the work we all do to change the system meaningless. People closest to the problem are always closest to the solution. People who have actually been arrested by a San Marcos police officer, people who have themselves spent time in Hays County Jail, people who have been outsourced to other counties' jails - away from their loved ones; people who have actually lost their jobs and had their lives changed by even just a couple days spent in jail - these are the people who will always have the best solutions to the problems of our criminal legal system. If we define "community stakeholder" only as people enforcing our laws, then we're only going to be left with a system that continues to serve itself. As far as Mayor Hughson's wish to limit the types of IDs accepted, I'd add that San Antonio PD is not listing an explicit ID list, in favor of an open-ended policy. Austin's officer manual also allows for non-traditional forms of ID, such as library card, utility or rent bill, community organizational membership card, student ID, church ID, or other forms of identification that include an individual's name and address. As a former Library Board member, I hope we move toward expanding the library ID to include a photo so that everyone, regardless of income level, can have access to a useful government-issued ID. I hope you make the most just decision tonight.

Alexis Duran:
My name is Alexis Duran and I am a student leader with Texas Rising. I write to encourage you to vote YES! on the Cite & Release Ordinance. I believe that

It's important for the community as a whole to enact a Cite & Release Ordinance, because without it we have seen how it causes a permanent disruption in those affected, in terms of, families, employability, and being able to earn a degree. There is no possible way to fully recover from being in jail for the rest of your life you will be questioned on it and more than likely, since our system is so flawed and makes it so difficult for someone to be released from jail and gain employability at a job they may end back up in jail because they had to do something to earn money just to survive. The system punishes the poor for being poor. How can somebody pay restitution when they are jailed pre-trial? I've seen it many times in my life with my family. The first offense was minor and non-violent, but still no matter where they applied nobody after it anywhere they would apply no one would hire them. They had to resort to working in the informal economy just to earn money to support their family and newborn daughter. Currently they've been incarcerated for 12 years. A more just society where we have a Cite & Release Ordinance and a holistic public defender's office would have helped prevent this situation, along with rehabilitation, instead of just allowing people to go through this cycle where there is no one way for them to get out. I urge all of you for the betterment of your community, and to show you care and value their lives by enacting the following "6 Critical Moves for Council Success":
The 6 Critical Moves for Council Success
1) YES to Reinstating "Guided Discretion" -- the Backbone of the Policy -- by Re-inserting "Only"!
2) YES to Authentic Community Participation in the Working Group, not just Token Citizen Comment!
3) YES to an Objective Standard of Interpreting the Disqualifying Circumstances, not just Letting Officers do Whatever They Feel!
4) YES to Clean-Up Amendments!
5) NO to a Restrictive ID Policy!
6) NO to any other Amendments!

30 Minute Citizen Comment Period

John Schuster:
Dear San Marcos City Council, I feel that the San Marcos City Council ought to vote yes to reinstate the Cite and Release Ordinance back into a meaningful form. Guidelines for officer discretion that ensure timely and thorough compliance comport with the alleged City Council support for increasing the use of citations, over arrests, for various eligible non-violent misdemeanors as defined by state law. I ask the City Council to amend the Cite and Release Ordinance by reinstating 'Guided Discretion.' By reinserting 'only' in the clause, officers still retain broad discretion but may only make an arrest in a

disqualifying circumstance. According to former SMPD Chief Chase Stapp, the list of disqualifying circumstances is "fairly exhaustive," and the 'only' allows for the gathering of data that's accurate & more easily understood. I ask the City Council to include an amendment that says yes to an objective standard of reasonableness based in constitutional law. This means restoring the draft ordinance to its original language by changing "the arresting officer believes" to "there is reason to believe." This will ensure that officers who would otherwise be free to ignore the ordinance will not have that option. I ask the City Council to vote yes on the Clean-Up Amendments that would fix typos and other minor changes, as wished by the ordinance's original author, Anita Gupta of Immigrant legal Resource Center. I ask the City Council to include an amendment providing authentic community participation in the working group, and not 'token citizen comment.' I am convinced that authentic community involvement is crucial to a democracy's health, meaning 180-second sound bites do not suffice for public input as valued discourse.
I ask the City Council to vote no on any amendment that offers a more limiting interpretation of acceptable forms of ID for the Cite and Release program. Not only do these policies disproportionately affect the poor and, residents are still affirmatively ID'd when they arrive in court for their citation.
Finally, I ask the city council to vote no on any other amendments that are proposed. Seeing that this draft ordinance was given to the Council in July with plenty of time for input, it is entirely inappropriate to be bringing changes before its final vote.
Thank you for doing your part in reducing jail time in San Marcos. Living in the richest country in the history of the world, that also has the highest incarceration rate, the only country tailing us being Russia, I feel like the least we can do is issue citations for non-violent offenses.

Samantha Benavides:
Hi, my name is Samantha, & I'm an issue advocacy fellow with MOVE Texas. MOVE Texas is a nonpartisan non-profit, building youth power across the state through civic engagement, issue advocacy, and leadership development. I'd like to once again express my support for a cite and release ordinance and express my gratitude for those who stood by, spoke directly to, and legislated with young people in mind throughout this process. As Dr. Joca Marquez put it, this ordinance does not send a message to the local business community that we do not prioritize their well being; instead, the message this ordinance sends is that we are compassionate towards our community. It shows that we trust them to return for a court hearing. It shows that we do not believe our pre-trial jail system is just, and that our community deserves better. It shows that we do not believe it to be dignified that we are willing to spend millions of dollars to

outsource our inmates to unfamiliar facilities when the infractions they've committed should be default citable offenses. It shows that we will take direct action in addressing the racial disparities in our police department's use of cite and release. It shows that San Marcos City Council is leading the way for other cities and counties towards a more just criminal legal system in Texas. *That* is the message that this ordinance sends. I'd also like to urge the implementation of the word "only" back into the ordinance. The guidance of officer discretion is the backbone of this policy; without this ordinance guiding officer discretion, I am certain that we will continue seeing racial disparities in San Marcos Police Department's use of cite and release.
To those of you who have been supportive of this ordinance since July, thank you for your leadership. Myself, MOVE Texas, and our ally community members and organizations urge the passage of this ordinance. It's imperative to avoid disturbing and disrupting lives with punitive and unnecessary incarceration. If we fail to enact this reform, this is what we are maintaining, a system that if left unchanged will ruin lives. Stand with young people and avoid this harm by voting yes.

Kama Davis:
To the Mayor and City Council Members of the City of San Marcos:
Thank you for your service to our community, especially now, during the Covid-19 pandemic.
I strongly support a city ordinance of cite and release. Many people more eloquent than I have expressed many reasons why a cite and release ordinance is necessary, where a resolution would not be enough. I am particularly concerned that our jail is overcrowded as it is. Covid-19 is here, in Hays County, and if it gets into our jail, it will be devastating to the staff, the police force, and of course, the inmates. We are responsible for all of these members of our community, everyone. Cite and release would help keep the population in the jail down, and this would lower the risk of infection to all involved. Please implement a cite and release ordinance. Thank you.

Kristy Money:
Dear City Council, I am a resident of San Marcos, where I live with my husband and our five children. My husband and I both work here in town, and our school-age children attend San Marcos CISD. We are proud to have made San Marcos our home. I support the Cite & Release Ordinance and urge you all to vote in favor. As a licensed psychologist who previously worked directly for incarcerated youth in Texas prisons, I have seen too many promising young lives that have been derailed beginning with an arrest for a minor offense that, under this proposed ordinance, would not have to happen. Under the original

language of the ordinance (including the word "only" which was removed from the section on guided discretion), officers have the power to still make arrests in disqualifying circumstances, which include all of the examples which have been cited as scare tactics in public comments and advertisements around this topic.
So please, I ask you to do right by us as citizens and set a heroic example for the rest of our state and vote yes for this ordinance, without the addition of any amendments (such as restricting the admissible forms of ID) that could unnecessarily target particular populations (like the undocumented) or violate the spirit of the ordinance. Thank you for your consideration and your service to our city.

Raymond Ortega:
San Marcos City Council, I am student of Texas State and a resident of San Marcos. The Cite and Release Ordinance should be passed not just in light of the pandemic, but also as a long-term implementation that works towards bettering the community as a whole. The San Marcos Police Department has neglected to use existing cite and release laws, opting to arrest individuals majority (77%) citation-eligible offenses. This wastes time on the parts of the Police Department and the judicial system, money on the taxpayer's part, and space within jails, which is especially dangerous in this current pandemic when multiple people in Hays County are confirmed positive for COVID-19 and one death has resulted from infection. These arrests also disproportionately affect minority groups, especially people of color, and cause more financial and mental health instability for the working-class people of Hays County. We have the tools in place to implement this much-needed ordinance, now it is up to the members of the San Marcos City Council to follow through with the needs of their constituents.

Rolf Straubhaar:
Dear City Councilmembers, I am writing in support of the proposed Cite & Release Ordinance, and urge all council members to support it. I thank Council members Mark Rockeymoore, Joca Marquez, Melissa Derrick and Maxfield Baker for their previous support for the ordinance, and for voting in support of the ordinance on the first vote. I love San Marcos and am very happy to live and work here with my wife and children. It makes me proud to know that you as our representatives are the first city government in the State of Texas to consider this type of ordinance—one that sends a clear message that we as a city value and honor the lives and livelihoods of all San Martians, including those who encounter the police while committing minor nonviolent offenses.

I have close friends and family who have committed the types of non-violent misdemeanors listed under the proposed ordinance. Some of them, all of whom are White, were let off with a warning or a citation, and their lives were not thrown for a loop. They had an opportunity to learn from their mistakes, and have gone on to live happy and productive lives. Several others I know and love, all of whom are Black or Hispanic, have been arrested and incarcerated for the same types of offenses, and have had much higher hurdles put before them to return to normal life. The same trend is true at both the state and national levels, in terms of who tends to not get punished for minor non-violent offenses, and who reliably does get punished. The fact that this proposed ordinance is even under consideration shows how well y'all as a council understand these issues. I, like you, want to live in a town where more of our citizens are reliably given a second chance. Thank you for your time and consideration.

Evie Straubhaar:
Dear Council, I am 8 years old. My mom and dad wrote letters and I want to write a letter too. Sometimes I make mistakes. When my mom and dad help me, I learn from my mistakes. Please vote yes so more people can learn from their mistakes and not go to jail. Thanks.

PRESENTATIONS

1. Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.

Bert Lumbreras, City Manager, gave a brief introduction of the COVID-19 item. Chase Stapp, Director of Public Safety, provided status reports and updates on response to the COVID 19 pandemic.

Updates to Governor Abbott's Actions:
- April 17 - Press Conference Announcing Multiple Executive Orders
- Established Strike Force to Open Texas - team of medical experts and private and public leaders to advise the Governor on safely and strategically reopening the state of Texas
- April 27 - Governor will announce a revised plan based on initial recommendations
- Reopening of select services and activities in Texas
- April 24 - "Retail-To-Go" model allowed for all stores, including non-essential
-All schools - including public, private, and higher education institutions - remain closed for the remainder of 2019-2020 school year.
-April 22 - Loosened restrictions allowing surgeries and procedures medically

necessary to diagnose or correct a serious medical condition
-April 20 - State parks reopened - visitors required to wear face coverings, maintain a six-foot distance from individuals outside of their party, and groups larger than five prohibited

Efforts to date (updated)
-Processed Late Fee Exemptions for 87 commercial utility accounts, 65 residential utility accounts since implementation on March 26
- Continue researching, applying for grant opportunities
- Notified that we were not selected to receive All Together ATX Central Texas COVID-19 Rapid Response Grant
Developing application for The Grills Fund for Main Street Revitalization
- Temperature checks begun for all City staff as they report to workplace
- Providing daily Council email updates and message board additions

Additional City actions
Advertising a full page ad on Healthy & Helpful Tips in Sunday's San Marcos Daily Record

Council action items
- Financial update on the COVID-19 Response during work session
- Budget amendment to allocate $50,000 from the Special Services budgets in each of the three major funds: General, Electric, Water/Wastewater to be used for COVID-19 Response

Upcoming considerations
Second Public Health Advisory from Mayor
Encourage physical distancing, environmental sanitation and cleanliness, and the wearing of cloth face coverings or face masks by people older than the age of 2 while in public

Discussion on April 30th meeting
Additional recommendations from the Governor on April 27
Update on Financial Assistance strategies
Hold discussion on payment plan for food establishment permit fees

Council Member Baker asked about the City not qualifying for the All Together ATX grant and would like to know what the disqualifying circumstances were. Mr. Stapp stated that a letter was received just letting us know when the next round of applications can be submitted.

Council Member Rockeymoore asked about the number of tests we are getting from the State and if we have other avenues in getting more tests. Mr. Stapp noted that we do not know when we will be getting more tests.

Council Member Gonzales asked about the time frame on results of the test. Mr. Stapp stated that the results vary. San Marcos and Hays County are using Clinical Pathology Laboratories with results coming back within 24-48 hours.

Council Member Baker ask about with more parks opening, are people showing up tubing and congregating in groups, has there been increase? Mr. Stapp stated that he is unaware of people congregating at parks that are closed. The parks are being patrolled on a daily basis by the City's Park Rangers and the police officers.

Council Member Baker asked how the trash cans at Rio Vista Park that have lids are being sanitized? Mr. Stapp will email Council on a response on how that is being handled.

CONSENT AGENDA

A motion was made by Council Member Gonzales, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve the consent agenda with the exception of items #3 and 4, which were pulled and considered separately. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

2. Consider approval, by motion, of the following meeting Minutes:
A. March 3, 2020 - Work Session Meeting Minutes
B. March 3, 2020 - Regular Meeting Minutes
C. March 17, 2020 - Regular Meeting Minutes
D. March 31, 2020 - Special Meeting Minutes
E. April 7, 2020 - Work Session Meeting Minutes
F. April 7, 2020 - Regular Meeting Minutes

3. Consider approval of Ordinance 2020-18, on the second of two readings, supporting the San Marcos Police Department’s increased use of the cite and release process, when appropriate, instead of arresting individuals suspected of having committed certain misdemeanor offenses: requiring recordkeeping and reporting of use of the cite and release process and instances in which individuals have been arrested for cite and release eligible offenses; and providing an effective date.

MAIN MOTION: a motion was made by Council Member Baker, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Ordinance 2020-18. Mayor Hughson noted that all seven council members support cite and release in general.

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Council Member Gonzales, to allow staff to change the ordinance to a standard ordinance form. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 1 - Council Member Marquez

MOTION TO AMEND: a motion was made by Council Member Baker, seconded by Mayor Pro Tem Mihalkanin, to add the direct citations from the Texas Code of Criminal Procedures to the list of the following offenses and to remove Class A under Driving while License Invalid. The section will now read:

Possession of Marijuana less than 4 oz, Class A or Class B misdemeanor, Texas Health and Safety Code § 481.121(b)(1)&(2)
Driving while License Invalid, Class B misdemeanor, Texas Transportation Code § 521.457
Criminal Mischief, Class B misdemeanor, Texas Penal Code § 28.03(b)(2)
Graffiti, Class A or Class B misdemeanor, Texas Penal Code § 28.08(b)(2)&(3)
Theft of Property, Class B misdemeanor, Texas Penal Code § 31.03(e)(2)(A)
Theft of Services, Class B misdemeanor, Texas Penal Code § 31.04(e)(2)

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MOTION TO AMEND: a motion was made by Council Member Baker, seconded by Council Member Derrick, to amend the ordinance in recitals #4 from 14.08 to 14.06. The section will now read:

"4. The City Council acknowledges that our Peace Officers are allowed to exercise their discretion to issue a citation in lieu of arresting individuals for certain offenses when authorized by State law under article 14.06 of the Texas Code of Criminal Procedure."

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Mayor Pro Tem Mihalkanin, in Section 2 to strike all sentences after the second sentence and after the word “deemed” insert "by the investigating officer". The new section will read as follows:

"The subject is not a resident of the county in which the offense was allegedly committed. For the purposes of this Section, an individual who lives, works, or goes to school in the county where the offense was allegedly committed will be deemed by the investigating officer to be a resident of Hays County."

The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 1 - Council Member Marquez

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Mayor Pro Tem Mihalkanin, in Section 4 to strike “justifications” and insert the word “reasons.” After the words “for the arrests” insert the words "indicated by using one or more of the circumstances in Section 2; identity, Hays County connection, imminent danger, demand for magistrate, arrest warrant, or other offense." The new section will read as follows:

"The City Manager shall provide and make available to the public a quarterly report or memorandum concerning the use of the cite and release process in lieu of arrest in instances when a ticket or citation is allowed by state law. This report or memorandum shall be provided to the City Council and made public on a quarterly basis and should document anonymized records of every instance that a resident was issued a citation in lieu of arrest and every instance that a resident was arrested for a nonviolent misdemeanor charge when the suspect had no outstanding warrants, was not intoxicated and legally could have been given a citation, but an arrest was made anyway, and shall include the justifications reasons for the arrests indicated by using one or more of the circumstances in Section 2; identity, Hays County connection, imminent danger, demand for magistrate, arrest warrant, or other offense."

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Council Member Gonzales, in Section 1, to strike criminal mischief, theft of property, and theft of services . The section would read:

Class C misdemeanors other than public intoxication, assault, or family violence
Possession of Marijuana less than 4 oz, Class A or Class B misdemeanor
Driving while License Invalid, Class B misdemeanor
Graffiti, Class A or Class B misdemeanor

The motion failed by the following vote:

For: 3 - Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

Against: 4 - Council Member Derrick, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

MOTION TO AMEND: a motion was made by Council Member Derrick seconded by Mayor Hughson, to amend in Section 1, subsection 4, 5, 6, and 7 to insert the language at the end of each specified sentence "if the amount of pecuniary loss is less than or equal to $375.00". The new section will read as follows.

Criminal Mischief, Class B misdemeanor Texas Penal Code §28.03(b)(2) in an amount less than or equal to $375

Graffiti, Class A or Class B misdemeanor – Texas Penal Code §28.08(b)(2) & (3) in an amount less than or equal to $375

Theft of Property, Class B misdemeanor – Texas Penal Code §31.03(e)(2)(A) in an amount less than or equal to $375

Theft of Services, Class B misdemeanor – Texas Penal Code §31.04(e)(2)in an amount less than or equal to $375

The motion passed by the following vote:

For: 5 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore and Council Member Gonzales

Against: 2 - Council Member Marquez and Council Member Baker

MOTION TO AMEND: a motion was made by Council Member Derrick, seconded by Mayor Pro Tem Rockeymoore, in Section 2 to insert the word "only" after the word “offenses.” The section will read as follows:

"The City Council further recognizes that the use of the cite and release process may not be appropriate in all instances, and that San Marcos Police Department officers may find it necessary to arrest a person suspected of having committed any of the above-listed offenses only if any of the following circumstances are present: ..."

MOTION TO END DEBATE: a motion was made by Council Member Mihalkanin, seconded by Mayor Hughson, to end discussion on the amendment to insert the word "only" into Section 2 in the second paragraph and to call for the vote. The motion to end debate carried by a vote of 7-0.

The motion to amend by inserting the word "only" into Section 2, second paragraph after the word “offenses” carried by the following vote:

For: 4 - Council Member Derrick, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

Against: 3 - Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

MOTION TO AMEND: a motion was made by Mayor Pro Tem Rockeymoore, seconded by Council Member Baker,to have the language that was struck in Section 2 subsection 2 inserted at the end of Section 2 subsection 1 and strikethrough utility or rent bill. The new section will read as follows.

"The subject does not provide satisfactory evidence of personal identification to allow for citation. In determining whether the subject is able to provide satisfactory evidence of personal identification, it shall be acknowledged that not all persons are able to produce a government- issued ID. Therefore, although a government-issued ID is preferred, the City shall accept other forms of identification, regardless of expiration date, including but not limited to: any state or federally-issued ID, student ID, or other forms of identification that include an individual’s name and address, as well as photos of the aforementioned forms of identification."

The motion carried by the following vote:

For: 4 - Council Member Derrick, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

Against: 3 - Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

MOTION TO AMEND: a motion was made by Council Member Baker, seconded by Deputy Mayor Pro Tem Rockeymoore, to amend Section 2 number 3 at the beginning of the section to delete "The arresting officer believes and insert "There is reason to believe" and to delete the phrase "the arresting officer shall consider" and insert "it shall be considered". The section will read as follows:

"There is reason to believe that the safety of persons (including the subject) would be imminently endangered by the release of the subject. In making this assessment, it shall be considered whether the subject has the physical or mental capacity to endanger the safety of themselves or the public, whether the subject is unlawfully carrying a weapon, and/or if the subject has made immediate threats against other individuals in the area. In cases in which the subject appears to suffer from mental illness and/or addiction, a referral to appropriate medical and/or psychiatric services in lieu of arrest shall be considered in accordance with San Marcos Police Department policy."

The motion failed by the following vote:

For: 3 - Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

Against: 4 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

MOTION TO AMEND: A motion was made by Council Member Marquez, seconded by Deputy Mayor Pro Tem Rockeymoore, in Section 5 in the second paragraph to strike "by including a citizen comment agenda item.". The section would read as follows:

"The City Council directs the City Manager to arrange regular meetings of the Police Chief's Advisory Panel, other interested stakeholders and community organizations, individuals directly impacted by the policing and arrests of immigrant communities and communities of color, and any representatives that may be designated by the Hays County District Attorney's Office in the development of policies, procedures, and practices related to this Ordinance. These meetings shall be open to public participation."

The motion carried by the following vote:

For: 4 - Council Member Derrick, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

Against: 3 - Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Council Member Gonzales,in section 7 to strike "upon approval on second reading" and insert “effective date of May 31, 2020.”

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MAIN MOTION: to approve Ordinance 2020-18 as amended.

The motion carried by the following vote:

For: 4 - Council Member Derrick, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

Against: 3 - Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

4. Consider approval of Resolution 2020-84R, approving Amendment No. 4 to the Airport Project Participation Agreement between the City and the Texas Department of Transportation initially approved by Resolution 2015-80R and then amended by Resolution 2016-80R and Resolution 2019-117R which authorized the City’s acceptance of a grant from the Texas Department of Transportation for the construction of a box hangar and associated developments at the San Marcos Regional Airport; to increase the estimated project cost from $881,200.00 to $920,447.00; to approve the City’s expenditure of local funds in the estimated amount of $253,283.70; authorizing the City Manager or his designee to execute any documents necessary for the implementation of the hangar development project; and declaring an effective date.

A motion was made by Council Member Baker, seconded by Council Member Derrick, to approve Resolution 2020-84. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

5. Consider approval of Resolution 2020-85R, approving an Advanced Funding Agreement with the State of Texas, acting through the Texas Department of Transportation (CSJ No. 0016-02-149) for the Water and Electric Utility Relocation project from Interstate Highway 35 from North of River Ridge Parkway to Loop 82, with an estimated cost of participation by the City in the amount of $555,400.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

6. Consider approval of Resolution 2020-86R, approving an Advanced Funding Agreement

(AFA) with the State of Texas, acting through the Texas Department of Transportation (CSJ No. 0016-03-114),for drainage and landscaping betterments along IH-35 from south of SH 80 (Hopkins St) to north of RM 12 (Wonder World Dr) with a participation amount by the City of $5,822,990.22, authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; and declaring an effective date.

7. Consider approval of Resolution 2020-87R, awarding a contract to Fleet Safety Equipment, Inc. (known as Dana Safety Supply) through the Texas Local Government Purchasing Cooperative BuyBoard (Contract No. 603-20) for the purchase of patrol equipment to outfit the recently purchased vehicles for the Police Department in the amount of $331,724.80; authorizing the City Manager or his designee to execute the appropriate purchase documents on behalf of the City; and declaring an effective date.

8. Consider approval of Resolution 2020-88R, approving the following in connection with the Whisper Public Improvement District: (I) an amended and restated financing agreement with Whisper Master Community Limited Partnership, Yarrington Partners Ltd., Whisper Industrial 2019 QOZB, LLC and 135 Residential Development, LLC; (II) an improvement area #1 acquisition and reimbursement agreement with Whisper Master Community Limited Partnership, Yarrington Partners Ltd., Whisper Industrial 2019 QOZB, LLC and 135 Residential Development, LLC; and (III) an improvement area #2 acquisition and reimbursement agreement with Whisper Master Community Limited Partnership; authorizing the City Manager to execute said agreements on behalf of the City; and declaring an effective date for said agreements.

9. Consider approval of Resolution 2020-89R, approving an Interlocal Agreement with the City of Cedar Park, Texas, to enable each city to utilize vendors for goods and services under contracts procured by the other; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

NON-CONSENT AGENDA

10. Consider approval of Ordinance 2020-22, on the first of two readings, reducing the speed limit from 30 miles per hour to 25 miles per hour along the 500 block of Harvey Street between North Street and Blanco Street; authorizing the installation of signs and traffic control devices reflecting the new speed limit; directing that the traffic register maintained under Section 82.067 of the San Marcos City Code be amended to reflect the new speed limit; and including procedural provisions.

A motion was made by Council Member Baker, seconded by Council Member Derrick, to approve Ordinance 2020-22, on the first of two readings. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

11. Consider approval of Ordinance 2020-23, on the first of two readings, establishing a no parking / tow-away zone on the southside of a city easement located at 708 Peques Street pursuant to Section 82.066 of the San Marcos City Code; authorizing the installation of signage reflecting the no parking / tow-away zone; directing that the Traffic Register maintained under Section 82.067 of the San Marcos City Code be amended to reflect the no parking / tow-away zone; and including procedural provisions.

A motion was made by Council Member Derrick, seconded by Mayor Hughson, to approve Ordinance 2020-23, on the first of two readings. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

12. Consider approval of Ordinance 2020-24, on the first of two readings, amending the traffic register maintained pursuant to section 82.067 of the City Code by decreasing the speed limit in the 1300 through 1500 blocks of Belvin Street (between Bishop Street to Dixon Street) from 30 miles per hour to 25 miles per hour in both directions and authorizing the installation of speed cushions; and including procedural provisions.

A motion was made by Council Member Derrick, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Ordinance 2020-24, on the first of two readings. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

13. Consider approval of Ordinance 2020-25 amending the city's 2019-2020 fiscal year budget to allocate $50,000.00 from each of the special services budgets of the city's general fund, electric fund, and water and wastewater fund for a total amount of up to $150,000.00 to pay for various activities in response to the COVID-19 pandemic; providing for the adoption of this ordinance on only one reading as an emergency measure; and declaring an effective date.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Ordinance 2020-25, on one reading as an emergency measure. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

14. Consider approval of Resolution 2020-90R, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 9.61 acres out of the Edward Burleson Survey No. 18, Abstract No. 63, Hays County, generally located in the 400 Block of Centerpoint Road; authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.

A motion was made by Mayor Hughson, seconded by Mayor Pro Tem Mihalkanin, to approve Resolution 2020-90R. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

15. Consider approval of Resolution 2020-91R, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 60 acres out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 State Highway 21; authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.

A motion was made by Mayor Hughson, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Resolution 2020-91R. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 1 - Council Member Marquez

EXECUTIVE SESSION (if necessary)

16. Executive Session in accordance with the following Government Code Sections:
A. §551.071 - Consultation with Attorney regarding: Legal considerations of an anti-discrimination ordinance; and acquisition of property in Downtown San Marcos for public use
B. Section § 551.072 - Real Property: to receive a staff briefing and deliberation

regarding acquisition of property in Downtown San Marcos for public use

Bert Lumbreras, City Manager asked Council to postpone #16 B. to allow staff additional time to gather information.

A motion was made by Council Member Derrick, seconded by Deputy Mayor Pro Tem Rockeymoore to postpone #16 B. Section 551.072 - Real Property: to receive a staff briefing regarding acquisition of property in Downtown San Marcos for public use. The motion carried by the following vote:

For: 5 - Council Member Derrick, Mayor Hughson, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 2 - Mayor Pro Tem Mihalkanin and Council Member Marquez

DIRECTION/ACTION FOLLOWING EXECUTIVE SESSION

17. Consider action, by motion, regarding the following Executive Session items held during the Work Session:
A. §551.071 - Consultation with Attorney regarding: Legal considerations of an anti-discrimination ordinance; and acquisition of property in Downtown San Marcos for public use
B. Section § 551.072 - Real Property: to receive a staff briefing and deliberation regarding acquisition of property in Downtown San Marcos for public use

Mayor Hughson stated the following regarding Executive Session items A and B:

A.) Direction was provided to Staff
B.) This item is postponed to the May 5, 2020 City Council Meeting

V. Adjournment.

A motion was made by Council Member Baker, seconded by Deputy Mayor Pro Tem Rockeymoore, to adjourn the regular meeting of the City Council on Tuesday, April 21, 2020 at 10:08 p.m. The motion carried by the following vote:

For: 5 - Council Member Derrick, Mayor Hughson, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

Absent: 2 - Mayor Pro Tem Mihalkanin and Council Member Marquez

Tammy K. Cook, Interim City Clerk **Jane Hughson, Mayor**

City of San Marcos

Special Meeting Minutes
City Council

Thursday, April 30, 2020 | **4:00 PM** | **Virtual Meeting**

This meeting was held using conferencing software due to the COVID-19 rules.

I. Call To Order

With a quorum present, the special meeting of the San Marcos City Council was called to order by Mayor Hughson at 4:00 p.m. Thursday, April 30, 2020. The meeting was held virtually.

II. Roll Call

Present: 6 - Council Member Melissa Derrick, Mayor Jane Hughson, Mayor Pro Tem Ed Mihalkanin, Deputy Mayor Pro Tem Mark Rockeymoore, Council Member Maxfield Baker and Council Member Saul Gonzales

Absent: 1 - Council Member Joca Marquez

PRESENTATIONS

1. Receive a Staff presentation and hold discussion on Food establishment permits and fees during the COVID-19 pandemic response including recommendations to consider quarterly payment plans to assist local food establishments struggling with the impacts of COVID-19.

Bert Lumbreras, City Manager, stated that proposed ordinance is to implement a quarterly payment plan that would allow food establishments to be on a payment plan for their permit and inspection fees. An emergency ordinance has been placed on the May 5th Council agenda for consideration.

Mr. Lumbreras turned the presentation over to Greg Carr, Neighborhood Enhancement Director.

Mr. Carr stated that some businesses renewed their permits and other owners have asked about making payments. The ordinance will provide relief for food establishments allowing them to get back on their feet. Mr. Carr mentioned that the ordinance will allow up to 6 months to make quarterly payments. After the 6 months, hopefully the businesses will be back on track. Mr. Carr stated that the number of food establishments to renew the rest of this fiscal year is under 70 establishments and about 29 establishments are estimated that

will need help to get them back on their feet and hopes before the ordinance expires.

Council Member Baker asked how long can this ordinance be extended, if more than 6 months is needed. Mr. Carr mentioned that the time frame can be extended with Council approval.

Council Member Baker asked if this ordinance is for businesses that are operating or are closed. Mr. Carr stated that it is for both and some are doing ok but others had to close completely because they didn't have the drive thru capability or couldn't change the model for pick up.

Mayor Hughson suggested dividing the annual payment by three and have four payments, with the first payment being zero.

Council provided direction to staff to use this method and divide it between three payments.

2. Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.

Bert Lumbreras, City Manager, provided a brief introduction and turned the presentation over to Chase Stapp, Director of Public Safety. Mr. Stapp provided status reports and updates on response to the COVID-19 pandemic.

The following actions were updated by Governor Abbott with three additional executive orders:
Expanded reopening of services
- Effective May 1, retail stores, restaurants, movie theaters, and shopping malls may operate at 25% of total listed occupancy for their facility
- Libraries and museums may also reopen at 25% capacity, but interactive exhibits, child play areas must remain closed
- Should implement social distancing, work from home if possible, and practice good hygiene, environmental cleanliness, and sanitation
- Individuals encouraged to wear appropriate face coverings, but no jurisdiction can impose a civil or criminal penalty for failure to wear a face covering
- Supersedes any conflicting order issued by local officials in response to COVID-19

Hospitals to reserve 15% capacity for treatment of COVID-19 patients

Expanding travel without restrictions
- Lifts restrictions on some travel, such as from Louisiana, but maintains restrictions on flying from some states and cities, including California; New York; Atlanta, Georgia.

Efforts to date (updated)
Convened Recovery Task Force
- Made up of 23 local public and private individuals, including local governments, health authorities, restaurants, business associations
- Determine how best to accomplish Governor's re-opening initiatives

Responding to questions regarding occupancy questions

Developed new FAQ document regarding re-opening

Processed Late Fee Exemptions for 117 commercial utility accounts, 80 residential utility accounts since implementation on March 26
- Set up payment arrangements totaling over $192,000 for 714 utility customer accounts over that same time period

Providing daily Council email updates and message board additions

Upcoming considerations
Enforcing COVID-19 best practices
- Restaurant/business occupancy
- Park closures

Expanded testing capacity
7 medical facilities that are testing for COVID-19 on May 10th, DHS conduct two drive up testing sites for 120 test kits funded by the site. Those tests are free.

Mr. Stapp defined what is the screening process: Medical professional asks a serious of questions when the person calls the facilities and the answers determines if the individual will be tested.

Daily updates sent to Council - Council provided direction that the daily updates are no longer needed and they can utilize the dashboard on our website for current status on COVID-19.

Mayor Hughson reiterated that the second public health advisory states

wearing masks is still in effect.

Council Member Baker expressed concern about reopening the business and the verbiage on the order from the Governor with the words "should" instead of "shall" business are not following guidelines, if they meet the occupancy limit, are they fined? Mr. Cosentino mentioned that the Fire Marshal would be the contact for concerns regarding occupancy. If they receive a complaint on exceeding the occupancy limit it will be a discretionary call to issue a warning or a citation.

Upcoming Council action items:
May 5 meeting
- Emergency ordinance addressing adjustments to inspections and permit fees for Food Establishments, due to COVID-19.
- Ordinance allowing for temporary licenses for parklets as a means to reactivate Downtown.

Financial Assistance
Additional Financial Strategies Update Reallocate Existing CDBG Funds
- Not recommended at this time
- FY 2018 and FY 2019 funds already allocated, plan updates required
- Recommend using FY 2020 CDBG and CDBG-CV (Coronavirus) funds

Grants and Loans
- Promoting federal grant and loan programs including Economic Injury Disaster

Loan (EIDL) and Payroll Protection Loans created through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- San Marcos grant and loan program under consideration using Special Economic Development Fund allocation

Reallocate Strategic Initiative Funding
- Not recommended due to constraints on General Fund

Grant Status
Coronavirus Aid, Relief, and Economic Security (CARES) Act Federal Transit Administration (FTA) - $6,429,168
- Transit planning, capital and operating expenses after Jan. 20, 2020
- 100% grant, no match, reimbursable basis
- Application required with a fast-track agency review

Federal Aviation Administration (FAA) - $157,000
- Allotment for general aviation airports
- Reimbursement for expenses that airport revenue can be lawfully used

U.S Department of Housing and Urban Development (HUD) - $425,261
- CDBG-Coronavirus grant to support activities responding to coronavirus impacts
- Reimbursement of eligible pandemic response costs
- Encouraged to prioritize needs of low- and moderate-income persons

Mr. Stapp mentioned the City is going to apply for a small Grills grant for $10,000 for the downtown Parklet program.

Council Member Baker mentioned that there was a letter received from Mano Amiga working with el Centro Hispano Cultural to assist low income residents and to work with people that don't have legal immigration status. Mr. Baker asked if the City can that help with? Mr. Pantalion, Assistant City Manager mentioned that HUD has not released criteria for those funds and City will facilitate funds.

Council Member Baker asked about statistics seen in the community and that the data is very misleading and we should open up in a faster pace. He asked for further details on the process. Mr. Stapp mentioned that the test is a confirmed lab test and not systemic but not qualifies because residents answered no to more questions but they are being quarantined.

Council Member Baker expressed concerns about the order from the Governor regarding protocols with the customers and restaurants. Mr. Stapp stated that staff will look into the enforcement ability.

3. Consider approval of Resolution 2020-96R, requesting the Capital Area Metropolitan Planning Organization (CAMPO) extend the comment period on the CAMPO 2045 Plan (which originally expired on April 13, 2020 and was extended to April 27, 2020) for another 60 days.

A motion was made by Council Member Derrick, seconded by Council Member Baker, to approve Resolution 2020-96R.

Council Member Derrick stated that community members are concerned due to Covid-19 restrictions the attention of many was elsewhere although the comment deadline was extended by two weeks. There is some missing technical information, so the Save Our Springs organization is requesting a 60 day

extension. We know that CAMPO would like to approve the plan at their May 5 meeting in order to have the plan finalized to be eligible for IH 35 funding, but I hear the money is already there. Not important if it's stale for a period of time.

Mayor Hughson noted her appreciation of those who have a passion for the Hill Country. She has read all 304 emails since April 24 on this topic and has another 809 emails on this and other recent CAMPO topics. She stated that we need to hear from our residents when we update OUR San Marcos Transportation Plan. We last updated it in 2018 and expect to update it in 2023. Stay tuned and bring us your ideas and opinions. Mayor Hughson continued with: Here is what everyone needs to know. We are hearing from people who want to change the CAMPO 2045 plan NOW. This plan is comprised of the Transportation Master Plans of multiple cities and multiple counties all of which roll up into the 6-county regional plan regarding the maps and lines on maps that might be roadways. Each of those processes is a very public process as is the CAMPO process. Ours consisted of multiple Open Houses, the draft plan on our website for all to review, and multiple opportunities to comment. Those comments are considered, each and every one, when the plan is created.
Hays County is now beginning the process of updating their plan, last approved in 2013, I believe. It will be a very public process. She recommends anyone interested in this topic to watch this part of the County Commissioners Court April 28 meeting. They discussed their views on what some Hill Country roadways will be in the future. Narrow with limited pavement. I was happy to hear the Hill Country area commissioners speak about the need and their desire for public input. The more the better! And each one is important. Just like preparation for our plan. Through these public processes, we listen to everyone. The plan is put together by all of us and if the members of the CAMPO 6-county board were to make changes to a roadway on the San Marcos plan by changing the 2045 plan next Monday, that means we have people outside our area making changes to OUR plan, with almost no public notice or input from our residents about that change. I don't think our residents want that. But no need to worry because none of these roads will be built without initiation by local entities – the cities and counties. The outer loop lone is there to show the potential need for a road sometime in the future. It will not be built unless it determined that we need it. There are two opportunities every year to amend the plan. If we allow this plan to go stale, there could be complications for some projects in San Marcos and Hays County. None of the 22 Metropolitan Planning Organizations in Texas have indicated a desire to delay their plan submissions for a deadline of May 31.

And the Federal Highways Administration has not indicated an extension to their deadline. CAMPO Open Houses were canceled due to Covid-19 concerns and those were opened again as virtual events and the deadline was extended to April 27. There are other reasons provided as to why an extension is needed and CAMPO staff have provided me information about those items. She stated that she would inquire about the population projections and the source of that data.

Council Member Derrick noted her concerns about having the lines on a map that might encourages developers to purchase land in that area. Mayor Hughson noted that the way to modify the plan is for each city and county to update their own plans which will be rolled up into the CAMPO plan.The Council noted their concern for environment and the location of future roadways.

Council asked that a future Work Session be dedicated to discuss the CAMPO 2045 Plan. Staff will work on setting a date for this meeting.

The motion to approve failed by the following vote:

For:	2 -	Council Member Derrick and Council Member Baker
Against:	4 -	Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore and Council Member Gonzales
Absent:	1 -	Council Member Marquez

III. Adjournment.

A motion was made by Council Member Derrick, seconded by Council Member Gonzales, to adjourn the special meeting of the San Marcos City Council at 5:36 p.m.The motion carried by the following vote:

For:	6 -	Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales
Against:	0	
Absent:	1 -	Council Member Marquez

Tammy K. Cook, Interim City Clerk **Jane Hughson, Mayor**

City of San Marcos

Regular Meeting Minutes
City Council

Tuesday, May 5, 2020 | **6:00 PM** | **Virtual Meeting**

This meeting was held using conferencing software due to the COVID-19 rules.

I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Hughson at 6:04 p.m. Tuesday, May 5, 2020. This meeting was held virtually.

II. Roll Call

Observed a moment of silence.

Council Member Marquez arrived after roll call at 6:10 p.m.

Present: 7 - Council Member Melissa Derrick, Mayor Jane Hughson, Mayor Pro Tem Ed Mihalkanin, Council Member Joca Marquez, Deputy Mayor Pro Tem Mark Rockeymoore, Council Member Maxfield Baker and Council Member Saul Gonzales

III. 30 Minute Citizen Comment Period

The following comments were submitted as written comments and read aloud during the citizen comment portion of the meeting:

Anthony Cross and Margo Handwerker:
Dear members of council, I, Anthony Cross, and my wife, Margo Handwerker, are writing to address Item 6 on the agenda: the drainage, road, intersection and pedestrian improvements along Academy Street and West Sessom Drive. We own a home nearby at 1309 Alamo St, and we've taken a keen interest in the project. In particular, we've been engaged in a long-running discussion with both the San Marcos Neighborhood Commission as well as city staff about safety improvements for pedestrians and cyclists along Academy and Sessom. Margo addressed council last year when one of her students, Eden Welply, was struck by a car while crossing Sessom Drive and paralyzed. We believe that there is a strong public mandate for safety improvements in this stretch of roadway. Following Eden's injury, Margo and I became involved with MoveSM, an alternative transportation advocacy group. Together with MoveSM, we worked with the Neighborhood Commission—and with Jennifer Katz in particular—to draft and approve a

resolution calling on council to implement safety improvements on this stretch of road. The resolution passed in August, 2019 and was forwarded to council. In January, Margo and I met with Rohit Vij, the city's senior project engineer, to discuss the city's plans for improving safety for pedestrians and cyclists as part of the project. We are very pleased by the addition of a traffic signal at the intersection of Sessom and Academy as well as plans for expanded sidewalks. However, we think that the project must also involve changing the striping pattern of the roadway. In particular, we discussed the following changes with Mr. Vij: changing the striping pattern from the current pattern of four traffic lanes (two in each direction) to a three lane pattern—a center turn lane, two traffic lanes, and two bike lanes. (We've attached a striping plan proposal from MoveSM for your consideration.) We strongly support this change, and can only mention here that numerous studies have shown that such a "road diet" greatly increases safety for all road users by calming vehicular speeds without any significant impact on automobile traffic throughput. In informal discussion, Mr. Vij indicated that the city was already planning to implement this striping pattern. We noticed that the project description specifies the following in the "legislation details" section: "new pavement markings within the project limits to accommodate cyclists." However, we do not see an attached striping plan. We'd like to take this opportunity to invite city staff to clarify the respects in which the pavement would be marked to accommodate pedestrian and cyclist safety—and we'd furthermore strongly encourage council and city staff to implement the striping plan discussed above. Doing so would be an important step towards increasing safety for all road users on what is now a very dangerous stretch of road.

Lisa Marie Coppoletta:
Is Bert the City Manager or is he the Emperor of San Marcos. Bert thinks he is the Emperor because he engages in what I call "customer service harassment." His policy does not follow any policy. Or, to only follow policies when he desires.
In the middle of a global pandemic Bert has his sidewalk people come visit our houses and place leaflets on our mail box with tape. Note the city is not mailing land owners like the Land Development Code requires for developers. The city does not want land owners to know their land is being devalued that is why they do not send official notice as required by those in the business community. Note the city manager has promised proper notification and neighborhood meetings. This promise is on Soundcloud in the public domain. Note that every yard on my side of the block has been butchered for a sidewalk no one uses. The policy voted on by the city council in 2013 is NO ONE SIDED

STREET SIDEWALKS. BERT is abusing his authority and so it this council. As soon streets will be gentrified because the first thing out of a city planners mouth during re zoning is "it has sidewalks and connect ability." We all got our yards butchered on my side of the street except the city worker who makes sidewalks and fills out a survey he wanted a sidewalk on Belvin. He just does not want one in his yard, he wants one in everyone else yard so he can get over time pay and preserve his property value. We don't get that special treatment from the wanna be emperor Bert. A 50K budgeted sidewalk that has turned into well over $300,000. Note the city worker who makes sidewalks, and got all this over time working months of Saturdays laughing as he butchered my yard is the ONLY resident not getting his yard butchered? Your city workers are not wearing masks and they are refusing to social distance. Citizens have footage of this behavior and this is because your city manager thinks that city employees can be treated differently than the taxpayer who foots the bill for his exorbitant salary special benefits to the Kissing Tree where he lives in a mansion. I'm sure the public can eat sidewalks when they have no food because they lost their jobs due to the pandemic. But, city workers gleefully push on the payroll not following basic CDC guidelines while the rest of the public is on lock down. I say let them eat sidewalks. Your agenda item on Belvin is a pure joke tonight. It was created because Bert has a special relationship with 1333 Belvin. Your city staff ignored the opposition to the sidewalk open records demonstrate secret meetings and secret emails with Bert and 1333 Belvin, who filed a false police report on me (verified by two different video cameras) are the DIRECT RESULT OF THE AGENDA ITEM REGARDING BELVIN TRAFFIC. These meetings at the activity center I was targeted by your city staff and this video is in the public domain. The city will soon find a racial discrimination law suit for its actions on my street. Thank you for your time and God Bless San Marcos.

Liz Dobbins:
Thank you for addressing the critical safety issues involving Sessoms Drive (2020-92R). The improvements identified should help decrease opportunity for additional serious injuries and help improve safety for cyclists. You may receive pushback about disrupting a major thruway at a time when another major cross town traffic area will be disrupted for several months/years (Hopkins). Regardless, it's important we move forward with the Sessoms improvements. My second short comment involves 2020-30, Parklets. It's impossible to have it both ways—removing parking spaces from the downtown area even temporarily until August 14—is going to cause most San Marcos residents who use downtown businesses great angst. Setting up a parklet for a special "day" event is one thing; however, allowing expansion will be a

detriment for additional business traffic. Summertime is often the only reliable time when parking is easily available. Parklets, while cute and trendy, can create more problems than they can hope to resolve.

John David Carson:
Mayor and City Council:
I respectfully submit this public comment regarding a variety of transportation-related items either on this agenda or hopefully on one upcoming. Items 3 and 5 - Reducing to 25 Miles per Hour: I categorically support speed reduction on all city streets. It is worth noting that oft-benchmarked Boulder, CO is preparing this month to reduce ALL its residential streets to 20 miles per hour as part of its Vision Zero initiative. "Twenty is plenty," as they say. Of course, speed limit signage on its own is ineffective at changing behavior, but it communicates priorities and sets the stage for street design changes that are proven to reduce speeds, such as reducing or narrowing vehicular lanes or installing curb or on-street implements. Please note that speed cushions are not always the best tool to achieve traffic calming, and I have include below a link to an excellent graphic depicting a variety of other effective strategies1. Item 6 - Sessom Drive: Site of my first (and thankfully only) speeding ticket at age 16, this is a dangerous street in an active pedestrian and cycling zone near the University. Its overbuilt width of pavement makes it ideal for a four-to-three lane reduction to slow vehicular speeds and to allow for onstreet bike lanes in lieu of cramming pedestrian and cyclist traffic into a single multi-use path. It is great to see the City and University partnering on this area. Please support Item 6, but only with the required inclusion of a four-to-three lane striping road diet. Item 13 - Scooters: Thank you for taking a more measured approach to this emerging form of alternative transportation. Please support Item 13 allowing privately-owned electric motor-assisted scooters and leaving the City the opportunity to pilot a shared program in the future. Item 15 - Downtown Parklets: As downtown businesses attempt to re-open, both additional open-air space and enhanced visibility are important. Please support Item 15 and further ask staff to be highly accommodating in processing applications from businesses for these programs. Slow Streets: Cities large and small are creating "slow streets" by limiting vehicular access and speeds to provide residents more space to safely physically distance while they walk, bike, or play outside. This is done with basic open barricades and signage on select streets. People should always be the priority on city streets with vehicles invited in only as cautious guests, but this is especially the case as residents and families seek to safely access the outdoors during this time at home. San Marcos should join other progressive communities in implementing a "slow streets" program as

soon as possible. Transit: The City was granted $6.4MM in CARES Act funds for transit, roughly three times the current annual transit budget. What an opportunity! I look forward to hearing the CIty's plan to deploy these funds to make our buses more resilient to viruses and more usable for citizens after this one passes. We cannot miss this chance to invest those funds to build more transit shelters, to deploy technology to provide real-time and contactless information, and to add capacity and reduce headway for crowded routes such as those serving the University, especially as we look to combine systems. Thanks to you and staff for your service during this challenging moment in our history. I wish for all of you access to the best data and expertise available and for the community's patience and flexibility as we all navigate through this time together. Thank you. (Comments were limited to three minutes, time expired)

Sara Simpson
Mayor Hughson and San Marcos City Council Members:
We write today as individual members of the Main Street Advisory Board to encourage you to support the temporary parklet program (Agenda Item 14) to allow downtown businesses to occupy outdoor public street space and increase their visibility and ability to conduct safe operations downtown during the Covid-19 pandemic.
Furthermore, we encourage you to ensure that the requirements laid out in the proposed parklet program are appropriately flexible to allow for proper social distancing measures and also help businesses participate easily and without undue burden. Potential amendments to the temporary parklet requirements could include:

● Allow for 2 parklets per BLOCK FACE, not "per block," to allow more businesses the opportunity to participate and not restrict those that may be geographically close to one another.
● Allow multiple businesses to submit joint parklet applications should neighboring businesses want to apply and create a parklet to benefit both locations adjacent to their shared location.
● Allow for more than two spaces to be occupied by businesses to allow for meaningful capacity increases while practicing proper social distancing. Two spaces may not provide enough space for this and allowing up to three or four seems more appropriate.
● Remove the requirement for the parklets to be ADA-compliant if the business already has accessible outdoor space available to patrons OR if the spaces in front of the business already do not allow for accessible access (such as those that are located down stairs and are not on an existing ADA-compliant sidewalk).

● Other adjustments to the ordinance that would make the parklet application process and regulation thereof accommodating and more flexible to allow both staff and participants to adapt their parklets and outdoor business presence as the Covid-19 situation evolves.
Lastly, as many other cities small and large are doing at this time, we also encourage you to consider the implementation of a slow street program with the potential closure of select streets to through traffic to further increase safe public space available to downtown visitors as we all practice social distancing measures in the coming months. Thank you for your review of these matters.

PRESENTATIONS

1. Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.

Chase Stapp, Director of Public Safety, provided presentation on status reports and updates on COVID-19.

Updates to Governor Abbott's Actions
- April 30: Texas Workforce Commission guidance to unemployment claimants
Can continue receiving unemployment benefits throughout the COVID-19 response if they choose not to return to work for certain reasons:
they or a family member is high risk (over 65)
they or a family member has been diagnosed with COVID-19 and not yet recovered
they are quarantined due to close contact exposure to COVID-19
child's school or daycare is closed and no alternatives are available

- May 1: GA 18 in Effect – Local impacts
Complaints about restaurants not in compliance
Confusion about parks being closed
Large social gatherings at apartments
Questions about enforceability

- May 5: Announced new developments to reopen businesses
Friday, May 8 - Barber shops and hair, nail and other types of salons will be able to reopen
Services will be by one-on-one appointment only
Customers will be able to wait inside a space if six feet of distance is able to be maintained

Face masks will be strongly encouraged
Monday, May 18 - Gyms will be able to reopen
Operate at 25% capacity
Workout areas must adhere to sanitizing and social distancing measures
Customers should wear gloves when using equipment
Showers and locker rooms must remain closed
Monday, May 18 - Non-essential manufacturers can reopen at 25% capacity
Must use staggered staffing to ensure people aren't moving through doorways at the same time
Currently no date for the reopening of bars
Weddings treated same as religious services, receptions must follow guidelines for restaurants

Efforts to date (updated)

- Recovery Task Force 2nd Meeting
Continued discussion to determine how best to accomplish Governor's re-opening initiatives
- City staff continue to work with businesses wishing to re-open
- Messaging from City Manager to all City staff Monday, May 4
- Processed Late Fee Exemptions for 125 commercial utility accounts, 82 residential utility accounts since implementation on March 26
Set up payment arrangements totaling over $218,000 for 819 utility customer accounts over that same time period
- Transitioned to Council review of COVID-19 dashboard

Upcoming considerations
- Evaluate duration of parks closures
- Requirements for safety practices at re-opened businesses
- Phased approach of re-opening City services and facilities

Council Member Baker stated that there has been an increase of river activity, concerned about more citizens gathering at the river and seeing protests in other parts of the country and asked how San Marcos Police Department have organized, if a protest occurs at the river. Mr. Stapp responded that park rangers will be the first responders to calls at the park. However, park rangers can call for assistance from the police department, if needed. Mr. Stapp mentioned that between the numbers of warnings and issuing citations have been relying upon on modeling education, compliance with heavy enforcement. Mr. Stapp stated that if a protest does arise, the park rangers will peacefully disburse using education and diplomacy.

Community Development Block Grant (CBDG) Funding Options Related to COVID-19 Presentation

Michael Ostrowski, Assistant Director of Planning and Development Services, provided the CBDG funding options to COVID-19.

CDBG-COVID Information
- HUD has awarded the City $425,261 in CDBG-CV funds (reimbursable funds).
- Special funding allocation to prevent, prepare for, and respond to Coronavirus (infectious disease).
- Eligible projects and programs must satisfy a national CDBG program objective, and should address one or more of the priority needs identified within the Consolidated Plan.
- Eligible applicants may include for-profit entities (programs geared primarily to serve low- to moderate-income persons/families), non-profit organizations, government agencies, and City departments; the City is not accepting applications from individuals who need personal housing or other financial assistance.
- Process specific changes:
No 15% cap on Public Services for this or any other funds used for Coronavirus response.
Substantial Amendment will be required for use of CDBG-CV funds.
HUD reduced standard 30-day public comment period to 5 days.
If necessary, PY2019 and PY2020 CDBG-Entitlement funding may be re-allocated for eligible COVID-19 activities.
- Limited guidance has been provided at this time, but HUD has instructed communities to start the amendment process for needed plans.

CDBG-Entitlement Information
- City was awarded $722,904 in CDBG-Entitlement funds for PY2020-2021 (reimbursable funds).
- Eligible projects and programs must satisfy a national CDBG program objective and should address one or more of the priority needs identified within the Consolidated Plan.
- 70% of the funds must benefit low-moderate income people.
- No more than 15% can be used for Public Services, unless funds are used for Coronavirus response.
- No more than 20% can be used for Administration.

Examples of Projects/Programs
- Food Assistance Program - Financial assistance to food banks, meal delivery programs, and other food assistance programs that are serving LMI clients in need of these service because of the Coronavirus.
- Emergency Rental and Mortgage Assistance Program - Financial assistance, paid directly to the landlord or bank, for LMI families who have been financially impacted by the Coronavirus.
- Homeless Prevention Program - Resource and financial assistance (for qualifying expenses) to LMI families who are at risk of or have recently become homeless due to the Coronavirus.
- Microenterprise Loan/Grant Program - Small loans or grants for businesses owned by a low- or moderate-income person. The business must be able to prove financial hardship due to the Coronavirus
- Small Business Job Creation or Retention Program - Financial assistance to small businesses that employee LMI persons. The business must be able to prove they are hiring employees in response to Coronavirus OR they are at risk of losing employees because of the Coronavirus.
- Construct a facility for testing, diagnosis, or treatment.
- Develop non-project specific emergency infectious disease response plans (City).

Councilmember Derrick asked why are we amending the 2015-2019 plan? Mr. Ostrowski stated it is to get the Economic Development plan in it and if we don't we will not be able to approve the funds for programs related to Economic Development grants.

Councilmember Baker stated that for-profit organizations can be funded, what percentage is for-profit organizations. Mr. Ostrowski stated that it can be limited percentage.

CONSENT AGENDA

A motion was made by Council Member Gonzales, seconded by Council Member Baker, to approve the consent agenda with the exception of item #2 (c) which was postponed to the next City Council Meeting.

Council Member Mihalkanin abstained from item #6 as he is employed by Texas State University.

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

2. Consider approval, by motion, of the following meeting Minutes:
A. April 16, 2020 - Special Meeting Minutes
B. April 21, 2020 - Work Session Meeting Minutes
C. April 21, 2020 - Regular Meeting Minutes

3. Consider approval of Ordinance 2020-22, on the second of two readings, reducing the speed limit from 30 miles per hour to 25 miles per hour along the 500 block of Harvey Street between North Street and Blanco Street; authorizing the installation of signs and traffic control devices reflecting the new speed limit; directing that the traffic register maintained under Section 82.067 of the San Marcos City Code be amended to reflect the new speed limit; and including procedural provisions.

4. Consider approval of Ordinance 2020-23, on the second of two readings, establishing a no parking / tow-away zone on the southside of a city easement located at 708 Peques Street pursuant to Section 82.066 of the San Marcos City Code; authorizing the installation of signage reflecting the no parking / tow-away zone; directing that the Traffic Register maintained under Section 82.067 of the San Marcos City Code be amended to reflect the no parking / tow-away zone; and including procedural provisions.

5. Consider approval of Ordinance 2020-24, on the second of two readings, amending the traffic register maintained pursuant to section 82.067 of the City Code by decreasing the speed limit in the 1300 through 1500 blocks of Belvin Street (between Bishop Street to Dixon Street) from 30 miles per hour to 25 miles per hour in both directions and authorizing the installation of speed cushions; and including procedural provisions.

6. Consider approval of Resolution 2020-92R, approving an Interlocal Agreement between the City of San Marcos and Texas State University for drainage, road, intersection and pedestrian improvements along Academy Street and West Sessom Drive; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

7. Consider approval of Resolution 2020-93R, granting an easement to Bluebonnet Electric Cooperative, Inc. for the installation of underground electric utility facilities in a city lot used for drainage in the Hill of Hays Subdivision; authorizing the City Manager, or his designee, to execute said easement on behalf of the City; and declaring an effective date.

8. Consider approval of Resolution 2020-94R, approving a Change in Service to the agreement between the City and Knight Security Systems, LLC for the provision of professional high technology services, maintenance, and equipment related to security at the San Marcos Public Library in the estimated amount of $130,023.82 through the Texas Comptroller of Public Account's Department of Information Resources Program ("DIR") (Contract DIR-TSO-3430); authorizing the City Manager or his designee to execute the appropriate purchasing documents on behalf of the City; and declaring an effective date.

9. Consider approval of Resolution 2020-95R, approving an agreement with SHI Government Solutions for the renewal of an antivirus software license and maintenance agreement for a three-year period through the BuyBoard Cooperative Purchasing Program in the amount of $54,537.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

10. Consider approval of Resolution 2020-97R, delaying action on an ordinance authorizing the issuance of City of San Marcos, Texas Combination Tax and Limited Revenue Certificates of Obligation in an amount not to exceed $50,500,000; and other matters related thereto.

NON-CONSENT AGENDA

11. Consider approval of Ordinance 2020-26, amending the City's 2019-2020 fiscal year budget to allocate $50,000 from the Asset Forfeiture Fund to augment the city's Employee Assistance Program by providing wellness resources for employees of the San Marcos Police Department and the San Marcos Fire Department; providing for the adoption of this Ordinance on only one reading as an emergency measure; and declaring an effective date.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Derrick ,to approve Ordinance 2020-26, on one reading as an emergency measure. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

12. Consider approval of Ordinance 2020-27, on the first of two readings, amending Article 6, Divisions 1 and 2 of Chapter 2 of the San Marcos City Code to revise and update the City's public records management program; including procedural provisions; and declaring an effective date.

A motion was made by Council Member Gonzales, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Ordinance 2020-27, on the first of two readings. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

13. Consider approval of Ordinance 2020-28, on the first of two readings, amending Chapter 82, Traffic and Vehicles, of the San Marcos City Code, by adding a new Article 9 that prohibits the placement and use of Motor-Assisted Scooters owned by Commercial Scooter Companies on public property, streets and sidewalks; providing a savings

clause; providing for the repeal of any conflicting provisions; providing for penalties; and providing an effective date.

MAIN MOTION: a motion was made by Council Member Baker, seconded by Council Member Gonzales, to approve Ordinance 2020-28 on the first of two readings.

MOTION TO AMEND: a motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Derrick, to amend in Section 82.298 (b) uses prohibited to strike $100.00 and change to $50.00. The section will now read:

"It is an offense for any person to operate a motor-assisted scooter that is owned, controlled, or managed by, or on behalf of, a scooter company on any public property, public park (including natural areas and open spaces), public sidewalk, public way, public street, or public highway within the city, or on any city-owned property located outside the corporate limits of the city. A violation of this subsection is a misdemeanor offense punishable by a fine up to $50.00."

The motion to amend carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MAIN MOTION: to approve Ordinance 2020-28, on the first of two readings, as amended.

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

14. Consider approval of Ordinance 2020-29, temporarily allowing alternative arrangements for the payment of food establishment permit fees under section 18.100 of the San Marcos City Code due to the COVID-19 pandemic; including procedural provisions; providing for adoption of this Ordinance as an emergency measure on only one reading; and providing an effective date.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Derrick, to approve Ordinance 2020-29, on one reading as an emergency measure. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

15. Consider approval of Ordinance 2020-30, amending Chapter 74 of the San Marcos City Code by adding an addendum to Article 6 that establishes procedures and criteria for the granting of a temporary, revocable, licenses for parklets as a means to reactivate downtown following the COVID-19 stay at home orders of 2020; providing a savings clause; including procedural provisions; providing for adoption of this Ordinance as an emergency measure on only one reading; and providing an effective date.

MAIN MOTION: a motion was made by Council Member Mihalkanin, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Ordinance 2020-30.

MOTION TO AMEND: a motion was made by Council Member Derrick, seconded by Mayor Pro Tem Mihalkanin, to amend ordinance under Requirements for Temporary Parklet licenses, section (b) to insert #11 and the language "no more than two parklets shall be allowed per block face". The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Council Member Gonzales, to add the provisions under General Requirements for all Temporary Parklet licenses, section (b) and insert #12 with the provision language: COVID-19 Requirements. All temporary parklet licensees shall have read and shall follow the protocols, practices, and guidelines, as applicable to their business, specified in the Governor's Report to Open Texas, and any potential amendments, all of which will support a safe and measured reopening of Texas. Violations of this section shall result in the licensee receiving a verbal warning and an opportunity to comply with this section. If a second violation occurs, the parklet license may be revoked immediately and the parklet may be removed. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MOTION TO AMEND: a motion was made by Mayor Hughson, seconded by Council Member Baker, to delete in the caption of the ordinance "providing

for the repeal of any conflicting provisions" and replace with the language "providing for adoption of this Ordinance as an emergency measure on only one reading. The section would read as follows:
An Ordinance of the City Council of the City of San Marcos, Texas amending Chapter 74 of the San Marcos City Code by adding an addendum to article 6 that establishes procedures and criteria for the granting of temporary, revocable, licenses for parklets as a means to reactivate downtown following the COVID-19 stay at home orders of 2020; providing a savings clause; providing for the repeal of any conflicting provisions; providing for the adoption of this ordinance as an emergency measure on only one reading; and providing an effective date.

In section 5 to delete the phrase "This ordinance will take effect after its passage, approval and adoption on second reading and will remain in effect until August 15, 2020 except that any enforcement related to this ordinance will continue until resolved." and insert the following language with the new section would read as follows, "The importance of this ordinance creates an emergency and an imperative public necessity, and the provisions of the San Marcos City Charter requiring that ordinances be presented at two separate meetings are hereby waived and, this ordinance will take effect immediately upon adoption." The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

MAIN MOTION: to approve Ordinance 2020-30 as amended.

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

EXECUTIVE SESSION

16. Executive Session in accordance with the following Government Code Sections:
A. Section § 551.072 - Real Property: to receive a staff briefing and deliberation regarding acquisition of property in Downtown San Marcos for public use
B. Section §551.071 - Consultation with Attorney regarding: Legal considerations regarding acquisition of property in Downtown San Marcos for public use

A motion was made by Council Member Baker, seconded by Mayor Pro Tem

Mihalkanin, to enter into Executive Session at 8:42 p.m. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

DIRECTION/ACTION FOLLOWING EXECUTIVE SESSION

17. Consider action, by motion, regarding the following Executive Session items held during the Work Session and/or Regular Meeting:
A. Section § 551.072 - Real Property: to receive a staff briefing and deliberation regarding acquisition of property in Downtown San Marcos for public use
B. Section §551.071 - Consultation with Attorney regarding: Legal considerations regarding acquisition of property in Downtown San Marcos for public use

Council concluded Executive Session at 9:58 p.m. Mayor Hughson stated direction was provided to staff on Item A and B.

IV. Adjournment.

Mayor Hughson adjourned the regular meeting of the City Council at 10:00 p.m. on May 5, 2020.

Tammy K. Cook, Interim City Clerk **Jane Hughson, Mayor**

File #: Ord. 2020-27(b), **Version:** 1

AGENDA CAPTION:
Consider approval of Ordinance 2020-27, on the second of two readings, amending Article 6, Divisions 1 and 2 of Chapter 2 of the San Marcos City Code to revise and update the City's public records management program; including procedural provisions; and declaring an effective date.
Meeting date: May 19, 2020

Department: City Clerk

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Approved on First Reading on May 5, 2020

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City Clerk's staff has reviewed Ordinance 2007-30 adopted on May 15, 2007. The staff has determined that the ordinance needs to be updated in the City Code to reflect modern practice and continue to be in full compliance with the rules and regulations set by the Texas State Library and Archives Commission.

The Texas Local Government Records Act ("Act") was first enacted by the Texas Legislature in 1989. Enacted with the same legislation in 1989 was the authority of the Texas State Library and Archives Commission ("State Library") to participate in the preservation and management of local governmental records. The essence of the Act is its requirement that every local government have a records management program, designate a records management officer, and observe the time periods within which records must be retained pursuant to a retention schedule adopted under the regulatory authority of the State Library.

The Act defines the broad duty of a city council to: (1) establish, promote, and support an active and continuing program for the efficiency and economical management of all local government records and (2) cause policies and procedures to be developed for the administration of the program under the direction of the records management officer.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends approval

ORDINANCE NO. 2020-27

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING ARTICLE 6, DIVISIONS 1 AND 2 OF CHAPTER 2 OF THE SAN MARCOS CITY CODE TO REVISE AND UPDATE THE CITY'S PUBLIC RECORDS MANAGEMENT PROGRAM; INCLUDING PROCEDURAL PROVISIONS; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. Title 6, Subtitle C, Texas Local Government Code (Local Government Records Act) provides that each municipality in the State must establish by ordinance an active and continuing records management program to be administered by a Records Management Officer.

2. The City of San Marcos desires to amend its current ordinance to ensure the City's Records Management Program is consistent with any updated State laws and take into consideration recent technological advances such as the use of social media.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Chapter 2, Article 6, Division 2, Records Management, of the San Marcos City Code is amended as follows (underlining indicates added text, strikethrough indicates deleted text):

SEC. 2.501. DEFINITIONS

In this division:

City records means all documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information recording media, regardless of physical form or characteristic, created or received by the City or any of its officers or employees pursuant to law or in the transaction of public business, whether public access to the records is open or restricted under state law. These shall be created, maintained and disposed of in accordance with this division or procedures authorized by this division and in no other manner.

Department *Director* ~~*head*~~ means the officer or employee who is in charge of a department. ~~who, by ordinance, order or administrative policy, is in charge of an administrative unit of the City that creates or receives records.~~

Digital means when used in reference to a record, means the record is maintained in an electronic data format that requires an electronic device to create, store, access, retrieve, or read the record.

Employee means a person employed by the City.

Essential record means any City record necessary to the resumption or continuation of City operations in an emergency or disaster, to the re-creation of the legal and financial status of the City, or to the protection and fulfillment of obligations to the people of the state.

Local Government Records Act means Title 6. Records, Subtitle C. Records Provisions Applying to More Than One Type of Local Government, of the Texas Local Government Code.

Official means the Mayor, a member of the City Council, and a person appointed by the Mayor or the City Council board/commission, task force, or another City body.

Permanent record means any City record for which the retention period on a records control schedule is given as permanent.

Physical record means that the record is maintained in a tangible form, such as paper, photographic film, analog tape, or similar medium.

Record means a local government record of the City, and includes a digital record and/or a physical record.

Records control schedule means a document prepared by or under the authority of the records management officer listing the records maintained by the City, their retention periods and other records disposition information, which the records management program may require.

Records Disposition means the destruction of a City record that has passed its minimum legal retention period and no longer has value to the City.

Records liaison officers means the persons designated under section 2.510.

Records Inventory means the process of locating, identifying and describing in detail the records of a department.

Records Management means the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records for the purposes of reducing the costs and improving the efficiency of recordkeeping. The term includes the development of record control schedules; the management of filing and information retrieval systems; the protection of essential and permanent records; the economical and space-effective storage of inactive records; control over the creation and distribution of forms, reports and correspondence; and the management of micrographics and electronic and other records storage systems.

Records management committee means the committee established in section 2.506.

Records management officer means the person designated in section 2.504.

Records management plan means the plan developed under section 2.507.

Retention Period means the minimum time that must pass after the creation, recording or receipt of a record or the fulfillment of certain actions associated with a record before it is eligible for destruction.

Sec. 2.502. ~~City records declared public property~~ Applicability.

~~All City records as defined in section 2.501 are declared to be City property. No City official or employee has, by virtue of his position, any personal or property right to City records, even though the official or employee may have developed or compiled them. The unauthorized destruction, removal from files or use of these records is prohibited.~~

(a) Each City official and employee shall comply with the City of San Marcos Records Management Program adopted under this chapter and the Texas Local Government Records Act.

(b) This chapter, the records management program, and the records control schedules apply to all records in whatever form the records exist, including all digital records and all physical records.

Sec. 2.503. Policy.

It is the policy of the City to provide for efficient, economical and effective controls over the creation, distribution, organization, maintenance, use and disposition of all City records through a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements of the Texas Local Government Records Act, V.T.C.A., Local Government Code, § 201.001 et seq., and accepted records management practice.

Sec. 2.504. Designation of records management officer.

Pursuant to Texas Local Government Code §203.025, the City Clerk, and successive holders of that office, will serve as the records management officer for the City. Each successive holder of the office shall file ~~his~~ their name with the director and librarian of the state library within 30 days of the initial designation or of taking up the office, as applicable.

Sec. 2.505. ~~Records Management Committee~~ Duties of records management officer.

~~A records management committee consisting of the City manager, City attorney, director of finance, City clerk, and the chief of police is established. The committee shall:~~

~~(1) Assist the records management officer in the development of policies and procedures governing the records management program;~~

~~(2) Review the performance of the program on a regular basis and propose changes and improvements if needed;~~

~~(3) Review and approve records control schedules submitted by the records management officer;~~

~~(4) Give final approval to the destruction of records in accordance with approved records control schedules; and~~

~~(5) Actively support and promote the records management program throughout the City.~~

In addition to other duties assigned in this division, the records management officer will:

(1) Administer the records management program and provide assistance to department directors in its implementation;

(2) Plan, formulate and prescribe records disposition policies, systems, standards and procedures;

(3) In cooperation with department directors, identify essential records and establish a disaster plan for each City office and department to ensure maximum availability of the records in order to reestablish operations quickly and with minimum disruption and expense;

(4) Develop procedures to ensure the permanent preservation of the historically valuable City records;

(5) Establish standards for filing and storage equipment and for recordkeeping supplies;

(6) Provide records management advice and assistance to all City departments by preparation of a manual of procedure and policy and by on-site consultation;

(7) Monitor records retention schedules and administrative rules issued by the Texas State Library and Archives Commission to determine if the records management program and the City's records control schedules are in compliance with state regulations;

(8) Disseminate to the City Council and department directors information concerning state laws and administrative rules relating to local government records;

(9) Instruct records liaison officers and other personnel in policies and procedures of the records management plan and their duties in the records management program;

(10) Direct records liaison officers or other personnel in the conduct of records inventories in preparation for the development of records control schedules as required by state law and this division;

(11) Ensure that the maintenance, preservation, destruction or other disposition of the City is carried out in accordance with the policies and procedures of the record management program and the requirements of state law;

(12) Maintain records on the volume of records destroyed under approved records control schedules, the volume of records ~~microfilmed and~~ stored electronically, and the estimated cost and space savings as the result of such disposal or disposition.

Sec. 2.506. Records management committee.

(a) The members of the records management committee are:

(1) City Clerk;

(2) City Manager;

(3) City Attorney;

(4) Director of Finance; and

(5) Chief of Police.

(b) The duties and responsibilities of the committee are to give final approval to the destruction of records in accordance with approved records control schedules, and actively support and promote the records management program throughout the City.

Sec. ~~2.506~~ 2.507. Records management plan.

(a) The records management officer ~~and the records management committee~~ shall develop a records management plan for the City. ~~for submission to the City Council~~. ~~The plan must contain policies and procedures designed to reduce the costs and improve the efficiency of recordkeeping, to adequately protect the essential City records and to properly preserve those City records that are of historical value. The plan must be designed to enable the records management officer to effectively carry out the duties prescribed by state law and this division.~~

(b) ~~Once approved by the City council, the records management plan is binding on all offices, departments, divisions, programs, commissions, bureaus, boards, committees or similar City entities, and records will be created, maintained, stored, microfilmed or disposed of in accordance with the plan.~~ The records management plan shall:

(1) comply with the Texas Local Government Records Act;

(2) adequately protect the essential records of the City;

(3) properly preserve those records of the City that are of historical value;

(4) establish guidelines for the implementation of records control schedules;

(5) establish training requirements for department records liaison(s);

(6) provide for the proper maintenance, preservation and storage of the electronic records of the City;

(7) establish guidelines for the proper destruction of records, including a description of the information that must be maintained in a destruction log;

(8) contain policies and procedures designed to reduce the costs and improve the efficiency of recordkeeping;

(9) establish procedures for transferring records to an electronic or digital format, including guidelines for the disposition of records that have been transferred; and

(10) establish criteria for the use of the records center serving as the depository of inactive records with continuing value to the City.

~~(c) State law relating to the duties, other responsibilities or recordkeeping requirements of a department head do not exempt the department head or the records in the department head's care from the application of this division and the records management plan adopted under it and may not be used by the department head as a basis for refusal to participate in the records management program.~~

Sec. ~~2.507. - Duties of records management officer.~~

~~In addition to other duties assigned in this division, the records management officer will:~~

~~(1) Administer the records management program and provide assistance to department heads in its implementation;~~

~~(2) Plan, formulate and prescribe records disposition policies, systems, standards and procedures;~~

~~(3) In cooperation with department heads, identify essential records and establish a disaster plan for each City office and department to ensure maximum availability of the records in order to reestablish operations quickly and with minimum disruption and expense;~~

~~(4) Develop procedures to ensure the permanent preservation of the historically valuable City records;~~

~~(5) Establish standards for filing and storage equipment and for recordkeeping supplies;~~

~~(6) Provide records management advice and assistance to all City departments by preparation of a manual of procedure and policy and by on-site consultation;~~

~~(7) Monitor records retention schedules and administrative rules issued by the Texas State Library and Archives Commission to determine if the records management program and the City's records control schedules are in compliance with state regulations;~~

~~(8) Disseminate to the City council and department heads information concerning state laws and administrative rules relating to local government records;~~

~~(9) Instruct records liaison officers and other personnel in policies and procedures of the records management plan and their duties in the records management program;~~

~~(10) Direct records liaison officers or other personnel in the conduct of records inventories in preparation for the development of records control schedules as required by state law and this division;~~

~~(11) Ensure that the maintenance, preservation, microfilming, destruction or other disposition of the City is carried out in accordance with the policies and procedures of the record management program and the requirements of state law;~~

~~(12) Maintain records on the volume of records destroyed under approved records control schedules, the volume of records microfilmed and stored electronically, and the estimated cost and space savings as the result of such disposal or disposition.~~

Sec. 2.508. Duties of city councilmembers.

(a) Members of the City Council shall comply with all requirements of this ordinance as well as state law governing the management of City records.

(b) Members of the City Council shall respond promptly to requests for information received by the City pursuant to the Texas Public Information Act by providing any records requested that are in their possession. Any responsive information shall be delivered to the City's Clerk's Office for processing. Information that is subject to disclosure under the Texas Public Information Act may include text messages, emails, and social media posts related to City business even if the device that contains the information belongs to the individual member of City Council and not the City.

Sec. ~~2.508~~ 2.509. Duties of ~~and responsibilities~~ department ~~heads~~ directors.

In addition to other duties assigned in this division, department ~~heads~~ directors will:

(1) ~~Cooperate with the records management officer in carrying out the policies and procedures established in the City for the efficient and economical management of records and in carrying out the requirements of this division;~~ Cooperate with the records management officer in carrying out the policy and procedures established for the City of San Marcos. A department director may not refuse to comply with the requirements of this chapter based on a City ordinance or policy relating to a duty, recordkeeping requirement, or other responsibility as a director.

(2) ~~Adequately document the transaction of government business and the services, programs and duties for which they and their staffs are~~

~~responsible; and~~ Assign a records liaison officer(s) to serve as the point of contact for the records management program. A department director may serve as the department's records liaison officer.

(3) ~~Maintain the records in their care and carry out their preservation, microfilming, destruction or other disposition only in accordance with the policies and procedures of the City records management program and the requirements of this division.~~ Ensure that transactions of City business are properly documented (including services, programs and duties for which the department director and his/her staff are responsible).

(4) Review and sign destruction authorization forms for records that have met retention requirements.

(5) Ensure that department staff follows the retention, storage and destruction requirements outlined in the Records Management Procedures.

(6) Ensure that the department's record liaison officer(s) have sufficient time and resources to implement the records management program.

(7) Comply with this chapter for records created by a City board, commission and any special task force for which the department provides support.

Sec. ~~2.509~~ 2.510. Duties of ~~R~~records liaison officer(s) ~~Designated~~.

~~Each department head will designate a staff member to serve as records liaison officer for the implementation of the records management program in the department. If the records management officer determines that, in the best interests of the records management program, more than one records liaison officer should be designated for a department, the department head will designate the number of records liaison officers specified by the records management officer. Persons designated as records liaison officers will be thoroughly familiar with all the records created and maintained by the department and have full access to all records of the City maintained by the department. If the person designated as records liaison officer resigns, retires, is dismissed or is removed by action of the department head, the department head will promptly designate another person to fill the vacancy. A department head may serve as records liaison officer for his department.~~

(a) Each records liaison officer(s) shall:

(1) be designated by the department director to implement the records management program in the department.

(2) should be thoroughly familiar with, and have full access to, all records created and maintained by the department;

(3) cooperate with the records management officer to implement the records management program in the department;

(4) distribute information about the records management program to department staff;

(5) ensure that the creation, storage, retention, destruction, disposition, security, and accessibility of the department's records are in compliance with the department's records management program and state law;

(6) conducts or supervises the creation of record inventories for the department for the departmental records control schedule;

(7) implement and review the department records control schedule to ensure that records are retained for the approved retention period;

(8) responsible for transferring a physical record that is no longer required for the conduct of department business to the records center;

(9) identify essential records of the department and establish, implement, and maintain a records disaster recovery plan; and

(10) complete training(s) required by the records management program.

~~**Sec. 2.510. – Same – Duties and responsibilities**.~~

~~In addition to other duties assigned in this division, records liaison officers will:~~

~~(1) Conduct or supervise the conduct of inventories of the records of the department in preparation for the development of records control schedules;~~

~~(2) In cooperation with the records management officer, coordinate and implement the policies and procedures of the records management program in their departments; and~~

~~(3) Disseminate information to department staff concerning the records management program.~~

Sec. 2.511. Records control schedules ~~— Development; approval; filing with state~~.

(a) The records management officer, in cooperation with department directors ~~heads~~ and records liaison officer(s), will prepare records control schedules on a department-by-department basis, that describe and establish the retention periods for all City records created or received by each department. ~~listing all records created or received by each department and the retention period for each record. Records control schedules will also contain other information regarding the disposition of City records as the records management plan may require.~~

(b) ~~Each records control schedule shall be monitored as needed by the records management program administrator officer on a regular basis to ensure that it is in compliance with records retention schedules issued by the state and that it continues to reflect the recordkeeping procedures and needs of the department and the records management program of the City.~~ Records control schedules will also contain other information regarding the disposition of City records as the records management plan may require. Every City record identified on a records control schedule, or any amendment to the schedule, or in any request for destruction of a record shall be specifically described.

(c) ~~Before its adoption, a records control schedule or amended schedule for a department must be approved by the department head and the members of the records management committee.~~ Any records control schedule, amendment to a schedule, or request for destruction of a record that contains general terms such as "miscellaneous" and "various" to describe any record identified in such a document will not be submitted to the records management officer for consideration.

(d) ~~Before its adoption, a records control schedule must be submitted to and accepted for filing by the director and librarian of the state library. If a schedule is not accepted for filing, the schedule shall be amended to make it acceptable for filing. The records management officer shall submit the records control schedules to the director and librarian.~~ Each records control schedule shall be monitored and amended as needed by the records management officer on a regular basis to ensure that the schedule is in compliance with records retention schedules issued by the state and that the schedule continues to reflect the record keeping procedures and needs of the department and the records management program of the City.

(e) Before its adoption, a records control schedule or amended schedule for a department must be approved by the department director.

(f) A records control schedule shall be submitted by the records management officer to, and accepted for filing by, the director and the librarian of the Texas State Library, as provided by state law, before the schedule may be implemented.

Sec. 2.512. ~~Implementation; destruction of records under schedule~~ Destruction or disposition of records.

(a) ~~Appropriate records control schedules issued by the Texas State Library and Archives Commission shall be adopted by the records management officer for use in the City, as provided by law. Any destruction of records of the City will be in accordance with these schedules and the Local Government Records Act.~~ The records liaison officer shall notify the records management officer when a City record is eligible for destruction.

(b) ~~A records control schedule for a department which has been approved and adopted under section 2.506, or 2.512(a), shall be implemented by department heads and records liaison officers according to the policies and procedures of the records management plan.~~ Before a City record is destroyed under an approved records control schedule, the records management program administrator must obtain authorization for the destruction from the records management committee, unless the approved schedule specifies that the record may be destroyed without additional review or authority of the records management committee.

(c) ~~A record whose retention period has expired on a records control schedule shall be destroyed unless an open records request is pending on the record, the subject matter of the record is pertinent to a pending law suit, or the department head requests in writing to the records management committee that the record be retained for an additional period.~~ A City record whose retention period has expired on an approved records control schedule must be destroyed unless:

(1) a request for the record is pending under the Texas Public Information Act, Tex. Government Code Chapter 552;

(2) the record is pertinent to pending litigation or audit; or

(3) a department director requests the City Clerk in writing and states the reason that the record be retained for an additional period, and the request is approved in writing by the City Clerk; or

(4) The records management officer determines that the record must be held pending review for historical value.

(d) ~~Prior to the destruction of a record under an approved records control schedule, authorization for the destruction must be obtained by the records management officer from the records management committee.~~ A City record that is obsolete or that has not been identified on an approved records control schedule may be destroyed if:

(1) its destruction has been approved in the same manner as a record destroyed under an approved schedule and

(2) the records management officer has submitted to and received back from the director and librarian of the state library an approved destruction authorization request.

~~Sec. 2.513. - Destruction of unscheduled records~~.

~~A City record that has not been listed on an approved records control schedule may be destroyed if its destruction has been approved in the same manner as a record destroyed under an approved schedule and the records management officer has submitted to and received back from the director and librarian of the state library an approved destruction authorization request.~~

Sec. 2.5~~1~~413. Records center.

~~A records center, developed pursuant to the plan required by section 2.506, shall be under the direct control and supervision of the City clerk. Policies and procedures regulating the operations and use of the records center shall be contained in the records management plan developed under section 2.506.~~ The records management officer will provide a facility for storage of inactive City records. The department that creates and maintains a record is the records custodian of that record and remains the custodian after the record is transferred to the records center for storage. The records management officer is responsible for developing procedures to ensure proper transfer and disposition.

(1) If a record is no longer needed in the transaction of current business the record liaison officer(s) and the records management officer will begin the paperwork to transfer the records to the records center.

(2) If the retention period has expired, ~~the proper steps should be taken to destroy the records provided by this chapter.~~ the records liaison officer(s) shall begin the destruction process under Section 2.512.

Sec. 2.51~~4~~15. ~~Micrographics and electronic record retention programs~~. Management of digital records.

~~Unless a micrographics or electronic retention program in a department is specifically exempted by the City council, all microfilming or scanning for electronic retention of records will be centralized and under the direct supervision of the records management officer. The records management plan will establish policies and procedures for the microfilming or electronic retention of City records, including policies to ensure that all the microfilming or electronic retention of City records is done in accordance with standards and procedures for the microfilming or electronic retention of local government records established in rules of the state~~

~~library and archives commission. The plan will also establish criteria for determining the eligibility of records for microfilming or electronic retention and protocols for ensuring that a microfilming program that is exempted from the centralized operations is, nevertheless, subject to periodic review by the records management officer as to cost effectiveness, administrative efficiency and compliance with commission rules.~~The creation, maintenance, preservation, electronic document imaging, and storage of digital records, including the conversion of a physical record to a digital record, must comply with the records management plan, state law and the administrative rules of the Texas State Library and Archives Commission. The records management officer will review departmental plan for information technology systems and services for assistance in potential technology solutions to ensure that the systems and services create, store, manage, protect, preserve, destroy, and provide access to records in compliance with the records management program.

Sec 2.515. Ownership of records.

(a) Every City record is the property of the City. No City official or employee has, by virtue of their position, any personal or property right to City records, even though the official or employee may have developed or compiled them. Any record created or received by a City official or employee that relates to City business is a City record whether it is maintained on a device owned by the City or on a personal device.

(b) The unauthorized alteration, destruction, removal from files or use of these records is prohibited. A City record shall not be sold, loaned, given away or destroyed property.

(c) A City official or employee shall, at the end of the official's term or appointment or employee's employment, must deliver to the City all records in their possession.

(d) City contractor/vendor responsibilities:

(1) The City contractor/vendor will maintain any City records in compliance with this chapter.

(2) If a City contractor/vendor receives or creates a record due to fulfilling a contract, the record is the property of the City.

(3) The City contractor will comply in delivering the record in any media or format to the City at no cost when the contract is completed or terminated and/or if requested by the authorized City employee.

(4) The contractor may not dispose or destroy a record that is City property.

Sec.2.516. Criminal offense.

Pursuant to Texas Local Government Code §202.008, an officer or employee of the City commits a Class A misdemeanor if the officer or employee knowingly or intentionally violates the Texas Local Government Records Act or the rules adopted under the act by the Texas State Library and Archives, by destroying or alienating a local government record in contravention of the act or by intentionally failure to deliver records to a successor in office. A Class A misdemeanor is punishable by a fine of up to $4,000 and up to one year in county jail.

Secs. 2.51~~6~~7 - 2.540. - Reserved.

SECTION 2. In codifying the changes authorized by this ordinance, paragraphs, sections and subsections may be renumbered and reformatted as appropriate consistent with the numbering and formatting of the San Marcos City Code.

SECTION 3. If any word, phrase, clause, sentence, or paragraph of this Ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 4. All ordinances and resolution or parts of ordinances and resolutions in conflict with this Ordinance are repealed.

SECTION 5. This ordinance shall become effective upon adoption.

PASSED AND APPROVED ON FIRST READING on May 5, 2020.

PASSED, APPROVED and ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Legislation Text

File #: Ord. 2020-28(b), **Version:** 1

AGENDA CAPTION:
Consider approval of Ordinance 2020-28, on the second of two readings, amending Chapter 82, Traffic and Vehicles, of the San Marcos City Code, by adding a new Article 9 that prohibits the placement and use of Motor-Assisted Scooters owned by Commercial Scooter Companies on public property, streets and sidewalks; providing a savings clause; providing for the repeal of any conflicting provisions; providing for penalties; and providing an effective date.

Meeting date: May 19, 2020

Department: General Services / Legal

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

City Council Strategic Initiative: [Please select from the dropdown menu below]

Multi Modal Transportation

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☒ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

- Texas Transportation Code Chapter 551.352. (b) states: "*a county or municipality may prohibit the operation of a motor-assisted scooter on a street, highway, or sidewalk if the governing body of the county or municipality determines that the prohibition is necessary in the interest of safety.*"

- During the Council work session on April 2, 2019, the City Council (7-0) directed staff to draft an ordinance prohibiting the use of a motor-assisted scooter in the public right-of-way, including sidewalks and streets

- On December 17, 2019, Council approved the first reading of an ordinance prohibiting the use of motor -assisted scooters in the public right-of-way, including sidewalks and streets, and provided direction for staff as follows:

    - Add a delayed enforcement period to the ordinance
    - conduct a public outreach campaign
    - Reduce the maximum fine for violations of the ordinance from $500 to $25 for private use

- On January 7, 2020, during consideration of the (amended per direction above) ordinance on second reading, the City Council postponed this item.

- On March 24, 2020 a Work Session was held and Council provided direction to staff to bring an Ordinance forward that includes the following elements:

    - Prohibits Commercial Scooter Dumping or use
    - Allow Private Scooter ownership and use
    - Considers a future pilot program

The attached ordinance:

- Prohibits the placement, abandonment or use of motor-assisted scooters owned by commercial scooter companies on public property, streets and sidewalks;
- Establishes the City's impoundment authority and penalties for illegal motor-assisted scooters;
- Remains silent on privately-owned scooters and use;
- Makes an exception for commercial scooters provided under a city-approved pilot program
- Requires two (2) readings
- Takes effect after second reading approval and publication
- Incorporates amendment from 1st Reading: Reducing the fine from $100 to $50 in Sec. 82.298. Offenses (b) use prohibited

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of the ordinance.

ORDINANCE NO. 2020-28

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 82, TRAFFIC AND VEHICLES, OF THE SAN MARCOS CITY CODE, BY ADDING A NEW ARTICLE 9 THAT PROHIBITS THE PLACEMENT AND USE OF MOTOR-ASSISTED SCOOTERS OWNED BY COMMERCIAL SCOOTER COMPANIES ON PUBLIC PROPERTY, STREETS AND SIDEWALKS; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; PROVIDING FOR PENALTIES; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

The City Council hereby finds and determines that the adoption of this ordinance is in the interest of the public health, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The Recitals are incorporated into this ordinance by reference as findings of fact for all purposes.

SECTION 2. Chapter 82, Traffic and Vehicles, of the San Marcos City Code, is amended by adding a new Article 9, Motor-Assisted Scooters, as set forth below. Added text is indicated by underlining.

ARTICLE 9. MOTOR-ASSISTED SCOOTERS OWNED OR OPERATED BY SCOOTER COMPANIES.

Sec. 82.295. Purpose.

This article is established to enhance public safety by restricting the widescale placement and use of motor-assisted scooters owned by scooter companies within certain public areas of the city and on city-owned property.

Sec. 82.296. Applicability.

This article does not apply to:

(1) a moped or motorcycle;

(2) a motor-assisted bicycle;

(3) a motorized mobility device designed for transportation of persons with physical disabilities as defined under Section 552A.0101 of the Texas Transportation Code; or

(4) a motor-assisted scooter authorized under a pilot program approved by the city.

Sec. 82.297. Definitions.

Impoundment or *impound* as used in this article means removal by the city of a motor-assisted scooter to a temporary storage location or designated impound facility.

Motor-assisted scooter means a self-propelled device with at least two wheels in contact with the ground during operation, a braking system capable of stopping the device under typical operating conditions; a gas or electric motor not exceeding 40 cubic centimeters; a deck designed to allow a person to stand or sit while operating the device; and the ability to be propelled by human power alone.

Scooter company means any person, business organization or entity that operates a scooter sharing business or service by which motor-assisted scooters are made available to the public for short-term use or rental.

Sec. 82.298. Offenses.

(a) *Placement on public property prohibited*. It is an offense for any scooter company, or any employee, contractor, agent or other representative acting on behalf of a scooter company, to abandon, place, or leave behind any motor-assisted scooter on any public property, public park (including natural areas and open spaces), public sidewalk, public way, public street, or public highway within the city, or on any city-owned property located outside the corporate limits of the city. A violation of this subsection is a misdemeanor offense punishable by a fine up to $2,000.00.

(b) *Use prohibited.* It is an offense for any person to operate a motor-assisted scooter that is owned, controlled, or managed by, or on behalf of, a scooter company on any public property, public park (including natural areas and open spaces), public sidewalk, public way, public street, or public highway within the city, or on any city-owned property located outside the corporate limits of the city. A violation of this subsection is a misdemeanor offense punishable by a fine up to $50.00.

(c) Each violation under this section constitutes a separate offense.

Sec. 82.299. Impoundment.

(a) The city may impound any motor-assisted scooter owned, controlled, or managed by, or on behalf of, a scooter company found unattended on any public property, public park (including natural areas and open spaces), public sidewalk,

public way, public street, or highway within the city and on any city-owned property located outside the corporate limits of the city in violation of section 82.298(a).

(b) The city will attempt to provide notice of any impoundment to the scooter company, or agent of the scooter company, responsible for the motor-assisted scooter, as disclosed by the contact or other identifying information on the motor-assisted scooter. The notice may be attempted by telephone, electronic mail, U.S. mail, hand-delivery or publication, in the city's discretion. The notice shall outline the impoundment and redemption process, including the requirement to pay impoundment fees. If the scooter company responsible for the impounded motor-assisted scooter, or any employee, contractor, agent or other representative acting on behalf of the scooter company, contacts the city about an impounded motor-assisted scooter before notice of the impoundment is sent by the city, such contact shall be deemed notice of the impoundment. If the city is unable to readily identify the owner or other party responsible for the impounded motor-assisted scooter, then notice of the impoundment need not be provided.

(c) Each motor-assisted scooter impounded under this section shall be subject to an impoundment fee of $50.00 per day impounded.

SECTION 3. In codifying the changes authorized by this ordinance, paragraphs, sections and subsections may be renumbered and reformatted as appropriate consistent with the numbering and formatting of the San Marcos City Code.

SECTION 4. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 5. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 6. This ordinance will take effect after its passage, approval and adoption on second reading and publication in accordance with the City Charter.

PASSED AND APPROVED on first reading on May 5, 2020.

PASSED, APPROVED AND ADOPTED on second reading on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

File #: Res. 2020-98R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-98R, approving the renewal of the agreement with Matchpoint Water Asset Management, Inc. for leak detection services for three additional one-year terms in the amount of $26,475.00 each for a total contract price of $132,375.00; authorizing the City Manager or his designee to execute the appropriate documents related to the renewal of the agreement; and declaring an effective date.

Meeting date: May 19, 2020

Department: Water/Waste Water Department-Public Services, Tom Taggart, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: Estimated Annual, $26,475; Full 5-year term, $132,375
Account Number: 22006333.52230
Funds Available: FY 2020 Budget
Account Name: W/WW Professional Services

Fiscal Note:

Prior Council Action: March 20, 2018: Res. 2018-39R Approved Annual Extension

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

This contract is for potable water leak detection on an estimated seventy-five (75) miles of the City's water distribution system.

In 2017, a contract was awarded administrative in the amount of $26,475 for one year with options to renew for four additional years for a total anticipated contract term of 5-years.

In 2018, Council approved the first annual extension of the contract resulting in a revised total contract amount of $52,950.

In 2019, the 2nd annual extension was made without Council approval. This is to request Council approval for the 2nd annual extension, and the remaining two annual renewals which would result in a revised total contract amount of $132,375.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Approval of remaining annual renewals with Matchpoint Water Asset Management, Inc. of Wilmington, NC, contract 217-020, for a total estimated contract amount of $132,375.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE RENEWAL OF THE AGREEMENT WITH MATCHPOINT WATER ASSET MANAGEMENT, INC. FOR LEAK DETECTION SERVICES FOR THREE ADDITIONAL ONE-YEAR TERMS IN THE AMOUNT OF $26,475.00 EACH FOR A TOTAL CONTRACT PRICE OF $132,375.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ALL APPROPRIATE DOCUMENTS RELATED TO THE RENEWAL OF THE AGREEMENT; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The agreement with Matchpoint Water Asset Management, Inc. for leak detection services for three additional one-year terms in the amount of $26,475.00 each for a total contract price of $132,375.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the appropriate documents necessary to complete the purchase on behalf of the City.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

FINANCE – PURCHASING AND CONTRACTING

May 19, 2020

Matchpoint Water
Attn: Nancy Jones
215 Racine Dr., Suite 201
Wilmington, NC 28403

Sent via email: nancy@matchpointinc.us

RE: **LETTER OF AGREEMENT**
Contract No. **217-020**

Pursuant to the terms of the contract referenced above, the City of San Marcos chooses to extend the contract with **Matchpoint Water Asset Management Inc**. for **Leak Detection Services** for an additional one (1) year term. This **third** extension period will be from **May 1, 2020 through April 30, 2021,** for the amount of **$26,475.**

The Contractor agrees to maintain insurance for the duration of the renewal period in compliance with the requirements of the original contract. Please email a current Certificate of Insurance to: jnavarre@sanmarcostx.gov

All remaining terms and conditions of the original contract will remain in full force and effect for the duration of this agreement.

Sincerely,

Lynda Williams
Purchasing Manager

Counter-signature and acceptance:

Matchpoint Water Asset Management Inc.

Signature: _____

Title: _____

Printed Name: _____

Date: _____

File #: Res. 2020-99R, **Version:** 1

AGENDA CAPTION:
Consider approval of Resolution 2020-99R, approving an agreement that renews the service contract for Water Treatment Facilities Operations and Asset Management with the Guadalupe Blanco River Authority for an additional five years; authorizing the City Manager or his designee to execute the agreement; and declaring an effective date.

[Enter Body Here]
Meeting date: May 19, 2020

Department: Public Services - Water/Wastewater, Tom Taggart, Director

Amount & Source of Funding
Funds Required: Estimated FY2021 funds required - $1,974,954
Account Number: 22006335 52345 & 22006335 52345
Funds Available: Estimated FY 2021 funds available - $2,356,947
Account Name: SWTP O&M and SWTP Power Cost

Fiscal Note:

Prior Council Action: Initial contract approved September 20, 2005, first renewal approved December 1, 2015

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☒ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

On September 20, 2005 the City entered into a service contract with the Guadalupe-Blanco River Authority, for the operations and maintenance of the Water Treatment Facilities. The service contract's initial term was for 10 years and allows renewal of two additional five-year terms. The contract was renewed for the first additional 5-year term in December 2015.

Based on the successful performance in the operation of the Water Treatment Facilities over the past 15 years and the positive integration of the GBRA in on-going projects, staff recommends approving the second 5-year extension to the contract for operations and maintenance of the City's water treatment facilities, to expire December 16, 2025.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Begin search for alternate plant operator.

Recommendation:

Staff recommends approval to extend the contract through December 2025.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN AGREEMENT THAT RENEWS THE SERVICE CONTRACT FOR WATER TREATMENT FACILITIES OPERATIONS AND ASSET MANAGEMENT WITH THE GUADALUPE-BLANCO RIVER AUTHORITY FOR AN ADDITIONAL FIVE YEARS; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The attached letter agreement renewing the Service Contract for Water Treatment Facilities Operations and Asset Management with the Guadalupe-Blanco River Authority is hereby approved.

PART 2. The City Manager or his designee is authorized to execute the letter agreement on behalf of the City.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

By electronic mail and first class mail

March 31, 2020

Mr. Bert Lumbreras
City Manager
City of San Marcos
630 East Hopkins Street
San Marcos, Texas 78666

Re: Second Five Year Extension/ Fourth Amendment of the Service Contract for Water Treatment Facilities Operation and Asset Management between the City of San Marcos, Texas and the Guadalupe-Blanco River Authority

Dear Mr. Lumbreras:

The Service Contract for Water Treatment Facilities Operation and Asset Management between the City of San Marcos, Texas and the Guadalupe-Blanco River Authority, dated September 20, 2005 (the Service Contract or Contract), was extended in 2015, but is now set to expire on December 16, 2020. GBRA proposes that the Service Contract be extended for an additional five (5) years to expire on December 16, 2025, as contemplated in Section 3.2 of the Contract. We propose that the terms of the Service Contract, as amended to date, remain in full force and effect during the 2020-2025 Extension Period.

If the City is in agreement, we would ask that a duly authorized representative of the City sign below and return to me. If the City does not wish to extend the Service Contract, we ask that the City notify GBRA at least 90 days prior to the current expiration date of the Contract by sending notice as provided in the Contract.

If you have any questions or comments, please let us know.

Sincerely yours,

Kevin Patteson
General Manager/CEO

Approved Legal

AGREED: City of San Marcos

Printed Name:_____

Title: _____

Date:_____

cc: Mr. Joe Pantalion, Assistant City Manager
Mr. Tom Taggart, Public Services Director
Mr. John Clack, Assistant Public Services Director

Main Office: 933 East Court Street ~Seguin, Texas 78155
830-379-5822 ~ 800-413-4130 ~ 830-379-9718 fax ~ www.gbra.org

GBRA Guadalupe-Blanco River Authority
flowing solutions

9/05

SERVICE CONTRACT
FOR
WATER TREATMENT FACILITIES OPERATIONS
AND ASSET MANAGEMENT

between

THE CITY OF SAN MARCOS, TEXAS

and

GUADALUPE-BLANCO RIVER AUTHORITY

Dated

September 20, 2005

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS 4
SECTION 1.2. INTERPRETATION 17
(A) References Hereto 17
(B) Gender and Plurality 17
(C) Persons 17
(D) Headings 17
(E) Entire Service Contract 18
(F) Standards of Workmanship and Materials 18
(G) Technical Standards and Codes 18
(H) Causing Performance 18
(I) Party Bearing the Cost of Performance 18
(J) Assistance 18
(K) Interpolation 19
(L) Good Industry Practice and Good Engineering and Construction Practice 19
(M) Applicability and Stringency of Contract Standards 19
(N) Delivery of Documents in Digital Format 19
(O) Severability 19
(P) Drafting Responsibility 20
(Q) No Third Party Rights 20
(R) References to Days 20
(S) References to Knowledge 20
(T) Counterparts 20
(U) Governing Law 20
(V) Defined Terms 20

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE CITY 21
(A) Existence and Powers 21
(B) Due Authorization and Binding Obligation 21
(C) No Conflict 21
(D) No Approvals Required 21
(E) No Litigation 21
(F) Applicable Law Compliance 21
(G) Information Supplied by the Authority 22
SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY 22
(A) Existence and Powers 22
(B) Due Authorization and Binding Obligation 22
(C) No Conflict 22
(D) No Approvals Required 22
(E) No Litigation 22
(F) Governmental Approvals 23
(G) Applicable Law Compliance 23
(H) Information Supplied by the Authority 23
(I) City Utility Contracts 23
SECTION 2.3. KNOWLEDGE-BASED REPRESENTATIONS 23

TABLE OF CONTENTS
(continued)

Page

ARTICLE III TERM

SECTION 3.1. EFFECTIVE DATE AND INITIAL TERM 24
SECTION 3.2. RENEWAL OPTION 24

ARTICLE IV TRANSITION PERIOD

SECTION 4.1. AUTHORITY TRANSITION PERIOD RESPONSIBILITIES 25
(A) Obligation to Proceed 25
(B) Access to Facilities During Transition Period 26
(C) Notice of Default 26
SECTION 4.2. CITY TRANSITION PERIOD RESPONSIBILITIES 27
SECTION 4.3. COMMENCEMENT DATE CONDITIONS 27
(A) Commencement Date Conditions Defined 27
(B) Commencement Date Conditions for which Both Parties Have Responsibility 28
(C) No Payment to Either Party for Transition Period Expenses of the Other 28
SECTION 4.4. CLOSING THE TRANSITION PERIOD 29
(A) Establishment of Commencement Date 29
(B) Failure of Conditions 29
SECTION 4.5. CITY UTILITY CONTRACTS 29
(A) Current Workscope 29
(B) Workscope Changes 30

ARTICLE V PERMITTING RESPONSIBILITIES

SECTION 5.1. AUTHORITY PERMITTING RESPONSIBILITIES 31
SECTION 5.2. CITY PERMITTING RESPONSIBILITIES 31
SECTION 5.3. OTHER REPORTING REQUIREMENTS 31

ARTICLE VI MANAGEMENT AND OPERATION

SECTION 6.1. OWNERSHIP AND USE OF THE FACILITIES 32
(A) City Ownership 32
(B) Use 32
(C) Use of Transferred Property 32
(D) City Access to Facilities 32
(E) Liens and Encumbrances 33
(F) Authority Prohibitions 33
(G) Third-Party Access 33
SECTION 6.2. AUTHORITY OBLIGATIONS GENERALLY 34
(A) Management Responsibility 34
(B) Transfer and Application of Industry Experience 34
SECTION 6.3. CITY OBLIGATIONS GENERALLY 34
SECTION 6.4. FACILITIES CONDITION CONFIRMATION 34
(A) Familiarity with Facilities 34
(B) "As-Is" Condition of Facilitie 35
(C) Limitations on the Authority's Assumption of "As-Is" Ris 35
SECTION 6.5. SERVICE COORDINATION 36
(A) Authority's Facilities Manager 36
(B) City Approval of Replacement Facilities Manager 36

TABLE OF CONTENTS
(continued)

Page

(C) Authority's Senior Supervisors 36
(D) Communications and Meetings 37
SECTION 6.6. OPERATION AND MAINTENANCE MANUALS 37
(A) Development 37
(B) City Review and Approval 37
(C) Supplements for Capital Modifications 38
SECTION 6.7. DESIGNATED EMPLOYEE 38
(A) Authority Employment of Designated Employee 38
(B) Wages and Benefits of Designated Employee 38
SECTION 6.8. STAFFING AND PERSONNEL TRAINING 39
(A) Staffing 39
(B) Changes in Staffing Plan 39
(C) Training 39
SECTION 6.9 ENERGY SUPPLY AND CONSUMPTION 39
SECTION 6.10. SAFETY AND SECURITY 39
(A) Safety 39
(B) ADA 40
(C) Security 40
SECTION 6.11. COMPLIANCE WITH APPLICABLE LAW 40
(A) Compliance Obligation 40
(B) Sampling, Testing and Laboratory Work 41
(C) Investigations of Non-Compliance 41
(D) Fines, Penalties and Remediation 42
(E) No Nuisance Covenant 42
SECTION 6.12. GOVERNMENTAL APPROVALS 42
(A) Applications and Submittals 42
(B) Data and Information 43
(C) Non-Compliance and Enforcement 43
(D) Reports to Governmental Bodies 43
(E) Potential Regulatory Change 43
SECTION 6.13. CUSTOMER SERVICE 44
(A) Customer Service, Generally 44
(B) Customer Service Requirements 44
(C) Community Outreach 44
(D) Reports 44
SECTION 6.14. ASSET AND FINANCIAL RECORDS 44
(A) Facilities Records 44
(B) Availability of System Records to City 45
(C) Record Documents and Mapping 45
(D) Financial Records 45
(E) Inspection, Audit and Adjustment 46
SECTION 6.15. PERIODIC REPORTS 46
(A) Monthly Operations 46
(B) Annual Operations and Maintenance Reports 47
(C) Default Reports 47
(D) Permit Communications and Reports 47
SECTION 6.16. EMERGENCIES 47
SECTION 6.17. COST REDUCTION AND SERVICE IMPROVEMENT 48
SECTION 6.18. LANDSCAPING 48

TABLE OF CONTENTS
(continued)

Page

ARTICLE VII PERFORMANCE

SECTION 7.1. FACILITIES PERFORMANCE GENERALLY 49
(A) Reliance 49
(B) Maximum Capacity Utilization 49
(C) Curtailments and Shutdowns 49
(D) Limitations on Authority Rights 49
(E) Selection of Raw Water 49
SECTION 7.2. WATER TREATMENT GUARANTEE 50
(A) Applicable Law Limits 50
(B) Enhanced Standards 50
(C) Applicability of Water Treatment Guarantee 50
(D) Conditions to Relief 50
(F) Change in Law Affecting Finished Water 50
SECTION 7.3. WATER AVAILABILITY GUARANTEE 50
SECTION 7.4. PRODUCTION EFFICIENCY GUARANTEE 51
(A) Standards 51
(B) Preventing Recurrence of Violations 51
SECTION 7.5. WATER PRESSURE AND FLOW GUARANTEE 51
SECTION 7.6. WATER QUANTITY GUARANTEE 51
SECTION 7.7. EDWARDS AQUIFER AUTHORITY REQUIREMENTS 51
SECTION 7.8. RELEASES, LEAKS AND SPILLS 52
(A) Unauthorized Releases Prohibited 52
(B) Notification and Reporting 52
(C) Cleanup and Costs 52
SECTION 7.9. PRE-EXISTING ENVIRONMENTAL CONDITIONS AND SPECIFIED SITE CONDITIONS 52
SECTION 7.10. CITY REMEDIES FOR NON-COMPLIANCE WITH PERFORMANCE GUARANTEES 53
(A) Remedies 53
(B) Performance Testing 53
SECTION 7.11. TESTING, AND METERING 54
(A) Testing 54
(B) Metering 54
SECTION 7.12. ADMINISTRATIVE COMPLIANCE 54
(A) Compliance 54
SECTION 7.13. ENFORCEMENT OF PERFORMANCE GUARANTEES 55

ARTICLE VIII MAINTENANCE, REPAIR AND REPLACEMENT

SECTION 8.1. MAINTENANCE, REPAIR AND REPLACEMENT GENERALLY 56
(A) Ordinary Maintenance 56
(B) Repair and Maintenance of Site Grounds 56
(C) Major Maintenance, Repair and Replacements 56
(D) Spare Parts 57
SECTION 8.2. PROCEDURES TO ASSURE SUFFICIENCY OF AUTHORITY MAINTENANCE, REPAIR AND REPLACEMENT WORK 57
SECTION 8.3. PERIODIC MAINTENANCE INSPECTIONS 58
(A) Annual Maintenance Inspection 58
(B) Triennial Inspections 58
(C) Response Plan 58
(D) Unscheduled Inspections 58

TABLE OF CONTENTS
(continued)

Page

SECTION 8.4. COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM 59
SECTION 8.5. MAINTENANCE, REPAIR AND REPLACEMENT PLAN 59
SECTION 8.6. DISPOSAL OF SURPLUS EQUIPMENT 59
SECTION 8.7. WARRANTIES 59
SECTION 8.8. LOSS, DAMAGE OR DESTRUCTION TO THE FACILITIES 60
(A) Prevention and Repair 60
(B) Insurance and Other Third Party Payments 60
(C) Uninsured Costs 60
(D) Repair of City and Private Property 61
(E) City Property Damage Insurance 61

ARTICLE IX CAPITAL MODIFICATIONS

SECTION 9.1. CAPITAL MODIFICATIONS GENERALLY 62
(A) Purpose 62
(B) City Approval and Change Orders Proposed by the Authority 62
(C) Party Responsible for Costs 62
(D) Cost Savings 62
(E) Capital Modifications Financing 62
SECTION 9.2. CAPITAL MODIFICATIONS AT AUTHORITY REQUEST 63
SECTION 9.3. CAPITAL MODIFICATIONS DUE TO UNCONTROLLABLE CIRCUMSTANCES 63
SECTION 9.4. CAPITAL MODIFICATIONS AT CITY DIRECTION 63
SECTION 9.5. AVAILABLE PROCEDURES FOR IMPLEMENTING CAPITAL MODIFICATIONS 63
SECTION 9.6. OPTIONAL PROCEDURE FOR IMPLEMENTING CAPITAL MODIFICATIONS 64
(A) Preliminary Authority Plan and City Review 64
(B) Formal Authority Implementation Proposal 64
(C) Negotiation and Finalization of Authority Implementation Proposal 65
SECTION 9.7. FINANCING CAPITAL MODIFICATIONS 66
(A) City Financing 66
(B) Authority Financing 66
SECTION 9.8. AUTHORITY NON-IMPAIRMENT RIGHTS 66
(A) Authority Non-Impairment 66
(B) City Operating Rights 66

ARTICLE X SERVICE FEE AND OTHER PAYMENTS

SECTION 10.1. SERVICE FEE GENERALLY 67
SECTION 10.2. SERVICE FEE FORMULA 67
SECTION 10.3. BASE FEE 67
(A) Base Fee 67
(B) Annual Adjustment of Base Fee 68
SECTION 10.4. PASS-THROUGH COST COMPONENT 68
SECTION 10.5. EXTRAORDINARY ITEMS CHARGE OR CREDIT 68
SECTION 10.6. ADJUSTMENT FACTORS 69
(A) Service Fee Adjustment Factor 69
(B) Chemical Cost Adjustment Factor 69
SECTION 10.7. BILLING AND PAYMENT 69
(A) Billing 69
(B) Payment 69
SECTION 10.8. ESTIMATES AND ADJUSTMENTS 70

TABLE OF CONTENTS
(continued)

Page

(A) Pro Rata Adjustments 70
(B) Budgeting 70
(C) Adjustment to Service Fee 70
SECTION 10.9. BILLING STATEMENT DISPUTES 70

ARTICLE XI BREACH, DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. REMEDIES FOR BREACH 72
SECTION 11.2. EVENTS OF DEFAULT BY THE AUTHORITY 72
(A) Events of Default Not Requiring Previous Notice. 72
(B) Events of Default Requiring Previous Notice 73
(C) Other Remedies Upon Authority Event of Default 73
(D) Limitation on Termination Damages 74
SECTION 11.3. EVENTS OF DEFAULT BY THE CITY 74
(A) Events of Default Permitting Termination 74
(B) Notice and Cure Opportunity 74
(C) Termination Liquidated Damages During the Initial Term 75
SECTION 11.4. CITY CONVENIENCE TERMINATION DURING THE TERM OF THE SERVICE CONTRACT 75
(A) Termination Right and Fee 75
(B) Uncontrollable Circumstances 75
(C) Felony Conviction 76
(D) Payment of Amounts Owing Through the Termination Date 76
(E) Termination Fee Payment Contingent Upon Surrender of Possession 76
(F) Acceptance of Termination Payment 76
(G) Completion or Continuance by City 76
(H) Employment. 76
SECTION 11.5. OBLIGATIONS OF THE AUTHORITY UPON TERMINATION OR EXPIRATION 76
(A) Authority Obligations 76
(B) Hiring of Authority Personnel 78
(C) Continuity of Service and Technical Support 78
(D) Authority Payment of Costs 78
SECTION 11.6. SURVIVAL OF CERTAIN PROVISIONS UPON TERMINATION 78
SECTION 11.7. NO WAIVERS 79
SECTION 11.8. NO CONSEQUENTIAL OR PUNITIVE DAMAGES 79
SECTION 11.9. FORUM FOR DISPUTE RESOLUTION 79

ARTICLE XII INSURANCE, UNCONTROLLABLE CIRCUMSTANCES AND INDEMNIFICATION

SECTION 12.1. INSURANCE 80
(A) Authority Insurance 80
(B) Insurers, Deductibles and City Rights 80
(C) Certificates, Policies and Notice 80
(D) Maintenance of Insurance Coverage 81
SECTION 12.2. UNCONTROLLABLE CIRCUMSTANCES 81
(A) Relief from Obligations 81
(B) Notice and Mitigation 82
(C) Conditions to Performance, Service Fee and Schedule Relief 82
(D) Capital Modifications 83
[(E) Share of Costs of Uncontrollable Circumstances 83
SECTION 12.3. INDEMNIFICATION BY THE AUTHORITY 84

TABLE OF CONTENTS
(continued)

Page

ARTICLE XIII SECURITY FOR PERFORMANCE

SECTION 13.1. LETTER OF CREDIT 85
(A) Terms and Purpose 85
(B) Drawings for Non-Renewal or Bankruptcy 85
(C) Drawings for Material Breach 85
(D) Effect of Final Determination of Damages 86
SECTION 13.2. COST OF PROVIDING SECURITY FOR PERFORMANCE 86
(A) Inclusion in Service Fee 86
(B) Release of Security 86

ARTICLE XIV MISCELLANEOUS PROVISIONS

SECTION 14.1. RELATIONSHIP OF THE PARTIES 87
SECTION 14.2. CONTRACT ADMINISTRATION 87
(A) Administrative Communications 87
(B) Contract Administration Memoranda 87
(C) Procedures 88
(D) Effect 88
SECTION 14.3. CONTRACT REPRESENTATIVES 88
(A) Authority's Contract Representative 88
(B) City's Contract Administrator 88
(C) City Approvals and Consents 89
SECTION 14.4. INTELLECTUAL PROPERTY RIGHTS 89
(A) Protection from Infringement 89
(B) Intellectual Property Developed by the Authority 89
SECTION 14.5. INTEREST ON OVERDUE OBLIGATIONS 89
SECTION 14.6. NEGOTIATED FIXED PRICE WORK 90
(A) Base Fee Component of the Service Fee 90
(B) Negotiated Lump Sum Pricing of Work for Which the City is Financially Responsible 90
SECTION 14.7. COST SUBSTANTIATION 90
(A) Cost Substantiation Generally 90
(B) Costs Requiring Cost Substantiation 90
(C) Cost Substantiation Memorandum 91
(D) Technical Services 91
(E) Administrative Charges 91
(F) Evidence of Costs Incurred 91
SECTION 14.8. SUBCONTRACTORS 91
(A) Use Restricted 91
(B) Limited City Review and Approval of Permitted Subcontractors 91
(C) Subcontract Terms and Subcontractor Actions 92
(D) Payment of Subcontractors 92
(E) Nondiscrimination 92
SECTION 14.9. ACTIONS OF THE CITY IN ITS GOVERNMENTAL CAPACITY 92
(A) Rights as Government Not Limited 92
(B) No City Obligation to Issue Governmental Approvals 93
SECTION 14.10. ASSIGNMENT 93
(A) By the Authority 93
(B) By the City 93
SECTION 14.11. LIMITED RECOURSE TO CITY 93
SECTION 14.12 FURTHER AGREEMENTS 93

TABLE OF CONTENTS
(continued)

Page

SECTION 14.13. COMPLIANCE WITH MATERIAL AGREEMENTS 94
SECTION 14.14. BINDING EFFECT 94
SECTION 14.15. AMENDMENT AND WAIVER 94
SECTION 14.16. NO DISCRIMINATION 94
SECTION 14.17. NOTICES 94
(A) Procedure 94
(B) Authority Notice Address 94
(C) City Notice Address 95
SECTION 14.18. NOTICE OF LITIGATION 95
SECTION 14.19. FURTHER ASSURANCES 95

TABLE OF CONTENTS
(continued)

Page

APPENDICES

1. Water Treatment Facilities Description and List of Transferred Property
2. Operating Governmental Approvals and Applicable Permits
3. Operation and Maintenance Standards
4. Staffing Plan
5. Designated Employee and Employee Benefits
6. Performance Guarantees
7. Approved Subcontractors
8. Approved City Access
9. Insurance Requirements

TRANSACTION FORMS

1. Form of Letter of Credit

CERTAIN REFERENCE DOCUMENTS

City Utility Contracts

1. Amended and Restated Water Transportation Agreement Between the City of San Marcos, Texas and the City of Kyle, Texas, dated August 6, 2002
2. Agreement for Financial Participation in Surface Water Treatment Plant Project between the Edwards Aquifer Authority and the City of San Marcos dated March 12, 1992, as amended by Amendment No. 1 effective June 1, 2000

SERVICE CONTRACT
FOR
WATER TREATMENT FACILITIES OPERATIONS
AND ASSET MANAGEMENT

THIS SERVICE CONTRACT FOR WATER TREATMENT FACILITIES OPERATIONS AND ASSET MANAGEMENT ("Service Contract") is made and entered into as of this 20th day of September, 2005 in Hays County, Texas between the City of San Marcos, Texas, a municipal corporation organized and existing under the laws of the State of Texas (the "City"), and Guadalupe-Blanco River Authority, a conservation and reclamation district and political subdivision of the State of Texas created pursuant to Article XVI, Section 59 of the Texas Constitution by special act of the Legislature, formerly compiled at Article 8280-106, Vernon's Annotated Civil Statutes (the "Authority") .

RECITALS

(A) The City currently owns the City of San Marcos, Texas water treatment system.

(B) The City is responsible for the treatment and distribution of potable water in the City's service area.

(C) The City's water treatment system consists of a surface water treatment plant (the "Plant"), water wells, storage reservoirs, pipes, mains, valves, and treatment equipment owned by the City.

(D) The Authority has operated and maintained the Plant since the time the Plant first became operational, under a contract between the parties dated May 11, 1999, and the Authority is familiar with the design, layout, operation and condition of the Plant.

[E] The City has determined that it is in the City's best interests to contract with a third-party operator on a long-term basis to operate, maintain, repair, replace and manage certain water treatment system assets and to meet the requirements of applicable law.

(F) The City issued a request for qualifications and expressions of interests ("RFQEI") to entities interested in providing water treatment system operations and asset management services to the City.

(G) The City, based on the technical and financial qualifications set forth in the RFQEI, determined Guadalupe-Blanco River Authority and OMI, Inc. to be qualified.

(H) The City issued a request for proposals on January 11, 2004 (the "RFP") to the prequalified firms to provide water treatment system operations, and set forth in the RFP the criteria for selection of the preferred proposer. Four addenda to the RFP were issued on February 20, 2004, February 23, 2004, February 26, 2004, and March 3, 2004, respectively. The City provided potential proposers with reasonable access to the water treatment system to allow them the opportunity to review documentation and to conduct such inspections and

reviews as they deemed necessary to become familiar with the water treatment system prior to submission of the proposals.

(I) Proposals submitted in response to the RFP were received on March 11, 2004 from the Authority and OMI, Inc.

(J) A Request for Clarification was issued on September 21, 2004. Three addenda to the Request for Clarification were issued on October 5, 2004, November 1, 2004 and November 15, 2004, respectively. Proposal clarification submittals were received from each of the proposers on November 29, 2004.

(K) Based on an evaluation utilizing the evaluation factors and selection criteria and following the review and selection process identified in the RFP, the City selected the proposal submitted by the Authority as the most advantageous proposal received in response to the City's RFP with respect to water treatment system operations.

(L) In February 2005, the City initiated the contract negotiations with the Authority which have concluded with this Service Contract.

(M) On September 20, 2005, the City Council adopted a resolution authorizing the execution and delivery of this Service Contract.

[N] The water treatment system will continue to be owned by the City and certain water assets will be operated, maintained, repaired, replaced and managed by the Authority.

[O] The Authority owns and operates a delivery system that delivers Raw Water to the Plant (the "San Marcos Raw Water Delivery System").

[P] The Authority is in the process of constructing a treated water delivery system that will transmit treated water from the Plant to customers of the City and the Authority generally located between the City of San Marcos and the City of Buda (the "IH 35 Project"). The IH-35 Project may result in a need to increase the capacity of the Plant.

[Q] The City and the Authority entered into an Agreement dated July 1, 1997, as amended by that certain letter agreement between the City and the Authority dated December 9, 2003, that provides, among other things, for delivery of raw water to the Plant, for potential expansion of the Plant for the City's and/or the Authority's use, and for delivery of treated water from the Plant to City and Authority customers (the "Regional Agreement") and it is the intent of the parties that this Service Contract does not modify or amend the rights and obligations of the parties under the Regional Agreement or any other existing agreements, other than the current operating contract between the parties dated May 11, 1999.

[R] The City desires to receive, and the Authority desires to provide water treatment system operations and asset management services under the terms of this Service Contract.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. As used in this Service Contract, the following terms shall have the meanings set forth below:

"Affiliate" means any person directly or indirectly controlling or controlled by another person, corporation or other entity or under direct or indirect common control with such person, corporation or other entity.

"Appendix" means any of the Appendices attached to this Service Contract, as the same may be amended or modified from time to time in accordance with the terms hereof.

"Applicable Law" means: (1) any federal, state or local law, code, or regulation; (2) any formally adopted and generally applicable rule, requirement, determination, standard, policy, implementation schedule, or other order of any Governmental Body having appropriate jurisdiction; (3) any established interpretation of law or regulation utilized by an appropriate Governmental Body if such interpretation is documented in writing by such Governmental Body and generally applicable; (4) any Governmental Approval applicable to the Facilities or the Contract Services; and (5) any consent order or decree, settlement agreement or other similar agreement between the City and any Governmental Body, in each case having the force of law and applicable from time to time: (a) to the siting, permitting, design, acquisition, construction, equipping, financing, ownership, possession, start-up, testing, operation, maintenance, repair, replacement or management of water facilities or systems, including the Facilities; (b) to the conveyance, delivery, treatment, storage, supply of water to and from the Facilities; (c) to the air emissions from the Facilities; (d) to the transfer, handling, processing, transportation or disposal of Residuals produced from the Facilities; and (e) to any other transaction or matter contemplated by the Service Contract (including any of the foregoing which pertain to water treatment, Residuals and waste disposal, health, safety, fire, environmental protection, labor relations, building codes, the payment of prevailing or minimum wages and non-discrimination).

"Authority" means Guadalupe-Blanco River Authority, a conservation and reclamation district and political subdivision created and existing under the laws of the State of Texas, and its permitted successors and assigns.

"Authority Breach" means any breach (including the untruth or breach of any Authority representation or warranty herein set forth), failure, nonperformance or non-compliance by the Authority with respect to its obligations under this Service Contract to the extent not directly attributable to any Uncontrollable Circumstance or City Breach, and

which materially and adversely affects the City's rights, obligations or ability to perform under this Service Contract.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended from time to time, and any successor statute thereto. "Bankruptcy Code" shall also include any similar state law relating to bankruptcy, insolvency, the rights and remedies of creditors, the appointment of receivers or the liquidation of companies and estates that are unable to pay their debts when due.

"Base Fee" has the meaning specified in Section 10.3.

"Billing Period" means each calendar month, except that (1) the first Billing Period shall begin on the Commencement Date and shall continue to the last day of the month in which the Commencement Date occurs and (2) the last Billing Period shall end on the last day of the Term of this Service Contract. Any computation made on the basis of a Billing Period shall be adjusted on a pro rata basis to take into account any Billing Period of less than the actual number of days in the month to which such Billing Period relates.

"Capital Modification" means any material change made to the Facilities, including the installation of new structures, equipment, systems or technology.

"Change in Law" means any of the following acts, events or circumstances to the extent that compliance therewith materially increases or decreases the cost of performing or materially increases or decreases the scope of a party's obligations hereunder:

(a) the adoption, amendment, promulgation, issuance, modification, repeal or written change in administrative or judicial interpretation of any Applicable Law on or after the Contract Date, unless such Applicable Law was on or prior to the Contract Date duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any Governmental Body;

(b) the order or judgment of any Governmental Body issued on or after the Contract Date (unless such order or judgment is issued to enforce compliance with Applicable Law which was effective as of the Contract Date) to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Authority or of the City, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute

or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

(c) except with respect to any Governmental Approval required for the Facilities as provided within (b) below pertaining to exclusions from "Changes in Law", the denial of an application for, a delay in the review, issuance or renewal of, or the suspension, termination, or interruption of any Governmental Approval, or the imposition of a term, condition or requirement which is more stringent or burdensome than the Contract Standards in effect as of the Contract Date in connection with the issuance, renewal or failure of issuance or renewal of any Governmental Approval, to the extent that such occurrence is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the Authority or of the City, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such occurrence shall not be construed as such a willful or negligent action or lack of reasonable diligence.

It is specifically understood, however, that none of the following shall constitute a "Change in Law":

(a) with respect to the City (but not the Authority), Changes in Law made by the City, other than Changes in Law required by federal or State Changes in Law or due to a manifest danger to public health or the environment;

(b) acts, events and circumstances with respect to which the Authority has assumed the permitting risk under the Service Contract;

(c) a change in the nature or severity of the actions typically taken by a Governmental Body to enforce compliance with Applicable Law which was effective as of the Contract Date; or

(d) any event that affects generally applicable working conditions or standards that are not specific to the water industry or to the Facilities, or that does not require a Capital Modification.

"Change Order" means a written order of the City signed by the City's Contract Representative authorizing and approving a change to any Capital Modification pursuant to Section 9.1.

"Chemical Cost Adjustment Factor" has the meaning set forth in subsection 10.6(B).

"City" means the City of San Marcos, Texas, a municipal corporation organized and existing under the laws of the State of Texas.

"City Breach" means any breach (including the untruth or breach of any City representation or warranty herein set forth), failure, nonperformance or non-compliance by the City with respect to its obligations under this Service Contract to the extent not directly attributable to any Uncontrollable Circumstance or Authority Breach, and which materially and adversely affects the Authority's rights, obligations or ability or costs to perform under this Service Contract.

"City Indemnitee" means the City and its officers, agents and employees.

"City Property" means any structures, improvements, equipment, fire alarm systems, wastewater and water mains, valves, pumping systems, hydrants, hydrant connections, duct lines, streets, lamps, lampposts, monuments, sidewalks, curbs, trees or any other systems, fixtures, or real or personal property owned, leased, operated, maintained, or occupied by the City.

"City Utility Contracts" means the contracts listed as "City Utility Contracts" in the table of contents to this Service Contract.

"Commencement Date" means the first date on which all of the Commencement Date Conditions shall be satisfied or waived, as agreed to in writing by the parties pursuant to Section 4.4.

"Commencement Date Conditions" has the meaning specified in Section 4.3.

"Consumables" means those materials, supplies and similar consumables generally used in connection with the operation and management of infrastructure such as the Facilities, which may include, but are not limited to, fuel oil, diesel fuel, chlorine, quick lime, coagulants, sand, activated carbon, cartridge filters, lubricants, polymers, and other chemicals, office supplies, fuels, materials, supplies and similar consumables.

"Contract Administration Memorandum" has the meaning set forth in subsection 14.2(B).

"Contract Administrator" has the meaning specified in Section 14.3.

"Contract Date" means the date this Service Contract is executed and delivered by the parties hereto.

"Contract Representative" means, in the case of the Authority, the individual specified in writing from time to time by the Authority as the representative of the Authority for purposes of this Service Contract and, in the case of the City, the Director of Water and Wastewater Utilities or such other representative as shall be designated in writing by the City from time to time.

"Contract Services" means everything required to be furnished and done for and relating to the Facilities by the Authority pursuant to this Service Contract during the Term hereof. Contract Services include the employment and furnishing of all labor, materials, equipment, supplies, tools, storage, transportation, insurance except property damage insurance, sales, delivery and other things and kinds of services whatsoever necessary for the full performance of the Authority's operation, maintenance, repair, replacement, management and related obligations under this Service Contract, and all of the Authority's administrative, accounting, record-keeping, reporting, notification and similar responsibilities of every kind whatsoever under this Service Contract pertaining to such obligations.

"Contract Standards" means the terms, conditions, methods, techniques, practices and standards imposed or required by: (1) Applicable Law; (2) the Performance Guarantees; (3) Good Engineering and Construction Practice; (4) Good Industry Practice; (5) the Operation and Maintenance Manual; (6) generally-accepted operation and maintenance standards; (7) generally-accepted repair and replacement standards; (8) equipment manufacturers' specifications applicable to the Facilities; (9) Insurance Requirements applicable to the Service Contract; and (10) any other standard, term, condition or requirement specifically provided in this Service Contract to be observed by the Authority. Subsection 1.2 (M) shall govern issues of interpretation related to the applicability and stringency of the Contract Standards.

"Contract Year" means the City's fiscal year commencing on October 1 in any year and ending on September 30 of the following year; provided, however, that the first Contract Year shall commence on the Commencement Date and shall end on the following September 30, and the last Contract Year shall commence on October 1 prior to the date this Service Contract expires or is terminated, whichever is appropriate, and shall end on the last day of the Term of this Service Contract or the effective date of any termination, whichever is appropriate. Any computation made on the basis of a Contract Year shall be adjusted on a pro rata basis to take into account any Contract Year of less than 365 days.

"Cost Substantiation" has the meaning described in Section 14.7.

"Designated Employee" means the employee currently employed by the City to operate and maintain the Wells, as identified in Appendix 5.

"ECI" means the Employment Cost Index published by the Bureau of Labor Statistics (the "BLS"), Not Seasonally Adjusted, Private Industry, South Region, Series I.D. ECU 132021, or similar data if the BLS ceases to publish this index.

"Encumbrance" means any Lien, lease, mortgage, security interest, charge, judgment, judicial award, stop-notice, attachment or encumbrance of any kind with respect to the Facilities.

"Enhanced Standards" means those standards set forth in Section 7.2 and Appendix 6.

"EPA" means the United States Environmental Protection Agency and any predecessor or successor agency.

"Event of Default" means, with respect to the Authority, those items specified in Section 11.2, and with respect to the City, those items specified in Section 11.3.

"Extraordinary Items Component" has the meaning set forth in Section 10.5.

"Facilities" means the Plant, the Plant Site, the Pump Stations, and the Wells and related facilities and equipment as described in Sections 1.1 through 1.5 of Appendix 1.

"Facilities Equipment" means all of the manufactured equipment, property or assets, whether or not constituting personal property or fixtures, constituting part of the Facilities. "Facilities Equipment" is further described in Appendix 1.

"Facilities Manager" has the meaning set forth in Section 6.5.

"Fees and Costs" means reasonable fees and expenses of employees, attorneys, architects, engineers, expert witnesses, contractors, consultants and other persons, and costs of transcripts, printing of briefs and records on appeal, copying and other reimbursed expenses, and expenses reasonably incurred in connection with investigating, preparing for, defending or otherwise appropriately responding to any Legal Proceeding.

"Finished Water" means Raw Water that has been treated at the Plant in accordance with the requirements set forth herein.

"Good Engineering and Construction Practice" means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good design, engineering, equipping, installation, construction and commissioning practices for the design, construction and improvement of capital assets in the water utility industry as followed in the State.

"Good Industry Practice" means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good operation, maintenance, repair, replacement and management practices in the water treatment industry as observed in the State.

"Governmental Approvals" means all orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings, entitlements and approvals issued by a Governmental Body of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Contract Services.

"Governmental Body" means any federal, State, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

"Guaranteed Maximum Chemical Utilization" has the meaning set forth in Section 10.4.

"Guaranteed Maximum Electricity Utilization" has the meaning set forth in Section 10.4.

"Hazardous Material" means any waste, substance, object or material deemed hazardous under Applicable Law.

"ICI" means the Producers Price Index-Commodities published by the BLS, Not Seasonally Adjusted, Chemical and Allied Products-Industrial Chemicals, Series I.D. WPU061, or similar data if the BLS ceases to publish this index.

"Independent Evaluator" means a qualified independent evaluator or evaluation firm with demonstrated skill and experience in the evaluation of utility property, not otherwise associated with the transactions contemplated hereby, selected with the mutual consent of the parties for the purpose of evaluating and determining the condition of the Facilities pursuant to Section 8.2. The Independent Evaluator may be an engineer or other technical professional competent to perform such services.

"Initial Term" has the meaning specified in Section 3.1.

"Insurance Requirement" means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy of Required Insurance under this Service Contract, as in effect during the Term hereof, compliance with which is a condition to the effectiveness of such policy.

"kWh" means kiloWatthours.

"Legal Proceeding" means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Service Contract, and all appeals therefrom.

"Letter of Credit" has the meaning specified in Section 13.1.

"Lien" means any and every stop-notice and lien against the Faciltiies or against any monies due or to become due from the City to the Authority under this Service Contract, for or on account of the Contract Services, including mechanics', materialmen's, laborers' and lenders' liens.

"Loss-and-Expense" means any and all actual loss, liability, forfeiture, obligation, damage, fine, penalty, judgment, deposit, charge, Tax, cost or expense, including all

Fees and Costs, except as explicitly excluded or limited under any provision of this Service Contract.

"Major Maintenance Repair and Replacement Schedule" has the meaning specified in subsection 8.1(C).

"Materially" in the context of Changes in Law and Uncontrollable Circumstances, means having a cost consequence to a party during a Contract Year of $1,500 or more. Such costs will be subject to Cost Substantiation as described in Section 14.7.

"Operation and Maintenance Manual" means the manual and related computer programs prepared by the Authority in accordance with Good Industry Practice, and generally containing operating and maintenance procedures and other instructions, policies, directives, routines, schedules and other matters relating to the Contract Services, maintained and updated as required by Article VI and Appendix 3.

"Overdue Rate" means the maximum rate of interest permitted by the laws of the State, if applicable, or the Prime Rate, whichever is lower.

"Pass-through Cost Component" has the meaning set forth in Section 10.4.

"Performance Guarantees" means the guarantees of performance made by the Authority set forth in Article VII.

"Permits" means [1] the TCEQ authorization to operate the Plant and [2] the Edwards Aquifer Authority permits for withdrawal of Edwards Aquifer water through the City's wells.

"Plant" means the San Marcos Surface Water Treatment Plant and the real property on which it is located described in Appendix 1, consisting generally of that separate and contiguous part of the Water Treatment System comprising buildings, structures and equipment, and the roads, grounds, fences and landscaping appurtenant thereto, utilized for treatment of Raw Water, laboratory functions and administration and management of the Facilities, including any Capital Modifications made thereto from time to time. The Plant is located at 91 Old Bastrop Highway, San Marcos, Texas.

"Plant Site" means the parcel of real property described or referred to in Appendix 1 on which the improvements constituting the Plant are located.

"PPI" means the Producer Price Index-Commodities published by the BLS, Not Seasonally Adjusted, Finished Goods, Series I.D. WPUSOP3000, or similar data if the BLS ceases to publish this index.

"Pre-Existing Environmental Condition" means, and is limited to, (1) the presence anywhere in, on or under the Facilities on the Contract Date of undisclosed underground storage tanks (for the storage of chemicals or petroleum products) that are not then in use; and (2) the presence of Hazardous Materials or Regulated Substances in

environmental media anywhere in, on or under the Facilities (including the presence in surface water, groundwater, soils or subsurface strata) as of the Contract Date, unless for both (1) and (2) above, the Authority has caused such condition to occur or knew or should have known that such condition existed prior to the Contract Date.

"Prime Rate" means the prime rate as published in The Wall Street Journal (Eastern Edition), or a mutually agreeable alternative source of the prime rate if it is no longer published in The Wall Street Journal (Eastern Edition) or the method of computation thereof is substantially modified.

"Pump Stations" means those pump stations described in Appendix 1 that are a part of the Facilities and the System.

"Rating Service" means Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or Fitch, Inc. or any of their respective successors and assigns and, if such corporations shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Rating Service" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"Raw Water" means any untreated surface water made available by the City for treatment by the Plant.

"Reference Documents" means the documents identified in Appendix 2 and the City Utility Contracts.

"Regulated Substance" means (1) any oil, petroleum or petroleum product and (2) any pollutant, contaminant, toxic substance, toxic pollutant, solid waste, municipal waste, or industrial waste that is defined as such by and is subject to regulation under any Applicable Law.

"Renewal Term" has the meaning specified in Section 3.2.

"Required Insurance" has the meaning specified in Appendix 9.

"Residuals" means any solid or semi-solid material resulting from the treatment of Raw Water which requires disposal as waste material.

"RFP" means the City's Request for Proposals for Operation, Maintenance and Management of Water Facilities on January 11, 2004, as supplemented and amended by subsequent amendments and requests for clarifications.

"Safety and Security Plan" means the plan developed by the Authority which addresses (1) reasonable precautions for the safety of, and reasonable protection to prevent damage, injury or loss by reason of or related to the operation of the Facilities to (a) all employees working at the Facilities and all other persons who may be involved with the operation or maintenance of the Facilities, (b) all visitors to the Facilities, (c) all machinery,

materials and equipment under the care, custody or control of the Authority on the Site, and (d) other property on the Site; (2) reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards and promulgating safety regulations; (3) notices and compliance with all Applicable Laws relating to the safety of persons or property or their protection from damage, injury or loss; (4) designation of a qualified and responsible employee at the Facilities whose duty shall be responsible for safety, the prevention of fires and accidents and the coordination of such activities as shall be necessary with federal, State and City officials; (5) operation of all equipment in a manner consistent with the manufacturer's safety recommendations; (6) provision for safe and orderly vehicular movement; and (7) development and carrying out of a safety program for the Facilities, including employee training and periodic inspections, designed to implement the requirements of the plan.

"SCADA" means, in the context of data gathering and telemetry systems, "Supervisory Control and Data Acquisition."

"Senior Supervisor" has the meaning specified in Section 6.5(C).

"Service Contract" means this Service Contract for Water Treatment Facilities Operations and Asset Management between the Authority and the City, including the Appendices and the Transaction Forms, as the same may be amended or modified from time to time in accordance herewith.

"Service Contract Approvals" means all approvals, authorizations, consents or clearances, if any, necessary to be obtained by the City from the EPA, TCEQ, or any other Governmental Body in order for this Service Contract to become effective.

"Service Fee" has the meaning specified in Section 10.1.

"Service Fee Adjustment Factor" has the meaning specified in subsection 10.6(A).

"Service Territory" means those areas within the City of San Marcos' Water Service Certificate of Convenience and Necessity, in which customers are served by the Facilities.

"Specified Site Conditions" means, and is limited to, (1) the presence at the Facilities of site structures, materials or conditions having historical, archaeological, religious or similar significance, (2) the presence at the Facilities of functioning site structures used by Utility providers on, underneath, near or adjacent to the Facilities, if not disclosed to the Authority as of the Contract Date, (3) the presence at the Facilities of any habitat of an endangered or protected species as provided in Applicable Law, and (4) unforeseen site geological conditions that could not have been known by the Authority or reasonably been anticipated or discovered with the exercise of commercially reasonable due diligence by the Authority before the Contract Date.

"Staffing Plan" has the meaning specified in Appendix 4.

"State" means the State of Texas.

"Subcontract" means an agreement or purchase order by the Authority or a Subcontractor to the Authority, as applicable.

"Subcontractor" means a person (other than employees of the Authority) employed or engaged by the Authority or any person directly or indirectly in privity with the Authority (including all subcontractors and every sub-subcontractor of whatever tier) for any portion of the Contract Services, whether for the furnishing of labor, materials, equipment, supplies, services, or otherwise.

"System" means the Water Treatment System.

"Tax" means any tax, fee, levy, duty, impost, charge, surcharge assessment or withholding, or any payment-in-lieu thereof, and any related interest, penalty or addition to tax.

"TCEQ" means the Texas Commission on Environmental Quality or its successor agency as to regulation and/or permitting of the Water Treatment System by the State of Texas.

"Term" has the meaning set forth in Article III.

"Termination Date" means the last day of the Term of this Service Contract.

"Transaction Form" means any of the Transaction Forms appended to this Service Contract.

"Transferred Property" means all vehicles, rolling stock, spare parts, hand tools, furniture and fixtures, computers and communications equipment and Consumables in stock at the Facilities and having operational utility which are to be transferred to the Authority on the Commencement Date for its use, as described in Appendix 1.

"Transition Period" means the period from the Contract Date to, and including, the day preceding the Commencement Date, during which the parties will carry out their transition obligations under Article IV.

"Unaccounted-For Water" means that portion of the Raw Water entering the Plant that is not delivered to water customers as Finished Water.

"Uncontrollable Circumstance" means any act, event or condition that is beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the Service Contract, and that materially interferes with or materially increases the cost of performing its obligations hereunder, to the extent that such act, event or condition is not the result of the willful or negligent act, error or omission, failure to exercise reasonable diligence, or breach of the Service Contract on the part of such party.

Inclusions. Subject to the foregoing, Uncontrollable Circumstances may include, and shall not be limited to, the following:

(a) a Change in Law;

(b) the existence of a Pre-Existing Environmental Condition;

(c) the existence of a Specified Site Condition;

(d) contamination of the Facilities from groundwater, soil or airborne Hazardous Material migrating from sources outside the Facilities to the extent not caused by Authority Breach;

(e) naturally occurring events (except weather conditions normal for the service territory) such as landslides, underground movement, earthquakes, lightning, hail storms, fires, tornadoes, hurricanes, floods (but only to the extent the capacity of the Facilities is exceeded), epidemics, and other acts of God;

(f) explosion, sabotage or similar occurrence, acts of a declared public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;

(g) labor disputes, except labor disputes involving employees of the Authority, its Affiliates, or subcontractors which affect the performance of the Contract Services;

(h) the failure of any Subcontractor (other than the Authority or any Affiliate thereof) to furnish services, materials, chemicals or equipment on the dates agreed to, but only if such failure is the result of an event which would constitute an Uncontrollable Circumstance if it affected the Authority directly, and the Authority is not able after exercising all reasonable efforts to timely obtain substitutes;

(i) the failure of any appropriate Governmental Body or private utility having operational jurisdiction in the area in which the Facilities are located to provide and maintain Utilities (other than Raw Water) to the Facilities which are required for the performance of the Contract Services;

(j) any failure of title to the Facilities or any placement or enforcement of any encumbrance on the Facilities not consented to in writing by, or arising out of any action or agreement entered into by, the party adversely affected thereby;

(k) the preemption, confiscation, diversion or destruction of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any material portion of the Facilities;

(l) with respect to the Authority, any City Breach and City-requested Change Orders not due to Authority Breach;

(m) with respect to the City, any Authority Breach;

(n) with respect to the Authority, the consequences of any act, error, neglect or omission by the City or any other person or entity acting on behalf of the City; or

(o) electric power outages beyond the control of the Authority.

Exclusions. It is specifically understood that none of the following acts, events or circumstances shall constitute Uncontrollable Circumstances:

(a) any act, event or circumstance that would not have occurred if the affected party had complied with its obligations hereunder;

(b) changes in interest rates, inflation rates, wage rates, insurance costs, currency values, exchange rates or other general economic conditions;

(c) changes in the financial condition of the City, the Authority, or its affiliates or subcontractors affecting the ability to perform their respective obligations;

(d) the consequences of error, neglect or omissions by the Authority, any Subcontractor, any of their Affiliates or any other person in the performance of the Contract Services;

(e) union or labor work rules, requirements or demands which have the effect of increasing the number of employees employed at the Facilities or otherwise increasing the cost to the Authority of performing the Contract Services;

(f) any impact of prevailing wage or similar laws, customs or practices on the Authority's costs;

(g) weather conditions normal for the service area;

(h) any surface or subsurface geotechnical or hydrological conditions, including the existence of compressible soil layers, masses, unstable soils, manmade deposits, and water table fluctuations (other than Pre-Existing Environmental Conditions or Specified Site Conditions);

(i) any act, event, circumstance or Change in Law occurring outside of the United States;

(j) mechanical failure of equipment to the extent not resulting from a condition that is listed in the "Inclusions" section of this definition;

(k) failure of the Authority to secure patents which it deems necessary for the performance of the Contract Services;

(l) any failure in obtaining appropriate Governmental Approvals for the Facilities;

(m) a Change in Law pertaining to Taxes (except a Change in Law which imposes a State or local tax on the private provision of water treatment services or the imposition of a new State Tax or an increase or decrease in the rate of local tax currently imposed for use of the City's water system); or

(n) any Change in Law (including the issuance of any Governmental Approval, the enactment of any statute, or the promulgation of any regulation) the terms and conditions of which do not impose more stringent or burdensome requirements on the Authority than are imposed by the Contract Standards.

"Utilities" means any and all utility services and installations whatsoever (including gas, electricity, telephone, and telecommunications), and all piping, wiring, conduits, and other fixtures of every kind whatsoever related thereto or used in connection therewith.

"Water Treatment System" means the City's potable water treatment system and the real property on which the structures constituting part of such system are located, as described in Appendix 1, consisting generally of the Plant, Wells, storage reservoirs, pipes, mains, valves, and treatment equipment, together with all improvements thereto acquired, installed, constructed or reconstructed from time to time.

"Wells" means the wells drawing groundwater from the Edwards Aquifer, as further described in Appendix 1.

"Well Supply Equipment" means the pumps, meter, column, casing, pipes, valves, motor control center, electric disconnects, and other well supply equipment.

"Well System SCADA" means the Wells' monitoring and control system.

"Well Water" means all groundwater water pumped from the Wells for distribution through the water distribution system in the Service Territory in accordance with Applicable Law.

SECTION 1.2. INTERPRETATION. In this Service Contract notwithstanding any other provision hereof:

(A) References Hereto. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms refer to this Service Contract; and the term "hereafter" means after, and the term "heretofore" means before, the Contract Date.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, joint ventures, general partnerships, limited partnerships, limited liability corporations, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Service Contract shall be solely for convenience of reference and shall not affect its meaning, construction or effect.

(E) Entire Service Contract. This Service Contract contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Service Contract. Without limiting the generality of the foregoing, this Service Contract shall completely and fully supersede all other understandings and agreements among the parties with respect to such transactions, although the City recognizes that the Authority, in entering into this Service Contract has relied upon the City's RFP, the proposal of the Authority submitted in response thereto, and the amendments or supplements to the RFP and the proposal. The Raw Water Contract and the Regional Agreement between the parties are not altered or superceded by this service contract.

(F) Standards of Workmanship and Materials. Any reference in this Service Contract to materials, equipment, systems or supplies (whether such references are in lists, notes, specifications, schedules, or otherwise) shall be construed to require the Authority to furnish the same in accordance with the grades and standards indicated in this Service Contract. Where this Service Contract does not specify any explicit quality or standard for construction materials or workmanship, the Authority shall use only workmanship and materials of a quality consistent with that of construction workmanship and materials in accordance with Good Engineering and Construction Practices and Good Industry Practices.

(G) Technical Standards and Codes. References in this Service Contract to all professional and technical standards, codes and specifications are to the most recently published professional and technical standards, codes and specifications of the institute, organization, association, authority or society specified, all as in effect as of the Contract Date. Unless otherwise specified to the contrary, all such professional and technical standards, codes and specifications shall apply as if incorporated herein.

(H) Causing Performance. A party shall itself perform, or shall cause to be performed, the obligations affirmatively undertaken by such party under this Service Contract, subject to any limitations specifically imposed hereby with respect to Subcontractors or otherwise.

(I) Party Bearing the Cost of Performance. All obligations undertaken by each party hereto shall be performed at the cost of the party undertaking the obligation, unless the other party has explicitly agreed herein to bear all or a portion of the cost either directly or by reimbursement to the other party or through an adjustment to the Service Fee.

(J) Assistance. The obligations of a party to cooperate with, to assist or to provide assistance to the other party hereunder shall be construed as an obligation to use the party's personnel resources to the extent reasonably available in the context of performing their normal duties, and not to incur material additional overtime or third party expense unless requested and reimbursed by the assisted party.

(K) Interpolation. If any calculation hereunder is to be made by reference to a chart or table of values, and the reference calculation falls between two stated values, the calculation shall be made on the basis of linear interpolation.

(L) Good Industry Practice and Good Engineering and Construction Practice. Good Industry Practice and Good Engineering and Construction Practice shall be utilized hereunder, among other things, to implement, and in no event displace or lessen the stringency of, the Contract Standards. In the event that, over the course of the Term of this Service Contract, Good Industry Practice or Good Engineering and Construction Practice evolves in a manner which in the aggregate materially and adversely affects the cost of compliance therewith by the Authority, the Authority shall be relieved of its obligation to comply with such evolved Good Industry Practice and Good Engineering and Construction Practice (but not Good Industry Practice and Good Engineering and Construction Practice as of the Contract Date) unless the City agrees to adjust the Service Fee on a Cost Substantiation basis to account for such additional costs. Except to the extent that the Authority is relieved of its obligation to comply with such evolved Good Industry Practice or Good Engineering and Construction Practice, as provided above, in no event shall any evolution of Good Industry Practice or Good Engineering and Construction Practice, or any City election to pay or not pay any such additional costs, relieve the Authority of its obligations hereunder.

(M) Applicability and Stringency of Contract Standards. The Authority shall be obligated to comply only with those Contract Standards which are applicable in any particular case. Where more than one Contract Standard applies to any particular performance obligation of the Authority hereunder, each such applicable Contract Standard shall be complied with. In the event there are different levels of stringency among such applicable Contract Standards, the most stringent of the applicable Contract Standards shall govern.

(N) Delivery of Documents in Digital Format. In this Service Contract, the Authority may be obligated to deliver reports, records, designs, plans, drawings, specifications, proposals and other documentary submittals in connection with the performance of its duties hereunder. The Authority agrees that all such documents shall be submitted to the City both in printed form (in the number of copies indicated) and, at the City's request, in digital form. Electronic copies shall consist of computer readable data submitted in any standard interchange format which the City may reasonably request to facilitate the administration and enforcement of this Service Contract.

(O) Severability. If any clause, provision, subsection, Section or Article of this Service Contract shall be ruled invalid by any court of competent jurisdiction, then the parties shall: (1) promptly negotiate a substitute for such clause, provision, subsection,

Section or Article which shall, to the greatest extent legally permissible, effectuate the intent of the parties in the invalid clause, provision, subsection, Section or Article; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Service Contract; and (3) negotiate such changes, in substitution for or addition to the remaining provisions of this Service Contract as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Service Contract shall be construed and enforced as if such invalid portion did not exist.

(P) Drafting Responsibility. Notwithstanding the City's having assumed primary drafting responsibility for the main body and certain Appendices to this Service Contract, or the Authority's having assumed primary drafting responsibility for certain Appendices to this Service Contract, neither party shall be held to a higher standard than the other party in the interpretation or enforcement of this Service Contract as a whole or any portion hereof as a result of having assumed such drafting responsibility.

(Q) No Third Party Rights. This Service Contract is exclusively for the benefit of the City and the Authority and shall not provide any third parties with any remedy, claim, liability, reimbursement, cause of action, or other rights.

(R) References to Days. All references to days herein are references to calendar days.

(S) References to Knowledge. All references to "knowledge," "knowing," "know" or "knew" shall be interpreted as references to a party having actual knowledge.

(T) Counterparts. This Service Contract may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Service Contract.

(U) Governing Law. This Service Contract shall be governed by and construed in accordance with the applicable laws of the State of Texas.

(V) Defined Terms. The definitions set forth in Section 1.1 shall control in the event of any conflict with the definitions used in the recitals hereto.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants that:

(A) Existence and Powers. The City is a municipal corporation of the State, validly existing under the laws of the State, with full legal right, power and authority to enter into and to perform its obligations under this Service Contract.

(B) Due Authorization and Binding Obligation. This Service Contract has been duly authorized, executed and delivered by all necessary action of the City and constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and by equitable principles of general application.

(C) No Conflict. To the best of its knowledge, neither the execution and delivery by the City of this Service Contract nor the performance by the City of its obligations in connection with the transactions contemplated hereby or the fulfillment by the City of the terms or conditions hereof: (1) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the City; or (2) conflicts with, violates or results in a breach of any order, judgment or decree, or any contract, agreement or instrument to which the City is a party or by which the City or any of its properties or assets are bound, or constitutes a default under any of the foregoing.

(D) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Service Contract by the City or the performance of its payment or other obligations hereunder except such as have been duly obtained or made.

(E) No Litigation. Except as disclosed in writing to the Authority, to the best of its knowledge, there is no Legal Proceeding before or by any Governmental Body pending or, to the best of the City's knowledge, overtly threatened or publicly announced against the City, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the execution and delivery of this Service Contract by the City, or the validity, legality or enforceability of this Service Contract against the City or any other agreement or instrument entered into by the City in connection with the transactions contemplated hereby, or on the ability of the City to perform its obligations hereunder or under any such other agreement or instrument.

(F) Applicable Law Compliance. Except as disclosed in writing to the Authority, to the best of its knowledge, the City is not in material violation of any law, order,

rule or regulation applicable to any plant or system providing water service to the general public designed, constructed, operated, maintained or managed by the City.

(G) Information Supplied by the City. The information supplied and representations and warranties made by the City in all submittals and addenda made in relation to the RFP and in all post-proposal responses with respect to the City are true, correct and complete in all material respects.

SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY. The Authority represents and warrants that:

(A) Existence and Powers. The Authority is a conservation and reclamation district and political subdivision of the State of Texas duly organized, validly existing and in good standing under the laws of the State, with the full legal right, power and authority to enter into and perform its obligations under this Service Contract.

(B) Due Authorization and Binding Obligation. This Service Contract has been duly authorized, executed and delivered by all necessary corporate action of the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and by equitable principles of general application.

(C) No Conflict. To the best of its knowledge, neither the execution and delivery by the Authority of this Service Contract nor the performance by the Authority of its obligations in connection with the transactions contemplated hereby or the fulfillment by the Authority of the terms or conditions hereof: (1) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the Authority; or (2) conflicts with, violates or results in a breach of any order, judgment or decree, or any contract, agreement or instrument to which the Authority is a party or by which the Authority or any of its properties or assets are bound, or constitutes a default under any of the foregoing.

(D) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Service Contract by the Authority or the performance of its payment or other obligations hereunder except such as have been duly obtained or made.

(E) No Litigation. Except as disclosed in writing to the City, to the best of its knowledge, there is no Legal Proceeding before or by any Governmental Body pending or, to the best of the Authority's knowledge, overtly threatened or publicly announced against the Authority, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the execution and delivery of this Service Contract by the Authority, or the validity, legality or enforceability of this Service Contract against the Authority or any other agreement or instrument entered into by the Authority in connection with the

transactions contemplated hereby, or on the ability of the Authority to perform its obligations hereunder or under any such other agreement or instrument.

(F) Governmental Approvals. The Authority has obtained or will obtain in the course of its performance hereunder, either directly or through qualified Subcontractors, the Governmental Approvals which the Authority must obtain in its own name or that of its Subcontractors to provide the Contract Services.

(G) Applicable Law Compliance. Except as disclosed in writing to the City, to the best of its knowledge, the Authority is not in material violation of any law, order, rule or regulation applicable to any water plant or system providing service to the general public designed, constructed, operated, maintained or managed by the Authority.

(H) Information Supplied by the Authority. The information supplied and representations and warranties made by the Authority in all submittals made in response to the RFP and in all post-proposal submittals with respect to the Authority (and, to the best of its knowledge, all information supplied in such submittals with respect to any Subcontractor) are true, correct and complete in all material respects.

(I) City Utility Contracts. The Authority is familiar with the City Utility Contracts, and the coordination needed on the Authority's part to ensure the City's ongoing compliance with its obligations under the City Utility Contracts.

SECTION 2.3. KNOWLEDGE-BASED REPRESENTATIONS. Whenever a representation or warranty hereunder is made to the best of the knowledge of the City or the best of the knowledge of the Authority, such representation or warranty hereunder shall be deemed made, as the case may be, to the knowledge of the City Manager of the City or to the knowledge of the chief executive officer of the Authority.

ARTICLE III

TERM

SECTION 3.1. EFFECTIVE DATE AND INITIAL TERM. This Service Contract shall become effective on the Contract Date, and shall continue in effect for 10 years following the Commencement Date (the period from the Contract Date to the tenth anniversary of the Commencement Date constituting the "Initial Term") or, if renewed as provided in Section 3.2, until the last day of the renewal term (the "Renewal Term"; the Initial Term and any Renewal Term being referred to herein as the "Term"), unless earlier terminated pursuant to the termination provisions of Article XI hereof, in which event the Term shall be deemed to have ended as of the date of such termination. All rights, obligations and liabilities of the parties hereto shall commence on the Contract Date, subject to the terms and conditions hereof. The City shall have no obligation to make Service Fee payments until the Commencement Date. At the end of the Term of this Service Contract, all other obligations of the parties hereunder shall terminate, except as provided in Sections 11.6.

SECTION 3.2. RENEWAL OPTION. This Service Contract may be renewed and extended for up to two additional five-year renewal terms by the mutual agreement of the parties. The Authority shall give the City written notice of the approaching expiration of the Initial Term or any Renewal Term no later than 270 days prior to such expiration. In such notice the Authority will state whether it desires to renew the Service Contract. The City, not later than 180 days prior to the expiration of the Initial Term and any Renewal Term, shall give the Authority written notice stating whether or not the City desires to renew the Service Contract. If the parties agree to renew the Service Contract, the renewal shall be on the same terms and conditions as are in force under this Service Contract as of the date of renewal. If either party does not wish to renew this Service Contract, the Service Contract will terminate, and the City will determine whether to assume the operation and maintenance of the Water Treatment Facilities, or contract for such services using a competitive process in accordance with Applicable Law.

ARTICLE IV

TRANSITION PERIOD

SECTION 4.1. AUTHORITY TRANSITION PERIOD RESPONSIBILITIES. (A) Obligation to Proceed. The Authority shall use good faith efforts to satisfy the following Authority responsibilities as soon as practicable after the Contract Date, each of which shall be a condition precedent to the occurrence of the Commencement Date.

(1) Transition. The Authority shall carry out and complete its transition obligations to ensure the orderly transfer of management responsibility for the Wells from the City to the Authority in accordance with Article VI as it specifically pertains to transition obligations to be performed by the Authority prior to the Commencement Date, and shall provide management, technical, administrative, engineering, labor relations and other personnel necessary in connection therewith. The Authority shall demonstrate such compliance to the satisfaction of the City.

(2) City Employee and Staffing. The Authority shall carry out and complete its obligations set forth in Section 6.7, with respect to offering employment to the City employee identified in Appendix 5, and shall demonstrate such compliance to the satisfaction of the City. In addition, the Authority shall hire any additional personnel necessary to fill all positions included in its Staffing Plan, if any.

(3) Governmental Approvals. The Authority shall submit complete applications and take all other steps which are necessary under Applicable Law to obtain all Governmental Approvals required to be obtained by the Authority before the Commencement Date for the performance of the Contract Services, or certify to the City that no such Governmental Approvals are required.

(4) Letter of Credit. The Authority shall obtain and deliver to the City the Letter of Credit, or other security agreeable to the City in accordance with Section 13.1. The Letter of Credit shall be substantially in the form set forth in the Transaction Forms.

(5) Safety and Security Plan. The Authority shall submit, subject to City review, a Safety and Security Plan.

(6) Operation and Maintenance Manual. The Authority shall review the operation and maintenance procedures contained in the City's existing Operation and Maintenance Manual for the Wells, and identify areas which need to be modified or added in light of the contract provisions to be performed hereunder, including its Major Repair and Replacement Schedule set forth in Appendix 3.

(7) Contact Information. The Authority shall submit to the City the contact information specified in subsection 14.3(A).

(8) Required Insurance. The Authority shall submit to the City proof of insurance naming the City as an "additional insured" for the Required Insurance specified in Appendix 9 for which an "additional insured" may be named.

(9) Service Contract Approval Assistance. The Authority shall actively advise the City with respect to, and shall cooperate with and assist the City in obtaining, any required Service Contract Approvals.

(10) Authority Law Compliance. The Authority shall certify to the City as of the Commencement Date that the Authority is in substantial compliance with laws, regulations, rules and orders, non-compliance with which would have a material and adverse effect upon its ability to perform its obligations under this Service Contract.

(11) Financial Condition. The Authority shall provide consolidated balance sheets and income statements for the Authority for the most recently completed fiscal year and quarterly period. Since the Contract Date, there shall not have occurred any change, financial or otherwise, in the condition of the Authority that would materially and adversely affect the ability of the Authority to perform its respective obligations under this Service Contract.

(12) Documents Evidencing Required Activities. The Authority shall have provided to the City copies of all filings and reports conducted, prepared or obtained with respect to or evidencing the Authority's activities pursuant to this Section.

(13) Representations. The representations of the Authority set forth in Section 2.2 shall be true and correct in all material respects as of the Commencement Date as if made on and as of the Commencement Date, and the Authority shall deliver to the City a certificate of an authorized officer to that effect.

(B) Access to Facilities During Transition Period. The execution of this Service Contract shall be deemed to constitute the granting to the Authority of a right of access to the Facilities for the purposes of performing further inspections, engineering, analysis and such additional studies or tests as deemed necessary by the Authority. To the extent such right of access exceeds those rights of the Authority under any other written agreement with the City, such right of access shall be subject to the City's prior approval, which shall not be unreasonably withheld, as to time and scope, and shall be exercised in a manner consistent with the performance obligations of the City. The Authority shall assume all risks associated with such activities.

(C) Notice of Default. The Authority shall provide to the City, promptly following the receipt thereof, copies of any notice of default, breach or non-compliance received under or in connection with any Governmental Approval or Subcontract pertaining to the Transition Period.

SECTION 4.2. CITY TRANSITION PERIOD RESPONSIBILITIES. The City shall use good faith efforts to satisfy the following City responsibilities as soon as practicable after the Contract Date, each of which shall be a condition precedent to the occurrence of the Commencement Date.

(1) Governmental Approvals. The City shall cooperate with the Authority in the submittal of all applications for the Governmental Approvals, if any, which the Authority is obligated to submit pursuant to subsection 4.1(A)(3).

(2) Service Contract Approvals. The City shall make all submittals and take all other action which is reasonably necessary under Applicable Law in order to apply for any required Service Contract Approval.

(3) Transfer of Management Responsibilities. The City shall transfer management responsibility for the Facilities to the Authority, as necessary, as of the Commencement Date, and shall provide for an orderly transfer of responsibility to the Authority.

(4) Representations. The representations of the City set forth in Section 2.1 shall be true and correct in all material respects as of the Commencement Date as if made on and as of the Commencement Date, and the City shall deliver to the Authority a certificate of an authorized officer to that effect.

SECTION 4.3. COMMENCEMENT DATE CONDITIONS. (A) Commencement Date Conditions Defined. The obligations of the Authority and the City to proceed with their respective obligations hereunder during the Management Period shall not commence until all of the following conditions (the "Commencement Date Conditions") are satisfied or waived by both parties:

(1) Authority Transition Period Responsibilities. The Authority shall have fulfilled all of its responsibilities with respect to the Transition Period under Section 4.1.

(2) City Transition Period Responsibilities. The City shall have fulfilled all of its responsibilities with respect to the Transition Period under Section 4.2.

(3) Governmental Approvals. All Governmental Approvals required for the commencement of the Contract Services shall have been issued or obtained and shall be in full force and effect.

(4) Service Contract Approvals. All required Service Contract Approvals, if any, shall have been issued or obtained and shall be in full force and effect.

(5) Inventory and Assessment. An inventory and condition assessment of all Transferred Property shall have been conducted as required by Section 8.2, and the parties shall have agreed on such inventory and condition assessment for purposes of such Section.

(6) Acceptability and Effectiveness of Documents. All of the documents and instruments identified in this Section shall be in form and substance reasonably satisfactory to both parties, and shall be valid, in full force and effect and enforceable against each party thereto on the Commencement Date. It is understood that any such document, instrument or agreement, the form of which is set forth in a Transaction Form, that is executed and delivered in substantially such form, is and shall be deemed to be in form and substance satisfactory to the parties. No such document, instrument or agreement shall be subject to the satisfaction of any outstanding condition precedent except those expressly to be satisfied after the Commencement Date. No party to any such document, instrument or agreement shall have repudiated or be in default or imminent default thereunder, and each party shall have received such certificates or other evidence reasonably satisfactory to it of such facts as such party shall have reasonably requested.

(7) Legal Proceedings. There shall be no Legal Proceeding pending before or by any Governmental Body which: (a) challenges, or might challenge, directly or indirectly, (i) the authorization, execution, delivery, validity or enforceability of this Service Contract, or (ii) the interest of the City in the Facilities; (b) seeks to enjoin or restrict the use of the Facilities in the manner or for the purposes contemplated by this Service Contract; or (c) seeks damages, fines, remediation or any other remedy in connection with the environmental condition or any other matter pertaining to the Facilities, in any such case which can reasonably be expected to materially and adversely affect the City's or the Authority's ability to comply with its obligations hereunder.

(8) No Change in Law Affecting Service Contract. No Change in Law shall have occurred after the Contract Date and before the Commencement Date that would make the authorization, execution, delivery, validity, enforceability or performance of this Service Contract a violation of Applicable Law.

(B) Commencement Date Conditions for which Both Parties Have Responsibility. The City and the Authority shall each use all reasonable efforts in taking such actions as may reasonably be under their control in order to satisfy the Commencement Date Conditions set forth in items (3), (4), (5), (6), (7), and (8) of subsection (A) of this Section as soon as practicable.

(C) No Payment to Either Party for Transition Period Expenses of the Other. All costs and expenses incurred by each party in performing its obligations during the Transition Period shall be for the account of such party and shall not be reimbursable by the other party except upon the occurrence of an Event of Default. However, during the Transition Period, the Authority may continue to charge the City and the City will continue to pay the

Authority's charges related to the ongoing operation of the Plant pursuant to the existing Service Contract. The Authority's charges under the existing Service Contract shall cease with the Commencement Date of this Service Contract.

SECTION 4.4. CLOSING THE TRANSITION PERIOD. (A) Establishment of Commencement Date. The parties shall give each other prompt notice when each Commencement Date Condition has been achieved. Upon the satisfaction or waiver of all of such Commencement Date Conditions, the parties shall hold a formal closing on a date and at a location determined by the parties acknowledging such satisfaction, delivering copies of all relevant documents, and certifying that the Commencement Date has occurred. The date of such closing shall be deemed to be the Commencement Date hereunder, and thereupon the Initial Term shall commence. Written documents or instruments constituting or evidencing satisfaction of the Commencement Date Conditions shall be furnished to each party for review prior to the Commencement Date to the extent practicable.

(B) Failure of Conditions. If by the date that is 90 days following the Contract Date (as such date may be extended day-for-day by any third party Legal Proceeding or Uncontrollable Circumstance, which has a material bearing upon the ability of the parties to proceed with the transactions contemplated hereby, but not later than the first anniversary of the Contract Date), or such later date upon which the City and the Authority may agree, any of the Commencement Date Conditions are not satisfied, or have not been waived, either party may, by notice in writing to the other party, terminate this Service Contract, effective on the date stated in the notice. Neither party shall be liable to the other for the termination of this Service Contract pursuant to this Section (including any termination resulting from a Legal Proceeding which has the effect of invalidating this Service Contract or the City's authorization thereof) except to the extent that such party breaches its obligations under Sections 4.1 or 4.2, respectively, and each of the parties shall bear its respective costs and expenses incurred in seeking to satisfy the Commencement Date Conditions.

SECTION 4.5. CITY UTILITY CONTRACTS. [(A) Current Workscope. The City Utility Contracts are those contracts to which the City is a party as of the Contract Date under which the City has agreed to perform services of various kinds for other Governmental Bodies or commercial entities, such as asset operation and maintenance services, and water wheeling services. Commencing on the Commencement Date, the Authority shall coordinate with and provide information to the City to assist the City in complying with its obligations under the City Utility Contracts existing as of the Commencement Date; provided, however, that the Authority shall have no obligation to perform any construction services thereunder. The City shall make any payments that may be due under the City Utility Contracts and shall enforce performance by the counterparty to all of the City Utility Contracts. All payments for

services or otherwise made by the counterparty and all other revenue collected under the City Utility Contracts shall be the property of the City.

(B) Workscope Changes. The Service Fee shall be increased to take account of workscope changes occurring during the Term under the City Utility Contracts that increase the Authority's costs. Such changes may occur, for example, through the modification, expiration or termination of an existing City Utility Contract or the addition of new City Utility Contracts. The City shall have the right, in its sole discretion, to make any such modification, termination or addition, and in connection therewith the City and the Authority shall negotiate terms and conditions of the Contract Administration Memorandum or amendment to this Service Contract which is appropriate on account thereof.

ARTICLE V

PERMITTING RESPONSIBILITIES

SECTION 5.1. AUTHORITY PERMITTING RESPONSIBILITIES. Except as provided in Section 5.2, the Authority shall be responsible (at its own cost, including annual or periodic fees) for applying for, obtaining, providing necessary reports required under, and maintaining in force all Government Approvals required for the operation of the Facilities even though such Governmental Approvals may be in the name of the City, as more fully provided for in Section 6.12. The City shall provide the Authority reasonable assistance and cooperation in the permitting process at its own cost. The Authority shall bear the cost of (including permit fees) and risks (except to the extent a new permit condition constitutes a Change in Law) associated with obtaining, maintaining and complying with such Governmental Approvals. The Authority shall be responsible for completion of all permit efforts in progress at the time of commencement of this Service Contract.

SECTION 5.2. CITY PERMITTING RESPONSIBILITIES. The City shall be responsible for all reporting requirements under the City's Edwards Aquifer Authority permits, and the Authority will fully support the City's reporting requirements by providing any data, reports, test results and other information related to the Facilities which may be necessary for the City to comply with such reporting requirements. The Authority shall not be responsible for obtaining permits or approvals necessary for the implementation of Capital Modifications initiated by the City (unless the parties mutually agree otherwise); provided, however, that the Authority shall provide the City any data, reports, test results and other information and assistance related to the Facilities that may be necessary to obtain such permits and approvals.

SECTION 5.3. OTHER REPORTING REQUIREMENTS. The Authority will fully support the City's reporting requirements for other agencies and entities such as Texas Water Development Board by providing any data, reports, test results and other information related to the Facilities which may be necessary for the City to comply with such reporting requirements or information requests.

ARTICLE VI

MANAGEMENT AND OPERATION

SECTION 6.1. OWNERSHIP AND USE OF THE FACILITIES. (A) City Ownership. Subject to parties rights and obligations under the Regional Agreement, the System, the Facilities, all Capital Modifications, and all equipment used or installed by the Authority are and shall be owned by the City throughout and following the Term of this Service Contract, and the Authority shall have no ownership interest therein by virtue of this Service Contract. The Authority shall perform the Contract Services as an independent contractor and shall not have any legal, equitable, tax beneficial or other ownership or leasehold interest in the System, the Facilities, or any Capital Modification by virtue of this Service Contract. The Authority may however from time to time utilize some of its own vehicles or equipment in the performance of its Service Contract obligations without those vehicles or equipment becoming the property of the City.

(B) Use. During the Term hereof, the Authority may enter upon, occupy and use the Facilities to operate, maintain, repair, replace and manage the Facilities, and to design, construct, install and start-up any Capital Modifications approved by the City, all to provide the Contract Services in accordance herewith, and for no other purpose. The Authority shall keep the Facilities in good working order and condition in light of their intended use hereunder.

(C) Use of Transferred Property. The Authority shall have the right to use and consume in the performance of the Contract Services at the Facilities the spare parts and Consumables constituting part of the Transferred Property.

(D) City Access to Facilities. The City shall have the right at any time, on a 24-hour per day, 365-day per year basis, to visit and inspect the Facilities and observe and assess the Authority's performance of the Contract Services. The Authority shall allow and facilitate access to the Facilities for such purposes by authorized City personnel and by agents and contractors designated by the City. Keys or passwords, as applicable, for the facilities or structures constituting the Facilities shall be provided to the City's Contract Administrator by the Authority in accordance with the Authority's physical security plan and key control program. All City employees, agents and contractors, and all visitors shall comply with the Authority's reasonable operating and safety procedures and rules, and shall not interfere with the Authority's operations of the Facilities. When visiting any portion of the Facilities that is staffed by the Authority at the time of the visit, all City employees, agents and contractors shall announce themselves to the staff, and Authority employees may elect to accompany any City employees, agents and contractors during the visit. The parties agree that the City (but not its agents and contractors) shall have immediate access to the Facilities, and no Authority rule or

procedure shall impede, impair or delay such access. The parties agree that access by the City's agents and contractors shall normally be arranged with the Authority in advance and that such access shall normally be at times reasonably convenient for the Authority. While the Authority shall attempt to provide a safe and secure workplace at the Facilities in accordance with Section 6.10(A), City agents, contractors and visitors entering the Facilities shall enter at their own risk.

(E) Liens and Encumbrances. At all times during the Term of this Service Contract, the Authority shall keep the Facilities free from any and all Liens and Encumbrances arising out of or in connection with (1) the Contract Services, or (2) any acts, omissions or debts of the Authority, its Affiliates and its Subcontractors, other than Liens arising by operation of law, which shall be promptly bonded or discharged.

(F) Authority Prohibitions. In addition to any other provision set forth herein and the limitations set forth under Applicable Law, the Authority shall not:

(1) change the nature of the business of the Facilities as currently conducted without the City's prior written authorization;

(2) enter into any contract, commitment or transaction on behalf of the City without the City's prior written authorization;

(3) utilize the Facilities for any purpose other than the continued operation of the Facilities, such as (i) managing or operating non-City facilities (other than the San Marcos Raw Water Delivery System, and the pump station and pipeline on the Plant Site for the IH 35 Project) from the Facilities, except as is expressly agreed to by the City in writing, (ii) using personnel, equipment, software, rolling stock, consumables or other materials that are utilized at the Facilities at non-City facilities except as authorized in writing by the City, or (iii) storing equipment and spare parts for other non-City facilities (other than equipment, spare parts and materials related specifically to the operation and maintenance of the San Marcos Raw Water Delivery System or the IH 35 Project);

(4) share Facilities staff with other non-City facilities, subject to subdivision (3)(i) above; or

(5) distribute, dispose of (except as authorized in writing by the City), transfer, convey, pledge, mortgage or encumber any of the assets of the Facilities except as permitted by the Regional Agreement.

(G) Third-Party Access. Except as provided herein, the Authority shall prohibit access to the Facilities to all unauthorized personnel and third parties.

SECTION 6.2. AUTHORITY OBLIGATIONS GENERALLY. (A) Management Responsibility. Commencing on the Commencement Date, the Authority shall operate and manage the Facilities on a 24-hour per day, 7-day per week basis, and shall treat and deliver Finished Water to the System, provide all information necessary to secure Governmental Approvals, and otherwise manage and operate the Facilities so as to comply with the Contract Standards applicable to such activities, each of the plans pertaining thereto set forth in the Appendices, and the other terms and conditions of this Service Contract.

(B) Transfer and Application of Industry Experience. The Authority shall use reasonable efforts to transfer to and apply at the Facilities the benefit of the advances and improvements in technology, management practices and operating efficiencies which are developed by the Authority through the operation of their water treatment and distribution businesses and industry research and development activities conducted over the full Term of this Service Contract, and which are useful and appropriate in the good faith judgment of the Authority for carrying out the Contract Services in a manner which improves upon the Contract Standards.

SECTION 6.3. CITY OBLIGATIONS GENERALLY. The City, in addition to the obligations it has accepted elsewhere in this Service Contract, shall:

(1) Make available to the Authority upon request information relating to the Facilities which is in the possession of the City and material to the Authority's performance hereunder;

(2) Grant and assure the Authority access to the Facilities for the performance of its obligations hereunder, but for no other purpose;

(3) Make available for the Authority's use hereunder all Consumables and spare parts in inventory at the Facilities as of the Commencement Date;

(4) Maintain and repair in good working order all System assets which are not included in the Facilities which the Authority is obligated to maintain;

(5) Obtain and maintain all Governmental Approvals that are the responsibility of the Authority hereunder;

(6) Pay the Service Fee and any other amounts due the Authority in accordance with the terms and conditions of this Service Contract;

(7) Provide billing and revenue collection services with respect to the use of the System; and

(8) On a periodic basis to be determined by the parties, direct the Authority as to the amount of raw water from each water source that is to be utilized.

SECTION 6.4. FACILITIES CONDITION CONFIRMATION. (A) Familiarity with Facilities. The Authority shall acknowledge following the Transition Period that: (1) the Authority's employees have visited, inspected, observed and are familiar with the Facilities,

their design, and their physical condition relevant to the obligations of the Authority pursuant to this Service Contract, including structural and operating conditions, roads, Utilities, topographical conditions; (2) the Authority is familiar with current local conditions which may be material to the Authority's performance of its obligations under this Service Contract; (3) the Authority has received and reviewed the Reference Documents, the background documents provided by the City in the RFP process and other records and information pertaining to the Facilities that it has deemed necessary to receive and review for the purposes of entering into and performing this Service Contract, and assumes the risk of incompleteness or inaccuracy in any information provided to it by the City or third parties in the process of entering into this Service Contract; and (4) based on the foregoing, the Facilities can be managed, operated, maintained, repaired and replaced, so as to comply with the Performance Guarantees and the other terms and conditions hereof.

(B) "As-Is" Condition of Facilities. Based on its review of the design drawings, plans and specifications pertaining to the Plant, its inspections of the Facilities, and other inquiries and investigations made by the Authority prior to the Commencement Date, which the Authority acknowledges to be sufficient for this purpose, the Authority assumes the risk of the adequacy and sufficiency of the Facilities and the existing, "as-is" condition of the Facilities as such condition may affect the ability of the Authority to comply with Applicable Law, meet the Performance Guarantees, meet its maintenance, repair and replacement obligations or perform any of its other obligations hereunder on the schedule and for the compensation provided for herein. Prior to the Commencement Date, the Authority will provide the City written notification of any defect, flaw, error, inoperability, inadequacy or other condition or aspect of the existing condition of the Facilities which exists. Any such defect, flaw, error, inoperability, inadequacy or other condition or aspect not identified by the Authority in its notice to the City as of the Commencement Date or which may be revealed during the performance hereof shall not be an Uncontrollable Circumstance. The Authority's assumption of risk under this subsection is subject to the limitations provided in subsection (C) of this Section.

(C) Limitations on the Authority's Assumption of "As-Is" Risk. It is specifically understood that the Authority's assumption of the "as-is" risk of the condition of the Facilities as provided in subsection (B) of this Section shall not extend to the following: (1) Pre-Existing Environmental Conditions, (2) Specified Site Conditions and (3) the actual condition of structures and equipment which could not have been known to the Authority prior to the Commencement Date or could not have been verified by the Authority prior to the Commencement Date without cutting through such equipment or structures, draining or removing material therefrom or unreasonably materially interfering with the operation of the Facilities, but only to the extent that such conditions could not have been reasonably

anticipated based upon the Authority's experience operating the Plant and Good Engineering Practice. The City shall retain all obligations arising out of any third party Legal Proceedings resulting from Pre-Existing Environmental Conditions or Specified Site Conditions at the Facilities, except to the extent such Legal Proceeding is based in whole or in part on the Authority's breach of its obligations pursuant to Section 7.9. No other Uncontrollable Circumstance, however, shall relieve or limit the Authority's assumption of the "as-is" risk as provided in subsection 6.4(B).

SECTION 6.5. SERVICE COORDINATION. [(A) Authority's Facilities Manager. The Authority shall appoint a Facilities Manager for the Facilities and the Contract Services (the "Facilities Manager" or "Plant Manager") who shall be licensed and certified as a Grade A Licensed Water Works Operator by the State of Texas, trained, experienced and proficient in the management and operation of water treatment systems comparable to the Facilities. The Facilities Manager shall (1) be responsible for the management and provision of the Contract Services provided to the City hereunder, (2) be responsible for the day-to-day management of the Facilities, and (3) serve as the day-to-day business representative of the Authority in the performance of this Service Contract. The initial Facilities Manager shall be Jerry L. Sharp, who shall not be replaced without the prior approval of the City for a period of one year from the Commencement Date, unless for reasons of retirement, resignation or cessation of employment with the Authority.

(B) City Approval of Replacement Facilities Manager. The Authority acknowledges that the performance of the Facilities Manager serving from time to time will have a material bearing on the quality of service provided hereunder, and that effective cooperation between the City and the Facilities Manager will be essential to effectuating the intent and purposes of this Service Contract. Accordingly, not fewer than 30 days prior to the date on which any candidate for Facilities Manager from time to time during the Term of this Service Contract is proposed by the Authority to assume managerial responsibility for the Facilities, the Authority shall: (1) provide the City with a comprehensive resume of the candidate's licenses, training, and experience, related to management operations similar to the Facilities and customer relations; and (2) afford the City an opportunity to meet with the candidate and the Authority with respect to such matters. The City shall have the right within 30 days following such meeting to provide written comments to the Authority about such candidate. The Authority shall consider the City's comments before making a decision whether to hire the candidate.

(C) Authority's Senior Supervisors. The Authority shall from time to time appoint and inform the City of the identity of one or more senior managers of the Authority with supervisory responsibility for the Facilities and the performance of this Service Contract (the "Senior Supervisors"). The Authority shall promptly notify the City in writing of the

appointment of any successor Senior Supervisors. The Senior Supervisors shall cooperate with the City in any reviews of the performance of the Authority under the Service Contract which the City may undertake from time to time, and shall give full consideration to any issues raised by the City in conducting such performance reviews.

(D) Communications and Meetings. On or before the Commencement Date, the Authority shall inform the City of any business telephone, fax and beeper numbers, e-mail address and other means by which the Facilities Manager and Senior Supervisors may be contacted. The City shall furnish to the Authority comparable communications information with respect to the Contract Administrator. The Authority shall meet with the City each month to review the contents of the operations reports required to be prepared pursuant to Section 6.15. The Facilities Manager and, if requested by the City, a Senior Supervisor shall personally attend the monthly operations meeting with the City, and public City meetings which the City may reasonably request from time to time, to review management, operational, performance and planning matters arising with respect to the Facilities and this Service Contract.

SECTION 6.6. OPERATION AND MAINTENANCE MANUAL. (A) Development. The Authority shall provide to the City five copies of a draft updated Operation and Maintenance Manual within 90 days following the Commencement Date. Prior to the City's approval of the draft Operation and Maintenance Manual in accordance with subsection (B) of this Section, the Authority shall use and follow the procedures set forth in the existing Operation and Maintenance Manual for the Facilities. The content of the Operation and Maintenance Manual shall be consistent with the Contract Standards, shall contain a description of the means and methods of properly operating the Facilities and any sampling, testing and measurement procedures, shall document predictive, preventive and corrective maintenance procedures, practices and schedules, and shall otherwise be sufficiently detailed to permit the Facilities to be operated and maintained by a qualified party reasonably experienced in water distribution. The Operation and Maintenance Manual shall be developed and maintained in a manner which is fully consistent with the computerized maintenance management system installed and utilized by the Authority pursuant to Section 8.4. The Contract Services shall be performed substantially in compliance with the Operation and Maintenance Manual and the Authority's computerized maintenance management system.

(B) City Review and Approval. The Authority shall review and discuss in good faith with the City any questions the City may have related to the draft Operation and Maintenance Manual, and shall deliver the final Operation and Maintenance Manual to the City within 60 days following completion of review and approval by the City. The Authority shall keep the Operation and Maintenance Manual current and shall periodically supply the City with appropriate updates, supplements or revisions thereto or at any time that a material

change to the Operation and Maintenance Manual is made, to be reviewed and approved in accordance with the procedures described in this Section. Such updates shall not diminish the standards set forth in the initial Operation and Maintenance Manual. Notwithstanding any such review and approval by and discussion with the City, the Operation and Maintenance Manual shall remain at all times the responsibility of the Authority. Neither the review of or approval by, nor the failure of the City to review, comment on, or approve the Operation and Maintenance Manual shall relieve the Authority of any of its responsibilities under this Service Contract.

(C) Supplements for Capital Modifications. The Authority shall prepare supplements and revisions to the Operation and Maintenance Manual which are required due to the design, construction and installation of Capital Modifications. Such supplements and revisions shall be provided, reviewed and approved in the same manner as provided in this Section with respect to the initial Operation and Maintenance Manual. The cost and expense of all such supplements and revisions shall be borne by the Authority, except with respect to supplements and revisions necessitated by Capital Modifications directed by the City or required by a Change in Law or other Uncontrollable Circumstance.

SECTION 6.7. DESIGNATED EMPLOYEE. (A) Authority Employment of Designated Employee. The Authority shall provide full-time, regular employment to the Designated Employee if he elects to accept such employment, to be effective as of the Commencement Date. The Authority's provision of employment will be effectuated subject to the Authority's standard drug and alcohol screening, and background checks. The Authority may also require the Designated Employee to participate in standard health, competency and other tests required of all new employees as long as such tests and evaluations are not used to disqualify the Designated Employee from initial employment. The Authority acknowledges that the City intends to discontinue its employment of the Designated Employee and transfer the Designated Employee to the Authority on the Commencement Date. The City acknowledges and agrees that the Authority is an "at will employer" and that the Designated Employee will be subject to the policies, procedures and programs applicable to all Authority employees.

(B) Wages and Benefits of Designated Employee. The Authority's offer of employment to the Designated Employee shall include (1) wages which in the aggregate, are equal to or better than the wages provided by the City to the Designated Employee as of the Contract Date, and (2) personnel, pension and/or retirement savings benefits the value of which, in the aggregate, are substantially equivalent to the value of the personnel, pension or retirement savings benefits provided by the City to the Designated Employee as of the Contract Date. For purposes of this Subsection 6.7(B), the City acknowledges that the Authority's current personnel benefits, and pension and retirement savings plans as summarized on Appendix 5 are "substantially equivalent" to those provided by the City.

SECTION 6.8. STAFFING AND PERSONNEL TRAINING. (A) Staffing. The Authority shall staff the Facilities during the Term of this Service Contract with qualified personnel who meet the licensing and certification requirements of the State, under a staffing plan which is consistent with the Authority's response to the RFP. The Authority will promptly fill vacated positions and will, from time to time, notify the City of any change in staffing levels and positions. The Authority shall not reduce the staffing level from that contained in the Staffing Plan without the City's written approval, which the City shall not withhold unreasonably.

(B) Changes in Staffing Plan. Changes in the staffing plan or refusal by the appropriate Governmental Body to approve proposed changes in the staffing plan shall not constitute a Change in Law unless such changes are required in order for the Authority to provide the Contract Services as a result of a separate and identified Change in Law event. In the case of such a separate and identified Change in Law event, the staffing plan as approved and in effect as of the date of such event shall be the baseline for measuring the effect of any such Change in Law event that affects required staff levels.

(C) Training. The Authority shall be responsible for training the Facilities Manager and all other Authority personnel.

SECTION 6.9. ENERGY SUPPLY AND CONSUMPTION. The Authority shall have the right and the responsibility to arrange for the supply of electricity, telephone, and all other Utilities to the Facilities, and to negotiate and establish rates and terms of service with the respective suppliers, subject to the written approval of the City, which approval may not be unreasonably withheld. The City shall be responsible for providing water and wastewater service to the Facilities that meet the needs of the Authority in fulfilling its obligations under the Service Contract. The Authority shall pay Utility bills in a timely manner. The Authority acknowledges that the Base Fee of the Service Fee, as escalated, includes all compensation to which the Authority is entitled on account of Utility service, except with respect to electricity, which is a Pass-Through Cost up to the Guaranteed Maximum Electricity Utilization.

SECTION 6.10. SAFETY AND SECURITY. (A) Safety. The Authority shall maintain the safety of the Facilities at a level consistent with Applicable Law, Required Insurance, the Safety and Security Plan and Good Industry Practice. Without limiting the foregoing, the Authority shall: (1) maintain the security of the Facilities, take reasonable actions to prevent vandalism to and trespass or terrorism at the Facilities, and take reasonable precautions for the safety of, and provide reasonable protection to prevent damage, injury or loss by reason of or related to the operation of the Facilities to, (a) all employees working at the Facilities and all other persons who may be involved with the operation, construction, maintenance, repair and replacement of the Facilities, (b) all visitors to the Facilities, (c) all materials and equipment under the care, custody or control of the Authority on the Site, and

(d) other property constituting part of the Facilities; (2) establish and enforce reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards and promulgating safety regulations; (3) give notices and comply with all Applicable Law relating to the safety of persons or property or their protection from damage, injury or loss; (4) designate a qualified and responsible employee at the Facilities whose duty shall include the responsibility for plant safety, the prevention of fires and accidents and the coordination of such activities as shall be necessary with federal, State and City officials; (5) operate all equipment in a manner consistent with the manufacturer's safety recommendations; (6) provide for safe and orderly vehicular movement and conduct periodic inspections to ensure that each Authority or Facility vehicle possesses the required safety equipment; and (7) develop and carry out a safety program related to the Facilities, including employee training and periodic inspections, designed to implement the requirements of this Section. The Authority shall report breaches in security and threats of such breaches to the City's Contract Administrator and to the San Marcos Police Department immediately upon discovery. The Authority will conduct an annual review of the Facilities' security with the City to identify areas of risk and measures for improving security. The Authority may change the locks and security codes at the Facilities, provided a duplicate key and/or security codes for all changed locks shall be provided to the City. The Authority will provide information, as requested, to the appropriate Governmental Body, or other designated agencies.

(B) ADA. The City shall be responsible for making any modifications to the Facilities, as they exist on the Commencement Date, needed for compliance with the Americans with Disabilities Act. Thereafter, the Authority and the City shall make all Capital Modifications to the Facilities in compliance with the provisions of the Americans with Disabilities Act in effect at the time of each such Capital Modification. In accordance with Section 9.1(C), the City shall be responsible for the costs associated with any such Capital Modification unless the Capital Modification is requested by the Authority. Upon completion of any such Capital Modifications, the Authority shall bear all risk of any non-compliance with the Americans with Disabilities Act.

(C) Security. The Authority shall be responsible for the security of the Facilities, and shall maintain the existing fences and gates, and the locks at the Facilities.

SECTION 6.11. COMPLIANCE WITH APPLICABLE LAW. (A) Compliance Obligation. The Authority shall perform the Contract Services in accordance with Applicable Law, and shall cause all Subcontractors to comply with Applicable Law. The Authority shall comply with the terms of all Governmental Approvals and other Applicable Law pertaining to the Facilities and Finished Water, notwithstanding the fact that the Authority may not be a permittee or co-permittee with respect to some or all of such Governmental Approvals.

(B) Sampling, Testing and Laboratory Work. The Authority shall perform and provide all sampling, laboratory testing and analyses, and quality assurance and quality control procedures and programs required by the Contract Standards and Applicable Law. The Authority shall use competitive laboratories for all compliance testing and analysis not performed by the Authority or TCEQ and their designated employees unless otherwise authorized in writing by the City. In any event, all testing laboratories shall be certified by the TCEQ, EPA or other appropriate entity for the applicable test, and shall be inspected and monitored by the Authority for compliance with the required standard test methods. All sampling and test data shall be available for review by the City. The Authority will provide the City with reports on the sampling and test data requested by the City. The Authority explicitly assumes the risk of incorrect sampling, testing and laboratory work and any consequences thereof or actions taken or corrections needed based thereon, whether such work is performed by itself or third parties, both as to failures to detect and as to false detections. The Authority shall permit the City, at the City's expense, to perform any testing, sampling or analytical procedure it deems appropriate, using the Facilities, so long as such testing, sampling and analysis does not hinder the Authority's ability to fulfill its obligations under the Service Contract. In the event third party analytical quality is not compliant with standard test methods, shows patterns of consistent quality control failure, or for any reason fails to meet the requirements of this Subsection, the Authority may request of the City authorization to change the analytical provider. The Authority will cooperate in the City review of such claims. The City retains the right to direct a change in provider if it is deemed to be in the interest of the City

(C) Investigations of Non-Compliance. In connection with any actual or alleged event of non-compliance with Applicable Law, the Authority shall, in addition to any other duties which Applicable Law may impose: (1) fully and promptly respond to all inquiries, investigations, inspections, and examinations undertaken by any Governmental Body; (2) attend any meetings and hearings required by any Governmental Body; (3) provide corrective action plans, reports, submittals and documentation required by any Governmental Body; (4) in conjunction with the City, communicate in a timely and effective manner with the general public as to the nature of the event, the impact on the public, and the nature and timetable for the planned remediation measures; and (5) promptly upon receipt thereof, provide the City with a copy of any written notice of violation or non-compliance with Applicable Law, and a transcript of any oral notice of non-compliance with Applicable Law, issued or given by any Governmental Body. The Authority shall furnish the City with prompt written notice describing the occurrence of any event or the existence of any circumstance which does or may result in any such notice of violation or non-compliance to the extent the Authority has

knowledge of any such event or circumstance, and of any Legal Proceeding alleging such non-compliance.

(D) Fines, Penalties and Remediation. Except to the extent excused by Uncontrollable Circumstances, City Breach or the exceptions to the Authority's assumption of the "as-is" risk set forth in subsection 6.4(C), in the event that the Authority or any Subcontractor fails at any time to comply with Applicable Law with respect to the Facilities, Finished Water, or this Service Contract, the Authority shall, without limiting any other remedy available to the City upon such an occurrence and notwithstanding any other provision of this Service Contract: (1) promptly correct such failure and resume compliance with Applicable Law; (2) bear all Loss-and-Expense of the Authority and the City resulting therefrom; (3) pay or reimburse the City for any resulting actual damages, fines, assessments, levies, impositions, penalties or other charges; (4) make any Capital Modifications and changes in operating and management practices that the City may request which are necessary to assure that the failure of compliance with Applicable Law will not recur; and (5) comply with any corrective action plan filed with or mandated by any Governmental Body in order to remedy a failure of the Authority to comply with Applicable Law.

(E) No Nuisance Covenant. The Authority shall keep the Facilities neat, clean and litter-free at all times, and ensure that the operation of the Facilities does not create any odor, litter, noise, fugitive dust, vector or other adverse environmental effects constituting, with respect to each of the foregoing, a nuisance condition under Applicable Law. Should any such nuisance condition occur which is not caused by Uncontrollable Circumstances, City Breach or other City activity, the Authority shall promptly remedy the condition, pay any regulatory fines or penalties relating thereto, make any Capital Modifications and changes in operating and management practices that the City may request which are necessary to prevent a recurrence of the nuisance condition, and, to the full extent of its liability under applicable law, pay costs related to the nuisance condition in accordance with Section 12.3.

SECTION 6.12. GOVERNMENTAL APPROVALS. (A) Applications and Submittals. Except with respect to the City's Edwards Aquifer Authority Permit, the Authority, in a timely manner, shall make all applications necessary to obtain and maintain the Permits and all other Governmental Approvals required to be made, obtained or maintained under Applicable Law in order to operate the Facilities, including those set forth in Appendix 2. With respect to Governmental Approvals, the Authority, in a timely manner, shall: (1) develop and furnish all necessary supporting material; (2) supply all data and information which may be required; (3) familiarize itself with the terms and conditions of such Governmental Approvals; (4) attend required meetings and hearings; and (5) take other action necessary in obtaining, maintaining, renewing, extending and complying with the terms of such Governmental Approvals. All permit and filing fees required in order to obtain and maintain Governmental

Approvals for the Contract Services shall be paid by the Authority, except Governmental Approvals required in connection with an Uncontrollable Circumstance or a City requested Capital Modification. The Authority shall agree to be named as a co-permittee on any Governmental Approval if so required by the issuing Governmental Body. The City shall be responsible for paying all fees and charges related to its Edwards Aquifer Authority Permit, including any charges related to Section 1.29 of Senate Bill 1477 (the "Edwards Aquifer Authority Act").

(B) Data and Information. Data, information and action required to be supplied or taken in connection with the Governmental Approvals required for the Contract Services shall be supplied and taken on a timely basis. The data and information supplied by either party to the other and to all regulatory agencies in connection therewith shall be correct and complete in all material respects. All such information shall be submitted in draft form by the submitting party sufficiently in advance to allow full and meaningful review and comment by the reviewing party. Each party shall be responsible for any schedule and cost consequences which may result from its submission or modification of materially incorrect or incomplete information. The City reserves the right to reject, modify, alter, amend, delete or supplement any information supplied by the Authority pursuant to this Section.

(C) Non-Compliance and Enforcement. The Authority shall report to the City, promptly upon obtaining knowledge thereof, all violations of the terms and conditions of any Governmental Approval or Applicable Law pertaining to the Facilities. The City shall have the right independently to enforce compliance with the requirements of any Governmental Approval regardless of whether a concurrent or different regulatory enforcement action has been undertaken by any other Governmental Body. The failure of the Authority to take action to comply with any Governmental Approval may constitute a breach of this Service Contract.

(D) Reports to Governmental Bodies. The Authority shall prepare all periodic and annual reports, make all information submittals and provide all notices to all Governmental Bodies required by all Governmental Approvals (other than the Edwards Aquifer Authority Permit) and under Applicable Law with respect to the Facilities, including sampling and testing results and monthly discharge monitoring or operating reports. Such reports shall contain the information required by the Governmental Body, and may be identical to comparable reports prepared for the City, if such are acceptable to the Governmental Body. The Authority shall provide the City with a copy of each such report, submittal and notice prior to submittal to the Governmental Body.

(E) Potential Regulatory Change. The Authority shall keep the City regularly advised as to potential changes in regulatory requirements affecting the Facilities, and provide recommended responses to such potential changes so as to mitigate any possible adverse economic impact on the City should a Change in Law actually occur. The Authority, at the

request of the City, shall participate in performance evaluation surveys conducted by TCEQ, TDWB and EPA.

SECTION 6.13. CUSTOMER SERVICE. (A) Customer Service, Generally. The Authority shall provide customer service for the Facilities and shall develop and implement customer service procedures subject to City approval.

(B) Customer Service Requirements. The Authority shall perform the customer services in accordance with the following minimum requirements:

(1) The Authority shall maintain a sufficient staff to assist the City's customers with issues related to the Facilities. The Authority's staff shall be trained to answer questions related to the Facilities.

(2) The Authority shall establish and maintain a 24-hours per day local San Marcos telephone number that will normally be answered by a person and not a voicemail or other automated recorder, for the receipt of reports of emergencies, complaints or other customer communications relating to the Facilities.

(3) The Authority shall respond to Facilities emergencies, including loss of pressure, communication outages, power interruptions, overflow conditions, water quality issues and leaks related to the Facilities within an appropriate time of the Authority's knowledge thereof.

(4) The Authority shall log all customer complaints and communications to be included in the monthly operations report.

(C) Community Outreach. The Authority shall prepare, subject to City review and approval, a comprehensive information brochure relating to the Facilities within 90 days following the Commencement Date. The Authority shall make sufficient copies available for all reasonable public information purposes. In addition, the Authority shall, upon the reasonable request of the City, conduct educational tours of the Facilities, appear or speak at community functions related to the Facilities and participate in communications with media outlets to inform the public of issues relating to the performance and status of the Facilities and related systems.

(D) Reports. The Authority shall submit as part of its monthly operations reports, delivered pursuant to Section 6.15, information with respect to its community outreach activities related to the Facilities.

SECTION 6.14. ASSET AND FINANCIAL RECORDS. (A) Facilities Records. The Authority, on and after the Commencement Date, shall establish and maintain computerized information systems with respect to the Facilities for operations and maintenance data and process control, including the information necessary to verify calculations made pursuant to this Service Contract and demonstrate compliance with the Contract Standards. The Authority shall promptly provide the City, upon reasonable request,

with copies of operations and maintenance data and other information kept by the Authority in its performance of the Contract Services.

(B) Availability of Facilities Records to City. The Authority shall make available to the City operations, maintenance, performance, complaint tracking, Finished Water, Delivered Water, process control and similar records and data related to the Facilities. The Authority and the City agree to cooperate to identify methods to provide the City with real time, continuous computer access to such records and data through their respective information systems.

(C) Record Documents and Mapping. The Authority shall maintain at the Plant and make available to the City upon request for review and copying all designs, drawings, blueprints, plans, specifications and "as-built" or record drawings and documents relating to any Capital Modifications performed by the Authority. The Authority shall: (1) keep current all such Facilities records to show any changes to the Facilities (including valves, pipes, pumps, meters and other assets) made by the Authority in the performance of the Contract Services; and (2) provide advice to the City, based on such records, in establishing and maintaining any City geographic mapping and information systems.

(D) Financial Records. The Authority shall prepare and maintain accurate, complete and current financial books, records and accounts, in accordance with generally accepted accounting principles, with respect to all aspects of the Facilities and Contract Services, including direct and indirect personnel expenses, Subcontractor costs, the costs of material, equipment and supplies, maintenance, repair and replacement items, operating expenses and overhead. These financial records shall be in form and substance sufficient to support all financial reporting, including Cost Substantiation, required hereunder. Appropriate forms of these financial records may include paper copies as well as electronic copies or images. In the event the Authority fails to prepare or maintain the books, records or accounts as required under this Section, the Authority shall not be entitled to the requested payments or adjustments for which Cost Substantiation was required hereunder to the extent such failure prevented Cost Substantiation. The Authority shall keep in a form consistent with other Authority records of a similar nature the relevant portions of the books, records and accounts maintained with respect to each Contract Year until at least the seventh anniversary of the last day of each such Contract Year (or such longer period as may be appropriate to account for any dispute then pending). For those circumstances that require Cost Substantiation under Section 14.7, the Authority shall make such books and records available to the City for inspection, audit and copying upon reasonable notice during business hours to the extent necessary to allow the City to determine to its reasonable satisfaction the accuracy, completeness, currency and propriety of any charge or request for payment hereunder. The Authority shall also be required to provide the City with monthly budget performance reports in

a format consistent with similar reports the Authority prepares for other operations and an annual income statement prepared in accordance with generally accepted accounting principles showing profit or loss under this Service Contract. The annual statement may be based upon the Authority's fiscal year.

(E) Inspection, Audit and Adjustment. The City shall have the right to perform or commission an inspection or an independent audit of the financial information required to be kept under this Section, subject to possible reimbursement as provided in this Section. The inspection or audit of any financial information shall be conducted no later than three years following the year in which financial transactions were incurred that are the subject of the financial information. If an inspection or audit reveals that the City has overpaid the Service Fee, then the Authority shall, at the election of the City, either immediately reimburse to the City or offset against future Service Fee payments, as a Service Fee adjustment, the overpaid amount. If an inspection or audit reveals that the City has underpaid the Service Fee, then the City shall immediately pay the underpaid amount. The foregoing remedies shall be in addition to any other remedies the City may have, including remedies for an Event of Default by the Authority.

SECTION 6.15. PERIODIC REPORTS. (A) Monthly Operations. The Authority shall provide the City with monthly operations reports no later than 15 days after the end of each calendar month, including the following operating data:

(1) a summary of all notices and laboratory, test and other reports filed with or received from all Governmental Bodies pursuant to the Governmental Approvals;

(2) a summary of the quantities and characteristics of Finished Water received and distributed, and the quantity of Unaccounted-For Water produced during such month;

(3) a summary of quantities and types of chemicals and other agents used in the treatment of Finished Water;

(4) a summary of operational issues, including personnel and Utility usage;

(5) a description of any complaints received by the Authority in relation to the Contract Services and of how each complaint was addressed by the Authority;

(6) a brief description of the maintenance, repair and replacement activities performed and Capital Modifications made by the Authority during the prior month and anticipated during the current month;

(7) any adverse conditions which may reasonably be expected to arise during the current month that may affect the ability of the Authority to collect, receive, and treat Well Water and to distribute Finished Water in accordance herewith;

(8) a description of any regulatory or insurance inspections conducted during the prior month, the anticipated results, and activities performed to comply with such inspections;

(9) information on any Utility outages occurring during the prior month;

(10) any failure to meet permit standards;

(11) a description of any environmental, health or safety tests or monitoring procedures conducted by any Governmental Body, during the prior month, and copies of any reports or other submittals made to or received from any such Governmental Body; and

(12) any notices of violations of any Governmental Approval received during the prior month.

(B) Annual Operations and Maintenance Reports. The Authority shall furnish the City, within 60 days after the end of each Contract Year, an annual summary of the information contained in the monthly operations reports. That report will also include a list of any Facilities Equipment disposed of as surplus property during the year pursuant to Section 8.6; and the quantity of electricity used during the year. The Authority shall also perform and report to the City, as part of its annual operations report, the results of an annual review of administrative, operational and maintenance practices employed in the management of the Facilities. Such report shall include summaries of Service Fee payments and any necessary reconciliations.

(C) Default Reports. The Authority shall provide to the City, immediately after the receipt thereof, copies of any written notice of a material default, breach or non-compliance received or sent under or in connection with any material contract entered into by the Authority in connection with the Contract Services.

(D) Permit Communications and Reports. The Authority shall provide to the City copies of all communications and reports furnished to any Governmental Body pursuant to this Section simultaneously with their submittal to the Governmental Body.

SECTION 6.16. EMERGENCIES. Should the Authority fail, refuse or be unable to operate the Facilities in accordance with the Service Contract for a period of 24 hours, the City may provide the Authority with written notice of such failure, refusal or inability. If the Authority fails, refuses or is unable to resume operation of the Facilities in accordance with the Service Contract within 24 hours of receipt of notice from the City, then the City may (but shall not be obligated to) take possession of the Facilities and perform the Authority's operations obligations. If the Authority fails, refuses or is unable to operate the Facilities in accordance with the Service Contract for any period of time, and such failure, refusal or inability to operate the Facilities would, in the opinion of the City, endanger public health, safety or welfare, the City, upon written notice, may (but shall not be obligated to) take

possession of the Facilities and perform the Authority's operations obligations. The City may operate the Facilities pursuant to this Section by using City employees, or Authority employees assigned to the Facilities (with their consent), or by hiring a subcontractor. If the failure, refusal or inability of the Authority to operate the Facilities as described above is not the result of Uncontrollable Circumstances or the result of the acts, actions or omissions of the City or any person or entity acting for or on behalf of the City, payment of the Service Fee shall be suspended (except for the costs of Authority employees used by the City, if any,) during the period of the failure, refusal or inability to operate the Facilities, and the Authority shall reimburse the City for the amount of any costs and expenses incurred by the City in operating the Facilities which exceed the suspended Service Fee amount. If such failure, refusal or inability is the result of an occurrence covered by insurance, the City and the Authority shall determine the extent to which the insurance proceeds cover their respective costs and obligations related to the failure, refusal or inability, and shall distribute the insurance proceeds accordingly. The City may require the Authority to resume its operating obligations at any time.

SECTION 6.17. COST REDUCTION AND SERVICE IMPROVEMENT. In the event either party offers the other party any idea, approach or concept for lowering the Authority's cost, reducing the City's Service Fee or total costs, or improving the Authority's service, the other party shall reasonably consider and explore the development and implementation of the concept. Neither party shall be obligated to negotiate or to agree to amend this Service Contract to effectuate any such idea, approach or concept except in its sole discretion and upon terms and conditions acceptable to it.

SECTION 6.18. LANDSCAPING. The Authority shall maintain the landscaping at the Facilities, including utilization of a landscape irrigation system, to enhance the appearance of the Facilities.

ARTICLE VII

PERFORMANCE

SECTION 7.1. FACILITIES PERFORMANCE GENERALLY. (A) Reliance. The Authority acknowledges that the City, in serving water supply needs of the Service Territory, is providing an essential public service, and in complying with its obligations under Applicable Law is relying on the performance by the Authority of its obligations hereunder. Except to the extent relieved by Uncontrollable Circumstances or a specific provision of this Service Contract relieving the Authority of its obligations, the Authority shall operate the Facilities on a continuous, uninterrupted 24-hour per day, 7-day per week basis.

(B) Maximum Capacity Utilization. Within the capacity limits of the Plant and the Wells, the Authority shall utilize the Facilities to supply the amount of Finished Water and Well Water required by the City. The Authority shall not be required by the City to produce Finished Water or Well Water in quantities that exceed such capacities or which produce Finished Water or Well Water that exceeds the quality requirements of any Governmental Body. The Authority shall not intentionally reduce the level of water treatment capable of being achieved by the Facilities in an effort to reduce its operating and maintenance expenses.

(C) Curtailments and Shutdowns. If the operation of the Facilities is temporarily reduced, curtailed or shut down so that the Authority is unable to collect, receive, treat or to deliver Finished Water, in accordance herewith, the Authority shall promptly advise the City as to the nature and probable duration of such reduction, curtailment or shutdown and the expected effect on the operation of the Facilities, and take the steps necessary to remedy the reduction, curtailment or shutdown and to resume full performance hereunder as soon as possible.

(D) Limitations on Authority Rights. The Authority shall not use the Facilities for any purpose other than the purposes contemplated in this Service Contract. The only compensation payable by the City to the Authority for providing the Contract Services under this Contract shall be the Service Fee payable by the City hereunder, as that Service Fee is adjusted and may be amended from time to time pursuant to this Service Contract.

(E) Selection of Raw Water. The City shall have at all times the right to determine the quantities of raw water from each raw water source to be utilized in the System. The City will regularly communicate to the Facilities Manager the quantities and sources of Raw Water desired by the City. The Authority will manage withdrawals from the Wells to comply with regulatory and contract requirements of the Edwards Aquifer Authority applicable to the City. The Authority shall have at all times the right to determine the quantities of raw

water from each raw water source that are treated at the Plant for use by water suppliers other than the City, including the customers of the Authority.

SECTION 7.2. WATER TREATMENT GUARANTEE. (A) Applicable Law Limits. The Authority shall operate the Facilities in accordance with Applicable Law and the terms of this Service Contract.

(B) Enhanced Standards. In addition to its obligation to comply with Applicable Law as provided in subsection (A) of this Section and except to the extent relieved by Uncontrollable Circumstances or a specific provision in this Service Contract, the Authority shall operate the Facilities so that Finished Water is produced in compliance with the requirements of Applicable Law and the Enhanced Standards (whichever is more stringent) set forth in Appendix 6 (the "Enhanced Water Standards"). The obligation of the Authority to produce Finished Water in compliance with the requirements of Applicable Law and the Enhanced Standards shall constitute the "Water Treatment Guarantee".

(C) Applicability of Water Treatment Guarantee. The Water Treatment Guarantee shall apply, except to the extent excused by Uncontrollable Circumstances or City Breach.

(D) Conditions to Relief. In the event and for any period during which the Authority is unable to achieve the Water Treatment Guarantee due to an Uncontrollable Circumstance or City Breach, the Authority shall use reasonable efforts in accordance with Good Industry Practice to comply with the Water Treatment Guarantee.

(E) Change in Law Affecting Finished Water. The parties acknowledge that a Change in Law may affect Finished Water standards or impose more stringent requirements relating to equipment or processes than those established hereunder as of the Commencement Date. In the event such a Change in Law occurs, the Authority shall be entitled to performance relief or additional compensation under Section 12.2 if: (1) such Change in Law imposes a regulatory standard or operating requirement with respect to any particular Finished Water characteristic or parameter which is more stringent or burdensome to comply with than the Contract Standards applicable to such characteristic or parameter, or requires equipment or processes not then in place or practiced at the Facilities; and (2) the Authority is unable to meet the Water Treatment Guarantee, after taking the mitigation measures required under Subsection 12.2 (B) with respect to such a Change in Law. The Parties acknowledge and agree that the costs associated with sampling and additional treatment required by the proposed *Long Term 2 Enhanced Surface Water Treatment Rule* have not been included in the Service Fee, and therefore will be subject to the provisions of this subsection.

SECTION 7.3. WATER AVAILABILITY AND LEVELS. The Authority shall, throughout the Term, operate the Facilities to maintain water in the City's storage tanks at levels established by the City and the Authority. The storage tank level set points will be

established to assure, within the capabilities of the Facilities, the availability of Finished Water to the System even in the event of a power outage or if needed for fire-fighting purposes. The Authority shall monitor measuring devices in the City's Finished Water reservoirs, sufficient for determining the level of Finished Water in the such reservoirs on a continuous basis.

SECTION 7.4. PRODUCTION EFFICIENCY GUARANTEE. (A) Standards. Except to the extent relieved for Uncontrollable Circumstances or City Breach, the Authority shall operate the Plant to achieve Unaccounted-For Water of 5% or less on an annual average basis over the course of each Contract Year following the Commencement Date.

(B) Preventing Recurrence of Violations. In the event the Authority fails to comply with the Production Efficiency Guarantee set forth or referred to in this Section, and is not excused by Uncontrollable Circumstances or City Breach, in addition to any other remedy available to the City hereunder, the Authority shall implement changes in operating, maintenance, repair, replacement and management practices in accordance with Good Industry Practice in order to achieve the Production Efficiency Guarantee.

SECTION 7.5. WATER PRESSURE AND FLOW GUARANTEE. The Authority shall operate and maintain the Facilities in accordance with the requirements of Applicable Law and this Service Contract with respect to water pressure and emergency fire flow capacity requirements. Pressures and flows that do not fulfill the requirements of the Service Contract will not be the responsibility of the Authority if those failures are due to Uncontrollable Circumstances, City Breach or malfunctions and inadequate capacity in the System, including but not limited to leaks, closed valves or localized water hammer effects not caused by the Authority's operation of pumps at the Plant or the Wells.

SECTION 7.6. WATER QUANTITY GUARANTEE. The Authority shall furnish Finished Water to meet the City's demand and to meet emergency fire flow capacity requirements in accordance with Applicable Law. In addition, within the capacities of the Plant and Wells, the Authority shall furnish Finished Water in the quantities required under the City's agreement to provide Finished Water to the City of Kyle and other similar customers designated by the City during the Term of the Service Contract. However, the Authority is not required to furnish such Finished Water to the extent the System does not have the capacity to deliver such Finished Water to the City of Kyle or other similar customers.

SECTION 7.7. EDWARDS AQUIFER AUTHORITY REQUIREMENTS. The Authority shall cooperate with the City in fulfilling the City's strategy to meet Edwards Aquifer Authority requirements. The City shall determine the quantity of water to be produced by the Authority from the Wells and shall provide direction to the Authority about such quantities on a regular basis. Such directions from the City will not require that the Authority pump more water from Edwards Aquifer Authority than allowed under Edwards Aquifer Authority pumping restrictions or critical period reduction rules based on declining aquifer levels. The City

reserves the right to change pumping strategies at any time and will promptly notify the Authority of any such changes.

SECTION 7.8. RELEASES, LEAKS AND SPILLS. (A) Unauthorized Releases Prohibited. The Authority shall operate the Facilities in such a manner that Finished Water, Residuals or chemicals will not contaminate, or be bypassed, released, leaked or spilled on or into, the environment, other than as permitted by the more stringent of Applicable Law or the applicable Contract Standards.

(B) Notification and Reporting. The Authority, while contemporaneously notifying the City, shall be responsible for fulfilling all notification of and reporting requirements established by Applicable Law related to any unauthorized release of Finished Water, Residuals or chemicals into the environment from or in connection with its operation and management of the Facilities. The Authority shall prepare a memorandum evidencing such notification and reporting, and provide copies thereof to the City, along with any documents provided to the relevant Governmental Body regarding the release.

(C) Cleanup and Costs. The Authority shall coordinate with the City and the appropriate Governmental Bodies in effectuating the prompt remediation of any unauthorized release. The Authority shall, in the most expeditious manner possible under the circumstances, cause any unauthorized release of Finished Water, Residuals or chemicals to be remediated in accordance with Applicable Law. All costs associated with performing any such cleanup and remediation measures shall be borne by the Authority, except to the extent the unauthorized release of Finished Water, Residuals or chemicals resulted from an Uncontrollable Circumstance or City Breach.

SECTION 7.9. PRE-EXISTING ENVIRONMENTAL CONDITIONS AND SPECIFIED SITE CONDITIONS. Within sixty (60) days of the Contract Date, the City shall notify the Authority of any Pre-Existing Environmental Condition or Specified Site Condition known to the City related to the Facilities. The Authority shall operate and manage the Facilities so as not to aggravate the effect of any Pre-Existing Environmental Condition or Specified Site Condition known to the Authority. If at any time a Pre-Existing Environmental Condition or Specified Site Condition is determined to exist which (1) requires an action under Applicable Law, (2) interferes with the performance of the Contract Services, or (3) increases the cost to the Authority of performing the Contract Services, then the City shall within [60] days after written notice from any Governmental Body or the Authority of the presence or existence thereof, commence and diligently prosecute such actions as may be necessary to dispose of, remediate or otherwise correct the Pre-Existing Environmental Condition or Specified Site Condition or otherwise make the Pre-Existing Environmental Condition or Specified Site Condition comply with Applicable Law. The City shall have the right to contest any determination of a Pre-Existing Environmental Condition or Specified Site Condition and

shall not be required to take any action under this subsection so long as: (1) the City is contesting any determination of a Pre-Existing Environmental Condition or Specified Site Condition in good faith by appropriate proceedings conducted with due diligence; and (2) Applicable Law permits continued operation of the Facilities pending resolution of the contest, so that the Authority shall have no liability as a result of the failure of the City to dispose of, remediate or otherwise correct such Pre-Existing Environmental Condition or Specified Site Condition during the period of contest.

SECTION 7.10. CITY REMEDIES FOR NON-COMPLIANCE WITH PERFORMANCE GUARANTEES. (A) Remedies. If the Authority fails to comply with any Performance Guarantee, the Authority shall: (1) promptly notify the City within 8 hours of the Authority's having knowledge of any such non-compliance; (2) promptly provide the City within 24 hours with copies of any notices sent to or received from the EPA, TCEQ or any other Governmental Body having regulatory jurisdiction with respect to any violations of Applicable Law; (3) promptly prepare all public notifications required by Applicable Law, and submit such notifications for publication; (4) indemnify, defend and hold harmless the City Indemnitees in accordance with Section 12.3 in connection with the failure; and (5) assist the City with and manage all public relations matters necessary to adequately address any public concern caused by such non-compliance, including preparation of press releases, attendance at press conferences, and participation in public information sessions and meetings and handle all public inquiries. If the Authority fails to comply with any Performance Guarantee and such nonperformance is not due to City Breach, Change in Law or an Uncontrollable Circumstance, the Authority shall, without relief under any other Performance Guarantee, and in addition to any other remedy provided herein, allowed by Applicable Law or required by a Governmental Body: (1) pay the City for the any actual costs incurred by the City; (2) pay any other resulting third party damages, fines, levies, assessments, impositions, penalties or other charges, judgments or awards assessed under applicable law; and (3) at its own cost and expense take any action (including making all repairs and replacements and operating and management practices changes) necessary in order to comply with such Performance Guarantee, continue or resume performance hereunder and eliminate the cause of, and avoid or prevent the recurrence of non-compliance with such Performance Guarantee.

(B) Performance Testing. The City, at any time after giving the Authority reasonable notice, may require a performance test to be conducted by the Authority, at the City's cost and expense, to reasonably demonstrate that the Facilities are operating in compliance with Applicable Law and the Performance Guarantees. The performance tests shall be conducted in a manner as to not unduly interfere with the Authority's performance obligations hereunder. If the test is not successfully passed, the Authority shall reimburse the City for the City's actual costs incurred in association with the first performance test, and, at

its own cost and expense, make all necessary repairs and replacements, including major repairs and replacements, and the test shall be re-performed at the Authority's sole cost until the test is successfully passed by the Authority. The City will conduct or document each such test.

SECTION 7.11. TESTING, AND METERING. (A) Testing. The Authority shall conduct sampling, testing, and monitoring of Finished Water and Residuals in accordance with Applicable Law, Good Industry Practice and Subsection 6.11 (B) of this Service Contract.

(B) Metering. The Authority shall maintain in good working order, and repair and replace when necessary, devices at the Facilities capable of (1) metering the instantaneous and daily total volume of Raw Water, Well Water, and Finished Water, (2) metering or determining the amount of Residuals leaving the Plant for disposal, (3) metering the continuous and daily total amount of Finished Water flow at the Pump Stations, and (4) any other metering or measuring requirement imposed by Applicable Law. The City shall have reasonable access to such meters, instruments, controls, recorders, and other metering and measuring devices. All operating data produced by such metering and measuring devices shall be subject to audit, and shall be summarized in the monthly operations reports delivered to the City pursuant to Section 6.15. All such metering and measuring devices shall be calibrated to the accuracy required by, and shall be operated and maintained in accordance with the requirements of, the Contract Standards. To the extent any metering or measuring device is incapacitated or is being tested, the Authority shall estimate as accurately as practicable the data required by the Authority to perform the Contract Services. This estimate and methodology shall, with the City's approval, be used as the basis for determining the operating data required hereunder during the outage. The City shall have the right to monitor, inspect and test such metering and measuring devices which are part of the Facilities at any reasonable time and for any purpose and to take its own measurements regarding Raw Water, Well Water, Finished Water Residuals without unreasonably interfering with the Authority's ordinary operations. The City shall ensure that the metering and measuring devices at the Wells are in good working order and are properly calibrated as of the Commencement Date. Prior to the Commencement Date, the City shall repair or replace any metering and measuring devices at the Wells that are not operating properly or are not properly calibrated.

SECTION 7.12. ADMINISTRATIVE COMPLIANCE. (A) Compliance. The Authority shall perform the Contract Services in accordance with the Contract Standards. Except to the extent the Authority is relieved for Uncontrollable Circumstances or City Breach, the Service Fee shall be reduced by the City's actual costs and expenses, if any, for the Authority's inability to comply with the requirements indicated below:

(1) failure to report any exceedance as required by the Contract Standards.

(2) failure to calibrate or verify calibration of flow meters to the manufacturer's accuracy tolerance.

(3) failure to respond to a written request for information related to this Service Contract made by the Contract Administrator and designated as a "priority request" within a reasonable period of time.

(4) failure to provide any plan, proposal, report or other deliverable required hereunder with respect to Uncontrollable Circumstances or any regulatory matter by the deadline agreed upon by the parties with respect thereto.

(5) failure to keep monthly maintenance records as required by Section 8.1.

(6) failure of Authority staff to attend City meetings as reasonably requested, with adequate advance notice from the City.

(7) failure to provide any reports required hereunder within [7] days of the due date.

(8) failure to maintain proper certification as required by any Governmental Body.

(9) failure to respond to alarms at the Plant as required hereunder.

(10) failure to properly sample, test or report the results thereof as required by the Contract Standards.

SECTION 7.13. ENFORCEMENT OF PERFORMANCE GUARANTEES. Non-enforcement of any Performance Guarantee or other performance obligation contained herein for whatever reason shall not constitute a waiver of the City's right to enforce or in any way restrict the City in determination of or action regarding future occurrences.

ARTICLE VIII

MAINTENANCE, REPAIR AND REPLACEMENT

SECTION 8.1. MAINTENANCE, REPAIR AND REPLACEMENT GENERALLY. (A) Ordinary Maintenance. Except for the Well Supply Equipment, the Well System SCADA, and the City's SCADA system used to monitor and control the System which will be maintained by the City, the Authority shall perform all normal and ordinary maintenance of the machinery, equipment, structures, improvements and all other property constituting the Facilities, shall keep such Facilities in good working order, condition and repair, in a neat and orderly condition and in accordance with the Contract Standards, and shall maintain the aesthetic quality of the Facilities as of the Commencement Date. The Authority shall provide or make provisions for all labor, materials, supplies, equipment, spare parts, Consumables and services which are necessary for the normal and ordinary maintenance of the Facilities and shall conduct predictive, preventive and corrective maintenance of the Facilities as required by the Contract Standards. In accordance with Good Industry Practice, the Authority shall keep monthly and annual maintenance records describing maintenance activities performed, shall develop and comply with a predictive maintenance plan, and shall update the Operations and Maintenance Manual as required to reflect changes in parameters, newly installed equipment or replacement equipment and modified regulatory requirements and operating practices. The Parties acknowledge and agree that the Authority is not responsible for performing maintenance to the City's storage tanks and related cathodic protection equipment, specifically including activities such as coatings protection, metals preparation and painting.

(B) Repair and Maintenance of Site Grounds. The Authority, in accordance with the Contract Standards, shall keep the grounds of the Sites in a neat and orderly condition (including the cleanup of litter and debris on a regular basis). The Authority shall also maintain and repair all fencing, lighting, and signage. The cost for repairs to such fencing, lighting, and signage that result from an Uncontrollable Circumstance, or are insured by the City's property insurance (other than those resulting from the negligent or intentional acts or omissions of the Authority or its officers, agents, employees or Subcontractors) shall be reimbursed by the City to the Authority, subject to the provisions of Section 12.2(E). In addition, the Authority shall provide lawn mowing, and brush cutting services for the Sites, and provide maintenance for all parking lots, roadways, walk-ways, and building entrances and exits at the Sites in accordance with Applicable Law and Good Industry Practice.

(C) Major Maintenance, Repair and Replacements. Except for the Well Supply Equipment and Well System SCADA, the Authority shall perform all major maintenance, repairs and replacement of the machinery, equipment, structures, improvements and all other property constituting the Facilities during the Term of this Service Contract

required under the Contract Standards, including all maintenance, repair and replacement which may be characterized as "capital" in nature. The Operation and Maintenance Manual, or a similar document, shall contain the Authority's plan for the maintenance, repair and replacement of the Facilities as set forth in Section 8.5 and will include the Authority's schedule of major maintenance, repair and replacement set forth in Appendix 3 (the "Major Maintenance, Repair and Replacement Schedule"). With respect to the specific items included in the Major Maintenance, Repair and Replacement Schedule, the Authority shall be obligated to perform such work unless substitute work of equal value is approved in writing by the City. Notwithstanding the itemized Major Maintenance, Repair and Replacement Schedule, the Authority is responsible for performing all major maintenance, repair and replacement and will not be entitled to any additional compensation. However, costs for maintenance, repairs or replacements that result from an Uncontrollable Circumstance or are insured by the City's property insurance (other than those resulting from the negligent or intentional acts or omissions of the Authority or its officers, agents, employees or Subcontractors) shall be reimbursed by the City to the Authority, subject to the provisions of Section 12.2(E).

(D) Spare Parts. The Authority shall maintain a spare parts inventory in accordance with Good Industry Practice.

SECTION 8.2. PROCEDURES TO ASSURE SUFFICIENCY OF AUTHORITY MAINTENANCE, REPAIR AND REPLACEMENT WORK. The parties shall work together to ensure that an initial evaluation of the Facilities, equipment, assets, expendable supplies and spare parts shall be performed within 60 days of the Contract Date for the purpose of establishing the baseline condition of the structures and the quantity and condition (including functionality) of equipment, supplies, chemicals and spare parts. The parties shall also work together to ensure that a similar evaluation of the condition and functionality of the Facilities will be performed in the final Contract Year. The purpose of the initial evaluations shall be to establish an information baseline for determining compliance by the Authority with its maintenance, repair and replacement obligations under this Article. The evaluation of the Facilities shall determine and establish the state of repair of the Facilities as of the Commencement Date. As part of the evaluation, the Authority shall digitally photograph and prepare an itemized inventory of all property constituting the Facilities and shall review all relevant information provided by the City. In the event that the parties cannot agree on the results of the initial or final evaluations, an Independent Evaluator shall be selected by the parties. The Authority shall ensure that the Facilities are in at least as good a condition as when turned over to the Authority, reasonable wear and tear excepted. The Facilities will be maintained, repaired and replaced in a manner which will result in the Facilities being turned over to the City in good working order and which avoids the necessity for the City to undertake an overhaul of the Facilities when assuming management responsibilities at the end of the

term of the Service Contract. In addition, the Authority shall ensure that the value of all spare parts inventory and Consumables at the end of the Term shall be equal to the value of such inventory at the beginning of the Term.

SECTION 8.3. PERIODIC MAINTENANCE INSPECTIONS. (A) Annual Maintenance Inspection. The City may, upon reasonable written notice, perform an inspection of the Facilities and relevant records of the Authority each Contract Year to determine compliance with the Contract Standards generally. The Authority shall cooperate fully with such inspection, which shall not interfere unreasonably with the Authority's performance of the Contract Services.

(B) Triennial Inspections. Beginning in the third Contract Year, and the every third Contract Year thereafter, the City may conduct a more detailed inspection and review of the state of repair, working condition and performance capability of the Facilities. This inspection and review shall be performed by or on behalf of the City at the City's expense, and shall take place at such time as the City shall determine upon three months' written notice to the Authority. The principal purpose of the inspection and review shall be to permit the City to ascertain on a comprehensive and focused basis the extent to which the Facilities are being properly maintained, repaired and replaced in accordance with the Contract Standards generally. The inspection shall include a concurrent review of all relevant data, records and reports. The Authority shall cooperate fully with such inspections, which shall not interfere unreasonably with the Authority's performance of the Contract Services. The City shall provide the Authority with a report of any such inspections within 30 days of receipt of the completed report, and the City shall give the Authority an opportunity to respond to the report.

(C) Response Plan. Based on the annual operations and maintenance reports submitted by the Authority pursuant to Section 6.15 or the annual or triennial inspections and reviews conducted pursuant to this Section, the City may submit a statement to the Authority detailing any deficiencies found and requiring the Authority to submit a response plan. The response plan shall be sufficient to reasonably demonstrate that, if implemented, the Facilities will be promptly brought into compliance with the requirements of this Article. If the City accepts the response plan, the Authority shall thereupon implement the plan in accordance therewith. Failing any required corrective action, the Service Fee payments may be reduced by the amount of the actual costs of remediation, if any, until the costs are fully recovered by the City. Any disputes with respect to the cause or amounts specified in the City's statement, not resolved to the mutual satisfaction of the parties, shall be determined as provided in Section 11.9.

(D) Unscheduled Inspections. Nothing in this Section shall limit the City's right, on an unscheduled basis, to inspect the Facilities and relevant records of the Authority to determine compliance with this Article.

SECTION 8.4. COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM. The Authority shall maintain, repair and replace, and if necessary, upgrade, as appropriate throughout the Term, a computerized maintenance management system capable of providing a record of repair and replacement of the Facilities; scheduling, carrying out, monitoring and controlling predictive, preventive and corrective maintenance programs; monitoring routine operations within the Facilities; issuing work orders; maintaining a spare parts inventory; and issuing exception, equipment status and repair priority reports. The maintenance management system shall constitute part of the Facilities, and shall be modified as and when appropriate during the Term to take account of removals from and additions to the Facilities. The Authority shall utilize the computerized maintenance management system to provide the City with documentation which allows it to monitor compliance by the Authority with its maintenance obligations hereunder. The Authority shall permit all electronic data to be replicated and provided to the City. The Authority and the City agree to cooperate to identify methods to provide the City with real time, continuous computer access to such records and data through their respective information systems.

SECTION 8.5. MAINTENANCE, REPAIR AND REPLACEMENT PLAN. The Operation and Maintenance Manual or a similar document shall incorporate a maintenance, repair and replacement plan that includes the Schedule set forth in Appendix 3. The Authority shall adhere to the plan, except where it can demonstrate to the City that changes are reasonable. The timing and extent of maintenance, repair and replacement activities performed by the Authority hereunder with respect to the Facilities, taken as a whole, shall equal or exceed those activities incorporated in the plan. The Authority shall perform any major and "non-major" maintenance, repair and replacement work which is necessary in order to comply with the Contract Standards. The City's approval for any such maintenance, repair or replacement shall not be required unless it constitutes a Capital Modification, in which event the City shall have the approval rights set forth in Article IX. The obligations of the Authority under this Article are intended to assure that the Facilities are fully, properly and regularly maintained, repaired and replaced in order to preserve their long-term reliability, durability and efficiency.

SECTION 8.6. DISPOSAL OF SURPLUS EQUIPMENT. The Authority may, with the approval of the City, remove from the Facilities and dispose of or sell, in accordance with Applicable Law, equipment constituting part of the Facilities that is unused or obsolete and no longer needed. All proceeds from any sale, net of the Authority's actual expenses related to the sale, shall be promptly paid to the City. The Authority shall not store or stockpile at the Facilities any such surplus equipment for an excessive period of time.

SECTION 8.7. WARRANTIES. During the Term of this Service Contract, the Authority shall be responsible for meeting the City's maintenance obligations under all

manufacturer's written warranties on new equipment purchased and installed in the Facilities by the City or by the Authority, and shall be the agent of the City in enforcing any written equipment warranties and guarantees. The Authority shall not be required to commence or maintain any litigation with respect to such warranties or guarantees, but may do so in its discretion. The Authority shall cooperate with and provide staff assistance to the City if the City seeks to enforce warranties and guarantees through litigation.

SECTION 8.8. LOSS, DAMAGE OR DESTRUCTION TO THE FACILITIES. (A) Prevention and Repair. The Authority shall use care and diligence, and shall take appropriate precautions, to protect the Facilities from loss, damage or destruction. The Authority shall report to the City promptly upon obtaining knowledge thereof, any loss, damage or destruction to the Facilities and as soon as practicable thereafter shall submit a report to the City. The Authority shall also submit to the City within 24 hours of receipt copies of all accident and other reports filed with, or given to the Authority by, any person, insurance entity, adjuster or Governmental Body. The parties shall cooperate so as to promptly commence and proceed with due diligence to complete the repair, replacement and restoration of the Facilities to at least the character and condition thereof existing immediately prior to the loss, damage or destruction, in accordance with and subject to the procedures set forth in Article IX and Article XII, as applicable. The City shall have the right to monitor, review and inspect the performance of any repair, replacement and restoration work implemented by the Authority.

(B) Insurance and Other Third Party Payments. To the extent that any repair, replacement or restoration costs incurred pursuant to this Section can be recovered from any insurer or from another third party, each party shall use due diligence in attempting to recover such costs from the insurer or third party, and each party shall assist the other in exercising such rights as it may have to effect such recovery. Each party shall provide the other with copies of all relevant documentation at no cost to the other party, and shall cooperate with and assist the other party upon request by participating in conferences, negotiations and litigation hearings regarding insurance claims.

(C) Uninsured Costs. The City shall provide all funds (except as provided by subsection 12.2(E) with respect to the Authority's obligation to cost-share in the event of Uncontrollable Circumstances) necessary to pay the costs of repairing, replacing and restoring the Facilities in accordance with this Section and all insurance proceeds and recoveries from third parties resulting from damage to or the loss or destruction of the Facilities shall be for the account of the City, provided, however, that such costs not covered by insurance proceeds or third party payments shall be borne by the Authority to the extent the loss, damage or destruction was not caused by Uncontrollable Circumstances or City Breach.

(D) Repair of City and Private Property. The Authority shall promptly repair or replace any City Property and any private property damaged by the Authority or any officer, director, employee, representative, subcontractor or agent of the Authority in connection with the performance of, or the failure to perform, the Contract Services. The repair and replacements, to the maximum extent reasonably practicable, shall restore the damaged property to its character and condition existing immediately prior to the damage.

(E) City Property Damage Insurance. The City shall maintain an all risks property damage insurance policy in the amount of the replacement value for each of the Facilities' insurable assets including without limitation all buildings, building contents, pumps, motors, chemical feed equipment, wells and well equipment, SCADA and other telemetry equipment, storage and pressure tanks, fencing, signage, and Pump Stations. The all risk policy shall cover, without limitation, such risks as floods, tornadoes, hurricanes, hail storms, lightning, fire, earth movement, vandalism, malicious mischief, and boiler and machinery coverage.

ARTICLE IX

CAPITAL MODIFICATIONS

SECTION 9.1. CAPITAL MODIFICATIONS GENERALLY. (A) Purpose. The parties acknowledge that it may be necessary or desirable from time to time during the term of the Service Contract to modify, alter or improve the Facilities in their then-current condition, either at the request of the Authority or at the request of the City due to growth, expansion or otherwise, or as a result of Uncontrollable Circumstances or a Change in Law. Capital Modifications shall normally be the financial responsibility of the City, except as otherwise provided in the Regional Agreement. The Authority shall provide a reasonable level of design input regarding any modifications proposed by the City. Maintenance, repair and replacement of the Facilities in their then-current condition shall be the general responsibility of the Authority and shall not be considered Capital Modifications. Capital Modifications may be financed by the City through the issuance of bonds or such other method as may be determined by the City.

(B) City Approval and Change Orders Proposed by the Authority. The City shall have the right, in its sole discretion, to approve or reject all Capital Modifications except as otherwise provided in the Regional Agreement. The City's approval shall be given by means of a "Change Order," which shall contain all material information required by this Article. All Capital Modifications shall be made and implemented in accordance with this Article. For Capital Modifications financed by the City, the City shall have the express right to condition its approval of such Capital Modification upon the sharing of net cost savings expected, if any, to result therefrom as provided in subsection (D) of this Section. The City may retain all planning responsibility for Capital Modifications and all other capital facilities related to the System.

(C) Party Responsible for Costs. The City shall bear the cost and expense (subject to the cost-sharing provisions set forth in subsection 12.2(E) related to Uncontrollable Circumstances) of all Capital Modifications and related operation, maintenance, repair and replacement costs (other than as part of an enforcement action taken in response to an Authority breach hereof), unless the Capital Modification is requested by the Authority.

(D) Cost Savings. In the event any Capital Modification is financed by the City is reasonably expected to result in a net cost savings to the Authority, the parties shall negotiate in good faith the extent to which any such net cost savings shall be shared with the City, and the Service Fee shall be reduced accordingly.

(E) Capital Modifications Financing. Capital Modifications may be financed by the City through the issuance of bonds or such other method as may be determined by the City.

SECTION 9.2. CAPITAL MODIFICATIONS AT AUTHORITY REQUEST. The Authority may request that a Capital Modification be undertaken either at its cost or the City's cost by giving the City written notice of, and reasonable opportunity to review and comment upon, any such Capital Modification proposed to be made at the Authority's request. The notice shall contain sufficient information for the City to determine that the Capital Modification (1) does not diminish the capacity of the Facilities to be operated so as to meet the Contract Standards, (2) does not impair the quality, integrity, durability and reliability of the Facilities, (3) is reasonably necessary for the Authority to fulfill its obligations under the Service Contract or the Regional Agreement, and (4) is feasible. The implementation of any such Capital Modification shall be subject to the City's prior written approval. The Authority shall not be entitled to any adjustment in the terms of this Service Contract as a result of any such Capital Modification unless approved by the City or made a condition of approval by the City in its sole discretion.

SECTION 9.3. CAPITAL MODIFICATIONS DUE TO UNCONTROLLABLE CIRCUMSTANCES. Upon the occurrence of an Uncontrollable Circumstance, the Authority shall propose to the City any Capital Modifications reasonably necessary to address the Uncontrollable Circumstance and to permit the Authority to lawfully perform its obligations under this Service Contract. The Authority shall consult with the City concerning possible means of addressing and mitigating the effect of any Uncontrollable Circumstance, and the Authority and the City shall cooperate in order to minimize any delay, lessen any additional cost and modify the Facilities so as to permit compliance with the requirements resulting from the Uncontrollable Circumstance. The design and construction costs of any such Capital Modification, and any related operation, maintenance, repair and replacement costs, shall be borne by the City except to the extent provided in subsection 12.2(E) pertaining to cost sharing. The implementation of any such Capital Modification shall be subject to the City's prior written approval.

SECTION 9.4. CAPITAL MODIFICATIONS AT CITY DIRECTION. The City shall have the right to make Capital Modifications at any time and for any reason whatsoever, whether and however the exercise of such rights affects this Service Contract or the Facilities, so long as the Authority's rights are protected as provided in Section 9.8. The design and construction costs of any such Capital Modification made at the City's direction under this Section, and any related operation, maintenance, repair and replacement costs, shall be borne by the City. The City shall have no obligation to direct the Authority to make any Capital Modification.

SECTION 9.5. AVAILABLE PROCEDURES FOR IMPLEMENTING CAPITAL MODIFICATIONS. The City may, in its sole discretion, utilize any procedure available to it or required under the Applicable Law in order to implement a Capital Modification.

Implementation procedures may include, without limitation and to the extent permissible under Applicable Law, (1) contracting with third parties for the implementation of the Capital Modification on a traditional design/bid/build or other basis, with the City rather than the Authority responsible for the design and construction of the Capital Modification, or with the Authority acting as the City's agent in the design/bid/build process; (2) contracting with the Authority to manage a competition on behalf of the City for design/build services to implement the Capital Modification; and (3) contracting with the Authority to implement the Capital Modification on a design/bid/build or other basis. While it is the intention of the City to have the Authority operate, maintain, repair, replace and manage Capital Modifications on an integrated basis with the Facilities, the City is not obligated to do so. The City and the Authority shall endeavor to negotiate changes to this Service Contract with respect to Capital Modifications. If the negotiations are unsuccessful, the City may contract for such services with a third party, so long as any such third party contract does not impair the Authority's rights under this Service Contract or the Authority's ability to operate and maintain the Facilities in accordance with Good Industry Practice. The City may determine to proceed with an implementation procedure for Capital Modification at any time, whether before or after entering into negotiations with the Authority under the optional implementation procedure specified under Section 9.6. No alternative implementation procedure for Capital Modifications shall impair the Authority's rights under Section 9.8.

SECTION 9.6. OPTIONAL PROCEDURE FOR IMPLEMENTING CAPITAL MODIFICATIONS. (A) Preliminary Authority Plan and City Review. At the written request of the City and the cost and expense of the Authority, the Authority may prepare and deliver to the City a preliminary plan for the implementation of the Capital Modification. The preliminary plan shall include recommendations as to technology, design, construction, equipment, materials, and operating and performance impacts. A preliminary schedule, and capital and operating cost estimates shall be included, together with a brief assessment of possible alternatives. The preliminary plan shall specifically evaluate reasonable alternatives to the proposed Capital Modifications and changed operating and management practices which the Authority is recommending. The City shall review the Authority's preliminary plan and recommendations, and undertake discussions with the Authority in order to reach agreement on a method for implementing the Capital Modification.

(B) Formal Authority Implementation Proposal. Following agreement on the method for implementing the Capital Modification, at the written request of the City the Authority shall submit a formal implementation proposal to the City for its consideration. The implementation proposal shall contain (1) an Authority services element, to be implemented through a separate agreement or an amendment to this Service Contract, and (2) a third party construction services element, to be implemented through third party contracting. The

Authority services element shall contain (a) the Authority's proposal to perform design, construction management and acceptance testing services with respect to the Capital Modification for a fixed price, and shall include a guarantee of the performance of the Capital Modification through an acceptance test and either a good faith estimate of total construction costs or a guaranteed maximum construction price, if so requested by the City and agreed to by the Authority, and (b) the Authority's proposal to operate, maintain, repair, replace and manage the Capital Modification for a fixed fee, subject to adjustment under Section 10.6, to be added to the Service Fee following construction and acceptance. The third party construction services element shall be a proposal by the Authority to conduct, as allowed by Applicable Law, a bidding process or a competitive proposal process for the construction work or the design/build work involved in implementing the Capital Modification. The bidding process shall include an advertisement for bids and a construction contract award to the lowest responsible and qualified bidder, and shall be conducted in accordance with the requirements of Applicable Law which govern construction projects undertaken by the Authority. The design process for the Capital Modification may be implemented by a competitive proposal process which shall include a request for proposals and a contract award to the most advantageous proposer.

(C) Negotiation and Finalization of Authority Implementation Proposal. The parties shall proceed, promptly following the City's acceptance of the Authority's proposal, to negotiate an agreement on price and any adjustment to the terms and conditions of this Service Contract. Any final negotiated agreement for the implementation of a Capital Modification by the Authority under this Section shall address, as applicable, (1) design requirements and reviews, (2) construction management services, (3) acceptance tests and procedures, (4) a guarantee of completion and acceptance, (5) performance guarantees, (6) any changes to the Performance Guarantees or other Contract Standards to take effect as a consequence of the Capital Modification, (7) a payment schedule for the design and construction management-related services, (8) provisions for City review, (9) anticipated adjustments to the Service Fee resulting from the Capital Modification, including any related operation, maintenance, repair and replacement costs, (10) a financing plan, and (11) any other appropriate amendments to this Service Contract. The final adjustments to the Service Fee will be determined by agreement of the parties after the Capital Modification has been implemented and the performance tests have been completed. The Authority shall not be obligated to undertake any such Capital Modification except following agreement as to such negotiated adjustments, unless otherwise required on an emergency basis. The City shall have no obligation to reimburse the Authority for any costs incurred pursuant to the this Section except as part of a separate agreement or a negotiated amendment to this Service Contract.

SECTION 9.7. FINANCING CAPITAL MODIFICATIONS. (A) City Financing. The City shall provide financing for any Capital Modification for which it is financially responsible under this Article, and, in the event the Authority is selected to implement the Capital Modification, shall make the proceeds of the financing available to the Authority to pay the negotiated price, as well as the price of any agreed change orders, on the milestone schedule and subject to any retainage or other conditions negotiated by the parties pursuant to this Section.

(B) Authority Financing. The City may elect, notwithstanding the provisions of subsection (A) of this Section, to request that the Authority finance all or any portion of the cost of any Capital Modification which the Authority is implementing pursuant to this Article. The terms and conditions of any such financing and its impact on the Service Contract and Service Fee shall be negotiated by the parties. The terms and conditions of any such financing shall include, but are not limited to, any City right to refinance any such Authority financing and any reimbursement due the Authority with respect to the unpaid principal amount of such financing if this Service Contract is terminated prior to the end of its scheduled Term. If the parties are unable to negotiate the terms and conditions and the impact on the Service Contract and Service Fee, then the City shall implement the Capital Modification pursuant to other Sections of this Article.

SECTION 9.8. AUTHORITY NON-IMPAIRMENT RIGHTS. (A) Authority Non-Impairment. No Capital Modification, other than a Authority-requested Capital Modification, shall be made that impairs any right, impairs the ability to perform, imposes any additional obligation or liability, or increases the costs of the Authority hereunder, including operating, maintenance, repair and replacement costs related to such Capital Modification. The Authority shall have no right to object to any such Capital Modification, however, and such Capital Modification shall become part of the Facilities upon passing the tests for Acceptance, so long as the City affords the Authority appropriate price, schedule, performance and other relief necessary to avoid any such effect.

(B) City Operating Rights. While it is the intention of the City to have the Authority operate, maintain, repair, replace and manage Capital Modifications on an integrated basis with the Facilities, the City shall have the right, notwithstanding any other provision hereof, at its own cost and expense to operate, maintain, repair, replace and manage any Capital Modification made to the Facilities at the direction of the City. Any such operation, maintenance, repair, replacement and management work performed by the City shall not impair any right, impair the ability to perform, impose any additional obligation or liability, or increase the costs of the Authority hereunder. The City's rights hereunder do not apply to Capital Modifications made to the Facilities at the direction of the Authority.

ARTICLE X

SERVICE FEE AND OTHER PAYMENTS

SECTION 10.1. SERVICE FEE GENERALLY. From and after the Commencement Date, the City shall pay the Service Fee to the Authority as compensation for the Authority's performing the Contract Services under this Service Contract. At such time or times during the Contract Term that the production of Finished Water on a peak day basis exceeds the then-rated capacity of the Plant for three consecutive days, the parties will determine appropriate changes to the Service Fee in accordance with other provisions of this Service Contract.

SECTION 10.2. SERVICE FEE FORMULA. The annual Service Fee shall be calculated in accordance with the following formula:

ASF = BF + PC + EIC

where,

ASF	=	Annual Service Fee
BF	=	Base Fee
PC	=	Pass-through Cost Component
EIC	=	Extraordinary Items Component

Each component of the Service Fee shall be determined in accordance with this Article. In the event that the City determines to discontinue use of the Oakridge filtration equipment during the Term, the annual Service Fee shall be reduced by $67,500 (as escalated by the Service Fee Adjustment Factor).

SECTION 10.3. BASE FEE. (A) Base Fee. The Base Fee in the first Contract Year shall be $795,607 and shall be adjusted pursuant to the Service Fee Adjustment Factor for each subsequent Contract Year. The Base Fee shall be compensation for all Contract Services to be provided by the Authority under the Service Contract except where otherwise noted herein. Except as provided in Section 10.1 above, or further agreement among the Parties, such compensation shall not be adjusted to account for increases or decreases in instantaneous flow or loadings of raw water treated by the Facilities or by variations in the amount of Raw Water treated from each Raw Water source. The Base Fee includes compensation for, but is not limited to, labor, repairs, replacements, maintenance, tools, materials, equipment, laboratory services, and spare parts relating to the operation and maintenance and repair and replacement of the Facilities **(but not including electricity, chemicals, insurance, letter of credit fee or maintenance of the Well Supply Equipment, the Well Supply SCADA, or the SCADA system the City uses to monitor and control the System)** and costs related to the imposition of any sales tax or business tax levied against the Authority in connection with the Authority's performance of the Contract Services. The Base Fee shall also include any increase or decrease in net cost resulting from operation,

maintenance, repair and replacement costs related to a Capital Modification as more fully described in Article IX.

(B) Annual Adjustment of Base Fee. The Base Fee for the first Contract Year shall be $795,607. The Base Fee for each subsequent Contract Year shall be determined by multiplying (1) the Base Fee for the previous Contract Year, times (2) the Service Fee Adjustment Factor, as specified in Section 10.6 (A).

SECTION 10.4. PASS-THROUGH COST COMPONENT. The Authority shall pay all electric bills incurred in the operation of the Facilities. The City shall reimburse the Authority each month for all such bills, subject to the "Guaranteed Maximum Electricity Utilization" through the Pass-through Component of the Service Fee. The Guaranteed Maximum Electricity Utilization will be 1625 kWh for each million gallons of Raw Water treated at the Plant and 2300 kWh for each million gallons of water supplied by the Wells. The Guaranteed Maximum Electricity Utilization shall not include electricity used at the Booster Stations. The Authority will not receive reimbursement for its electricity costs associated with the operation of the Facilities above the Guaranteed Maximum Electricity Utilization. The Authority shall pay all chemical bills incurred in the operation of the Facilities. The City shall reimburse the Authority each month for all such costs, subject to the "Guaranteed Maximum Chemical Utilization" through the Pass-through Component of the Service Fee. The Guaranteed Maximum Chemical Utilization will be $16,399/mgd for Raw Water treated at the Plant, and $8,415/mgd for water supplied by the Wells for the first Contract Year, and both of these amounts shall escalate in accordance with the Chemical Cost Adjustment Factor for each subsequent Contract Year. The Authority will not receive reimbursement for its chemical costs associated with the operation of the Facilities above the Guaranteed Maximum Chemical Utilization. The Authority shall initially pay all insurance premiums for the Required Insurance. The City shall reimburse the Authority for payment of all such Required Insurance premiums in the month following the payment of such premiums (subject in the first year to the maximum insurance cost of $94,500 for the Required Insurance set forth in Appendix 9. The Authority shall initially pay all annual fees associated with providing a Letter of Credit as described in Article XIII. The City shall reimburse the Authority for payment of all annual Letter of Credit fees in the month following the payment of such fees.

SECTION 10.5. EXTRAORDINARY ITEMS CHARGE OR CREDIT. The Extraordinary Items component of the Service Fee, which may be a charge or a credit, shall be equal to the sum of (1) the amounts payable by the City for increased operation, maintenance or other costs incurred on account of the occurrence of an Uncontrollable Circumstance which is chargeable to the City hereunder, net of any operation and maintenance cost savings achieved by the Authority in mitigating the effects of the occurrence of such an Uncontrollable Circumstance, minus (2) any City credits due to Authority non-performance specifically

provided for under Article VII or any other provision hereof (3) any indemnification payments owed by the Authority to the City pursuant to Section 12.3, plus or minus (4) any other increase or reduction in the Service Fee provided for under any other Article of this Service Contract.

SECTION 10.6. ADJUSTMENT FACTORS. (A) Service Fee Adjustment Factor. The "Service Fee Adjustment Factor" (AFn) for any particular Contract Year shall be set once per year on the anniversary of the Commencement Date and determined as follows:

$$AFn = 1 + (0.6\,(ECI_{n-1} - ECI_{n-2}) \div ECI_{n-2}) + (0.4\,(PPI_{n-1} - PPI_{n-2}) \div PPI_{n-2})$$

where,

ECI_{n-1} = The average of the most recent four (4) quarterly ECI values that are published as final values and available on the latest anniversary date of the Commencement Date.

ECI_{n-2} = The average of the four (4) quarterly ECI values which immediately proceed the four (4) ECI values utilized in the then-current ECI_{n-1} amount.

PPI_{n-1} = The average of the most recent twelve (12) monthly PPI values that are published as final values and which are available on the latest anniversary date of the Commencement Date.

PPI_{n-2} = The average of the twelve (12) monthly PPI values that immediately precede the twelve values utilized in the then-current PPI_{n-1} amount.

(B) Chemical Cost Adjustment Factor. The "Chemical Cost Adjustment Factor" (CAn) for any particular Contract Year shall be set once per year on the anniversary of the Commencement Date and determined as follows:

$$CAn = 1 + ((ICI_{n-1} - ICI_{n-2}) \div ICI_{n-2})$$

where,

ICI_{n-1} = The average of the most recent twelve (12) monthly ICI values that are published as final values and which are available on the latest anniversary date of the Commencement Date.

ICI_{n-2} = The average of the twelve (12) monthly ICI values that immediately precede the twelve values utilized in the then-current ICI_{n-1} amount.

SECTION 10.7. BILLING AND PAYMENT. (A) Billing. The City shall pay the Service Fee in monthly installments in an amount equal to the sum of (1) one-twelfth of the annual Base Fee; (2) any monthly Pass-Through Costs; (3) any Extraordinary Items determined on a monthly basis; (4) one-twelfth of any Extraordinary Items determined on an annual basis; and (5) any adjustments, plus or minus, to reconcile any prior monthly Extraordinary Items or Pass-Through Cost payments. Any overpayment from prior months shall be credited against the monthly Service Fee payment.

(B) Payment. The Service Fee for each month shall be on account of the Contract Services rendered during the prior month. The Authority shall provide the City with an invoice by the fifteenth day of each month which sets forth the monthly portion of the Service Fee due for the prior month and documentation or information as the City may

reasonably require to determine the accuracy and appropriateness of the invoice. The City shall pay the invoice within 20 days of receipt.

SECTION 10.8. ESTIMATES AND ADJUSTMENTS. (A) Pro Rata Adjustments. Any computation made on the basis of a stated period shall be adjusted on a pro rata basis to take into account any initial or final period which is a partial period. For purposes of this subsection, a month shall be taken as a month containing 30 days and a year shall be taken as a year containing 360 days.

(B) Budgeting. For City budgeting purposes, no later than July 1st preceding each Contract Year, the Authority shall provide to the City a written statement setting forth for such Contract Year its reasonable estimate of the aggregate Service Fee, each component thereof, and the estimated Service Fee Adjustment Factors. The monthly billing of the Base Fee portion of the annual Service Fee shall automatically increase by the Adjustment Factors in the month following each Commencement Date anniversary. Other components of the annual Service Fee including Pass-through Costs and Extraordinary Item Costs shall be billed in the month following their incurrence.

(C) Adjustment to Service Fee. If any adjustment to the Service Fee is required pursuant to any express provision of this Service Contract, the party requesting the adjustment shall submit to the other party a written statement setting forth the cause of the adjustment, the anticipated duration of the adjustment, and the amount of the adjustment, as appropriate. Except to the extent that a longer period is otherwise specifically provided for in this Service Contract, any request for adjustment of the Service Fee hereunder shall be accepted or rejected by the party receiving the request within 45 days of receipt. If the receiving party does not notify the requesting party of its rejection and the reasons for the rejection within such 45-day period, the request shall be deemed rejected. A rejected request may be resubmitted, with or without change, and this paragraph shall apply to such resubmitted request as it applies to an original request. Any Service Fee adjustment request which is not rejected or deemed rejected shall take effect as of the next monthly billing period thereafter, or as otherwise agreed to by the parties.

SECTION 10.9. BILLING STATEMENT DISPUTES. If the City disputes any amount billed by the Authority, the City may either (1) pay the disputed amount when otherwise due, and provide the Authority with a written objection indicating the amount that is being disputed and providing all reasons then known to the City for its objection to or disagreement with such amount, or (2) withhold payment of the disputed amount and provide the Authority with written objection as aforesaid within the time when such amount would otherwise have been payable. When any billing dispute is finally resolved, if payment by the City to the Authority of amounts withheld or reimbursement to the City by the Authority of

amounts paid under protest is required, such payment or reimbursement shall be made within 20 days of the date of resolution, with interest at the Overdue Rate.

ARTICLE XI

BREACH, DEFAULT, REMEDIES AND TERMINATION

SECTION 11.1. REMEDIES FOR BREACH. The parties agree that, except as otherwise provided in Sections 11.2, 11.3, 11.4, 11.5 and 11.6 with respect to termination rights, in the event that either party breaches this Service Contract, the other party may exercise any legal rights it has under this Service Contract, under the Letter of Credit and under Applicable Law to recover actual damages or to secure specific performance, and that such rights to recover damages and to secure specific performance shall ordinarily constitute adequate remedies for any such breach. Neither party shall have the right to terminate this Service Contract for cause except upon the occurrence of an Event of Default.

SECTION 11.2. EVENTS OF DEFAULT BY THE AUTHORITY. (A) Events of Default Not Requiring Previous Notice. Each of the following shall constitute an Event of Default by the Authority upon which the City, by notice to the Authority, may terminate this Service Contract without any requirement of having given notice previously or of providing any further cure opportunity:

(1) Failure of Performance. The failure of the Authority to meet the Performance Guarantees on a 12-month rolling average basis and such failure is not due to an Uncontrollable Circumstance or City Breach;

(2) Security for Performance. The failure of the Authority to obtain or maintain in full force and effect the Letter of Credit required by Article XIII as security for the performance of this Service Contract {unless the City has released the Authority from its obligation to provide a Letter of Credit pursuant to Section 13.2(B)};

(3) Failure to Perform a Material Obligation. The failure or refusal of the Authority to perform a material obligation hereunder, such that the failure or refusal constitutes a gross misfeasance of duty and such failure is not due to an Uncontrollable Circumstance or City Breach;

(4) Abandonment. The abandonment or failure to operate all or a substantial portion of Facilities for a period of 48 hours;

(5) Insolvency. The insolvency of the Authority as determined under the Bankruptcy Code;

(6) Voluntary Bankruptcy. The filing by the Authority of a petition of voluntary bankruptcy under the Bankruptcy Code; the consenting of the Authority to the filing of any bankruptcy or reorganization petition against the Authority under the Bankruptcy Code; or the filing by the Authority of a petition to reorganize the Authority pursuant to the Bankruptcy Code; and

(7) Involuntary Bankruptcy. The issuance of an order of a court of competent jurisdiction appointing a receiver, liquidator, custodian or trustee of the Authority or of a major part of the Authority's property, respectively, or the filing against the Authority of a petition to reorganize the Authority or pursuant to the Bankruptcy Code, which order shall not have been discharged or which filing shall not have been dismissed within 90 days after such issuance or filing, respectively.

(B) Events of Default Requiring Previous Notice. It shall be an Event of Default by the Authority upon which the City may terminate this Service Contract, by notice to the Authority, if: (1) any representation or warranty of the Authority hereunder was false or inaccurate in any material respect when made, and the representation or warranty affects the legality of this Service Contract or the ability of the Authority to carry out its obligations hereunder; or (2) the Authority fails, refuses or otherwise defaults in its duty (a) to pay any amount required to be paid to the City under this Service Contract within 60 days following the due date for such payment, or (b) to perform any material obligation under this Service Contract (except as set forth in subsection (A) above, or unless such default is excused by an Uncontrollable Circumstance or City Breach, except that no such default (other than those set forth in subsection (A) of this Section) shall constitute an Event of Default giving the City the right to terminate this Service Contract for cause under this subsection unless:

(1) The City has given prior written notice to the Authority stating that in its opinion a specified default exists which gives the City a right to terminate this Service Contract for cause under this Section unless such default is corrected within a reasonable period of time, and describing the default in reasonable detail; and

(2) The Authority has not initiated within a reasonable time and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence; except that if the Authority shall have initiated within such reasonable time and continued with due diligence to carry out to completion all such actions, the default shall not constitute an Event of Default during such period of time (in any event not more than 120 days from the initial default notice) as the Authority shall continue with due diligence to carry out to completion all such actions.

(C) Other Remedies Upon Authority Event of Default. The right of termination provided under this Section upon an Event of Default by the Authority is not exclusive. If this Service Contract is terminated by the City for an Event of Default by the Authority, the City shall have the right to pursue a cause of action for actual damages and to exercise all other remedies which are available to it under this Service Contract, under the Letter of Credit and under Applicable Law. Without limiting the foregoing, upon any termination of the Service Contract for an Event of Default the damages payable by the

Authority to the City shall include the costs of (1) making necessary repairs and replacements to the Facilities, if any, (2) completing any applicable Capital Modifications which the Authority requested if any, then under construction, (3) remediating any public health and safety problems, and (4) paying all unpaid fines and penalties payable to any Governmental Body, in each case to the extent such actions are necessitated or costs incurred as a result of the breach of this Service Contract by the Authority. Such termination damages shall also include all reasonable costs incurred by the City in the process of procuring, negotiating and implementing a new service contract with a replacement operator, if any, less any cost savings the City receives due to terminating the Service Contract with the Authority.

(D) Limitation on Termination Damages. The maximum amount of damages payable by the Authority to the City for termination of the Service Contract upon an Event of Default by the Authority under this Section shall be the lesser of: (1) the City's actual damages, if any; or (2) the Base Service Fee applicable for the year in which the termination occurs.

SECTION 11.3. EVENTS OF DEFAULT BY THE CITY. (A) Events of Default Permitting Termination. Each of the following shall constitute an Event of Default by the City upon which the Authority, by notice to the City, may terminate this Service Contract:

(1) Representations and Warranties. Any representation or warranty of the City hereunder was false or inaccurate in any material respect when made, and the legality of this Service Contract or the ability of the City to carry out its obligations hereunder is thereby adversely affected; or

(2) Failure to Pay or Perform. The failure, refusal or other default by the City in its duty: (1) to pay the amount required to be paid to the Authority under this Service Contract within 60 days following the due date for such payment; or (2) to perform any other material obligation under this Service Contract (unless such default is excused by an Uncontrollable Circumstance or Authority Breach).

(B) Notice and Cure Opportunity. No such default described in subsections (A)(1) or (A)(2) of this Section shall constitute an Event of Default giving the Authority the right to terminate this Service Contract for cause under this subsection unless:

(1) The Authority has given prior written notice to the City stating that a specified default exists which gives the Authority a right to terminate this Service Contract for cause under this Section, and describing the default in reasonable detail; and

(2) The City has not initiated within a reasonable amount of time and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence; except that if the City shall have initiated within such reasonable time and continued with due diligence to carry out to completion all such actions, the default shall not constitute an Event of Default during

such period of time (in any event not more than 30 days in the case of an overdue payment and for all other matters 120 days from the initial default notice) as the City shall continue with due diligence to carry out to completion all such actions.

(C) Termination Liquidated Damages During the Initial Term. (1) If this Service Contract is terminated by the Authority for cause as a result of an Event of Default by the City, the City shall pay the Authority, as liquidated damages upon any such termination, the same amount which would be payable under subsection 11.4(A) if this Service Contract were terminated during the Initial Term, according to the month of termination, at the election of the City for convenience and without cause.

SECTION 11.4. CITY CONVENIENCE TERMINATION DURING THE TERM OF THE SERVICE CONTRACT. (A) Termination Right and Fee. The City shall have the right at any time during the Term of the Service Contract, exercisable in its sole discretion, for its convenience and without cause, to terminate this Service Contract upon 180 days' written notice to the Authority. If the City exercises its right to terminate the Service Contract pursuant to this Section following the Commencement Date, the City shall pay the Authority a convenience termination fee equal to the sum of: (1) $200,000 reduced by 1/120 of such amount for each month which has elapsed following the Commencement Date and including the month in which the termination date occurs, plus (2) the Authority's reasonable substantiated demobilization costs, provided, however, that such costs shall not exceed $50,000 escalated by the Service Fee Adjustment Factor, and (3) if the Authority has provided financing for any Capital Modifications approved by the City pursuant to Section 9.7, the debt payoff or defeasance amount based on the financing methodology approved by the City at the time the financing was effectuated. If this Service Contract is renewed pursuant to Section 3.2, then the convenience termination fee payable during the Renewal Term shall be one-half of items (1) and (2) above and identical to item (3) above.

(B) Uncontrollable Circumstances. In the event an Uncontrollable Circumstance causes a total constructive loss of the Plant, or in the event an Uncontrollable Circumstance causes an extraordinary increase in City costs, and thereupon the City elects to exercise its right of convenience termination under this Section, the amount specified in item (1) of subsection (A) of this Section shall be excluded from the termination fee payable by the City. A "total constructive loss" for this purpose shall be deemed to have occurred: (1) if so determined by the casualty insurance carrier; or (2) if the Plant is substantially inoperable for a period of at least six months following the occurrence of the Uncontrollable Circumstance. "An extraordinary increase" in City costs shall be deemed to have occurred for this purpose if costs proposed to be paid to the Authority resulting from the Uncontrollable Circumstance would cause an increase of more than 10% from the prior Contract Year or an increase of more than 40% in the aggregate of the total Service Fee payable under this Service Contract (excluding the

amortization of debt incurred by the Authority for Capital Modifications resulting from Uncontrollable Circumstances) when compared to such amounts that would have been payable during the comparable periods had no Uncontrollable Circumstances occurred.

(C) Felony Conviction. In the event of a felony conviction of the Authority, as an entity, for an act directly related to the Authority's provision of the Contract Services hereunder, the amounts specified in items (1) and (2) of subsection (A) of this Section shall be excluded from the termination fee payable by the City.

(D) Payment of Amounts Owing Through the Termination Date. Upon any termination pursuant to this Section, the City shall pay the Authority all amounts due for the Contract Services up to the applicable portion of the Service Fee but not yet paid as of the date of termination.

(E) Termination Fee Payment Contingent Upon Surrender of Possession. The City shall have no obligation to pay the applicable termination fee provided for under this Section except concurrently with the surrender of possession and control by the Authority of the Facilities to the City.

(F) Acceptance of Termination Payment. The Authority agrees to accept the applicable termination fee provided in this Article as full compensation for the termination of the Authority's right to perform this Service Contract.

(G) Completion or Continuance by City. After the date of any termination under this Section, the City may at any time (but without any obligation to do so) take any and all actions necessary or desirable to continue and complete the Contract Services so terminated, including entering into contracts with other operators and contractors.

(H) Employment. Upon the exercise by the City of its right of convenience termination under this Section, the City shall have the right to offer, or cause any successor operator of the Facilities to offer, employment to employees of the Authority then employed at the Facilities as set forth in subsection 11.5(B)

SECTION 11.5. OBLIGATIONS OF THE AUTHORITY UPON TERMINATION OR EXPIRATION. (A) Authority Obligations. Upon a termination of this Service Contract under Section 11.2, 11.3, or 11.4 or upon the expiration of this Service Contract under Section 3.1, the Authority shall, as applicable:

(1) stop the Contract Services on the date and to the extent specified by the City;

(2) promptly take action as necessary to protect and preserve all materials, equipment, tools, facilities and other property;

(3) promptly remove from the Facilities all equipment, implements, machinery, tools, temporary facilities of any kind and other property owned or leased by

the Authority (including sheds, trailers, workshops and toilets), and repair any damage caused by such removal;

(4) leave the Facilities in a neat and orderly condition;

(5) subject to subsection (B) of this Section, promptly remove all employees of the Authority and any Subcontractors and vacate the Facilities;

(6) with respect to Capital Modifications, promptly deliver to the City a list of all supplies, materials, machinery, equipment, property and special order items previously delivered or fabricated by the Authority or any Subcontractor but not yet incorporated in the Facilities;

(7) deliver to the City the Operation and Maintenance Manual and all computer programs and database files used at the Facilities (subject to the provisions of applicable licensing agreements) in the performance of Contract Services, including all revisions and updates thereto;

(8) deliver to the City a copy of applicable books and records in its possession relating to the performance of the Contract Services;

(9) deliver to the City fully updated plans of the Facilities;

(10) provide the City with a list of all files, and access and security codes with instructions and demonstrations which show how to open and change such codes;

(11) advise the City promptly of any special circumstances which might limit or prohibit cancellation of any Subcontract;

(12) promptly deliver to the City copies of all Subcontracts, together with a statement of:

(a) the items ordered and not yet delivered pursuant to each agreement;

(b) the expected delivery date of all such items;

(c) the total cost of each agreement and the terms of payment; and

(d) the estimated cost of canceling each agreement;

(13) assign to the City any Subcontract that the City elects in writing, at its sole election and without obligation, to have assigned to it. The City shall assume, and the Authority shall be relieved of its obligations under, any Subcontract so assigned;

(14) terminate all Subcontracts which the City has not directed the Authority to assign, and make no additional agreements with Subcontractors;

(15) as directed by the City, transfer to the City by appropriate instruments of title, and deliver to the Plant (or such other place as the City may specify), all special order items pursuant to this Service Contract for which the City has made or is obligated to make payment;

(16) promptly transfer to the City all warranties given by any manufacturer or Subcontractor with respect to particular components of the Contract Services;

(17) notify the City promptly in writing of any Legal Proceedings against the Authority by any Subcontractor or other third parties relating to the termination of the Contract Services (or any Subcontracts);

(18) arrange its employee benefits in such a way that no accrued benefit liability will bind the City in the event that an Authority employee accepts employment with the City following the Termination Date; and

(19) take such other actions, and execute such other documents as may be necessary to effectuate and confirm the foregoing matters, or as may be otherwise necessary or desirable to minimize the City's costs, and take no action which shall increase any amount payable to the City under this Service Contract.

(B) Hiring of Authority Personnel. Upon the termination or expiration of this Service Contract under any provision hereof, the City or any successor operator of the Facilities designated by the City may offer employment on any terms it may choose to any Authority employee employed full time at the Facilities. No Authority employment agreement, letter or similar document may contravene this right. The City or its designated successor operator shall extend any such job offer within 10 days of the expiration or termination of this Service Contract. The Authority shall assist and cooperate with any such employee transition.

(C) Continuity of Service and Technical Support. Upon the termination of the Authority's right to perform this Service Contract under Section 11.2, 11.3, or 11.4 or upon the expiration of this Service Contract under Section 3.1, the Authority shall provide for an effective continuity of service and the smooth and orderly transition of management back to the City or any replacement operator designated by the City. Such service shall be for a period of up to 60 days and shall include providing technical advice and support and delivering any plans, drawings, renderings, blueprints, operating manuals, computer programs, or other information useful or necessary for the City or any replacement operator designated by the City to perform the Contract Services. The Authority shall provide technical advice and support only after providing the City with an estimate of the cost involved, and receiving written direction to proceed from the City. The City, after providing direction to proceed to the Authority, shall pay the Authority's actual reasonable costs associated with providing technical advice and support.

(D) Authority Payment of Costs. Upon the termination or expiration of this Service Contract, the Authority shall be obligated to pay the costs and expenses of undertaking its obligations under subsection 11.5(A). If the Authority fails to comply with any obligation under this Section, the City may perform such obligation and the Authority shall pay on demand the City's reasonable costs thereof subject to Cost Substantiation.

SECTION 11.6. SURVIVAL OF CERTAIN PROVISIONS UPON TERMINATION. All representations and warranties of the parties hereto contained in Article II hereof and the

rights and obligations of the parties hereto pursuant to Sections [1.2(H), 4.4(B), 7.2(E), 9.1(E), 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 12.2, 12.3, 13.2, 14.4 and 14.8(D)] hereof shall survive the termination of this Service Contract. No termination of this Service Contract shall (1) limit or otherwise affect the respective rights and obligations of the parties hereto accrued prior to the date of such termination, or (2) preclude either party from impleading the other party in any Legal Proceeding originated by a third party as to any matter occurring during the Term of this Service Contract.

SECTION 11.7. NO WAIVERS. No action of the City or the Authority pursuant to this Service Contract (including any investigation or payment), and no failure to act, shall constitute a waiver by either party of the other party's compliance with any term or provision of this Service Contract. No course of dealing or delay by the City or the Authority in exercising any right, power or remedy under this Service Contract shall operate as a waiver thereof or otherwise prejudice such party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the City or the Authority under this Service Contract shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

SECTION 11.8. NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either party be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations under this Service Contract, or the material falseness or inaccuracy of any representation made in this Service Contract, whether such claims are based upon contract, tort, negligence, warranty or other legal theory. The waiver of the foregoing damages under this Section is intended to apply only to disputes and claims as between the City and the Authority.

SECTION 11.9. FORUM FOR DISPUTE RESOLUTION. It is the express intention of the parties that all Legal Proceedings related to this Service Contract or to the Facilities or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in the courts of the State located in Hays County or the U.S. District Court for the Southern District of Texas, Austin Division. The Authority and the City each irrevocably consents to the jurisdiction of such courts in any such actions or proceedings, waives any objection it may have to the laying of the jurisdiction of any such action or proceeding. In addition, the parties hereby expressly waive the right to trial by jury.

ARTICLE XII

INSURANCE, UNCONTROLLABLE CIRCUMSTANCES

SECTION 12.1. INSURANCE. (A) Authority Insurance. At all times during the Term of this Service Contract, the Authority shall obtain and maintain or cause to be obtained and maintained the Required Insurance in accordance with the requirements of Appendix 9 and shall pay all premiums with respect thereto as the same become due and payable. The City shall remain responsible for obtaining and maintaining all property insurance relating to the Facilities and shall pay all premiums with respect thereto as the same become due and payable.

(B) Insurers, Deductibles and City Rights. All insurance required by this Section shall be obtained and maintained from financially sound and generally recognized responsible insurance companies meeting the qualifications set forth in Appendix 9 or from the Texas Municipal League or from the Texas Water Conservation Association Risk Management Fund. The insurers or risk management funds shall be selected by the Authority and shall be authorized to write such insurance in the State. The insurance coverage may be written with deductible amounts approved by the City, and the City shall be responsible for paying all deductible amounts unless such loss is due to the Authority or its Subcontractor' gross negligence or willful misconduct or Authority Breach. The Authority shall also be responsible for all self-insured retentions contained in its insurance coverages, as well as any excluded losses if such losses are within the liability of the Authority hereunder. All policies evidencing such insurance shall provide for: (1) payment of the losses to the City and to the Authority as their respective interests may appear; and (2) at least 30 days' prior written notice of the cancellation thereof to the Authority and the City (except with respect to cancellation for non-payment of premiums to which at least a 10-day written notice shall be required). All policies of insurance required by this Section shall be primary insurance without any right of contribution from other insurance carried by the City. The City shall have the right to participate in all insurance claim settlement negotiations with respect to claims to which the City is a party; however, the City will not have approval authority over insurance settlements of claims.

(C) Certificates, Policies and Notice. The Authority will provide to the City verification of coverage and copies of coverage amendments naming the City, its officers, officials and employees as "additional insureds" (except with respect to Workers' Compensation Insurance) for the Required Insurance. The provision of such coverage verification and coverage amendments is required by this Service Contract as a condition prior to the occurrence of the Commencement Date. Not later than 30 days prior to the beginning of each Contract Year throughout the Term, the Authority shall furnish the City with verification of

coverage and coverage amendments naming the City, its officers, officials and employees as "additional insureds" (except with respect to Workers' Compensation Insurance) and evidencing the Required Insurance. Whenever a Subcontractor is utilized, the Authority shall either obtain and maintain or require the Subcontractor to obtain and maintain appropriate insurance. The City shall have the right, upon request made to the Authority by the City and at any time during the Term, to review the full, original policies of insurance for all Required Insurance.

(D) Maintenance of Insurance Coverage. If the Authority fails to pay any premium or self-insured retention for Required Insurance, or if any insurer cancels any Required Insurance policy and the Authority fails to obtain replacement coverage so that the Required Insurance is maintained on a continuous basis, then, at the City's election (but without any obligation to do so), the City, following notice to the Authority, may pay such premium or self-insured retention or procure similar insurance coverage from another carrier, companies or risk management fund. The Authority shall comply with all applicable Required Insurance and take steps necessary to assure the Facilities remain continuously insured in accordance with the requirements of this Service Contract during the Term hereof. The failure of the Authority to obtain and maintain any Required Insurance shall not relieve the Authority of its liability for any losses intended to be insured thereby. Should any failure to provide continuous insurance coverage occur, the Authority shall, to the full extent of its liability under applicable law, defend, indemnify and hold harmless the City against any actual Loss-and-Expense arising out of such failure.

SECTION 12.2. UNCONTROLLABLE CIRCUMSTANCES. (A) Relief from Obligations. Except as expressly provided under the terms of this Service Contract, neither party to this Service Contract shall be liable to the other for any loss, damage, delay, default or failure to perform any obligation to the extent it results from an Uncontrollable Circumstance. The parties agree that the relief for an Uncontrollable Circumstance described in this Section shall apply to all obligations in this Service Contract, except to the extent specifically provided otherwise, notwithstanding that such relief is specifically mentioned with respect to certain obligations in this Service Contract but not other obligations. The occurrence of an Uncontrollable Circumstance shall not excuse or delay the performance of a party's obligation to pay monies previously accrued and owing under this Service Contract, or to perform any obligation hereunder not affected by the occurrence of the Uncontrollable Circumstance. The City shall pay the Service Fee during the continuance of any Uncontrollable Circumstance, adjusted to account for any cost reductions achieved through Authority mitigation measures required by subsection (B) of this Section, as well as for any cost increases to which the Authority is entitled under subsection (C) of this Section.

(B) Notice and Mitigation. The party that asserts the occurrence of an Uncontrollable Circumstance shall notify the other party by telephone or facsimile, on or promptly after the date the party experiencing such Uncontrollable Circumstance first knew of the occurrence thereof, followed within 15 days by a written description of: (1) the Uncontrollable Circumstance and the causes thereof (to the extent known); and (2) the date the Uncontrollable Circumstance began, its estimated duration, and the estimated time during which the performance of such party's obligations hereunder shall be delayed, or otherwise affected. As soon as practicable after the occurrence of an Uncontrollable Circumstance, the affected party shall also provide the other party with a description of: (1) the amount, if any, by which the Service Fee is proposed to be adjusted as a result of such Uncontrollable Circumstance; (2) any areas where costs might be reduced and the approximate amount of such cost reductions; and (3) its estimated impact on the other obligations of such party under this Service Contract. The affected party shall also provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever an Uncontrollable Circumstance occurs, the party claiming to be adversely affected thereby shall, as promptly as practicable, use all reasonable efforts to eliminate the cause thereof, reduce costs resulting therefrom, mitigate and limit damage to the other party, and resume full performance under this Service Contract. While the Uncontrollable Circumstance continues, the affected party shall give notice to the other party, before the first day of each succeeding month, updating the information previously submitted. The party claiming to be adversely affected by an Uncontrollable Circumstance shall bear the burden of proof, and shall furnish promptly any additional documents or other information relating to the Uncontrollable Circumstance reasonably requested by the other party.

(C) Conditions to Performance, Service Fee and Schedule Relief. If and to the extent that Uncontrollable Circumstances interfere with, delay or increase the cost of the Authority's performing the Contract Services in accordance herewith, the Authority shall be entitled to relief from its performance obligations, an increase in the Service Fee, or an extension of schedule which properly reflects the interference with performance, the amount of the increased cost, or the time lost as a result thereof, in each case only to the minimum extent reasonably forced on the Authority by the event, and the Authority shall perform all other Contract Services. The proceeds of any Required Insurance available to meet any such increased cost shall be applied to such purpose prior to any determination of cost increase payable by the City under this Section. Any cost reduction achieved through the mitigating measures undertaken by the Authority pursuant to subsection (B) of this Section upon the occurrence of an Uncontrollable Circumstance shall be reflected in a reduction of the amount by which the Service Fee would have otherwise been increased or shall serve to reduce the Service Fee to reflect such mitigation measures, as applicable. In the event that the Authority

believes it is entitled to any performance, price or schedule relief on account of any Uncontrollable Circumstance, it shall furnish the City written notice of the specific relief requested and detailing the event giving rise to the claim within 30 days after the giving of notice delivered pursuant to subsection (B) of this Section, or if the specific relief cannot reasonably be ascertained and such event detailed within such 30-day period, then within such longer period within which it is reasonably possible to detail the event and ascertain such relief. Within 30 days after receipt of such a timely submission from the Authority the City shall issue a written determination as to the extent, if any, it concurs with the Authority claim for performance, price or schedule relief, and the reasons for the determination. The Authority acknowledges that its failure to give timely notice pertaining to an Uncontrollable Circumstance as required under this Section may adversely affect the City. To the extent the City asserts that any such adverse effect has occurred and that the relief to the Authority or the additional cost to be borne by the City under this subsection should be reduced to account for such adverse effect, the Authority, after reasonable notice by the City, shall have the affirmative burden of refuting the City's assertion. Absent such refutation, the reduction in relief to the Authority and the reduction in additional cost to the City asserted by the City in its notice shall be effective.

(D) Capital Modifications. Before proposing any adjustment to the Service Fee in its notice of requested relief under this Section, the Authority shall determine whether any increased costs of operation and maintenance of the Facilities resulting from an Uncontrollable Circumstance can reasonably and prudently be reduced by the undertaking of a Capital Modification. In the event that the Authority makes such a determination, the Authority shall so advise the City in accordance with Article IX. The City shall thereupon determine, in its sole discretion, whether such a Capital Modification shall be undertaken and shall so advise the Authority within 60 days of receipt of such notice by the Authority. In no event shall the Authority undertake such a Capital Modification except at the express written direction of the City.

(E) Share of Costs of Uncontrollable Circumstances. Except with respect to the parties' respective payment obligations, neither the City nor the Authority shall be liable to the other for any failure or delay in performance of any obligation under the Service Contract due to the occurrence of an Uncontrollable Circumstance. The costs related to the occurrence of an Uncontrollable Circumstance shall be borne first by any available insurance to cover the Uncontrollable Circumstance and secondly by the City except that the Authority shall pay the first $25,000 each Contract Year (such amount to escalate each Contract Year by the Service Fee Adjustment Factor) of the costs necessitated by each Uncontrollable Circumstance. The Authority shall use its best efforts to mitigate the effect of any Uncontrollable Circumstance. Any costs occurring over future Contract Years as the result of an Uncontrollable

Circumstance occurring in a prior Contract Year shall be treated as Uncontrollable Circumstance costs occurring in such future Contract Year. The Authority's share of such net costs shall be paid as a lump sum within 60 days of the end of each Contract Year, unless otherwise agreed by the parties. In the event that such [$25,000] amount (as escalated), or portion thereof, is not used in any Contract Year, such unused portion shall be added to the [$25,000] amount (as escalated) for the following Contract Year. Within 30 days following the end of the Term or other termination of this Service Contract, any unused portions which have accumulated over the Term (without taking into consideration any interest earned thereon) shall be returned to the City.

SECTION 12.3. INDEMNIFICATION BY THE AUTHORITY. To the extent of the Authority's liability under applicable law (if any), the Authority shall indemnify, defend and hold harmless the City Indemnitees from and against (and pay the full amount of) any and all Loss-and-Expense incurred by a City Indemnitee to third parties arising from or in connection with: (1) any failure by the Authority to perform its obligations under this Service Contract; (2) the negligence or willful misconduct of the Authority or any of its officers, directors, employees, representatives, agents or Subcontractors in connection with this Service Contract; or (3) an Authority Breach. The Authority shall also to the full extent of its liability under applicable law (if any) indemnify the City Indemnitees as and to the extent provided elsewhere in this Service Contract. The Authority's indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by the Authority which is intended to respond to such events. The Authority shall not, however, be required to reimburse or, to the full extent of its liability under applicable law, indemnify any City Indemnitee for any Loss-and-Expense to the extent caused by the gross negligence or willful misconduct of any City Indemnitee or to the extent attributable to any Uncontrollable Circumstance. A City Indemnitee shall promptly notify the Authority of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and the Authority shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. These indemnification provisions are for the protection of the City Indemnitees only and shall not establish, of themselves, any liability to third parties. This indemnification obligation shall include, but is not limited to, all claims against the City related to the Authority's performance of services under this Service Contract by a current or former officer, director, employee, representative or agent of the Authority, or any Subcontractor. The provisions of this Section shall survive termination of this Service Contract.

ARTICLE XIII

SECURITY FOR PERFORMANCE

SECTION 13.1. LETTER OF CREDIT. (A) Terms and Purpose. On or before the Commencement Date, the Authority shall provide security for the performance of its obligations hereunder through an irrevocable direct pay letter of credit (the "Letter of Credit") issued by a commercial bank, whose long term debt is rated "A" or better by either Rating Service, that is organized and existing under the laws of the United States which has a branch in Texas and which is subject to federal or Texas banking regulatory jurisdiction. The commercial bank selected by the Authority to issue the Letter of Credit shall be subject to the approval of the City, which shall not unreasonably be withheld or delayed. The Letter of Credit shall be in the stated amount of the annual Service Fee (adjusted each Contract Year by the Service Fee Adjustment Factor, rounded upward to the nearest $100), except as provided in the following sentence, shall be for a term of one year, shall be continuously renewed, extended or replaced so that it remains in effect until 180 days after the Termination Date, and shall be issued substantially in the form set forth in the Transaction Forms. The Letter of Credit in the amount of the annual Service Fee (as adjusted each Contract Year by the Service Fee Adjustment Factor) shall, upon each renewal, extension or replacement thereof, be reduced from the required stated amount applicable for that Contract Year by the aggregate amount of all amounts drawn on all previous Letters of Credit provided under this subsection. The Letter of Credit shall serve as security for the performance of the Authority's obligations hereunder, and the stated amount thereof shall in no way limit the amount of damages to which the City may be entitled for any Authority Event of Default hereunder.

(B) Drawings for Non-Renewal or Bankruptcy. The Letter of Credit shall authorize the City to draw the full stated amount thereof (1) in the event that any required renewal, extension or replacement thereof is not made earlier than the date which is 30 days prior to its expiration date, or (2) upon certain events of bankruptcy or insolvency of the Authority described in the drawing certificate attached thereto. The proceeds of any such drawings shall be held by the City as cash collateral to secure the performance of the Contract Services and, in the event of a material breach of this Service Contract following any such drawing, may be retained by the City in payment of actual damages resulting therefrom.

(C) Drawings for Material Breach. The Letter of Credit also shall authorize the City to draw an amount representing the estimated damages suffered by the City in the event of a material breach of this Service Contract by the Authority. It shall be a condition to the right of the City to draw on the Letter of Credit for a material breach that: (1) the City Manager has given the Authority written notice of a material breach of this Service Contract, whether or not such breach constitutes an Event of Default, and attached a copy of his or her

good faith assessment of the damages the City has suffered as a result of such breach, and (2) the Authority has had an opportunity at a meeting scheduled by the City Manager to be held not earlier than 15 days nor later than 30 days following delivery of such notice, to present to the City Manager evidence disputing the City's assertion of material breach or assessment of damages. Notice to the Authority of a material breach hereof shall be given, except that following any event of voluntary bankruptcy or involuntary bankruptcy by the Authority as described in Section 11.2, no such notice shall be required to be given to the Authority, nor shall the giving of such notice be a condition to the City's drawing rights under the Letter of Credit pursuant to this subsection.

(D) Effect of Final Determination of Damages. In the event that subsequent to any drawing on the Letter of Credit it is determined by any court of competent jurisdiction in a final non-appealable decision that such drawing to any extent was not permitted hereunder, the City shall pay the amount wrongfully drawn to the Authority together with interest thereon at the Overdue Rate calculated from the date of the drawing to the date of payment to the Authority.

SECTION 13.2. COST OF PROVIDING SECURITY FOR PERFORMANCE.

(A) Inclusion in Service Fee. The cost and expense of obtaining and maintaining the Letter of Credit required under this Article as security for the performance of the Authority's obligations hereunder shall be initially borne by the Authority with subsequent reimbursement from the City as described in Section 10.4.

(B) Release of Security. The City shall have the right at any time to release the Authority from its obligation to provide the Letter of Credit required under this Article. Upon any such release, the Pass-Through Cost Component for the Letter of Credit shall cease.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

SECTION 14.1. RELATIONSHIP OF THE PARTIES. The Authority is an independent contractor of the City and the relationship between the parties shall be limited to performance of this Service Contract in accordance with its terms. Neither party shall have any responsibility with respect to the services to be provided or contractual benefits assumed by the other party. Nothing in this Service Contract shall be deemed to constitute either party a partner, agent or legal representative of the other party, except as explicitly provided hereunder. No liability or benefits, such as workers' compensation, pension rights or liabilities, or other provisions or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to any party's agent or employee as a result of this Service Contract or the performance thereof.

SECTION 14.2. CONTRACT ADMINISTRATION. (A) Administrative Communications. The parties recognize that a variety of contract administrative matters will routinely arise throughout the Term of this Service Contract. These matters will by their nature involve requests, notices, questions, assertions, responses, objections, reports, claims, and other communications made personally, in meetings, by phone, by mail and by electronic and computer communications. The purpose of this Section is to set forth a process by which the resolution of the matters at issue in such communications (except to the extent that the resolution of any such matter requires City Council or Authority Board of Directors approval and an amendment to this Service Contract pursuant to subsection (D) of this Section), once resolution is reached, can be formally reflected in the common records of the parties so as to permit the orderly and effective administration of this Service Contract.

(B) Contract Administration Memoranda. The principal tool for the administration of matters arising under this Service Contract between the parties shall be a "Contract Administration Memorandum." A Contract Administration Memorandum shall be prepared, once all preliminary communications have been concluded, to evidence the resolution reached by the City and the Authority as to matters of interpretation and application arising during the course of the performance of their obligations hereunder. Such matters may include, for example: (1) the determination of the specific relief to be given the Authority under Section 12.2 on account of an Uncontrollable Circumstance; (2) the determination of the specific amount of any increase or decrease of the Service Fee to which the Authority is entitled under any provision of this Service Contract (including the parties' agreement as to the treatment and designation of the payment of any Extraordinary Item under Section 10.5); (3) issues as to the meaning, interpretation, application or calculation to be made under any

provision hereof; (4) notices, waivers, releases, satisfactions, confirmations, further assurances, consents and approvals given hereunder; and (5) other similar contract administration matters.

(C) Procedures. Either party may request the execution of a Contract Administration Memorandum. When resolution of the matter is reached, a Contract Administration Memorandum shall be prepared by the Authority or the City reflecting the resolution. The Contract Administration Memorandum shall be numbered, dated, signed by the Contract Representative for the Authority and by the Contract Administrator for the City. The City and the Authority each shall maintain a parallel, identical file of all Contract Administration Memoranda, separate and distinct from all other documents relating to the administration and performance of this Service Contract.

(D) Effect. Executed Contract Administration Memoranda shall serve to guide the ongoing interpretation, application and performance of this Service Contract. Any material change, alteration, revision or modification of this Service Contract, however, shall be effectuated only through a formal Service Contract amendment authorized, approved or ratified by the City Council in accordance with Applicable Law and properly authorized by the Authority.

SECTION 14.3. CONTRACT REPRESENTATIVES. (A) Authority's Contract Representative. The Authority shall identify an individual (the "Contract Representative") who may normally be contacted by the City immediately at any time on a 24-hour per day, 7-day per week, 365-day per year basis, for emergency response, information, or any other purpose related to the Service Contract. The Authority shall provide the City at all times with current communication information (business telephone, mobile telephone, fax, beeper, e-mail) for the individual serving as the Contract Representative. The Authority's Contract Representative's designee for certain matters may also be the Authority's Facilities Manager. The City understands and agrees that the Contract Representative has only limited authority with respect to the implementation of this Service Contract, and cannot bind the Authority with respect to any Service Contract amendment or to incurring costs in excess of the amounts committed herein. Within such limitations, the City shall be entitled to rely on the written directions of the Contract Representative.

(B) City's Contract Administrator. The City shall designate an individual to administer this Service Contract and act as the City's liaison with the Authority in connection with the Contract Services (the "Contract Administrator"). The Authority understands and agrees that the Contract Administrator has only limited authority with respect to the implementation of this Service Contract, and cannot bind the City with respect to any Service Contract amendment or to incurring costs in excess of the amounts appropriated. Within such limitations, the Authority shall be entitled to rely on the written directions of the Contract Administrator.

(C) City Approvals and Consents. When this Service Contract shall require any approval or consent by the City to a Authority submission, request or report, the approval or consent shall be given by the Contract Administrator in writing and such writing shall be conclusive evidence of such approval or consent, subject only to compliance by the City with the Applicable Law that generally governs its affairs. Unless expressly stated otherwise in this Service Contract, and except for requests, reports and submittals made by the Authority that do not, by their terms or the terms of this Service Contract, require a response or action, if the City does not find a request, report or submittal acceptable, the City may provide written response to the Authority describing the City's objections and the reasons therefor within 30 days' of the City's receipt thereof. If no response is received, the request, report or submittal shall be deemed rejected and the Authority may resubmit the same, with or without modification. Requests, reports and submittals that do not require a response or other action by the City pursuant to some specific term of this Service Contract shall be deemed acceptable to the City if the City shall not have objected thereto within 30 days of the receipt thereof.

SECTION 14.4. INTELLECTUAL PROPERTY RIGHTS. (A) Protection from Infringement. The Authority shall pay any royalties and license fees payable in connection with the performance of the Contract Services. The Authority shall indemnify, defend and hold harmless the City in accordance with Section 12.3 in connection with any claims related to infringement by the Authority of any patent, copyright, trademark or similar rights.

(B) Intellectual Property Developed by the Authority. All intellectual property developed by the Authority at or through the use of the Facilities or otherwise in connection with the performance of the Contract Services shall be owned by the Authority subject to the terms and conditions of this Section, and is hereby licensed to the City on a nonexclusive cost free, perpetual basis for use by the City and any successor operator of the Facilities (but, with respect to any successor operator, only in connection with the operation of the Facilities). Such intellectual property shall include technology, inventions, innovations, processes, know-how, formulas and software, whether protected as proprietary information, trade secrets, or patents. The Authority shall have an irrevocable, perpetual and unrestricted right to use such intellectual property at any installation where the Authority is performing services similar to the Contract Services. Neither the City nor the Authority shall license, transfer or otherwise make available such intellectual property to any third party for remuneration except with the consent of the other, which consent may be conditioned upon mutual agreement as to the sharing of any such remuneration.

SECTION 14.5. INTEREST ON OVERDUE OBLIGATIONS. Except as otherwise provided herein, all amounts due hereunder, whether as damages, credits, revenue, charges or reimbursements, that are not paid when due shall bear interest at the rate of interest which is the Overdue Rate, on the amount outstanding from time to time, on the basis

of a 365-day year, counting the actual number of days elapsed, and such interest accrued at any time shall, to the extent permitted by Applicable Law, be deemed added to the amount due as accrued.

SECTION 14.6. NEGOTIATED FIXED PRICE WORK. (A) Base Fee Component of the Service Fee. The Base Fee Component of the Service Fee has been initially fixed and agreed to by the parties based on the Authority's proposal submitted in response to the RFP as further changed during the negotiation of this Service Contract, and is not subject to Cost Substantiation.

(B) Negotiated Pricing of Work for Which the City is Financially Responsible. This Service Contract obligates the City to pay for certain costs resulting from Uncontrollable Circumstances, Change in Law, City Breach and otherwise as more specifically provided herein. It is the expectation of the parties, in general, that the City will pay for such costs on a negotiated lump sum basis, or by an addition to the Base Fee, and that the price will be negotiated in advance of the Authority's performance of the work in all instances where it is practical to do so. For example, if a Change in Law occurs, as required under Section 12.2 the parties will assess the impact of the Change in Law, take all appropriate mitigation steps, determine any necessary Capital Modifications and operating changes, and agree upon pricing. To facilitate such negotiations, the Authority shall furnish the City with all information reasonably required by the City regarding the Authority's expected costs of performing the work and its mark-up. Once the parties agree upon the price, the Authority's actual costs of performance shall not be subject to Cost Substantiation unless after-the-fact Cost Substantiation with respect to all or a portion of the Authority's actual costs was agreed to by the parties in establishing the price.

SECTION 14.7. COST SUBSTANTIATION. (A) Cost Substantiation Generally. The Authority shall provide Cost Substantiation for the costs for which the City is financially responsible hereunder, other than the Base Fee and the Pass-Through Cost Components of the Service Fee, and costs for which the parties have negotiated a lump sum price, all as provided in Section 14.6. In incurring costs which are or may be subject to Cost Substantiation, the Authority shall utilize competitive practices as required by Applicable Law.

(B) Costs Requiring Cost Substantiation. Cost Substantiation shall be provided as soon as reasonably practicable after the costs which require substantiation have been incurred by the Authority. Examples of costs which require substantiation could include, but are not limited to: (1) work done on an emergency basis to respond to an Uncontrollable Circumstance, where it is not reasonably practicable for the parties in advance to negotiate a price for the work; and (2) work done as a Change Order authorized by the City. Cost Substantiation shall also be required where the parties agree that the Authority shall perform work on a cost-plus basis.

(C) Cost Substantiation Memorandum. Any memorandum delivered hereunder to substantiate cost shall state the amount of such cost and the provisions of this Service Contract under which such cost is properly chargeable to the City, shall describe the competitive or other process utilized by the Authority to obtain the price, and shall state that such services and materials are reasonably required pursuant to this Service Contract. The Cost Substantiation memorandum shall be accompanied by copies of such documentation as shall be necessary to reasonably demonstrate that the cost as to which Cost Substantiation is required has been paid or incurred. Such documentation shall be in a format reasonably acceptable under Good Industry Practice and shall include reasonably detailed information concerning all Subcontracts and, with respect to self-performed work, (1) the amount and character of materials, equipment and services furnished or utilized, the persons from whom purchased, the amounts payable therefor and related delivery and transportation costs and any sales or personal property Taxes; (2) a statement of the equipment used and any rental payable therefor; (3) Authority employee hours, duties, wages, salaries, benefits and assessments; and (4) Authority profit, administration costs, bonds, insurance, taxes, premiums overhead, and other expenses. The Authority's entitlement to reimbursement of Cost Substantiated costs of the Authority shall be subject to the limitations set forth in this Section.

(D) Technical Services. Authority personnel and personnel of Subcontractors providing technical services shall be billed at their then currently applicable rates for similar services on projects of similar size and scope to the Contract Services. The Authority shall use commercially reasonable efforts to use available Authority personnel for additional work hereunder before using Subcontractors.

(E) Administrative Charges. On all costs incurred by the Authority for work performed directly by the Authority which are subject to Cost Substantiation, the Authority may charge an appropriate administrative charge, using the Authority-wide administrative and general charge established from time to time by the Authority board of directors.

(F) Evidence of Costs Incurred. To the extent reasonably necessary to confirm direct costs required to be Cost Substantiated, copies of timesheets, invoices, canceled checks or bank statements of imaged checks, expense reports, receipts and other documents, as appropriate, shall be delivered to the City with the request for reimbursement of such costs.

SECTION 14.8. SUBCONTRACTORS. (A) Use Restricted. The Authority shall operate the Facilities with its own employees and fully in accordance with the requirements of Article VI. Subcontractors may be used to perform other Contract Services, subject to the City's right of approval set forth in subsection (B) of this Section.

(B) Limited City Review and Approval of Permitted Subcontractors. The City shall have the right, based on the criteria provided below in this Section, to approve all Subcontractors which the Authority is permitted to engage under subsection (A) of this Section

for Contract Services valued in excess of $25,000 (as adjusted annually by the Service Fee Adjustment Factor) annually, except: (1) Affiliates of the Authority; (2) equipment suppliers; (3) Governmental Bodies; and (4) suppliers of Consumables and chemicals. The Authority shall furnish the City written notice of its intention to engage Subcontractors requiring City approval, and shall furnish all information reasonably requested by the City pertaining to the demonstrated responsibility of the proposed Subcontractors. The City's approval will not be unreasonably withheld or delayed. In the event the City fails to respond to any such notice of intention within 15 days of receipt thereof, the City shall be deemed to have approved the proposed Subcontractor. The approval or withholding thereof by the City of any proposed Subcontractor shall not create any liability of the City to third parties or otherwise unless the City's withholding is unreasonable. In no event shall any Subcontract be awarded to any person debarred, suspended or disqualified from State or City contracting for any services similar in scope to the Contract Services.

(C) Subcontract Terms and Subcontractor Actions. The Authority shall retain full responsibility to the City under this Service Contract for all matters related to the Contract Services notwithstanding the execution or terms and conditions of any Subcontract. No failure of any Subcontractor used by the Authority in connection with the provision of the Contract Services shall relieve the Authority from its obligations hereunder to perform the Contract Services. The Authority shall be responsible for settling and resolving with all Subcontractors all claims arising out of delay, disruption, interference, hindrance, or schedule extension caused by the Authority or inflicted on the Authority or a Subcontractor by the actions of another Subcontractor.

(D) Payment of Subcontractors. The Authority shall pay or cause to be paid all Subcontractors it may retain in the execution of its responsibility under this agreement all amounts due in accordance with their respective Subcontracts. No Subcontractor shall have any right against the City for labor, services, materials or equipment furnished for the Contract Services. The City shall be responsible for any third-party contractor it may retain or cause to be retained.

(E) Nondiscrimination. The Authority shall include a nondiscrimination provision similar to that contained in Section 14.16 in any of the Authority's contracts with Subcontractors that perform services related to the Facilities.

SECTION 14.9. ACTIONS OF THE CITY IN ITS GOVERNMENTAL CAPACITY. (A) Rights as Government Not Limited. Nothing in this Service Contract shall be interpreted as limiting the rights and obligations of the City under Applicable Law in its governmental or regulatory capacity (including police power actions to protect health, safety and welfare or to protect the environment), or as limiting the right of the Authority to bring any action against

the City, not based on this Service Contract, arising out of any act or omission of the City in its governmental or regulatory capacity.

(B) No City Obligation to Issue Governmental Approvals. The City retains all issuance and approval rights it has under Applicable Law with respect to any Governmental Approval required with respect to the Facilities, or the Contract Services, and none of such rights shall be deemed to be waived, modified or amended as a consequence of the execution of this Service Contract. The City shall not be deemed to be in breach or default hereunder as a result of any delay or failure in the issuance or approval of any such Governmental Approval.

SECTION 14.10. ASSIGNMENT. (A) By the Authority. The Authority shall not assign, transfer, convey, lease, encumber or otherwise dispose of this Service Contract, its right to execute the same, or its right, title or interest in all or any part of this Service Contract, whether legally or equitably, by power of attorney or otherwise, without the prior written consent of the City, except to an agency assuming the duties and obligations of the Authority. Any City approval given in one instance shall not relieve the Authority of its obligation to obtain the prior written approval of the City to any further assignment. Any assignment of this Service Contract which is approved by the City shall require the assignee of the Authority to assume the performance of and observe all obligations, representations and warranties of the Authority under this Service Contract, which shall remain in full force and effect during the Term hereof. The approval of any assignment, transfer or conveyance shall not operate to release the Authority in any way from any of its obligations under Service Contract unless such approval specifically provides otherwise.

(B) By the City. The City may not assign its rights or obligations under this Service Contract without the prior written consent of the Authority. The City may, however, assign its rights and obligations under this Service Contract, without the consent of the Authority, to another Governmental Body if such assignee assumes, and is legally capable of discharging, the duties and obligations of the City hereunder.

SECTION 14.11. LIMITED RECOURSE TO CITY. No recourse shall be had to the general fund or general credit of the City for any obligation of the City which may arise hereunder, or for any Loss-and-Expense of any nature arising from the performance or non-performance of the City's obligations hereunder. The sole recourse of the Authority for all such amounts shall be to the funds held in the City's water enterprise fund. All amounts held in the water enterprise fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the Authority.

SECTION 14.12. FURTHER AGREEMENTS. The parties may agree that the Authority shall perform services in addition to those constituting the Contract Services as of the Contract Date. The scope of such additional services, and the Authority's additional compensation therefor, shall be negotiated by the parties and their agreement with respect

thereto shall be reflected in a Contract Administration Memorandum or amendment to this Service Contract, as appropriate, and shall thereupon become part of the Contract Services. Any such agreement shall be authorized by appropriate action of the Authority and the City as required by Applicable Law.

SECTION 14.13. COMPLIANCE WITH MATERIAL AGREEMENTS. The Authority shall comply with its obligations under agreements of the Authority which are material to the performance of its obligations under this Service Contract. The City shall comply with its obligations under agreements of the City which are material to the performance of its obligations hereunder.

SECTION 14.14. BINDING EFFECT. This Service Contract shall bind and inure to the benefit of and shall be binding upon the City and the Authority and any assignee acquiring an interest hereunder consistent with Section 14.10.

SECTION 14.15. AMENDMENT AND WAIVER. This Service Contract may not be amended except by a written amendment signed by the parties. Any of the terms, covenants, and conditions of this Service Contract may be waived at any time by the party entitled to the benefit of such term, covenant, or condition if such waiver is in writing and executed by the party against whom such waiver is asserted.

SECTION 14.16. NO DISCRIMINATION. The Authority agrees that it shall not discriminate nor permit discrimination by any of its officers, employees, agents and representatives against any person because of age, race, color, religion, national origin, sex or, with respect to otherwise qualified individuals, handicap with respect to the Contract Services provided under this Service Contract.

SECTION 14.17. NOTICES. (A) Procedure. All notices, consents, approvals or written communications given pursuant to the terms of this Service Contract shall be: (1) in writing and delivered in person; (2) transmitted by certified mail, return, receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally recognized overnight courier service with signed verification of delivery; or (3) given by facsimile transmission, if a signed original is deposited in the United States Mail within two days after transmission. Notices shall be deemed given only when actually received at the address first given below with respect to each party. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

(B) Authority Notice Address. Notices required to be given to the Authority shall be addressed as follows:

Guadalupe-Blanco River Authority
933 East Court Street
Seguin, Texas 78155

Attn: General Manager

(C) City Notice Address. Notices required to be given to the City shall be addressed as follows:

City Manager
The City of San Marcos
630 East Hopkins
San Marcos, Texas 78666

SECTION 14.18. NOTICE OF LITIGATION. In the event the Authority or City receives notice of or undertakes the defense or the prosecution of any Legal Proceedings, claims, or investigations in connection with the Facilities, the party receiving such notice or undertaking such prosecution shall give the other party timely notice of such proceedings and shall inform the other party in advance of all hearings regarding such proceedings.

SECTION 14.19. FURTHER ASSURANCES. The City and Authority each agree to execute and deliver such further instruments and to perform any acts that may be necessary or reasonably requested in order to give full effect to this Service Contract. The City and the Authority, in order to carry out this Service Contract, each shall use all commercially reasonable efforts to provide such information, execute such further instruments and documents and take such actions as may be reasonably requested by the other and not inconsistent with the provisions of this Service Contract and not involving the assumption of obligations or liabilities different from or in excess of or in addition to those expressly provided for herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Service Contract to be executed by their duly authorized representatives as of the day and year first above written.

CITY OF SAN MARCOS, TEXAS

ATTEST:

Janis K. Womack, City Clerk

Signature:

Printed Name: Dan O'Leary

Title: City Manager

GUADALUPE-BLANCO RIVER AUTHORITY

ATTEST:

Signature

Printed Name: William E. West

Title: General Manager

TRANSACTION FORMS
RELATING TO THE
SERVICE CONTRACT
FOR
WATER TREATMENT FACILITIES OPERATIONS
AND ASSET MANAGEMENT

between

THE CITY OF SAN MARCOS, TEXAS

and

GUADALUPE-BLANCO RIVER AUTHORITY

Dated

September 20, 2005

TRANSACTION FORM A

FORM OF LETTER OF CREDIT

TRANSACTION FORM A

FORM OF LETTER OF CREDIT

[Date]

City of San Marcos
[Address]
[Address]
San Marcos, Texas 78666

Ladies and Gentlemen:

1. At the request and for the account of Guadalupe-Blanco River Authority, a conservation and reclamation district and political subdivision of the State of Texas (the "Authority"), [Name of Bank] (the "Bank") hereby establishes in your favor our direct-pay irrevocable Letter of Credit No. _ (the "Letter of Credit"), in the amount of $_____ (the "Stated Amount"), effective immediately. Capitalized terms used but not defined herein are used as defined in the Service Contract referred to below.

2. We hereby irrevocably authorize you to draw drafts on us at sight in accordance with the terms and conditions hereinafter set forth. The aggregate amount drawn hereunder shall not exceed the Stated Amount.

3. This Letter of Credit is effective immediately and will expire on _____, _____ (the "Stated Termination Date").

4. Subject to the foregoing and the further provisions of this Letter of Credit, a demand for payment may be made by you by presentation to us of your sight draft, accompanied by your written and completed certificate, signed by you, in substantially the form of Annex A hereto (such certificate being your "Drawing Certificate"), in an amount not exceeding the Stated Amount, representing amounts payable to you by the Authority under and pursuant to the Service Contract for Water Treatment Facilities Operations and Asset Management, dated _____ __, 2005, between the Authority and the City of San Marcos, Texas (the "Service Contract").

5. Each sight draft drawn under this Letter of Credit must bear on its face the clause "Drawn under Irrevocable Letter of Credit No. _."

6. Demand for payment may be made by you under this Letter of Credit prior to 3:00 PM on the date of expiration at its address at [Bank's Address] Attention: _____, on a Business Day (as hereinafter defined). As used herein the term "Business Day" means a day on which the Bank at our aforesaid office is opened for the purpose of conducting commercial banking business. We hereby agree that all sight drafts drawn under and in strict conformity with the terms of this Letter of Credit will be duly honored by us upon delivery of the sight drafts and certificates. If we receive any of your sight drafts and certificates, all in strict conformity to the terms of this Letter of Credit, at our aforesaid office not later than 11:00 A.M. (local time) on a Business Day on or before the Stated Termination Date hereof, we will honor the same by 3:00 P.M. (local time) on the same day in accordance with your payment instructions. If we receive any of your sight drafts and certificates, all in strict conformity to the terms of this Letter of Credit at such office after 11:00 A.M. (local time) on a Business Day, on or before the Stated Termination Date hereof, we will honor the same not later than 1:00 P.M. (local time) on the next succeeding Business Day in accordance with your payment instructions. If requested by you, payment under this Letter of Credit may be made by Federal

Reserve Wire Transfer of funds to your account in a bank on the Federal Reserve Wire Facility or by deposit of same day funds into a designated account that you maintain with us.

7. The Stated Amount shall be reduced automatically by the amount of each drawing hereunder.

8. This Letter of Credit is transferable in its entirety (but not in part) to your successor which you certify to us has succeeded you as beneficiary and may be successively so transferred. Transfer of this Letter of Credit to such transferee shall be effected upon the presentation to us of this Letter of Credit accompanied by a certificate in the form of Annex B attached hereto.

9. Only you (or a transferee as provided in paragraph 8 hereof) may make a drawing under this Letter of Credit. Upon the payment to you or your account of the amount specified in a sight draft drawn hereunder, we shall be fully discharged of our obligation under this Letter of Credit with regard to that payment, and we shall not thereafter be obligated to make further payments under this Letter of Credit with regard to that payment to you.

10. This Letter of Credit, except as otherwise stated herein, is subject to International Standby Practices 1998, International Chamber of Commerce Publication 590 1998 (the "ISP98") and shall be governed and construed in accordance with the laws of the State of Texas and applicable U.S. federal law.

11. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at our address at [Bank Address] Attention: _____, specifically referring to the number of this Letter of Credit.

12. This Letter of Credit sets forth in full our undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Service Contract), except only the certificates, sight drafts, and Letter of Credit referred to herein and ISP98; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement, except for ISP98, such certificate, sight drafts and Letter of Credit.

Very truly yours,

[Name of Bank]

By:_____

Authorized Officer

ANNEX A TO LETTER OF CREDIT

CERTIFICATE FOR DRAWING
IN CONNECTION WITH
PAYMENT OF AMOUNTS
UNDER THE SERVICE CONTRACT

Irrevocable Letter of Credit No.

The undersigned, a duly authorized representative of the City of San Marcos, Texas (the "Beneficiary"), hereby certifies to [Name of Bank] (the "Bank"), with reference to Irrevocable Letter of Credit No. __ (the "Letter of Credit"; terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The Beneficiary is a party to the Service Contract for Water Treatment Facilities Operations and Asset Management, dated _____ __, 2005 (the "Service Contract") by and between the Beneficiary and Guadalupe-Blanco River Authority (the "Authority") regarding the long-term operation, maintenance, repair, replacement and management of the Beneficiary's water system, in the City of San Marcos, Texas.

2. The Commencement Date has occurred.

3. The Beneficiary is making a demand for payment under the Letter of Credit in the amount of $_____ and such amount does not exceed the Stated Amount.

4. The Beneficiary hereby certifies as follows (insert those which are applicable):

(a) The Authority has materially breached the Service Contract and, in accordance with the procedures and requirements of Section 13.1 thereof, the Beneficiary has determined that the amount set forth above represents the estimated damages suffered by the Beneficiary, not to exceed the Stated Amount.

(b) The Beneficiary has terminated the Service Contract pursuant to Section 11.2 of the Service Contract, and the Beneficiary has determined that the amount set forth above represents the estimated damages suffered by the Beneficiary, not to exceed the Stated Amount.

(c) The Letter of Credit will expire within 30 days', and the Letter of Credit has not been extended, renewed or replaced in accordance with Section 13.1 of the Service Contract. The amount set forth above represents the full Stated Amount.

(d) The Authority has filed a petition of voluntary bankruptcy under the Bankruptcy Code, the Authority has consented to the filing of any bankruptcy or reorganization petition against the Authority pursuant to the Bankruptcy Code. The amount set forth above represents the full Stated Amount.

(e) A court of competent jurisdiction has issued an order appointing a receiver, liquidator, custodian or trustee of the Authority or of a major part of the Authority's property, respectively, or a petition to reorganize the Authority pursuant to the Bankruptcy Code has been filed against the Authority, and such order has not been discharged or such filing has not been dismissed within 90

days after such issuance or filing. The amount set forth above represents the full Stated Amount.

5. Payment of the amount described hereby shall be made by wire transfer to the following account: [wire transfer instructions].

IN WITNESS WHEREOF, the Beneficiary has caused this certificate to be executed and delivered by its duly authorized representative as of this __ day of _____, 20__.

THE CITY OF SAN MARCOS, TEXAS

By: _____

Title: _____

ANNEX B TO LETTER OF CREDIT

TRANSFER CERTIFICATE

[Date]

[Bank's Address]

Attention: _____

RE: Irrevocable Letter of Credit No. __

Ladies and Gentlemen:

For value received, the undersigned Beneficiary hereby irrevocably transfers to:

[Name of Transferee]
[Address of Transferee]

all rights of the undersigned Beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole right as the Beneficiary thereof, including sole rights to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

Such transferee is a permitted transferee under such Letter of Credit.

The Letter of Credit is returned herewith, and we ask you to endorse the transfer on the reverse thereof, and forward it directly to the transferee with your customary notice of transfer.

SIGNATURE AUTHENTICATED

_____
(Bank)

_____
(Authorized Officer)

THE CITY OF SAN MARCOS, TEXAS

By:_____

Title:_____

APPENDICES

to the

SERVICE CONTRACT

FOR

WATER TREATMENT FACILITIES OPERATIONS
AND ASSET MANAGEMENT

between

THE CITY OF SAN MARCOS, TEXAS

and

GUADALUPE-BLANCO RIVER AUTHORITY

Dated

September 20, 2005

APPENDICES

1. Water Treatment Facilities Description and List of Transferred Property
2. Operating Governmental Approvals and Applicable Permits
3. Operation and Maintenance Standards
4. Staffing Plan
5. Designated Employee and Employee Benefits
6. Performance Guarantees
7. Approved Subcontractors
8. Approved City Access
9. Insurance Requirements

APPENDIX 1

WATER TREATMENT FACILITIES DESCRIPTION AND LIST OF TRANSFERRED PROPERTY

1.1 Water Treatment Facilities

The purpose of this Appendix is to provide a summary description of the Water Treatment Facilities. It is not intended to describe all elements that comprise the Water Treatment Facilities. The Water Treatment Facilities include the following items as defined in the Service Contract and further described below:

Plant
Plant Site
Wells
Pump Stations/Storage

The Authority shall provide the Contract Services for all of the Water Treatment Facilities, whether or not a particular element of the Water Treatment Facilities is identified herein.

1.2 Plant

The City owns the San Marcos Surface Water Treatment Plant (the "Plant") located at 91 Old Bastrop Highway, San Marcos, Texas. The Plant, which was commissioned in calendar year 2000, is a 9 mgd regional water supply treatment facility which currently provides treatment of surface water for the City and the City of Kyle, with the potential to supply treated surface water to additional users. The Plant currently has a peak rated capacity of 9 mgd. The Plant is designed for an expansion up to 24 mgd. Currently, the Plant is a conventional surface water treatment plant designed with coagulation, sedimentation by a single upflow contact basin clarifier with tube settlers, filtration with four dual media high rate filters, chemical feed systems to support enhanced coagulation, clearwell storage, pumping forebay, three high service pumps, and dual disinfection capacity with chlorine and chlorine dioxide.

1.3 Plant Site

Please see Attachment A for a map of the portion of the 300 acre Plant Site for which the Authority is responsible.

1.4 Wells

The City is permitted to pump each year approximately 5,400 acre-feet from the Edwards Aquifer under permits issued by the Edwards Aquifer Authority (EEA). The production facilities at each well pump groundwater into the City's water storage system. After treatment, the water is distributed into designated water system pressure zones. The well production facilities (collectively the "Wells") are:

2 Spring Lake wells located at 103 Ed JL Green Drive
1 Comanche well located at Vista Drive/Comanche Street
1 McCarty well located at 2900 Great Oaks Drive
1 Soyars well located at 3424 Hunter Road
2 Oakridge wells located at 705 Harmons Way

1.5 Pump Stations/Storage

After treatment, the water may be distributed through booster stations or into designated storage containers. The well booster/storage facilities are:

Spring Lake Pump Station located at 103 Ed JL Green Drive (capacity of 1.5 mg storage)
Ranch Road 12 storage tank located at 2826 Ranch Road 12 (capacity of 1 mg storage)
Comanche Pump Station located at 402 Sessom Drive (capacity of 1 mg storage)
Butler Pump Station located at 201 River Ridge (capacity of 0.2 mg storage)
McCarty Pump Station located at 2900 Great Oaks Drive (capacity of 0.5 mg storage)
Soyars Pump Station located at 3424 Hunter Road (capacity of 0.27 mg storage)
Oakridge Pump Station located at 705 Harmons Way (capacity of 0.065 mg storage)

1.6 Transferred Property

Subject to an on-site inventory by representatives of the City and the Authority prior to the Commencement Date, the City is proposing to transfer to the Authority, the following property:

Pump Station Equipment
Motors, pumps, couplings, shafts, control valves and other similar equipment

Equipment, spare parts and consumables to be transferred:
- Hach fluoride test kit Pocket colorimeter. (Catalog number 58700-05)
- Hach chlorine test kit Pocket colorimeter. (Catalog number 58700-00)
- Scott air pack 30 minute

Oakridge Water Station
- Pall Septra CB filter element cartridge filters – 3 sets (20 per set)
- Pall Nexus NXT1-30uo prefilter cartridges – 3 sets (72 per set)
- Hach sension 3 bench top PH meter
- Turbidity meter 1720D Low range – 3 units
- Integrity test kit for the filters
- LMI chemical feed pump model# P121-450F1
- Hach sension ph electrode 51935-88
- Hach junction box network connections (2)
- Hach PS1201 Power supply 12v DC Network connection module
- Chemical Safety Equipment –
- (12) Chemical rubber gloves
- (4) Replacement cartridges 2 per set
- (2) North 7700 series half mask face piece respirators
- (2) Large chemical protective jackets (green)
- (2) Medium chemical protective jackets (green)
- (2) Full face protective shields
- (1) Rubbermaid storage unit

Soyars Water Station
- Chemical Safety Equipment –

(4) Large chemical protective jackets (green)
(2) Protective eye goggles
(1) LMI chemical feed pump model#P031-490FI
(1) Rubbermaid storage unit small

McCarty Water Station

Chemical Safety Equipment –

(6) Large chemical protective jackets (green)
(2) Pair chemical rubber gloves
(2) Full face protective shields
(2) North 7700 series half mask face piece respirators
(1) Pair replacement cartridges for respirators
(2) Pair chemical rubber boots
(1) Rubbermaid storage shed
(1) Fluoride drum hand dolly

Spring Lake Water Station

Chemical Safety Equipment –

(1) Fluoride drum hand dolly
(2) North 7700 series half mask face piece respirators
(2) Pair replacement cartridges for respirators
(1) LMI chemical feed pump model# A141-450FI
(2) Pair chemical rubber gloves
(2) Full face protective shields
(2) Protective eye goggles
(2) Pair chemical rubber boots
(4) Large chemical protective jackets (green)
(1) Rubbermaid storage shed

Comanche Water Station

Chemical Safety Equipment –

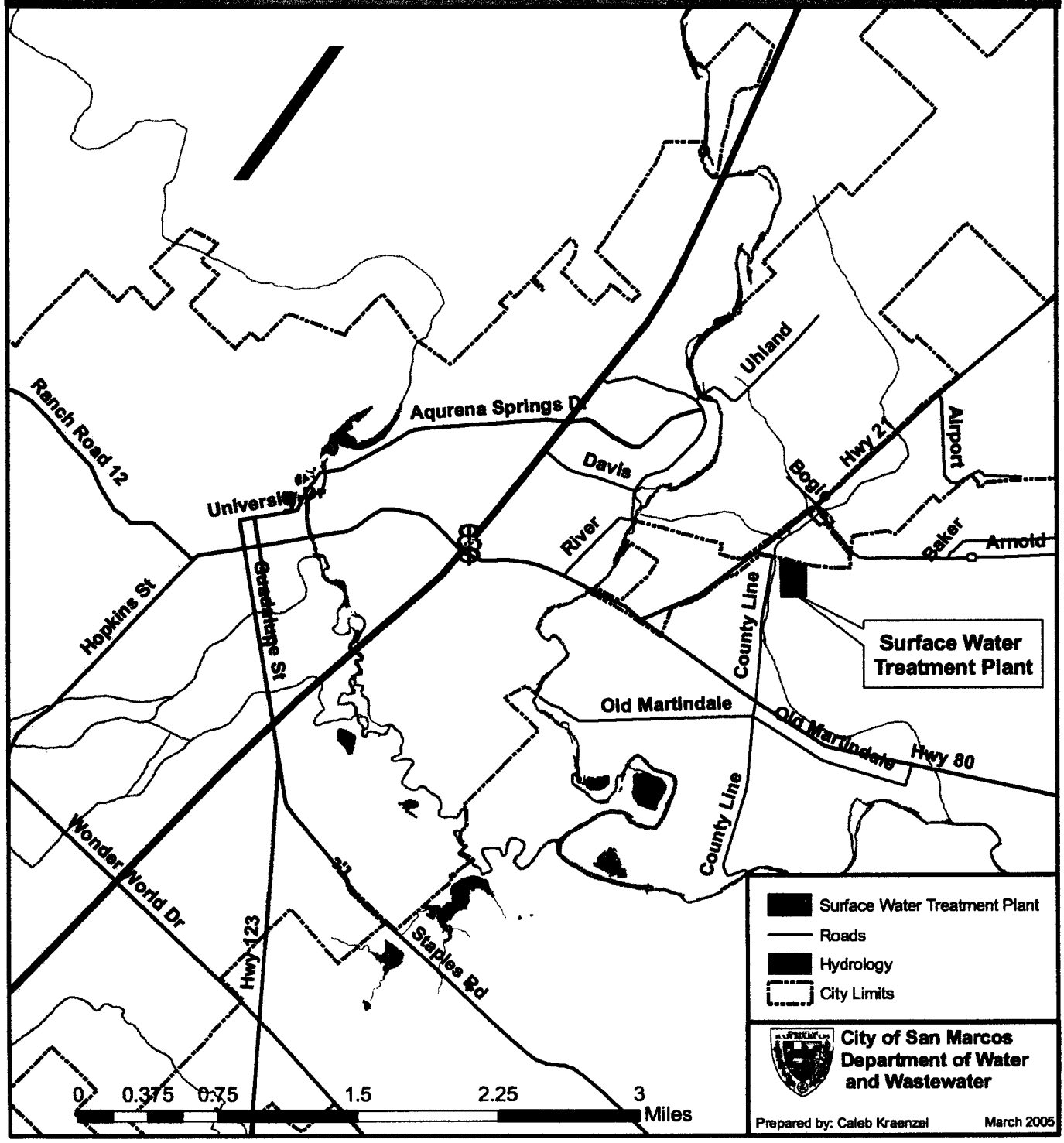
(2) North 7700 series half mask face piece respirators
(2) Pair replacement cartridges for respirators
(1) LMI chemical feed pump model# A181-490FI
(2) Pair chemical rubber gloves
(2) Full face protective shields
(2) Pair chemical rubber boots
(3) Large chemical protective jackets (green)
(3) Medium chemical protective jackets (green)
(1) Protective eye goggle

1.7 Maps of System

This information can be accessed at the City's Department of Water/Wastewater Utilities.

ATTACHMENT A TO APPENDIX 1

[To be inserted manually]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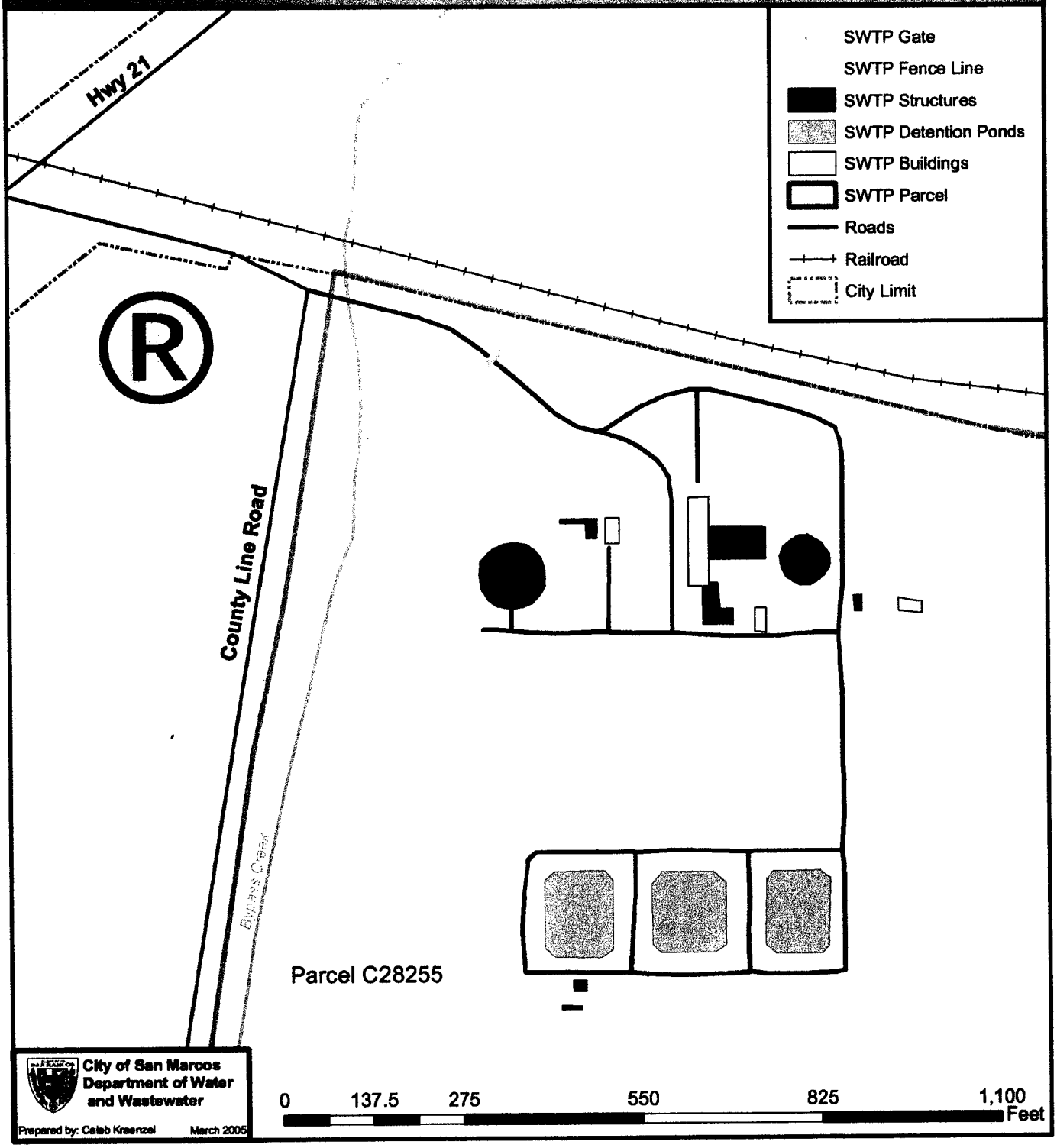
Aqurena Springs Dr
Uhland
Davis
Hwy 21
Airport
Bogle
Baker
Arnold
University
River
Hopkins St
Guadalupe St
County Line
Surface Water Treatment Plant
Old Martindale
Old Martindale
Hwy 80
County Line
Wonder World Dr
Hwy 123
Staples Rd
0
0.375
0.75
1.5
2.25
3
Miles
Surface Water Treatment Plant
Roads
Hydrology
City Limits
City of San Marcos Department of Water and Wastewater
Prepared by: Caleb Kraenzel
March 2005

Water Treatment Plant

Hwy San Marcos, TX 78666

Site Layout



City of San Marcos
Department of Water and Wastewater

Prepared by: Caleb Kraenzel March 2005

APPENDIX 2

GOVERNMENTAL APPROVALS AND APPLICABLE PERMITS

The Operating Governmental Approvals and Applicable Permits shall include, but shall not be limited to, the City's two Edwards Aquifer Authority Regular Permits.

APPENDIX 3

OPERATION AND MAINTENANCE STANDARDS

3.1 General

The Authority shall operate, maintain and manage the Facilities in accordance with the terms and provisions set forth in this Service Contract. Operational decision-making shall be based on the following overall objectives:

- Protection of health and welfare of the public and Water Treatment Facilities operating staff;
- Protection of the environment;
- Preservation of the long-term capability of the Facilities;
- Protection and preservation of the Water Treatment Facilities equipment;
- Maximization of the operation efficiency of the Water Treatment Facilities; and
- Minimization of operational costs to the City.

3.2 Operations And Maintenance

The Authority shall maintain the Water Treatment Facilities in good working order and repair and in a neat and orderly condition in accordance with the specific provisions of Articles VI and VIII of the Service Contract and the Contract Standards. The Authority shall maintain the aesthetic quality of the Water Treatment Facilities. The Authority shall maintain on behalf of the City all manufacturers' warranties on new equipment purchased, and shall fully cooperate and assist the City in enforcing existing equipment warranties and guaranties relative to the Water Treatment Facilities.

The Authority is responsible for the operation and maintenance of the Water Treatment Facilities components as set forth in the Service Contract, the Operation and Maintenance Manual and the provisions described below. Such information below, however, is not intended to include all specific activities necessary for meeting the requirements set forth in the Service Contract. In addition, the Authority shall understand and implement additional operation and maintenance requirements as required in the Operation and Maintenance Manual, manufacturer's recommendations, and to meet Good Industry Practices.

3.3 Maintenance

- All Maintenance, Repair and Replacement, including maintenance, repair and replacement described in the Maintenance, Repair and Replacement Plan (which shall be provided by the Authority prior to the Commencement Date). The well pumps, well motor controls, and SCADA will be maintained by the City.

- All Major Maintenance Repair and Replacement, including major maintenance, repair and replacement described in the Major Maintenance Repair and Replacement Schedule attached hereto as Attachment A to this Appendix.

- All Predictive and Preventive Maintenance, including the following predictive and preventive maintenance:
  - CMMS
  - Vibration Analysis
  - Infrared Thermography

Motor Circuit Evaluation
Basic Oil Analysis
Follow-Up

- All Corrective Maintenance
  Corrective maintenance shall be performed by the Authority in accordance with the Contract Standards, manufacturer recommendations and specifications, and Good Industry Practice.

- Laboratory Work
  Sampling, Testing and Lab Work as required in Section 6.11(B).

3.4 Safety and Security Plan

The Authority shall provide the Safety and Security Plan not more than 60 days after the Commencement Date.

ATTACHMENT A TO APPENDIX 3

MAJOR MAINTENANCE REPAIR AND REPLACEMENT SCHEDULE

Contract Year	Description of Major Repair and Replacement	Value
1	Oakridge filters ($67,200); Vehicle-groundwater system ($20,000)	$87,200
2	Oakridge filters ($67,200); Remote monitoring system ($30,000)	$97,200
3	Oakridge filters ($67,200); Remote monitoring system ($30,000)	$97,200
4	Oakridge filters ($67,200); Plant Filter media & paint ($28,000)	$95,200
5	Oakridge filters ($67,200); Plant Filter media & paint ($28,000)	$95,200
6	Oakridge filters ($67,200); Paint clarifier ($25,000)	$92,200
7	Oakridge filters ($67,200); Vehicles - Plant ($20,000)	$87,200
8	Oakridge filters ($67,200)	$67,200
9	Oakridge filters ($67,200)	$67,200
10	Oakridge filters ($67,200)	$67,200

APPENDIX 4

STAFFING PLAN

4.1 Staffing Plan

The Authority shall provide a staff of qualified and experienced employees in accordance with this Service Contract, Applicable Law and this Staffing Plan, and shall provide such additional third-party support as may be needed to perform its duties and obligations hereunder. Such third-parties shall be equally qualified for the particular services to be performed and shall not have any direct claim against the City whatsoever. The Authority shall maintain the necessary number of employees, staff and third-party contractors to operate, maintain and manage the Water Treatment Facilities in accordance with the Service Contract; to adequately maintain the Water Treatment Facilities in good repair; to adequately operate the Water Treatment Facilities to enable the City to provide good service to its customers; and to protect the health, safety and welfare of the citizens of the City. The Authority shall provide full-time (24 hour per day, 7 day per week) staffing at the Plant.

The Authority shall submit a Staffing Plan to the City for approval no later than 15 days prior to the Commencement Date. The Staffing Plan shall include, at a minimum, the following information:

- Requirement that the Water Treatment Facilities staff consist of:
  - five full-time operators,
  - Jerry Sharp as full-time Facilities Manager, and
  - availability of Darel Ball and/or other Senior Supervisors for general oversight, supervision and guidance;
- Requirement that all operators working at the Water Treatment Facilities are qualified licensed operators in compliance with TCEQ requirements;
- Requirement that the Authority shall make available to the Water Treatment Facilities as needed technical support from other Authority operations or third-party contractors;
- Requirement that the Authority shall comply with Applicable Law, including all additional licenses and qualifications necessary to satisfy regulatory requirements;
- Requirement that the Authority's coverage at the Water Treatment Facilities and the staff proposed for laboratory, operations and maintenance is in conformance with the Authority's March 2005 proposal, its clarifications and this Service Contract; and
- Requirement that the positions, titles and responsibilities of each Authority employee, are in conformance with the attached organization chart.

The Authority shall have the ability to revise the Staffing Plan provided that the Authority receives written approval of the revised Staffing Plan from the City.

4.2 Training

The Authority shall be responsible for training to all of its employees of the Water Treatment Facilities. Prior to the Commencement Date, the Authority shall work to assess the Designated

Employee's training needs against the qualifications and experience requirements of the job classification. In addition to training required by Applicable Law and the training required to obtain and retain the licenses required of employees under Section 6.8, the Authority shall provide other training and professional development in accordance with the Authority's policies and procedures, including areas such as:

- Laboratory analysis, including quality control procedures, related to the Water Treatment Facilities;
- Process control, including use of computer and monitoring equipment, response to plant upsets, record keeping and reporting;
- Water Treatment Facilities operations and maintenance, including the computerized maintenance management system;
- Training for the operation and maintenance, and repair of any applicable Capital Modifications;
- Supervisory training as appropriate and required;
- Safety, including first aid, identification of hazards, proper use of safety equipment, and safety/accident reporting;
- Confined space entry;
- Emergency preparedness and response; and
- Public and community relations.

The Authority shall cross-train employees, as deemed appropriate by the Authority, between areas such as laboratory, operations and maintenance for all services provided by the Authority to the City under the Service Contract.

The Authority shall make a reasonable effort to notify the City in advance of any Authority-sponsored training programs held within the City that may be of benefit to City personnel. The purpose of this notice is to allow City participation in such programs if space is available. The City will pay any expenses related to its participation in such training programs. The Authority shall maintain records of training provided to its employees.

APPENDIX 5

DESIGNATED EMPLOYEE AND EMPLOYEE BENEFITS

5.1 Designated Employee Transition

In accordance with Article VI of the Service Contract, the Authority shall provide for the transition of the Designated Employee listed in the Attachment to this Appendix. The Designated Employee transition process shall consist of the following:

1. Employee Orientation
   Within 15 days following the Contract Date, the Authority shall conduct an orientation meeting for the Designated Employee. The meeting shall include, but is not limited to, a presentation about the Authority, the Authority's policies and procedures, the Service Contract and the Authority's goals for the operation of the Water Treatment System.

2. Interview and Career Planning
   Although the Designated Employee will be offered employment, an individual interview shall be conducted by the Authority. The interview shall afford the Authority and the employee an opportunity to meet and discuss career opportunities available within the Authority and to provide an opportunity for the Designated Employee to ask specific questions that may be pertinent to his situation.

3. Physical and Drug Screening
   As further provided in the Service Contract, the Designated Employee will be required to successfully complete a pre-employment physical examination and drug screen consistent with the Authority's current hiring protocol.

4. Performance Review and Career Planning Session
   Approximately 180 days after the Commencement Date, the Authority shall conduct a private performance feedback session with the Designated Employee to discuss his job performance and future career development.

5.2 Employee Benefits for the Designated Employee

The Authority shall provide to the Designated Employee at the Commencement Date employee benefits in accordance with those benefits set forth below. Thereafter, the Authority shall provide the Designated Employee the same benefits provided to other employees of the Authority, and nothing in the Service Agreement or this Appendix shall preclude the Authority from changing its employee benefits at any time and from time to time.

Benefits	Description	Eligibility
Medical $500 deductible, individual $1,000 deductible, family Prescription Drugs ($10, $25, $40)	Self-Insured through Benesight, Inc. $20 co-pay, 90% in network; 70% out-of-network Medco Health Solutions (Employee Only - $9.23 bi-weekly)	First of the month following 2 months of employment
Dental $50 deductible, individual $150 deductible, family	Self-Insured through Benesight, Inc. (Employee Only - $0.46 bi-weekly)	First of the month following 2 months of employment
Vision $50 eye exam Frames/lenses/contacts up to $150 per calendar year	Self-Insured through Benesight, Inc. (Cost combined with dental)	First of the month following 2 months of employment
Flexible Benefits Plan	Medical/Dependent care Pre-taxed dollars	Completion of one month of employment
Life Insurance	Jefferson Pilot Financial 2 ½ x annual salary, AD&D No cost to employee	First of the month following 2 months of employment
Long Term Disability	Jefferson Pilot Financial No cost to employee	First of the month following 2 months of employment
Defined Benefit Retirement Plan	Wells Fargo, Trustee Rule of 85 (Age & Accrual Service equal to 85 or more years and age 60 or more years) 100% Vested after 5 years	January 1 or July 1 enrollment after completion of 1,000 hours of service
457 Retirement Savings Plan	ICMA -- GBRA matches $0.50 per dollar up to 3% Employee vesting: 100% GBRA Vesting: 5 years Loan Provisions	Upon hire Employer matching contributions-after the completion of 12 consecutive months
Annual Leave	Accrue 7 hours per month up to 2 years; changes with years of service	Available upon completion of 1 month
Sick leave	Accrue 7 hours per month (or pro-rated proportionate to number of hours worked)	Available upon completion of 1 month
Sick Leave Pool	Unavailability of paid sick or annual leave of employee	Eligibility requirements
Holidays	9 days	Upon hire
Employee Assistance Program	Seguin Family Institute 4 free visits	Upon Hire
Employee Volunteer Program	Employee Recognition Program Annual "Our Day to Shine" Awards Banquet	Upon Hire
Safety Program	Group Incentives if 1 year accident free	Upon Hire
Group Voluntary Products (Colonial Supplemental Insurance & Jefferson Pilot Financial)	Cancer, Short Term Disability & Supplemental Life-employee's cost	First of the month following 2 months of employment

ATTACHMENT A TO APPENDIX 5

DESIGNATED EMPLOYEE

Name (Last, First)	**Position**	**Date of Hire**	**Years with City**	**Vested**	**Hourly Rate** (as of Contract Date)
Garza, Leroy	Water Production Operator	05/01/89	16	yes	$16.43

APPENDIX 6

PERFORMANCE GUARANTEES

The Authority shall at all times operate the Facilities to meet the following Performance Guarantees:

1. **Water Treatment Guarantee -**
   The Authority shall operate the Facilities to produce Finished Water from the Plant in compliance with the requirements of Applicable Law and the Enhanced Standards (whichever is more stringent) set forth below. The City will provide the Authority with advance notice of its intention to undertake a Capital Modification of the Facilities. The Authority must inform the City within a time frame to be agreed upon by the parties as to whether such proposed Capital Modification will adversely affect the ability of the Authority to meet a Performance Guarantee.
   - Chlorine residuals less than 2.5 mg/l but high enough to ensure 0.2 mg/l minimum at all points in the City's distribution system;
   - TTHM/HAA levels below 75% of regulatory compliance levels (as measured at the Plant);
   - Fluoride levels at 0.7 – 1.0 mg/l;
   - TOC removal in compliance with regulatory requirements or alternate compliance criteria;
   - Chlorite ion levels below levels that cause taste/odor in the distribution system;
   - Turbidity below 75% of regulatory limit on average monthly basis with no spikes to or above regulatory level; and
   - Stable, non-corrosive water with verified no pipe material etching/damage or color.

2. **Water Availability Guarantee -**
   The Authority shall, at all times, operate the Facilities to maintain storage tank levels in accordance with the Water Availability Requirement set forth in Section 7.3.

   The Authority shall maintain and/or monitor measuring devices in such Finished Water reservoirs sufficient for determining the level of Finished Water in such reservoirs on a continuous basis. Such requirement will assure the availability of Finished Water to the System in the event an extended power outage disables the Facilities or if needed for fire fighting purposes.

3. **Production Efficiency Guarantee -**
   The Authority shall operate the Plant to achieve a treatment process loss (Raw Water to Finished Water production) of no more than 5% on an annual average basis over the course of each Contract Year following the Commencement Date.

4. **Water Pressure and Flow Guarantee -**
   The Authority shall, at all times, operate the Facilities such that the normal System water pressure range is 35 to 115 PSI at the highest to lowest pressure zone elevations, respectively. The preferred pressure range is 50-80 PSI where and when conditions allow. Pressures outside the stated range will not be the responsibility of the Authority if due to malfunctions in the distribution system, such as leaks, closed valves or localized water hammer effects not caused by pump operation effects.

5. **Water Quantity Guarantee -**
   The Authority shall furnish Finished Water on demand to the City's service recipients, and meet emergency fire flow capacity requirements in accordance with Applicable Law. In addition, the Authority shall furnish Finished Water in the quantities required under the City's agreement to provide Finished Water to the City of Kyle and other customers designated by the City during the Term of the Service Contract.

APPENDIX 7

APPROVED SUBCONTRACTORS

This Appendix sets forth the list of Subcontractors that the City has acknowledged that the Authority intends to use to assist in performing the Contract Services:

1. Magna Flow (residuals disposal services);
2. Altivia (chemical feed system); and
3. B&J Lawncare

Additional subcontractors may also be subsequently identified and used to perform the Contract Services subject to the provisions of Section 14.8 of the Service Contract.

APPENDIX 8

APPROVED CITY ACCESS

In accordance with subsection 6.1(D) of the Service Contract, the following persons have been designated by the City for pre-approved access to the Facilities. The City will notify the Authority at least 48 hours in advance of changes to this list.

Texas State University-San Marcos Research and Laboratory personnel

APPENDIX 9

INSURANCE REQUIREMENTS

9.1. **Authority Insurance Coverage**. The Authority shall obtain, pay for and maintain the insurance coverages listed below with respect to the management, operation and maintenance of the Water Treatment Facilities:

(a) workers' compensation insurance required by Applicable Law covering all of the employees of the Authority;

(b) employer's liability insurance with limits of $1,000,000 per accident or employee disease;

(c) comprehensive automobile liability insurance, including owned, non-owned and leased or hired vehicles, with limits of $3,000,000 combined single limit per occurrence;

(d) comprehensive general liability insurance with a combined single limit of $5,000,000 per occurrence;

(e) excess liability insurance above the required comprehensive general, and automobile liability insurance in the amount of $10,000,000; and

(f) pollution legal liability insurance (which policy is project specific) with limits of $5,000,000 per loss and an annual aggregate limit of $5,000,000.

9.2. **Additional Insureds**. The Authority and Subcontractors shall include the City, its mayor, the City manager, the City Council and each of its members, officers, officials and employees as additional insureds (the "Additional Insureds") on all insurance policies required pursuant to this Appendix. The City and the Authority shall waive the subrogation rights of their various insurance carriers in favor of the other party.

9.3. **Insurance Policies**. Insurance, and any renewals thereof, shall be evidenced by verification of coverage and copies of coverage amendments issued or countersigned by a duly authorized representative of the issuer and delivered to the City for its review 30 days prior to the Commencement Date or, in the case of a renewal or amendment, as reasonably provided by the insurer. The full original policies of insurance shall require 30 days' written notice to the City of cancellation (except with respect to cancellation for non-payment of premiums to which a 10-day written notice shall be required), intent not to renew, or, to the extent that it would affect the City or its rights or obligations under such policy or the Service Contract, any reduction or change in its coverage by the insurance company.

9.4. **Non-Recourse Provision**. All insurance policies shall provide that the insurers shall have no recourse against the Additional Insureds for payment of any premium or assessment and shall contain a severability of interest provision in regard to mutual coverage liability policies. The coverages provided by mutual coverage liability insurance policies required pursuant to the Service Contract shall be the primary source of any restitution or other recovery for any injuries

to or death of persons or loss or damage to property incurred as a result of an action or inaction of the Authority or its Subcontractors, or their respective suppliers, employees, agents, representatives, or invitees, that fall within these coverages and also within the coverages of any liability insurance or self-insurance program maintained by the City.

9.5. **Subcontractors**. The Authority shall be responsible for ensuring that all Subcontractors working on the Sites secure and maintain all insurance coverage and other financial sureties required by Applicable Law in connection with their presence and the performance of their duties at or concerning the Water Treatment Facilities.

9.6. **Specific Provisions for Commercial General Liability Insurance**. Commercial general liability insurance, as required under this Appendix, shall include premises-operations, blanket contractual, products and completed operations, personal and advertising injury, host liquor liability, explosion, collapse, underground hazards, broad form property damage including completed operations, and independent company coverages.

9.7. **Specific Provisions for Workers' Compensation Coverage**. Workers' compensation insurance shall be in accordance with the requirements of Applicable Law, as amended from time to time. The required workers' compensation insurance shall include other states' coverage.

9.8. **Specific Provisions for Pollution Legal Liability Insurance**. Pollution legal liability insurance, as required under paragraph (f) above, shall include coverage for off-site third party bodily injury and property damage resulting from pollution conditions emanating from covered locations, off-site clean-up costs, on-site bodily injury, property damage and pollution clean-up costs, and owner's spill liability for third party claims.

9.9. **Qualifications of Insurers**. The Authority is required to obtain the insurance set forth herein with insurance companies that carry an A.M. Best Company's "A" or equivalent rating, or from the Texas Municipal League, the Texas Water Conservation Association Risk Management Fund, or a similar entity. In addition, insurance must be obtained and maintained with insurers authorized to do business in the State.

9.10. **Cost of Insurance**. If the City chooses to arrange for any of the insurance coverage outlined in this Appendix, the City may elect to obtain such insurance, provided that:

(a) written notice is received by the Authority at least 90 days prior to the Contract Year during which the City will assume this responsibility or 90 days prior to the expiration date of the insurance placed by the Authority;

(b) the City names the Authority as an Additional Insured and waives its subrogation rights upon assumption of such responsibility; and

(c) the City pays any cancellation penalty (or short-rate) arising out of canceling the Authority provided coverage required by this Appendix, prior to its expiration date.

10 Year Capital Maintenance and Improvement Plan

Year	Description of Major Repair and Replacement (over $10,000 per item)	Budget Estimate
FY 2021	Purchase Backup Blower	$ 75,000
	High Service PLC Replacement	$ 60,000
	Chemical 1&2 PLC Replacement	$ 60,000
FY 2022	Replace Well Truck	$ 35,000
	Replace Filter Media, Sandblast & Paint Filter Walls in two Filters	$ 100,000
	Replace Filter to Waste Valves	$ 25,000
FY 2023	Compressor Replacement	$ 33,000
	Clarifier 1 Rehabilitation	$ 100,000
FY 2024	Replace Plant Truck	$ 40,000
	Replace/Rebuild Backwash pump	$ 45,000
	Replace/Rebuild High Service Pump	$ 100,000
FY 2025	Replace Filter Media, Sandblast & Paint Filter Walls in two Filters	$ 100,000
FY 2026	Replace/Rebuild Backwash pump	$ 45,000
	Replace/Rebuild High Service Pump	$ 100,000
FY 2027	Replace Filter Media, Sandblast & Paint Filter Walls in two Filters	$ 100,000
FY 2028	Upgrade Chlorination System	$ 65,000
FY 2029	Evaluate and Possible Upgrade Chlorine Dioxide System	$ 100,000
FY 2030	Clarifier 2 Rehabilitation	$ 100,000

File #: Res. 2020-100R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-100R, approving a professional services agreement with Cobb, Fendley & Associates, Inc., for the provision of professional engineering services in connection with the Bishop and Belvin Street Improvements Project in an estimated amount of $976,921.90; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: May 19, 2020

Department: Engineering and Capital Improvements, Laurie Moyer, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: $976,921.90
Account Number: C183
Funds Available: $1,224,637.50
Account Name: Bishop Street Improvements

Fiscal Note:

Prior Council Action: June 5, 2018 -Professional services agreement for Preliminary Engineering Report and 30% Design Development

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

N/A

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☒ Environment & Resource Protection - Pro-active policies that encourage recycling, resource, and energy efficiency

☒ Land Use - Direct Growth, Compatible with Surrounding Uses

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☒ Transportation - Multimodal transportaion network to improve accessibility and mobility, minimize congestion and reduce pollution

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Stormwater Master Plan

Background Information:

The Professional Services Agreement with Cobb Fendley & Associates, Inc. in the estimated amount of $976,921.90 will consist of Design, Bidding and Construction Phase Services for the Bishop and Belvin Street Improvements Project. The project scope includes stormwater, water and wastewater improvements along Belvin and South Bishop to improve stormwater issues downstream along San Antonio Street. The scope also includes a sidewalk and full depth construction within the project limits.

A preliminary engineering report was completed in 2019 which evaluated four (4) alternative routes of the stormwater to outfall into Purgatory Creek. This design contract will implement the design alternative recommend by the preliminary engineering report.

Cobb Fendley & Associates, Inc. was selected from the On-Call Engineering Services List approved by City Council on June 20, 2017.

Preliminary construction costs are estimated approximately $7-$7.5 million. Construction is expected to start in 2023.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of this agreement.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH COBB, FENDLEY AND ASSOCIATES, INC. FOR THE PROVISION OF PROFESSIONAL ENGINEERING SERVICES IN CONNECTION WITH THE BISHOP AND BELVIN STREET IMPROVEMENTS PROJECT IN AN ESTIMATED AMOUNT OF $976,921.90; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Professional Services Agreement with Cobb, Fendley and Associates, Inc. for the provision of professional engineering services in connection with the Bishop and Belvin Street Improvements Project in the estimated amount of $976,921.90 is approved.

PART 2. The City Manager or his designee is authorized to execute the professional service agreement on behalf of the City.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

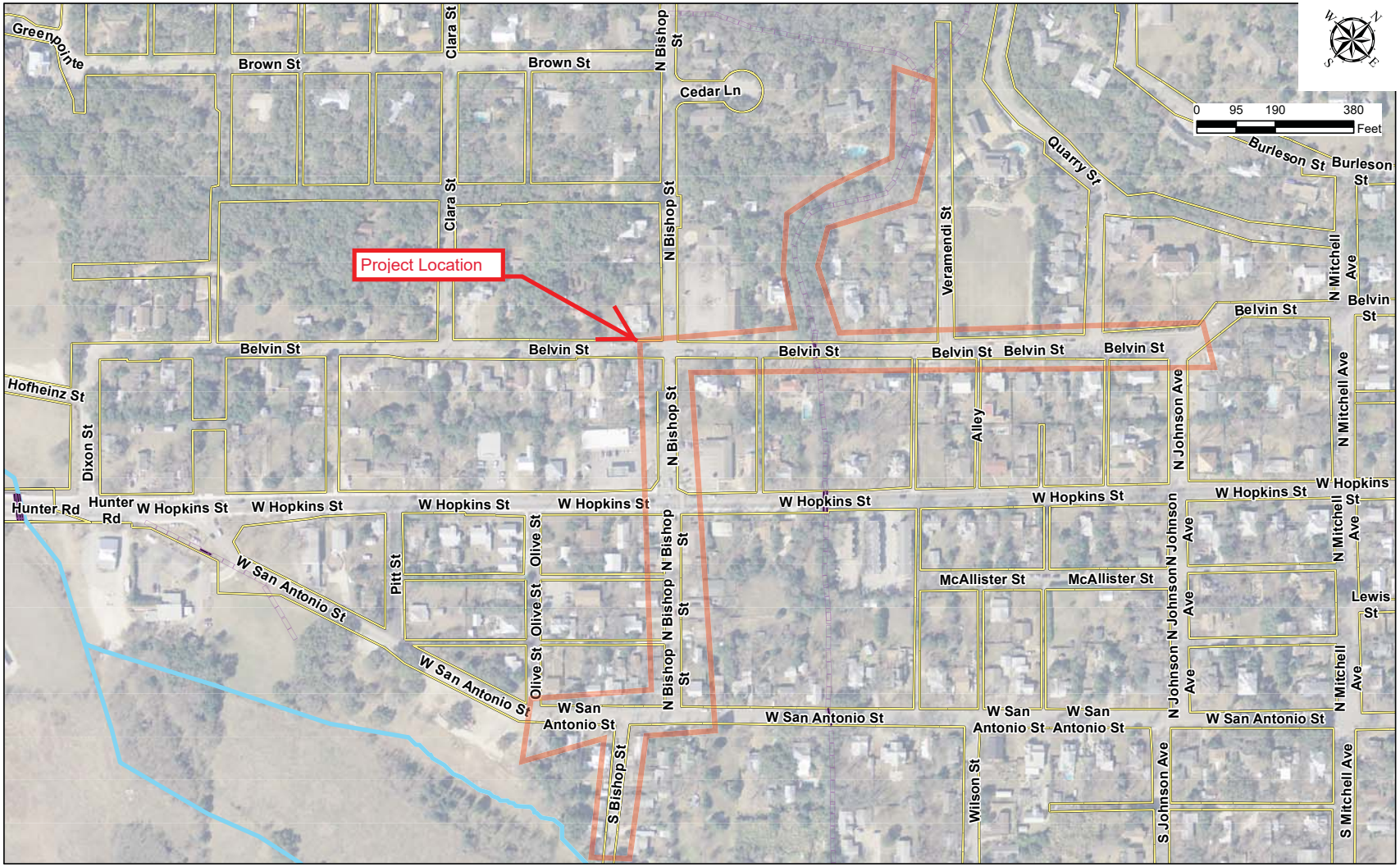
ADOPTED on May 19, 2020.

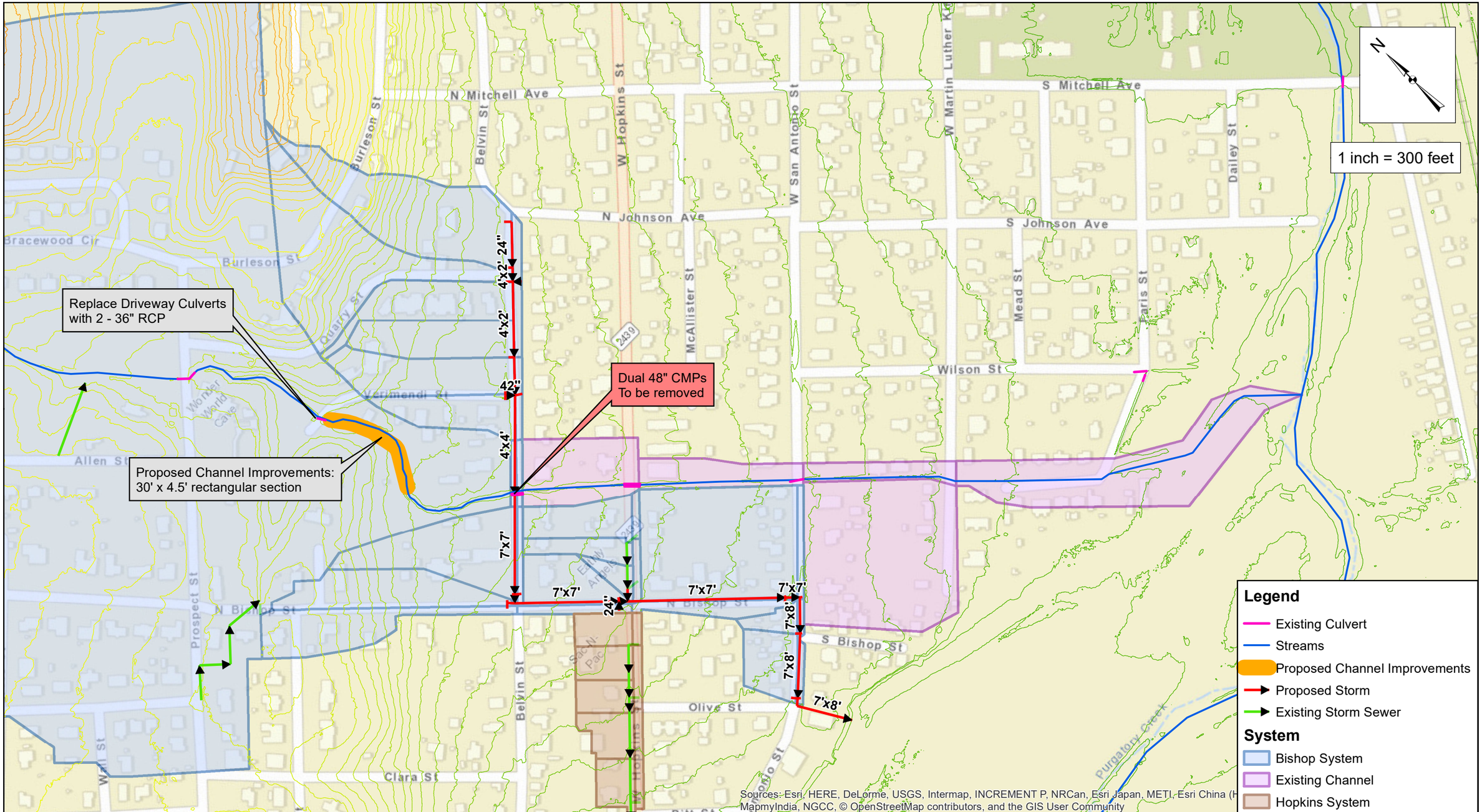
Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Bishop & Belvin Street Improvements
Location Map





CobbFendley
Texas Registration No. 274
13430 Northwest Freeway, Suite 1100
Houston, Texas 77040
713.462.3242 | fax 713.462.3262
www.cobbfendley.com

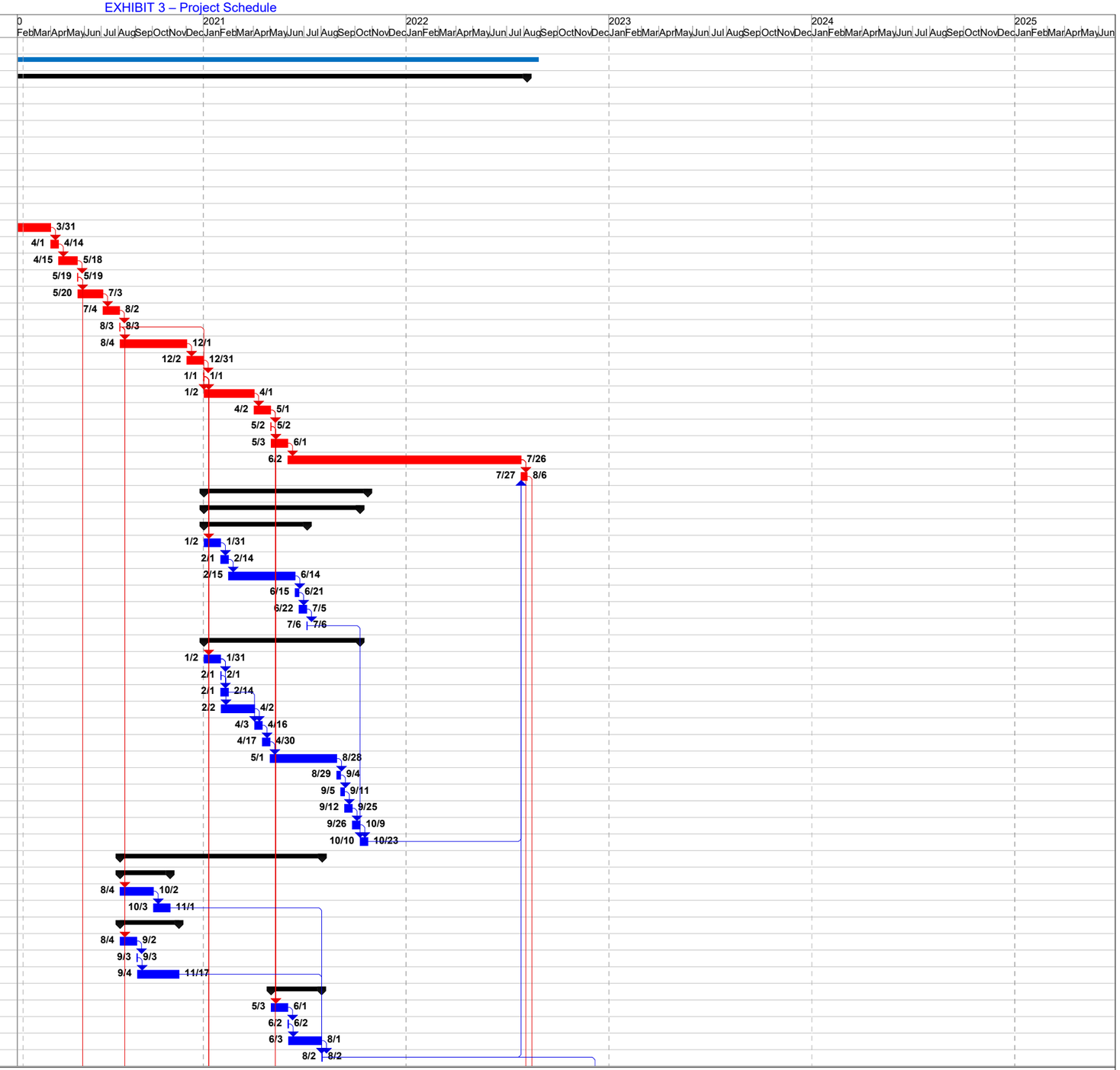
Bishop Street
Alternative 1d - Proposed Condition Storm Sewer Layout

Date: July 2019

Exhibit 8A

EXHIBIT 3 – Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
1	**Preliminary Phase**	**279 days**	**Thu 9/21/17**	**Tue 6/26/18**	
14	**Design Phase**	**1522 days**	**Wed 6/27/18**	**Fri 8/26/22**	
15	**COSM Design**	**1502 days**	**Wed 6/27/18**	**Sat 8/6/22**	
16	Consultant Prepare PER	180 days	Wed 6/27/18	Sun 12/23/18	13
17	COSM Reviews PER	60 days	Mon 12/24/18	Thu 2/21/19	16
18	PER Review Meeting	1 day	Fri 2/22/19	Fri 2/22/19	17
19	Negotiate CIS 03	180 days	Fri 2/22/19	Tue 8/20/19	17
20	Approve CIS 03	14 days	Wed 8/21/19	Tue 9/3/19	19
21	Consultant Prepare Preliminary Layout (30%) & Finalizes PER	59 days	Wed 9/4/19	Fri 11/1/19	20
22	COSM Reviews 30% Design	30 days	Sat 11/2/19	Sun 12/1/19	21
23	30% Review Meeting	1 day	Mon 12/2/19	Mon 12/2/19	22
24	Negotiate New Contract	120 days	Tue 12/3/19	Tue 3/31/20	23
25	Prepare ARF/Verify Funds with Finance - May need reimbursement form	14 days	Wed 4/1/20	Tue 4/14/20	24
26	ARF Review Process (Min 29 Days)	34 days	Wed 4/15/20	Mon 5/18/20	25
27	City Council (Typically Tuesday)	1 day	Tue 5/19/20	Tue 5/19/20	26
28	Consultant Prepare 40%	45 days	Wed 5/20/20	Fri 7/3/20	27
29	COSM Reviews 40% Design	30 days	Sat 7/4/20	Sun 8/2/20	28
30	40% Review Meeting	1 day	Mon 8/3/20	Mon 8/3/20	29
31	Consultant Prepare 60%	120 days	Tue 8/4/20	Tue 12/1/20	30
32	COSM Reviews 60% Design	30 days	Wed 12/2/20	Thu 12/31/20	31
33	60% Review Meeting	1 day	Fri 1/1/21	Fri 1/1/21	32
34	Consultant Prepare 90%	90 days	Sat 1/2/21	Thu 4/1/21	33,30
35	COSM Reviews 90% Design	30 days	Fri 4/2/21	Sat 5/1/21	34
36	90% Review Meeting	1 day	Sun 5/2/21	Sun 5/2/21	35
37	Consultant Seals 100% Plans	30 days	Mon 5/3/21	Tue 6/1/21	36
38	Float	420 days	Wed 6/2/21	Tue 7/26/22	37
39	Meeting with Purchasing To Advertise	11 days	Wed 7/27/22	Sat 8/6/22	61,74,38
40	**Easements**	**295 days**	**Sat 1/2/21**	**Sat 10/23/21**	
41	**Easements/ROW Acquisitions**	**281 days**	**Sat 1/2/21**	**Sat 10/9/21**	
42	**License Agreements**	**186 days**	**Sat 1/2/21**	**Tue 7/6/21**	
43	Prepare License Agreement Exhibits	30 days	Sat 1/2/21	Sun 1/31/21	33
44	Prepare offer letter	14 days	Mon 2/1/21	Sun 2/14/21	43
45	Negation with owners	120 days	Mon 2/15/21	Mon 6/14/21	44
46	Offer accepted: Letter agreement, Exhibit, W-9, Sent to CM	7 days	Tue 6/15/21	Mon 6/21/21	45
47	Request check	14 days	Tue 6/22/21	Mon 7/5/21	46
48	Possession of Real Estate from Close	1 day	Tue 7/6/21	Tue 7/6/21	47
49	**Easements and ROW**	**281 days**	**Sat 1/2/21**	**Sat 10/9/21**	
50	Survey/Exhibit/Field Notes Prepared	30 days	Sat 1/2/21	Sun 1/31/21	33
51	Field Notes to appraiser	1 day	Mon 2/1/21	Mon 2/1/21	50
52	Notice of intent to acquire sent to property owner	14 days	Mon 2/1/21	Sun 2/14/21	50
53	Prepare Appraisal	60 days	Tue 2/2/21	Fri 4/2/21	51
54	Review Appraisal/Auth to make offer	14 days	Sat 4/3/21	Fri 4/16/21	52,53
55	Prepare offer letter	14 days	Sat 4/17/21	Fri 4/30/21	54
56	Negation with owners, begin title clearing	120 days	Sat 5/1/21	Sat 8/28/21	55
57	Offer accepted: clear title, schedule closing (Easement/ROW, W-9, Se	7 days	Sun 8/29/21	Sat 9/4/21	56
58	Title Commitment	7 days	Sun 9/5/21	Sat 9/11/21	57
59	Request check	14 days	Sun 9/12/21	Sat 9/25/21	58
60	Possession of Real Estate from Close	14 days	Sun 9/26/21	Sat 10/9/21	59
61	Easements/ROW Cleared	14 days	Sun 10/10/21	Sat 10/23/21	48,60
62	**Permits**	**364 days**	**Tue 8/4/20**	**Mon 8/2/21**	
63	**Texas Historical Commision**	**90 days**	**Tue 8/4/20**	**Sun 11/1/20**	
64	Cultural Constraints Analysis	60 days	Tue 8/4/20	Fri 10/2/20	30
65	THC Review	30 days	Sat 10/3/20	Sun 11/1/20	64
66	**TCEQ**	**106 days**	**Tue 8/4/20**	**Tue 11/17/20**	
67	Prepare WPAP Permit	30 days	Tue 8/4/20	Wed 9/2/20	30
68	Submit to TCEQ	1 day	Thu 9/3/20	Thu 9/3/20	67
69	TCEQ Review	75 days	Fri 9/4/20	Tue 11/17/20	68
70	**Prepare Nation Wide Permit**	**91 days**	**Mon 5/3/21**	**Sun 8/1/21**	
71	Prepare Nation Wide Permit, if needed	30 days	Mon 5/3/21	Tue 6/1/21	36
72	Submit to USACE	1 day	Wed 6/2/21	Wed 6/2/21	71
73	USACE Review	60 days	Thu 6/3/21	Sun 8/1/21	72
74	Permits Approved	1 day	Mon 8/2/21	Mon 8/2/21	65,69,73

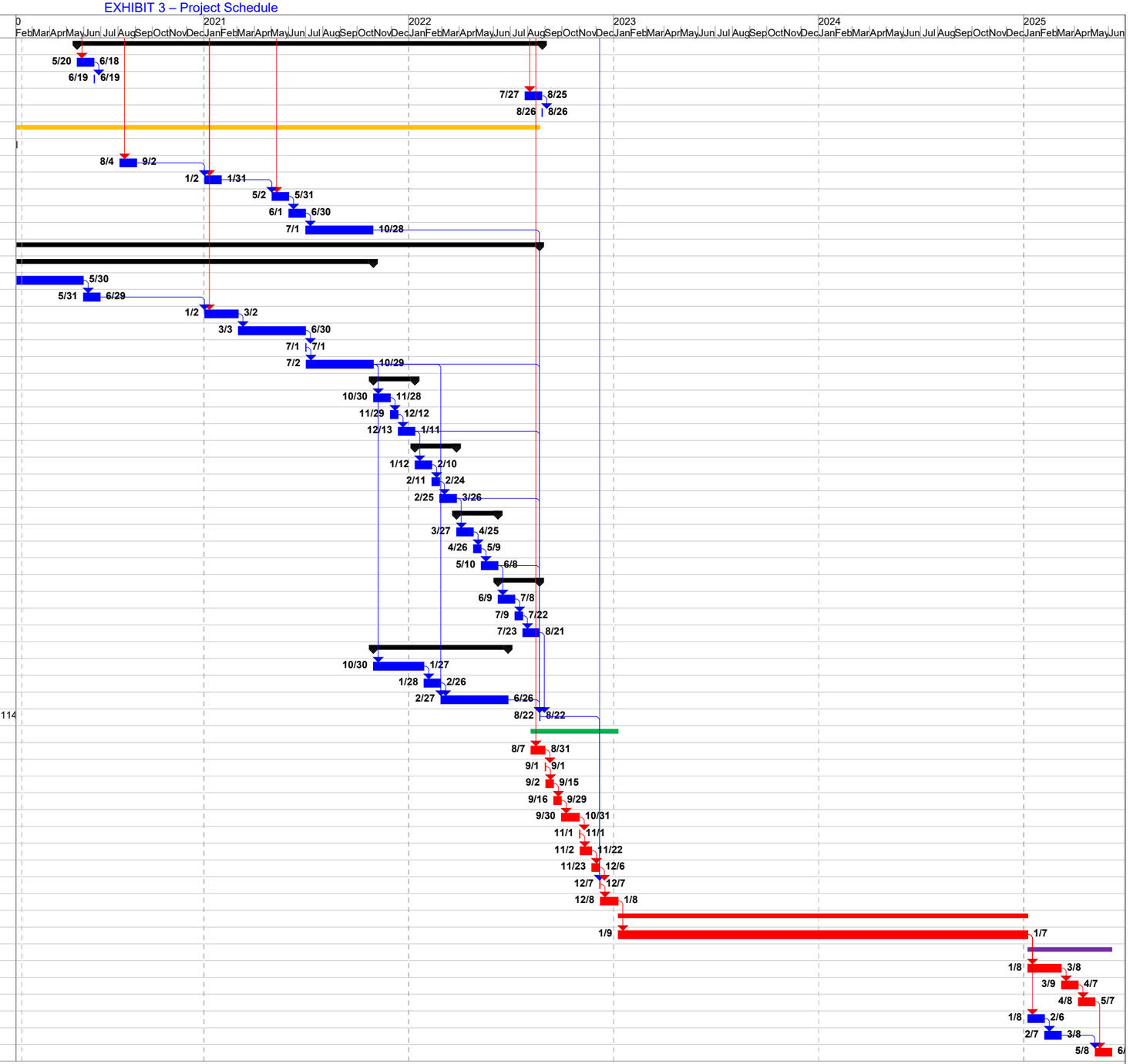


Project: Schedule - Bishop St Imps
Date: Tue 2/11/20

Task		Rolled Up Task		Split		Inactive Task		Duration-only		Finish-only	
Critical Task		Rolled Up Critical Task		External Tasks		Inactive Milestone		Manual Summary Rollup		Progress	
Milestone		Rolled Up Milestone		Project Summary		Inactive Summary		Manual Summary		Deadline	
Summary		Rolled Up Progress		Group By Summary		Manual Task		Start-only			

EXHIBIT 3 – Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
75	**Public Outreach**	**829 days**	**Wed 5/20/20**	**Fri 8/26/22**	
76	Set Up Meeting after 30%	30 days	Wed 5/20/20	Thu 6/18/20	27
77	Public Meeting For 30%	1 day	Fri 6/19/20	Fri 6/19/20	76
78	Set Up Meeting after 100% Plans	30 days	Wed 7/27/22	Thu 8/25/22	38
79	Public Meeting For 100% Plans	1 day	Fri 8/26/22	Fri 8/26/22	78
80	**Utility Relocation**	**994 days**	**Tue 12/3/19**	**Mon 8/22/22**	
81	Determine Conflicts & Notify Utilities	30 days	Tue 12/3/19	Wed 1/1/20	23
82	Review Meeting (after 40%)	30 days	Tue 8/4/20	Wed 9/2/20	30
83	Review Meeting (After 60%)	30 days	Sat 1/2/21	Sun 1/31/21	33,82
84	Review Meeting (After 90%)	30 days	Sun 5/2/21	Mon 5/31/21	35,83
85	Issue Notification Letters	30 days	Tue 6/1/21	Wed 6/30/21	84
86	Minium Notification Requirement (120 Days)	120 days	Thu 7/1/21	Thu 10/28/21	85
87	**Power Poles**	**993 days**	**Tue 12/3/19**	**Sun 8/21/22**	
88	**SMEU**	**697 days**	**Tue 12/3/19**	**Fri 10/29/21**	
89	Prepares Design (After 30% Plans)	180 days	Tue 12/3/19	Sat 5/30/20	23
90	Review SMEU Plans	30 days	Sun 5/31/20	Mon 6/29/20	89
91	Confirm Plans Against 60% Road Plans	60 days	Sat 1/2/21	Tue 3/2/21	90,33
92	Order Materials	120 days	Wed 3/3/21	Wed 6/30/21	91
93	Walk Alignment with CIP PM (After 100% Plans)	1 day	Thu 7/1/21	Thu 7/1/21	92
94	SMEU to Relocate Power Poles/Underground	120 days	Fri 7/2/21	Fri 10/29/21	93
95	**Spectrum**	**74 days**	**Sat 10/30/21**	**Tue 1/11/22**	
96	Prepares Design	30 days	Sat 10/30/21	Sun 11/28/21	94
97	Get contract in place	14 days	Mon 11/29/21	Sun 12/12/21	96
98	Relocate Overhead	30 days	Mon 12/13/21	Tue 1/11/22	97
99	**Grande**	**74 days**	**Wed 1/12/22**	**Sat 3/26/22**	
100	Prepares Design	30 days	Wed 1/12/22	Thu 2/10/22	98
101	Get contract in place	14 days	Fri 2/11/22	Thu 2/24/22	100
102	Relocate Overhead	30 days	Fri 2/25/22	Sat 3/26/22	101
103	**Century Link**	**74 days**	**Sun 3/27/22**	**Wed 6/8/22**	
104	Prepares Design	30 days	Sun 3/27/22	Mon 4/25/22	102
105	Get contract in place	14 days	Tue 4/26/22	Mon 5/9/22	104
106	Relocate Overhead	30 days	Tue 5/10/22	Wed 6/8/22	105
107	**Zayos**	**74 days**	**Thu 6/9/22**	**Sun 8/21/22**	
108	Prepares Design	30 days	Thu 6/9/22	Fri 7/8/22	106
109	Get contract in place	14 days	Sat 7/9/22	Fri 7/22/22	108
110	Relocate Overhead	30 days	Sat 7/23/22	Sun 8/21/22	109
111	**Center Point Gas**	**240 days**	**Sat 10/30/21**	**Sun 6/26/22**	
112	Prepares Design	90 days	Sat 10/30/21	Thu 1/27/22	94
113	Get contract in place	30 days	Fri 1/28/22	Sat 2/26/22	112
114	Relocate Gas Mains	120 days	Sun 2/27/22	Sun 6/26/22	113,94
115	Utilities Cleared	1 day	Mon 8/22/22	Mon 8/22/22	94,98,102,106,114
116	**Bid Phase**	**155 days**	**Sun 8/7/22**	**Sun 1/8/23**	
117	Advertise (Must Start on a Sunday)	25 days	Sun 8/7/22	Wed 8/31/22	39
118	Bid Opening (Must be Tues-Thurs)	1 day	Thu 9/1/22	Thu 9/1/22	117
119	Review Bids	14 days	Fri 9/2/22	Thu 9/15/22	118
120	Prepare ARF/Verify Funds with Finance - May need reimbursement form	14 days	Fri 9/16/22	Thu 9/29/22	119
121	ARF Review Process (Min 29 Days)	32 days	Fri 9/30/22	Mon 10/31/22	120
122	City Council Award (Must be on a Tuesday)	1 day	Tue 11/1/22	Tue 11/1/22	121
123	Execute Contract	21 days	Wed 11/2/22	Tue 11/22/22	122
124	Pre Construction Tasks (Materials Testing/Prepare Precon)	14 days	Wed 11/23/22	Tue 12/6/22	123
125	Pre Construction Meeting	1 day	Wed 12/7/22	Wed 12/7/22	74,115,124
126	Issue NTP	32 days	Thu 12/8/22	Sun 1/8/23	125
127	**Construction Phase**	**730 days**	**Mon 1/9/23**	**Tue 1/7/25**	
128	Construction (Must Start After Hunter Road 1/1/2022)	730 days	Mon 1/9/23	Tue 1/7/25	126
129	**Closeout Phase**	**150 days**	**Wed 1/8/25**	**Fri 6/6/25**	
130	Consultant Prepare Record Drawings	60 days	Wed 1/8/25	Sat 3/8/25	128
131	Review Record Drawings	30 days	Sun 3/9/25	Mon 4/7/25	130
132	Consultant Revises Record Drawings	30 days	Tue 4/8/25	Wed 5/7/25	131
133	Prepare Final Invoice Construction	30 days	Wed 1/8/25	Thu 2/6/25	128
134	Pay Final Invoice Construction	30 days	Fri 2/7/25	Sat 3/8/25	133
135	Pay Final Invoice Design	30 days	Thu 5/8/25	Fri 6/6/25	132,134



Project: Schedule - Bishop St Imps
Date: Tue 2/11/20

Task		Rolled Up Task		Split		Inactive Task		Duration-only		Finish-only			
Critical Task		Rolled Up Critical Task		External Tasks		Inactive Milestone		Manual Summary Rollup		Progress			
Milestone		Rolled Up Milestone		Project Summary		Inactive Summary		Manual Summary		Deadline			
Summary		Rolled Up Progress		Group By Summary		Manual Task		Start-only					

ATTACHMENT A
CITY OF SAN MARCOS
Bishop Street Improvements
SCOPE OF SERVICES

Project Understanding

The work to be performed by CobbFendley & Associates (CobbFendley) under this contract will consist of providing The Design Phase for this project with the following milestone deliverables: 40%, 60%, 90%, and 100% Plans, Specs, and Estimate, bid, and construction phase services. CobbFendley has previously delivered the Preliminary Engineering Report and 30% plans to the City of San Marcos. The project consists of the following improvements:

- Analysis and Design of approximately 3,500 linear feet of a storm drainage system.
- Analysis and Design of approximately 400 linear feet of open channel expansion design for the existing channel west of Veramendi Street.
- Relocation and Design of approximately 2,700 linear feet of 12" water line, services, and appurtenance improvements.
- Relocation and Design of approximately 2,700 linear feet of 8" wastewater line, services, and appurtenance improvements.
- Reconstruction of Streets and Sidewalk in the affected project area:
    - ~350' South Bishop Street
    - ~350' San Antonio Street
    - ~900' North Bishop Street
    - ~1,250' Belvin Street
- Drainage Area Maps and Calculations
- Drainage Plans and Hydraulic Calculations showing 25-year and 100-year HGL
- Update the 2D XP-SWMM Models
- Limited Utility Coordination – Provide resource limited oversight to the team in relocating the overhead utilities
- Environmental – Natural and Cultural Resources – Study and Reporting
- Geotechnical Borings and Reporting
- Stream Bank Restoration
- Demolition Plans
- Traffic Control Phasing and Plans
- Erosion and Sedimentation Plans
- Edwards Aquifer Plan for Veramendi Channel expansion
- Irrigation Plans for Channel Expansion
- Structural Engineering for Retaining Walls
- Cost Estimating
- Specifications – Technical, Special Provisions, and Special Specifications

Refer to **Exhibit 1** of this Scope of Services for the Project area.

Basic Scope of Services

Design, Phase 1

Design Phase (40/60/90/100%) – The below lists CobbFendley tasks to accomplish the project. Following these tasks are general subconsultant services with their respective scopes and fee breakdowns in the appendix.

1. Project Management and QA/QC: This task consists of effort associated with project administration, coordination with City staff, coordination and supervision of the project team, and quality management so that project milestones and deliverables meet schedule and budget constraints. This assumes the project Design phase is 13 months. See the design schedule in the appendix.
2. Meetings

a. Project Review Meetings: Four (4) project meetings have been budgeted for the Design Phase, following each milestone submittal (40/60/90/100%).
b. Public Meetings: One (1) public meeting has been budgeted which consists of preparing exhibits and attending the meeting. This meeting is anticipated to be during the 60% or 90% phase.
c. Internal Project Team Coordination Conference Call Meetings, Biweekly for 12 months.
d. Monthly Status Report: CobbFendley will provide a monthly status report, including a brief summary of work completed as well as a status plan set. This assumes a 12-month duration.

3. 40% Deliverable:

a. 40%: The 40% plan set is a revision to the 30% plan submission that was submitted on October 31st, 2019. The revised 40% will remove the underground dry utility conversions, water quality pond, and concrete pipe to Purgatory Creek which will be replaced with an open drainage channel. This design will also incorporate the outcome of the public meeting to be held early 2020. The plans will include plan and profile with existing utilities and existing ground showing (not proposed utilities). This review set is to allow a sequential review for the City of San Marcos to evaluate horizontal alignments before progressing the design further. CobbFendley will provide two (2) hard copies of 11" x 17" plan sets and one (1) pdf electronic copy. This assumes 45-day duration for 40%. At a minimum, the plan set will contain the following:
   i. Cover Sheet – 1 Sheet
   ii. General Notes – 2 Sheets
   iii. Project Layout Sheet: CobbFendley will provide a layout of the project with plan sheet references. 1 Sheet
   iv. Overall Quantity Sheet: CobbFendley will provide a quantity table that includes individual sheet quantities and the overall project quantities. 2 Sheets
   v. Traffic Control Notes and Narrative – 1 Sheet
   vi. Traffic Control Plan – 7 Phases, 7 Sheets. Will include an overall plan with brief description of layouts
   vii. TCP Details – As required
   viii. Demolition Sheets – 4 sheets
   ix. General Water Layout – 1 Sheet
   x. Water P&P Sheets– Assumes 7 Sheets – (Main only, doesn't include cross connections until 60%)
   xi. Water Details – As required
   xii. General Wastewater Layout – Assumes 1 Sheet
   xiii. Wastewater P&P Sheets– Assumes 7 Sheets - (Main only, doesn't include cross connections until 60%)
   xiv. Wastewater Details – As Required
   xv. Drainage Area Map, Offsite Ex. & Prop – Assumes 2 Sheets
   xvi. Drainage Area Map, Onsite, Ex & Prop – Assumes 2 Sheets
   xvii. Drainage Calculations – Assumes 2 Sheets
   xviii. Drainage Layout – 1 Sheet
   xix. Drainage Channel at Outfall P&P – 3 Sheets
   xx. Storm P&P – Assumes 9 Sheets/Main only, doesn't include cross connections or laterals until 60%)
   xxi. Drainage Channel Expansion at Veramendi Street – See EPR Scope and Fee
   xxii. Storm Drainage Details – As required
   xxiii. General Street Layout
   xxiv. Typical Pavement Sections – Assumes 8 sheets
   xxv. Street P&P Sheets– Assumes 9 Sheets

xxvi. Street Details – As required
xxvii. List of Standard Specifications in a Table of Contents: City of San Marcos Division 1 specifications will be used. City of Austin standard specifications will be used.
xxviii. Engineer's Opinion of Probable Construction Costs (OPCC).
xxix. Construction Project Schedule: CobbFendley will develop a Construction Schedule for the project consisting of design, bid and construction phases. The schedule will be updated during design.

b. Submit 40% Plan Package; including Plans, Estimate, Drainage Models as needed by the City of San Marcos
c. 30% Comment Response Letter.

4. 60% Deliverable:

a. 60%: CobbFendley will provide two (2) hard copies of 11" x 17" plan sets and one (1) pdf electronic copy. This assumes 120-day duration for 60%. The plan set will contain the following:
   i. Cover Sheet – 1 Sheet
   ii. General Notes – 2 Sheets
   iii. Project Layout Sheet: CobbFendley will provide a layout of the project with plan sheet references. 1 Sheet
   iv. Overall Quantity Sheet: CobbFendley will provide a quantity table that includes individual sheet quantities and the overall project quantities. 2 Sheets
   v. Survey – 2 sheets
   vi. SW3P Plans – 1 Sheet
   vii. Erosion and Sedimentation (E&S) Control Plans – 4 Sheets – Tree removals to be shown on EPR plans
   viii. E&S Details – As required
   ix. Traffic Control Notes and Narrative – 1 Sheet
   x. Traffic Control Plan – 16 Sheets. Assumes 7 Phases with 2 Sheets per phase, with an additional 2 sheets at the Hopkins Intersection.
   xi. TCP Details – As required
   xii. Demolition Plan – 4 Sheets
   xiii. General Water Layout – 1 Sheet
   xiv. Water P&P – Assumes 12 Sheets (7 Main Sheets, 5 intersection connections sheets)
   xv. Water Services – Assumes 2 sheets – Details for complex service connection
   xvi. Water Details – As required
   xvii. General Wastewater Layout – Assumes 1 Sheet
   xviii. Wastewater P&P – Assumes 12 Sheets (7 Main Sheets, 5 intersection connections sheets)
   xix. Wastewater Services – Assumes 2 Sheet – Details for complex service connections
   xx. Wastewater Details – As Required
   xxi. Drainage Area Map, Offsite Ex. & Prop – Assumes 2 Sheets
   xxii. Drainage Area Map, Onsite, Ex & Prop – Assumes 2 Sheets
   xxiii. Drainage Calculations – Assumes 2 Sheets
   xxiv. Drainage Channel at Outfall – Assumes 3 Sheets
   xxv. Drainage Channel Expansion at Veramendi Street – See EPR Scope and Fee
   xxvi. Storm P&P – Assumes 12 Sheets (9 Trunk Sheets, 3 Cross Connection and Lateral Profiles)
   xxvii. Lateral Inlet Profiles – Assumes 6 sheets
   xxviii. Storm Drainage Details – As required

xxix. Street Layout – Assumes 1 Sheet
xxx. Typical Pavement Sections (Ex and Prop) – Assumes 8 sheet
xxxi. Street P&P – Assumes 9 Sheets
xxxii. Street Cross Sections – Assumes 20 Sheets
xxxiii. Driveway Detail Plan Sheets (Grading, assumes 60 driveways) – Assumes 30 sheets. Will include plan and profile of the driveways and proposed contours with spot grades as required
xxxiv. Signage and Striping – Assumes 4 Sheets
xxxv. Street Details – As required
xxxvi. List of Standard Specifications in a Table of Contents: City of San Marcos Division 1 specifications will be used. City of Austin standard specifications will be used.
xxxvii. Project Specific/Special Specifications
xxxviii. Project Specific/Special Details
xxxix. Engineer's Opinion of Probable Construction Costs (OPCC).
xl. Construction Project Schedule: CobbFendley will develop a Construction Schedule for the project consisting of design, bid and construction phases. The schedule will be updated during design.

b. Update StormCAD Hydraulic Model – keep the 1D model current for plan related information
c. Submit 60% Plans, Specs, Estimate, and models as required by the City of San Marcos.
d. 40% Comment Response Letter.

5. 90% Deliverable
   a. 90% CobbFendley will provide two (2) hard copies of 11" x 17" plan sets and one (1) pdf electronic copy. This assumes a 90-day duration for 90%. The plan set will also contain the following:
      i. Update plans as listed in the 60% to 90% level per the comments from 60% review. See fee spreadsheet for breakdown. This is assumed the same sheet counts will remain other than those necessary for additional clarity or detail in the overall 60% design.
      ii. Standard Specifications: City of San Marcos Division 1 specifications will be used. City of San Marcos standard specifications will be used and will be supplemented with City of Austin or TxDOT as needed.
      iii. Project Specific/Special Specifications
      iv. Project Specific/Special Details
      v. Engineer's Opinion of Probable Construction Costs (OPCC).
      vi. Construction Project Schedule: CobbFendley will develop a Construction Schedule for the project consisting of design, bid and construction phases. The schedule will be updated during design.
   b. Update StormCAD model – keep the 1D model current for plan related information
   c. Submit 90% Plans, Specs, and Estimate, and models as required by the City of San Marcos.
   d. 60% Comment Response Letter.

6. 100% Deliverable:

   a. 100% CobbFendley will provide two (2) hard copies of 11" x 17" plan sets and one (1) pdf electronic copy. This assumes a 30-day duration for the 100%. The plan set will also contain the following:

      i. Update plans as listed in the 90% level per the comments from 90% review. See fee spreadsheet for breakdown.

ii. Standard Specifications: City of San Marcos Division 1 specifications will be used. City of Austin standard specifications will be used.
iii. Project Specific/Special Specifications
iv. Project Specific/Special Details
v. Engineer's Opinion of Probable Construction Costs (OPCC).
vi. Construction Project Schedule: CobbFendley will develop a Construction Schedule for the project consisting of design, bid and construction phases. The schedule will be updated during design.

b. Submit Final 100%: CobbFendley will provide two (2) hard copies of 11" x 17" plan sets and one (1) pdf electronic copy. Upon approval by the City, two (2) hard copies of 11" x 17" plan sets, one (1) pdf copy, and one (1) CAD copy of the sealed plans will be provided
c. 90% Comment Response Letter.

7. Tasks

a. Permitting efforts – City of San Marcos - City of San Marcos Permits: CobbFendley will prepare the tree counts, floodplain permit (not FEMA modeling or Floodplain mapping), and street cut permits for contractor use during construction and submit to the City prior to construction.

b. TCEQ WPAP – CobbFendley will coordinate the channel expansion with TCEQ for the water pollution abatement plan in the area that the channel expansion overlaps with the Edwards Aquifer Recharge Zone. This assumes two meetings with TCEQ.

c. Temporary Construction Easements Exhibits – 72 exhibits. The temporary construction easement exhibits will not be required to be provided by an RPLS. The CobbFendley team will create individual exhibits showing the boundary line and required offset for each property for the temporary construction easement and deliver to the City of San Marcos for obtaining.

8. Subconsultant Scope and Fees Summary (Breakdown attached in the appendix)

a. CobbFendley, 2D H&H – Update the 2D XPSWMM models to accurately evaluate design changes by milestone. This includes incorporating horizontal or vertical changes that can occur throughout the design to check for unforeseen changes to the 2D modeling output. This task does not include any additional 2D analysis scenarios or alternatives to be run.

b. CobbFendley, Structural – Cantilever Retaining wall design in the drainage channel expansion adjacent to Veramendi. Includes the retaining wall design, plans, specifications, cost estimate for the retaining walls on the east and west side of the drainage channel next to Veramendi Street. If the retaining wall is a vendor product, this could change the scope of services and will need to be evaluated.

c. CobbFendley, Survey Metes and Bounds, ROW Metes and Bounds takes (11 parcels), and Easement Metes and Bounds (9 parcels).

d. CobbFendley, Utility Coordination (UC) – Resource to the design team and City as needed for utility coordination process. This is assumed that UC will be coordinated with the City and San Marcos and CobbFendley design team. This scope is associated with assistance related to coordinating with SMEU power poles.

e. Arias, Geotech – Additional boring in the channel expansion and foundation recommendation for the retaining walls.

f. Cox Mclain, Environmental – Natural, Cultural, and Historic Resources by milestone for project acceptance.

g. EPR, Streambank – Channel Design Plans, Specs, and Estimates and tree plans.

h. JAS, Irrigation – Irrigation plans for the channel expansion

i. ETC Accessibility – ADA compliance review and inspection. Due to the unknowns, the budget of $1,848 was included in this for review and site visits, based on ETC's fee structure. The fee could vary from this and will be evaluated as the project progresses to the submission to TDLR.

Bid and Construction, Phase 2

The bid phase assumes the use of electronic bidding and excludes distribution of plans and addenda to the bidders. These will be handled through the bidding website platform that the City of San Marcos chooses to use.

1. Project Management: This task consists of routine communication with the City and other activities associated with managing the project.

2. Attend Pre-Bid Meeting: CobbFendley will assist the City in conducting pre-bid meeting. The agenda and meeting minutes will be provided by the City of San Marcos.

3. Answer Questions: CobbFendley will assist the City for issuing responses for technical questions. Assumes 10 questions from contractors.

4. Addenda: CobbFendley will assist with the preparation of addenda required to clarify, correct or change the bid documents. Addenda will be provided in Adobe .pdf (searchable) format and sealed by responsible engineer(s). Addenda will be issued to bidders through the City's Purchasing Department. Assumes 4 addenda.

5. Bid Tabulation and Recommendation of Award: CobbFendley will assist the City in review of all bids and evaluate them for responsiveness and bid amount. CobbFendley will also check references, by telephone, of the low bidder and second low bidder. CobbFendley will prepare a letter summarizing the review and evaluation and include recommendations for award of the contract for construction, or other action as may be appropriate. The City will make the final decision on the award of the contract for construction and the acceptance or rejection of all bids. CobbFendley will not attend the bid opening.

6. Prepare conformed documents integrating addenda items in the Construction Plans and issue a "Conformed" set of plans for construction. CobbFendley will provide one (1) electronic copy of Construction Plans in pdf, one (1) CAD copy, and two (2) 22" x 34" plan set, three (3) 11" x 17" plan sets.

Construction Phase – Assumes ~2 years of construction

7. Project Management: This task consists of routine communication with the City; managing, manpower, budgets, and schedules; invoicing; and other activities associated with managing the project.

8. Attend Pre-Construction Conference: CobbFendley will attend a Pre-Construction Conference prior to commencement of work. Agenda and Meeting Minutes will be provided by the City of San Marcos.

9. Submittal Review: CobbFendley will review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which the Contractor is required to submit, but only for conformance with the information given in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs. Fifty (50) submittals have been assumed, reviewed no more than 2 times. CobbFendley will maintain a submittal log throughout construction.

10. Response to Requests for Information/Modifications: CobbFendley will respond to reasonable and appropriate Contractor requests for information (RFI's) and issue necessary clarifications and interpretations of the Contract Documents to the City as appropriate to the orderly completion of Contractor's work. Twenty-five (25) RFI's have been assumed.

11. Construction Observation and Monthly Construction Meetings: CobbFendley will provide on-site construction observation services during the construction phase. Agendas and meeting minutes will be provided by the City of San Marcos. CobbFendley will make visits at intervals as directed by Client to observe the progress of the Work. Such visits and observations by CobbFendley are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the Work based on CobbFendley's exercise of professional judgment. Based on information obtained during such visits and such observations, CobbFendley will evaluate whether Contractor's work is generally proceeding in accordance with the Contract Documents, and CobbFendley will keep Client informed of the general progress of the Work.

    The purpose of CobbFendley's site visits will be to enable CobbFendley to better carry out the duties and responsibilities specifically assigned in this Agreement to CobbFendley, and to provide Client a greater degree of confidence that the completed Work will conform in general to the Contract Documents. CobbFendley will not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor will CobbFendley have authority over or responsibility for the means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, nor for any failure of Contractor to comply with laws and regulations applicable to Contractor's furnishing and performing the Work. Accordingly, CobbFendley neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

    Two (2) site visits or construction meetings per month for a duration of twenty (24) months are assumed, which equates to 48 site visits. If a construction meeting is necessary for the client, and contractor, then the meeting can take the place of one of the construction site visits.

12. Pay Application Review: Based on its observations and on review of applications for payment and accompanying supporting documentation as well as coordination with the City Inspector on conformation of units completed, CobbFendley will determine the amounts that CobbFendley recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute CobbFendley's representation to Client, based on such observations and review, that, to the best of CobbFendley's knowledge, information and belief, Contractor's work has progressed to the point indicated and that such work-in-progress is generally in accordance with the Contract Documents subject to any qualifications stated in the recommendation. In the case

of unit price work, CobbFendley's recommendations of payment will be based on the recommendations by the City and inspector. Review of twenty-four (24) Pay Applications has been assumed.

13. Review of Change Orders: CobbFendley may recommend Change Orders to Client and will review and make recommendations related to Change Orders submitted or proposed by the Contractor. Four (4) change orders are assumed.

14. Substantial Completion: CobbFendley will, promptly after notice from Contractor that it considers the entire Work ready for its intended use, in company with Client and Contractor, conduct a site visit to determine if the Work is substantially complete. Work will be considered substantially complete following satisfactory completion of all items except for those identified on a final punch list. If after considering any objections of Client, CobbFendley considers the Work substantially complete, CobbFendley will notify Client and Contractor.

15. Final Notice of Acceptability of the Work: CobbFendley will conduct a final site visit to determine if the completed Work of Contractor is generally in accordance with the Contract Documents and the final punch list so that CobbFendley may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, CobbFendley will also provide a notice that the Work is generally in accordance with the Contract Documents to the best of CobbFendley's knowledge, information, and belief based on the extent of its services and based upon information provided to CobbFendley upon which it is entitled to rely.

16. Record Drawings: CobbFendley will review the Contractor's redline as-built drawings and the survey as-builts and incorporate deviations from the construction drawings as appropriate. Record drawing information will be based solely on the provided marked-up drawings and appropriate field documentation received from the contractor and surveyor. CobbFendley will deliver one (1) set of full-size bond drawings and one (1) set of half size plan set for review, as well as pdf and electronic CAD copy.

17. Subconsultant Services

    a. CobbFendley As-Built Survey

    b. EPR – See appendix for Bid and Construction Phase Services

Supplemental Scope of Services

Schedule

The following project milestones are estimated and may require modification pending preliminary engineering results and construction timeframe constraints:

- 40% Design Documents (45 days)
- 60% Design Documents Submittal (120 days)
- 90% Design Documents Submittal (90 days)
- 100% Design Documents Submittal (30 days)

The estimated timeframes identified do not include time for City review of submittals.

City Responsibilities

ATTACHMENT A
CITY OF SAN MARCOS
Bishop Street Improvements
SCOPE OF SERVICES

1. The City will provide to CobbFendley all data in the City's possession relating to CobbFendley's services on the Project. CobbFendley will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by the City.

2. The City will give prompt notice to CobbFendley whenever the City observes or becomes aware of any development that affects the scope or timing of CobbFendley's services.

3. The City will examine information submitted by CobbFendley and render in writing or otherwise provide comments and decisions in a timely manner.

4. The City will obtain all necessary right-of-entries from required landowners. Parcel access expected to be all landowners along Belvin Street, North Bishop Street, West San Antonio Street, South Bishop Street, the ditch running north and south between Belvin and West San Antonio, Parcel R43610, Parcel R111254, Parcel R136050 and Purgatory Creek.

5. The City will provide Title Reports for properties with proposed easements.

6. The City will obtain all permanent sanitary sewer line, access, and temporary construction easements, including services such as appraisal of properties, negotiations with the property owners, and actual purchase of the easements.

Additional Services

Additional Services to be performed, if authorized in writing by the City, but which are not included in the above-described Basic and Supplemental Scope of Services, and once a mutually agreed upon fee is negotiated are as follows:

1. Performing Subsurface Utility Engineering (SUE). If additional SUE Level B or Level A is required as the design advances, then this can be handled by a separate authorization in the future.

2. It is assumed the CLOMR and LOMR applications are not required on this project.

3. It is assumed that USACE permitting efforts are not required for this project.

4. Alignment Changes after 60% to the storm sewer, water, or wastewater that add linear feet to the project or significantly alter the design after 60%.

5. Water Quality improvements were removed from this Scope of Services after the 30% design.

6. All dry utilities shall remain overhead.

7. Illumination services will be handled by San Marcos Electric Utility

8. The gas line alignment will be drawn horizontally by CobbFendley and coordinated with the gas company. The gas company is responsible for the vertical design of the gas line, and service connections to the existing homes. This assumes that the gas line relocation will be handled by the gas company and not part of this project.

9. Temporary construction easements do not include more than one submittal. If there are comments or revisions requested to the exhibits, then this will be additional services dependent on the scope of the resubmittal.

10. Retaining wall services are for Cantilever structural retaining wall design. If a different, or proprietary, retaining wall is presented, then this could impact the current scope.

11. This scope does not include structural headwall design or junction box design. It is assumed that City or TxDOT standards can be used in conjunction with manufacturer recommendations.

12. Performing title searches for easement or joint-use agreement preparation.

13. Preparation of additional easement/ boundary exhibits beyond the number identified in the Scope of Services. Refer to the language above and the appendix for the numbers of temporary and permanent easements.

14. Acting as an agent of the City in the acquisition of permanent or temporary easements. ROW and Easement acquisitions are to be handled by the City of San Marcos. Additional services are required if CobbFendley is to provide services in this area.

15. Preparation of platting documents and/or real property survey for site acquisition.

16. Accompanying the City when meeting with the TCEQ, U.S. Environmental Protection Agency, or other regulatory agencies during the Project, beyond those meetings identified above.

17. Preparing applications and supporting documents for government grants, loans, or planning advances.

18. Appearing before regulatory agencies or courts as an expert witness in any litigation with third parties or condemnation proceedings arising from the development or construction of the Project, including the preparation of engineering data and reports for assistance to the City.

19. Providing professional services associated with the discovery of any hazardous waste or materials in the project site.

20. Logistics associated with hosting the public meetings. CobbFendley's involvement is defined in the sections above. Mailers, website development, public signage placement, and other outreach efforts are not included in this scope.

21. Traffic counts are not included in this scope of services.

22. Traffic signal design is not included in this scope of services.

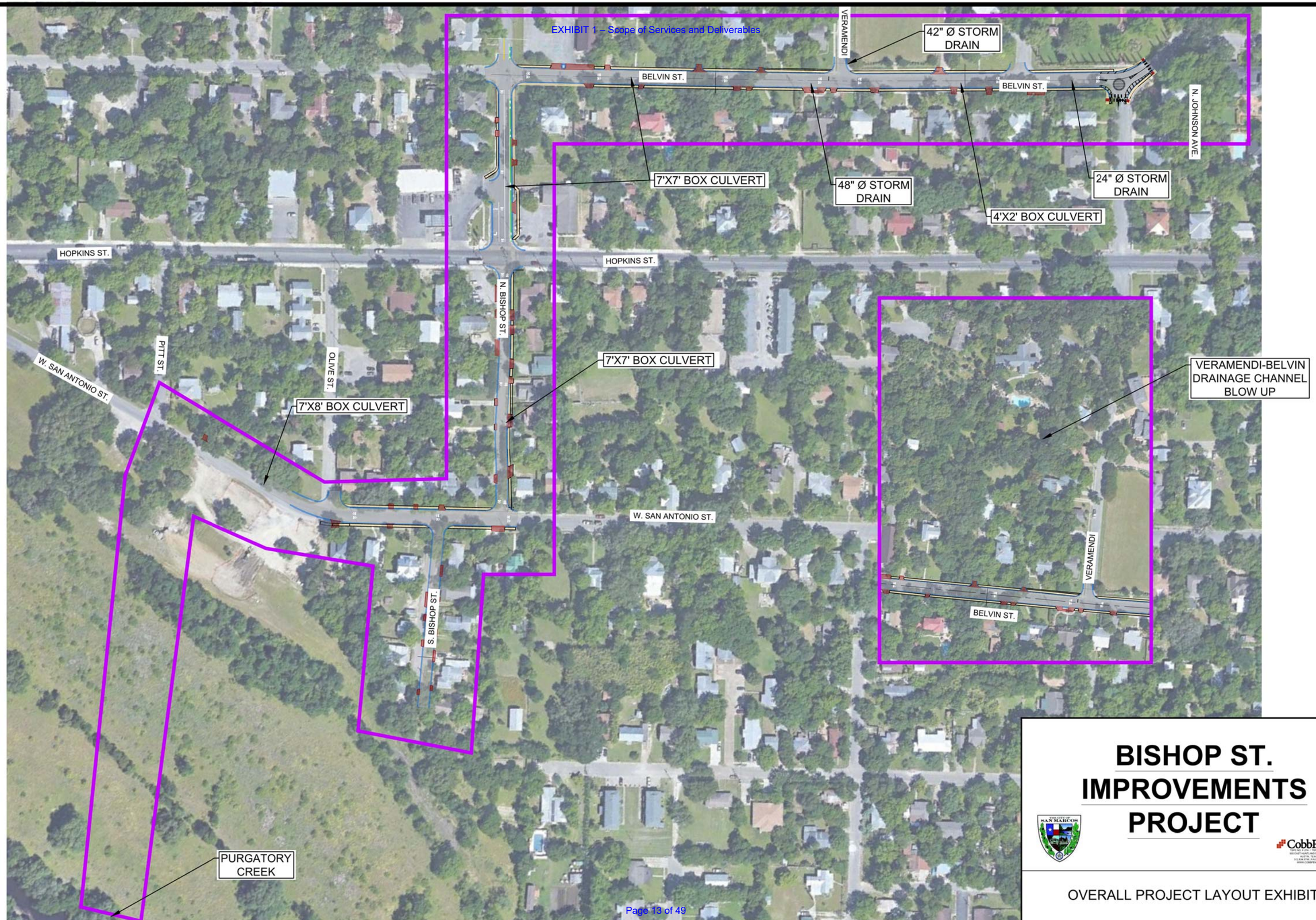
23. Dry utility design is not included in this contract and will be designed by SMEU or another party.

24. TCEQ permitting for WPAP is only included for the drainage channel expansion west of Veramendi drive in the area that overlaps the Edwards Aquifer Recharge Zone. It is assumed that TCEQ permitting is not required for the roadway and storm sewer portion of this project. Due to most of the project limits being located within the Transition Zone of the Edwards Aquifer, and the runoff draining away from the Edwards Aquifer Recharge Zone, based on the TCEQ flowchart, WPAP and SCS permitting is not required by the TCEQ for the Bishop street roadway and drainage improvements.

25. It is assumed that detention pond or regional storm water management is not required in this project.

26. 2D modeling will only be performed to analyze the changes to the current approved design of the channel expansion, and storm sewer throughout the project area. Additional scenarios or alternatives are not included in this scope of services.

Exhibit 1 – Project Area



BISHOP ST. IMPROVEMENTS PROJECT

CobbFendley

OVERALL PROJECT LAYOUT EXHIBIT

ATTACHMENT A
CITY OF SAN MARCOS
Bishop Street Improvements
SCOPE OF SERVICES

Subconsultant Scopes:

CobbFendley – 2D Modeling – In Main Scope Above

CobbFendley Structural

CobbFendley Survey Metes and Bounds and As-Builts – In Main Scope Above and in Fee Spreadsheet notes

CobbFendley Utility Coordination

Geotechnical - Arias

Environmental – Cox McClain

Stream Restoration - EPR

Irrigation – JAS

ETC Accessibility – In Main Scope Above

a. CobbFendley 2D Drainage Modeling updates

EXHIBIT 3 - FEE ESTIMATE

City of San Marcos, Texas

Bishop Street Improvements

					Staff								Civil Subconsultants	Total Expense	Mileage	Printing 8.5x11	Printing Full Size
		Professional Service Description	Total Task Hours	Total Task Cost	Principal	Project Manager	Senior Project Manager	Senior Project Engineer	Project Engineer II	Project Engineer I	Senior Technician	Clerical	Sub 1		per mile	per each	per sf
					$225.00	$210.00	$215.00	$185.00	$135.00	$115.00	$135.00	$75.00	Fee		$0.55	$0.15	$3.00
		Preliminary Engineering	**66.00**	**$ 10,510.00**										$ -			
1		Project Management	0.00	$ -										$ -			
		QA/QC - PER	0.00	$ -										$ -			
2		Meetings	0.00	$ -										$ -			
	a	Project Coordination Meetings - 4	0.00	$ -										$ -			
	b	Public Meeting - Preparation	0.00	$ -										$ -			
3		Data Collection and Review	0.00	$ -										$ -			
	a	Review Reports, Studies, and Drawings	0.00	$ -										$ -			
	b	Site Visits	0.00	$ -										$ -			
	c	Staff Coordination	0.00	$ -										$ -			
4		Survey	0.00	$ -										$ -			
5		Geotechnical	0.00	$ -										$ -			
6		Environmental	0.00	$ -										$ -			
7		**Offsite - 2D Drainage**	0.00	$ -										$ -			
	a	Project Startup	2.00	$ 270.00					2.00					$ -			
	b	Proposed Conditions Analysis - 2 year	12.00	$ 1,940.00			4.00		8.00					$ -			
	c	Update Models for 30% Plans (2-, 25- and 100-year models)	16.00	$ 2,480.00			4.00		12.00					$ -			
	d	Update Models for 60% Plans (2-, 25- and 100-year models)	16.00	$ 2,480.00			4.00		12.00					$ -			
	e	Update Models for 90% Plans (2-, 25- and 100-year models)	16.00	$ 2,480.00			4.00		12.00								
	f	QA/QC	4.00	$ 860.00			4.00							$ -			
8		On-site Hydrology and Hydraulics	0.00											$ -			
	a	On-Site Hydrology	0.00	$ -										$ -			
	b	On-Site Hydraulics	0.00	$ -										$ -			
	c	Update Existing HEC-RAS Sections	0.00	$ -										$ -			
	e	LID/Water Quality - Crespo	0.00	$ -										$ -			
	f	Drainage Report	0.00	$ -										$ -			
9		**Photometric Analysis**	0.00	$ -										$ -			
10		Determine Easement and Land Acquisition	0.00	$ -										$ -			
	a	Prepare Exhibits	0.00	$ -										$ -			
11		Determing Project Permitting/Design Requirements	0.00	$ -										$ -			
	a	TxDOT, County ROW, Floodplain, TCEQ Transition Zone, TPWD, UPRR (if necessary), USACE, and USF&W	0.00	$ -										$ -			
14		Construction Cost Estimates	0.00	$ -										$ -			
15		Deliverables	0.00	$ -										$ -			
	a	Monthly Status update	0.00	$ -										$ -			
	b	Public Meeting - 1	0.00	$ -										$ -			
	c	Public Meeting Roll Plots	0.00	$ -										$ -			
	d	Design Summary Report	0.00	$ -										$ -			
	e	PER Report - Draft	0.00	$ -										$ -			
	f	PER Report - Final	0.00	$ -										$ -			
		30% Plans	**0.00**	**$ -**										$ -			
1	a	Project Management	0.00	$ -										$ -			
	b	QA/QC	0.00	$ -										$ -			
2		Meetings	0.00	$ -										$ -			
	a	Project Coordination Meetings - 2	0.00	$ -										$ -			
3		Develop Design Summary Report	0.00	$ -										$ -			
4		30% Plans	0.00	$ -										$ -			
	a	Cover Sheet - 1 Sheet	0.00	$ -										$ -			
	b	General Notes - 2 Sheets	0.00	$ -										$ -			
	c	Survey - 2 Sheets	0.00	$ -										$ -			
	d	General Layout - 1 Sheet	0.00	$ -										$ -			
	e	Water - 9 Sheets	0.00	$ -										$ -			
	f	Wastewater - 9 Sheets	0.00	$ -										$ -			
	g	Drainage Area Maps, Offsite - 2 Sheets	0.00	$ -										$ -			
	h	Drainage Area Maps, Onsite - 2 Sheets	0.00	$ -										$ -			
	i	Storm Drainage Calcs - 1 Sheet	0.00	$ -										$ -			
	j	Storm Plans - 9 Sheets	0.00	$ -										$ -			
	k	Street Plans - 9 Sheets	0.00	$ -										$ -			
5		**Utility Coordination**	0.00	$ -										$ -			
6		Construction Cost Estimates	0.00	$ -										$ -			
7		Deliverables	0.00	$ -										$ -			
	a	Monthly Status update - Assumes 2 months for 30%	0.00	$ -										$ -			
	b	30% Plans	0.00	$ -										$ -			
	c	Design Checklist - Per COSM Requirements	0.00	$ -													

EXHIBIT 1 – Scope of Services and Deliverables

EXHIBIT 3 - FEE ESTIMATE

City of San Marcos, Texas

Bishop Street Improvements

				Staff								Civil Subconsultants	Total Expense	Mileage	Printing 8.5x11	Printing Full Size
Professional Service Description	Total Task Hours	Total Task Cost	Principal	Project Manager	Senior Project Manager	Senior Project Engineer	Project Engineer II	Project Engineer I	Senior Technician	Clerical	Sub 1		per mile	per each	per sf
			$225.00	$210.00	$215.00	$185.00	$135.00	$115.00	$135.00	$75.00	Fee		$0.55	$0.15	$3.00
END BASIC SERVICES															
Total Basic Service Hours:	**66.00**		**0.00**	**0.00**	**20.00**	**0.00**	**46.00**	**0.00**	**0.00**	**0.00**					
Total Basic Services	**$ 10,510.00**														
Total Expenses	**$ -**														
Overall Total - Basic Services	**$ 10,510.00**														
Supplemental Services		**$ -**													
END															
Total Supplemental Services	**$ -**														
Total Fee Basic + Supplemental Services		**$ 10,510.00**													

The hours listed above are an estimate. The hours assigned to the Phase are not exclusive to the Phase which they are assigned. The total fee will not exceed the total contract amount as discussed in Article 2. The hourly rates of this contract shall apply throughout the remainder of this contract and to all change in services.

Payment to the ENGINEER will be made as follows:

1. Basic Services - The amounts of these invoices will be based upon the extent of work completed by the Engineer on an hourly basis.
2. Supplemental Services - The Engineer will receive approval in writing before performing supplemental services. The amounts of these invoices will be based upon the extent of work completed by the Engineer on a lump sum basis.
3. Reimbursable Expense - Reimbursable expenses including such things as expenses for plotting, reproduction of documents, auto travel mileage (current IRS approved mileage rate), delivery charges, long distance communications, freight, and state accessibility will be invoiced with appropriate backup documentation.

Invoice and Time of Payment

Invoices will be prepared in a format approved by the City prior to submission of the first monthly invoice. Invoices shall be submitted monthly and paid within 30 days.

b. CobbFendley Structural Scope and Fee

Scope of Services for Design of Cantilever Retaining Wall

The Engineer shall design the retaining walls within the limits specified using the geometry provided and geotechnical information supplied by the Geotechnical Engineer. The engineer shall **not** be responsible for soil borings, testing or any geotechnical related work.

The approximate limits of each retaining wall shall be based on Station or length. The Engineer shall prepare the retaining wall layouts showing plan and profile. **An approved vendor may provide a different retaining wall option to that provided by the Engineer**. The Engineer shall provide layouts (scale 1"=40'), elevations, quantity estimate, summary of quantities, typical cross sections and structural details of all retaining walls within the project.

The specific requirements for each item are as follows:

1. Layout Plan
   (a) Designation of reference line

   (b) Beginning and ending retaining wall stations

   (c) Offset from reference line

   (d) Horizontal curve data

   (e) Total length of wall

   (f) Indicate face of wall

   (g) All wall dimensions and alignment relations (alignment data as necessary)

   (h) Soil boring locations

   (i) Drainage, signing, lightning, etc. that is mounted on or passing through the wall.

   (j) Subsurface drainage structures or utilities which could be impacted by wall construction.
2. Elevation:
   (a) Top of wall elevations

   (b) Existing and finished ground line elevations

   (c) Vertical limits of measurement for payment

   (d) Type, limits and anchorage details of railing (only if Traffic Railing foundation standard is not being used on this project)

   (e) Top and bottom of wall profiles plotted at correct station & elevation.

   (f) Underdrains

   (g) Any soil improvement, if applicable.

   (h) Drainage, signing, lighting etc. as noted above

   (i) Drainage structures and utilities as noted above

3. Sectional View:

   (a) Reinforced volume

   (b) Underdrain location

   (c) Soil improvements, if applicable.

4. General Guidelines for Retaining Walls

   (a) The Engineer shall perform design calculations to check the stability of the walls, including bearing, sliding and overturning, and produce detail drawings as required.

5. The deliverables shall be:

   (b) Design Calculations
   (c) Plan Details with Quantities
   (d) QC of Calculations and Plans

EXHIBIT 3 - FEE ESTIMATE

City of San Marcos, Texas

Bishop Street Improvements

					Staff						Civil Subconsultants	Total Expense	Mileage	Printing 8.5x11	Printing Full Size
		Professional Service Description	**Total Task Hours**	**Total Task Cost**	**Principal**	**Senior Project Manager**	**Project Engineer I**	**Project Engineer II**	**Senior Technician**	**Clerical**	**Sub 1**		**per mile**	**per each**	**per sf**
					$225.00	$215.00	$115.00	$135.00	$145.00	$75.00	Fee		$0.55	$0.15	$3.00
	Design Phase (40/60/90/100%)		**177.00**	**$ 29,775.00**								**$ 75.60**			
		Tasks	0.00	$ -								$ -			
1-4	a	Design wall	16.00	$ 3,440.00		16.00						$ 0.90		6	
	b	Detail wall (6 shts)	42.00	$ 6,530.00		8.00	4.00		30.00			$ 18.00			6
	c	QC wall design	12.00	$ 1,380.00			12.00					$ -			
	d	QC wall detail (6 shts)	18.00	$ 3,450.00		12.00			6.00			$ -			
1-6	a	Design wall	8.00	$ 1,720.00		8.00						$ 0.90		6	
	b	Detail wall (6 shts)	22.00	$ 3,410.00		4.00	2.00		16.00			$ 18.00			6
	c	QC wall design	6.00	$ 690.00			6.00					$ -			
	d	QC wall detail (6 shts)	12.00	$ 2,300.00		8.00			4.00			$ -			
			0.00	$ -								$ -			
1-9	a	Design wall	4.00	$ 860.00		4.00						$ 0.90		6	
	b	Detail wall (6 shts)	12.00	$ 1,820.00		2.00	2.00		8.00			$ 18.00			6
	c	QC wall design	2.00	$ 230.00			2.00					$ -			
	d	QC wall detail (6 shts)	8.00	$ 1,440.00		4.00			4.00			$ -			
			0.00	$ -								$ -			

EXHIBIT 3 - FEE ESTIMATE

City of San Marcos, Texas
Bishop Street Improvements

					Staff						Civil Subconsultants	Total Expense	Mileage	Printing 8.5x11	Printing Full Size
		Professional Service Description	**Total Task Hours**	**Total Task Cost**	**Principal**	**Senior Project Manager**	**Project Engineer I**	**Project Engineer II**	**Senior Technician**	**Clerical**	**Sub 1**		**per mile**	**per each**	**per sf**
					$225.00	$215.00	$115.00	$135.00	$145.00	$75.00	Fee		$0.55	$0.15	$3.00
1-10	a	Design wall	2.00	$ 430.00		2.00						$ 0.90		6	
	b	Detail wall (6 shts)	7.00	$ 1,125.00		2.00	1.00		4.00			$ 18.00			6
	c	QC wall design	2.00	$ 230.00			2.00					$ -			
	d	QC wall detail (6 shts)	4.00	$ 720.00		2.00			2.00			$ -			
			0.00	$ -								$ -			
		END BASIC SERVICES													
		Total Basic Service Hours:	**177.00**		**0.00**	**72.00**	**31.00**	**0.00**	**74.00**	**0.00**					
		Total Basic Services	**$ 29,775.00**												
		Total Expenses	**$ 75.60**												
		Overall Total - Basic Services	**$ 29,850.60**												

The hours listed above are an estimate. The hours assigned to the Phase are not exclusive to the Phase which they are assigned. The total fee will not exceed the total contract amount as discussed in Article 2. The hourly rates of this contract shall apply throughout the remainder of this contract and to all change in services.

Payment to the ENGINEER will be made as follows:

1. Basic Services - The amounts of these invoices will be based upon the extent of work completed by the Engineer on an hourly basis.
2. Supplemental Services - The Engineer will receive approval in writing before performing supplemental services. The amounts of these invoices will be based upon the extent of work completed by the Engineer on a lump sum basis.
3. Reimbursable Expense - Reimbursable expenses including such things as expenses for plotting, reproduction of documents, auto travel mileage (current IRS approved mileage rate), delivery charges, long distance communications, freight, and state accessibility will be invoiced with appropriate backup documentation.

Invoice and Time of Payment

Invoices will be prepared in a format approved by the City prior to submission of the first monthly invoice. Invoices shall be submitted monthly and paid within 30 days.

c. CobbFendley Survey Metes and Bounds, Easements, and Survey As-builts

Summary of Survey Fees

Design Phase	
Boundary ROW Takes	$31,336.80
Drainage Easements	$22,143.00
Total	$53,479.80
Construction Phase	
Construction As-Built	$18,176.00
Total Survey	$71,655.80

TASK	San Marcos - Bishop Street Improvements - ROW Takes		RPLS	Survey Tech	2-Man Field Crew	3-Man Field Crew	Total Unit Hours	cost per task	man-hours per task
Rate per hour			$ 170	$ 126	$ 165	$ 170			
Pre-field Office Work									
	Owner Research - Deed Plot		1	9			10	$ 1,304.00	10
	ROE - By SM							$ -	0
								$ -	0
Primary Field Work									
	Verify Horizontal Control is still in place		1		4		5	$ 830.00	449
	Boundary Recovery		2		10		12	$ 1,990.00	1122
								$ -	0
								$ -	0
Office Work									
	Process Field Work		1	10			11	$ 1,430.00	11
	Prepare Boundary File		1	10			11	$ 1,430.00	11
	Prepare Sketches & Descriptions & Cal		11	88			99	$ 12,958.00	99
								$ -	0
Secondary Field Work									
	Set IR. For ROW Takes		3		30		33	$ 5,460.00	3363
								$ -	0
QA / QC			6	11			17	$ 2,406.00	17
Project Management			4				4	$ 680.00	4
Total			30	128	44	0	202		5086
Cost			$ 5,100	$ 16,128	$ 7,260	$ -			
								$ 28,488.00	
	Crew members:	112							
	Days:	0							
Per Diem ($46/ Crew Member/ Day)								$ -	
Lodging (Averaged $97/ Crew Member/Day)								$ -	
Reimbursable Cost									
Sub Total								$ 28,488.00	
10	% Contingency	=	$ 2,848.80					$ 2,848.80	
Total Cost								**$ 31,336.80**	

Budget Summary		Hours	Cost		Unit Hours
	Labor	5086	$ 21,228.00	Office =	158
	Direct Expense		$ -	Field =	44
	Reimbursable Expense	44	$ 7,260.00		
	Contingency		$ 2,848.80		
Total			$ 31,336.80		

Notes:
Right-of-Way Takes and TCEs = 11 Parcels
Establish Boundary along Blevins Streets and obtain back corners for ROW Takes.
Plats and metes and bounds for 11 right-of-way takes. Show TCEs on plats, no description.
Set a total of 20 right-of-way corners.

TASK	San Marcos - Bishop Street Improvements - Drainage Easements		RPLS	Survey Tech	2-Man Field Crew	3-Man Field Crew	Total Unit Hours	cost per task	man-hours per task
Rate per hour			$ 170	$ 126	$ 165	$ 170			
Pre-field Office Work									
	Owner Research - Deed Plot		2	9			11	$ 1,474.00	11
	ROE - By SM							$ -	0
								$ -	0
Primary Field Work									
	Verify Horizontal Control is still in place		1		4		5	$ 830.00	449
	Boundary Recovery		2		10		12	$ 1,990.00	1122
								$ -	0
								$ -	0
Office Work									
	Process Field Work		1	4			5	$ 674.00	5
	Prepare Boundary File		4	10			14	$ 1,940.00	14
	Prepare Sketches & Descriptions & Cal		9	72			81	$ 10,602.00	81
								$ -	0
Secondary Field Work									
	Set IR. For ROW Takes							$ -	0
								$ -	0
QA / QC			4	10			14	$ 1,940.00	14
Project Management			4				4	$ 680.00	4
Total			27	105	14	0	146		1700
Cost			$ 4,590	$ 13,230	$ 2,310	$ -			
								$ 20,130.00	
	Crew members:	112							
	Days:	0							
Per Diem ($46/ Crew Member/ Day)								$ -	
Lodging (Averaged $97/ Crew Member/Day)								$ -	
Reimbursable Cost									
Sub Total								$ 20,130.00	
10	% Contingency	=	$ 2,013.00					$ 2,013.00	
Total Cost								**$ 22,143.00**	

Budget Summary		Hours	Cost		Unit Hours
	Labor	1700	$ 17,820.00	Office =	132
	Direct Expense		$ -	Field =	14
	Reimbursable Expense	14	$ 2,310.00		
	Contingency		$ 2,013.00		
Total			$ 22,143.00		

Notes:
Drainage Easements = 9 Parcels
Establish Boundary along back corners for Drainage Easements.
Plats and metes and bounds for drainage Easements and TCEs for 9 parcels.

TASK	San Marcos - Bishop Street Improvements - As-Builts		RPLS	Survey Tech	2-Man Field Crew	3-Man Field Crew	Total Unit Hours	cost per task	man-hours per task
Rate per hour			$ 170	$ 126	$ 165	$ 170			
Pre-field Office Work									
	Work Order Preparation		1	1			2	$ 296.00	2
								$ -	0
								$ -	0
Primary Field Work									
	Verify Control		1		4		5	$ 830.00	13
	As-Built All new Improvements		3		40		43	$ 7,110.00	123
	Obtain Inverts of All inlets - MH		1		10		11	$ 1,820.00	31
								$ -	0
Office Work									
	Verify Control		1	1			2	$ 296.00	2
	Process Field data		1	8			9	$ 1,178.00	9
	Prepare Deliverables		1	40			41	$ 5,210.00	41
								$ -	0
Secondary Field Work									
	Add Sections - Set Monuments							$ -	0
								$ -	0
QA / QC			2	6			8	$ 1,096.00	8
Project Management			2				2	$ 340.00	2
Total			13	56	54	0	123		231
Cost			$ 2,210	$ 7,056	$ 8,910	$ -			
								$ 18,176.00	
	Crew members:	3							
	Days:	0							
Per Diem ($46/ Crew Member/ Day)								$ -	
Lodging (Averaged $97/ Crew Member/Day)								$ -	
Reimbursable Cost									
Sub Total								$ 18,176.00	
0	% Contingency	=	$ -					$ -	
Total Cost								**$ 18,176.00**	

Budget Summary		Hours	Cost		Unit Hours
	Labor	231	$ 9,266.00	Office =	69
	Direct Expense		$ -	Field =	54
	Reimbursable Expense	54	$ 8,910.00		
	Contingency		$ -		
Total			$ 18,176.00		

Notes: As-Built Information to include All Proposed Routes.
As-built information to include shooting in all of the water valves, hydrants, manholes, inverts, etc for the water, storm, sanitary in the project area after construction. You can count on a sanitary sewer and storm sewer manhole every 500' (which will need inverts) and water valves at every intersection and fire hydrants on every block. below are the lengths of the project. Does not include drainage improvements to channel adjacent to Veramendi Street.

- ~350' South Bishop Street
- ~350' San Antonio Street
- ~900' North Bishop Street
- ~1,250' Belvin Street

Rate per hour				$ 170	$ 126	$ 165	$ 170	$ 100			
TASK	**San Marcos - Bishop Street Improvements**			RPLS	Survey Tech	2-Man Field Crew	3-Man Field Crew	Administrative Assis	Total Unit Hours	cost per task	man-hours per task

d. CobbFendley Utility Coordination Scope and Fee

SCOPE OF SERVICES

1.0 Major Task- Utility Coordination

Utility adjustment coordination includes utility coordination meetings with individual utility companies, communication and coordination with utilities. All utility coordination activities will be in accordance with the City of San Marcos Guidelines and TxDOT UAR, where applicable.

General Services for Each Project:

It is CobbFendley's assumption that no conflict assessments would be necessary, as utilities that are being affected are planning to relocate out of the area by themselves prior to the project.

1.2 60% Design:

1. Individual Utility Coordination Meetings. CobbFendley will set-up utility coordination meetings with individual Telecom Utility Owners to coordinate pole transfers. For utilities other than telecoms needing pole transfers, CobbFendley will set-up, on a as needed basis individual meetings to coordinate relocation at the request of the City. Individual utility coordination meetings include meeting preparation, travel time, meeting and follow-up meeting minutes.

1.3 90% Design:

1. Individual Utility Coordination Meetings. CobbFendley will set-up utility coordination meetings with individual Telecom Utility Owners to coordinate pole transfers. For utilities other than telecoms needing pole transfers, CobbFendley will set-up, on a as needed basis individual meetings to coordinate relocation at the request of the City. Individual utility coordination meetings include meeting preparation, travel time, meeting and follow-up meeting minutes.

1.4 99%, 100% Design:

1. Individual Utility Coordination Meetings. CobbFendley on a as needed basis individual meetings to coordinate relocation at the request of the City. Individual utility coordination meetings include meeting preparation, travel time, meeting and follow-up meeting minutes.

EXHIBIT 3 - UTILITY COORINDATION -FEE ESTIMATE

City of San Marcos, Texas
Bishop Street Drainage

				Staff												Task Budge
		Professional Service Description	Total Task Hours	Project Manager	Senior Engineer	Egnineer III	Engineer II	Engineer I	Senior Utility Specialist	Utility Specialist	Senior Technician	Technician III	Technician II	Technician I	Clerical Staff	
				$275.00	$215.00	$160.00	$135.00	$115.00	$165.00	$140.00	$145.00	$120.00	$110.00	$90.00	$75.00	Fee
		Design Phase (40/60/90/99/100%)	**101**													**$14,850.00**
1		**60% Design Phase**														
		2 Utility Coorindation														**$6,200.00**
		1.2. Project Management	1	1												$275.00
		1.2.1 Individual Utility Meetings (Up to 3)	42				6	9		27						$5,625.00
		2.1 Misc Expenses	0													$300.00
1		**90% Design Phase**														
		3 Utility Coorindation														**$6,200.00**
		1.3 Project Management	1	1												$275.00
		1.3.1 Individual Utility Meetings (up to 3)	42				6	9		27						$5,625.00
		2.1 Misc Expenses	0													$300.00
1		**99% and 100% Design Phase**														
		4 Utility Coorindation														**$2,450.00**
		1.4 Project Management	1	1												$275.00
		1.4.1 Individual Utility Meetings (up to 1)	14				2	3		9						$1,875.00
		2.1 Misc. Expenses	0													$300.00
		END BASIC SERVICES														

e. Arias - Geotech

ARIAS GEOPROFESSIONALS

13581 Pond Springs Road, Suite 210, Austin, Texas 78729 • Phone: (512) 428-5550 • Fax: (512) 428-5525

January 17, 2020
Arias Job No. 2018-110-2

VIA Email: lparisher@cobbfendley.com

Mr. Lance Parisher, P.E.
Cobb Fendley & Associates, Inc.
505 E. Huntland Drive, Suite 100
Austin, Texas 78752

RE: **Proposal for Geotechnical Engineering Services**
Bishop Street Improvements
San Marcos, Texas

Dear Mr. Parisher,

Arias & Associates, Inc. (Arias) is pleased to provide this proposal for Geotechnical Engineering Services for the above-referenced project. Our understanding of the project is based on the information provided by you. The following sections present our understanding of the project, proposed scope of services, fee compensation requirements and proposed schedule.

Project Information

Arias previously conducted a field study and issued geotechnical recommendations in our Report 2018-110 dated September 14, 2018. This previous scope consisted of various drainage and pavement improvements along Belvin Street and N Bishop Street in San Marcos, Texas. Since the release of that report, the project now is expanding to improve the existing drainage channel north of Belvin St, between Veramendi St and Bishop St. Retaining wall is anticipated to be designed and constructed along the proposed drainage channel.

Proposed Investigation

Based on published geologic mapping and nearby experience, the site is likely partially underlain by Quaternary aged alluvial deposits consisting of clay, silt sand, and gravel; and shale of the Del Rio formation and limestone Georgetown formation. Additionally, a fault is mapped in the general vicinity of the site; while faults are seismically inactive in central Texas, their presence often contributes to highly variable subsurface conditions and often provide preferential pathways for groundwater. Based on our understanding of the project, we propose the following drilling scope.

Borings	Boring depth, ft	No. of Borings	Drilling Footage
Drainage Channel	20	1	20
		Total	**20**

The boring will be drilled using a truck-mounted rig in areas clear of underground and overhead utilities. The boring will be advanced using augering and sampling techniques. Arias personnel will locate the boring, direct the sampling efforts, and visually classify recovered samples. Soils will be sampled by either pushing a thin-walled tube (ASTM D1587) of cohesive soils, or split barrel sampler while performing the Standard Penetration Test (ASTM D1586) for cohesionless (sandy) soils. Rock coring (ASTM D2113) of the rock stratum will be performed where intact limestone or shale is encountered.

If groundwater is encountered, the groundwater levels within the open borehole will be recorded at the time of drilling and immediately following drilling. The boreholes will be backfilled with cuttings generated by drilling operations after completion of drilling.

Laboratory testing will be performed on recovered samples selected by the geotechnical engineer to aid in soil classification and to measure engineering properties. Laboratory testing is expected to include moisture content, Atterberg limits, fines content (percent passing the No. 200 sieve), and scour testing (hydrometer tests), and unconfined compressive strength testing. The actual laboratory program will depend upon the type of soils and rock encountered.

Reporting

We will issue an electronic copy of our formal engineering report prepared by a licensed professional engineer in the State of Texas that will include:

- Description of the field exploration program;
- Description of the laboratory testing program;
- Soil boring plan that depicts borehole locations on a base map provided by Client;
- Soil boring logs with soil classifications based on the Unified Soil Classification System (ASTM D 2487);
- Generalized site stratigraphy and engineering properties developed from field and laboratory data at the explored locations;
- Depth to groundwater, if encountered, and potential impact on construction;
- Foundation recommendations for proposed retaining walls including allowable bearing pressures and bearing elevations, and associated settlement;

- Recommendations for slope configurations.
- Recommendations for below grade walls including equivalent fluid earth pressures, and sliding coefficient(s) for the design conditions imposed on the walls; and
- General comments for earthwork and construction.

Proposed Fee

We propose that the fee for the performance of the scope of work for this project as described in this proposal be **$4,010.00**. The work will be performed as outlined in the General Conditions included with this proposal. A Geotechnical Cost Breakdown is summarized in the following table.

Scope Item	Cost
Mobilization and Drilling (Truck Mounted Rig) (20 feet total drilling footage)	$1,955
Laboratory Testing (soil classification, scour)	$770
Engineering and Reporting	$1,285
TOTAL	**$4,010**

We will invoice on a monthly basis. We have assumed that the borings can be drilled during normal business hours, and that no site clearing or grading will be required to access the boring locations. We understand that Right of Entry access to the boring location will be obtained by others prior to our mobilization.

Schedule

Upon receiving written authorization, and weather and site conditions permitting, we can initiate our field investigation within 1-2 weeks. Drilling of the boreholes will take 1/2 day. Laboratory testing and reporting will take another 2 to 3 weeks. We will keep you verbally informed of our findings as they become available.

Delays sometime occur due to adverse weather, utility clearance requirements, site clearing requirements for drill rig access, obtaining drilling permits, obtaining Right of Entries and other factors outside of our control. In this event, we will communicate the nature of the delay with you and provide a revised schedule at the earliest possible date.

Proposal Acceptance

Please let us know if this proposal meets your expectations. If acceptable, the authorization table at the end of this proposal should be completed as applicable. We will begin work upon receipt of a signed copy of the proposal by an authorized representative. Please return the entire signed proposal to us by fax, mail or email to nzhang@ariasinc.com. If the billing address is different, include that information as well.

Should you have any questions, please do not hesitate to contact us. The undersigned will manage and perform the work. Thank you for this opportunity.

Sincerely,

ARIAS & ASSOCIATES, INC.
TBPE Registration No: F-32

Nan Zhang, Ph.D., P.E.
Project Geotechnical Engineer

John S. Landwermeyer, P.E.
Managing Principal, Austin Operations

Attachment

Exhibit A – Geotechnical Cost Estimate
Exhibit B– Boring Location Map
General Conditions (20140214R1)

ARIAS GEOPROFESSIONALS

Exhibit A - Geotechnical Cost Estimate
Bishop Street Improvements - January 2020
San Marcos, TX

Task	Item Description	Est. Qty.	Unit	Unit Price	Est. Total Price
1	**Field Exploration**				
1.1 Planning and Coordination					
	Field Coordination (Staking of Borings, One-Call, Drilling Plan)	4	hr	$ 65.00	$ 260.00
	Trip Charge	100	mi	$ 0.55	$ 55.00
	Project Management	2	hr	$ 95.00	$ 190.00
				1.1 Subtotal	**$ 505.00**
1.2 Drilling and Sampling					
	Mobilization (Truck Mounted drill rig, support equipment, air compressor)	1	ea	$ 425.00	$ 425.00
	Rock coring setup charge	1	ea	$ 150.00	$ 150.00
	Drilling and Sampling (Soil Borings)	10	ft	$ 14.00	$ 140.00
	Rock coring	10	ft	$ 21.00	$ 210.00
	Drill Rig Stand-by (difficult moving)	1	hr	$ 175.00	$ 175.00
	Backfill boreholes	20	ft	$ 4.50	$ 90.00
	Field Logger	4	hr	$ 65.00	$ 260.00
				1.2 Subtotal	**$ 1,450.00**
				Field Exploration TOTAL:	**$ 1,955.00**
2	**Laboratory Soil Testing**				
	Moisture Content	2	ea	$ 10.00	$ 20.00
	Atterberg Limits	2	ea	$ 75.00	$ 150.00
	Grain Size Analysis (Includes Percent Passing #200 Sieve)	2	ea	$ 75.00	$ 150.00
	Hydrometer Analysis	1	ea	$ 250.00	$ 250.00
	Unconfined Compressive Strength (rock)	2	ea	$ 55.00	$ 110.00
	Lab Manager/Graduate Engineer	1	ea	$ 90.00	$ 90.00
				Laboratory Testing TOTAL:	**$ 770.00**
3	**Engineering and Reporting**				
	Senior Geotechnical Engineer	3	hr	$ 135.00	$ 405.00
	Project Engineer	8	hr	$ 95.00	$ 760.00
	Drafting	1	hr	$ 65.00	$ 65.00
	Administrative (Job set-up, billing)	1	hr	$ 55.00	$ 55.00
				Engineering TOTAL:	**$ 1,285.00**
	Project Total				**$ 4,010.00**

Bishop Street Improvements
Boring Location Map

Arias Job#: 2018-110-2

f. Environmental - Cox McLain

COX | McLAIN
Environmental Consulting

ENVIRONMENTAL INVESTIGATIONS – SCOPE OF SERVICES
Bishop Street Drainage Improvements
For Cobb Fendley and Associates & the City of San Marcos

Project Understanding

Cox|McLain Environmental Consulting, Inc. (CMEC) understands that the City of San Marcos (City) is developing plans for drainage improvements generally along or adjacent to Veramendi Street, Belvin Street, and Bishop Street, and that the project is anticipated to be developed using City funding (e.g., bonds). CMEC understands that project improvements would ultimately discharge to Purgatory Creek. An excerpt from the draft design schematic is attached.

CMEC assumes that Purgatory Creek would be considered a water of the U.S. and would be subject to regulations established under Section 404 of the Clean Water Act. CMEC assumes that potential impacts to Purgatory Creek would be authorized by Nationwide Permit 7, Outfall Structures and Associated Intake Structures, which requires a mandatory Pre-Construction Notification (PCN) to the U.S. Army Corps of Engineers (USACE). CMEC understands that a portion of the proposed improvements would occur within the City of San Marcos' Belvin Street Historic District and that right-of-way acquisitions are proposed in and around that area.

Environmental Services

CMEC assumes that the project would not require the consideration and documentation of potential environmental consequences per the National Environmental Policy Act (NEPA). However, the authorization of potential impacts to Purgatory Creek through NWP 7 requires compliance with applicable Federal regulations including the Endangered Species Act (ESA) and the National Historic Preservation Act (NHPA). In addition, state and local regulations (e.g., Edwards Aquifer Rules, Antiquities Code of Texas) would apply.

CMEC would provide adequate investigations and documentation to support the submittal of a PCN for NWP 7 per current USACE, Fort Worth District standards, and PCN preparation and submittal are included in this scope of services. Additionally, CMEC would provide a geologic assessment per requirements of the Edwards Aquifer Rules, as administered by the Texas Commission on Environmental Quality (TCEQ). The geologic assessment would be adequate to support the submittal of an Aquifer Protection Plan (prepared by others). CMEC understands that a previous geologic assessment has been conducted in portions of the project area, and CMEC assumes that the previously assessed areas would not need to be re-assessed. Areas that would need to be assessed under this scope of services are assumed to cover approximately one acre. CMEC assumes that right-of-entry would be coordinated by others.

The findings of the required investigations will be summarized in an Environmental Technical Memorandum. Resource-specific documents, reports, and agency coordination correspondence would be included therein as appendices. Resource-specific documentation and agency coordination deliverables include the following:

- Nationwide Permit 7 Pre-Construction Notification
  - Delineation Report
  - Impact Assessment and Exhibits required by USACE Fort Worth District
- Cultural Resource Deliverables
  - Historic Resources Coordination Letter to the THC to establish an appropriate Area of Potential Effects
  - Historical Resource Survey and Report (adjacent to acquisitions and new permanent easements).
  - Texas Antiquities Permit and Archeological Survey of proposed drainage channel grading and construction.
  - Archeological Survey and Report
- Threatened and Endangered Species Habitat Assessment
- Geologic Assessment per TCEQ guidance

Additional Clarifications and Exclusions

The National Historic Preservation Act of 1966 and other cultural resources regulations: A search of the Texas Archaeological Resources Laboratory (TARL) and Texas Historical Commission (THC) databases will be conducted to identify known resources in the project area. CMEC assumes that archeological survey

would be required in areas of the proposed drainage channel near Veramendi Street and in areas of the proposed Outfall Channel to Purgatory Creek. CMEC assumes that the latter will require mechanical excavation to determine whether deeply buried deposits may be impacted.

CMEC historians will draft a coordination letter for submittal to the THC that will also be used to establish the APE for historic resource investigations. CMEC assumes that a Historic Resource Survey and report will be required for properties on Belvin Street, and other areas where land acquisition or new easements are proposed. Archeological field investigations such as monitoring, testing, and data recovery excavations are not included in this scope but can be provided under additional scope and fee.

Endangered Species Act: A habitat assessment would be conducted to determine whether or not proposed project activities would affect threatened/endangered species habitat. Coordination with the USFWS would be required for any potential impacts to endangered species in accordance with the Endangered Species Act. The scope does *not* include Endangered Species Presence/Absence Surveys; Endangered Species Section 7 or Section 10(a) Consultation and/or the preparation of a Biological Assessment, Habitat Conservation Plan, or assistance with a Biological Opinion. CMEC assumes that any USFWS coordination would be conducted as part of USACE inter-agency coordination related to the PCN review.

Public Involvement: It is assumed that no public involvement would be required.

Other services not included, though available for additional scope and fee:

- Mitigation services associated with losses of waters of the U.S.
- Right of entry coordination
- Noise barrier analysis
- Air quality modeling
- Expert witness services
- Construction phase monitoring or services
- Phase 1, Phase 2, or Phase 3 Environmental Site Assessment for Hazardous Materials
- Environmental Documentation per TxDOT requirements.

Deliverables

CMEC will provide the NWP PCN and the Environmental Technical Memorandum with supporting documentation (discussed above) for a fee not to exceed $39,973.00, as detailed in **Exhibit A**.

L. Ashley McLain, AICP, Principal
Cox|McLain Environmental Consulting, Inc.

EXHIBIT A - FEE SCHEDULE

EXHIBIT 1 – Scope of Services and Deliverables

PROVIDER NAME: Cox|McLain Environmental Consulting, Inc. **CobbFendley - Bishop Street Drainage Improvements**

TASK DESCRIPTION	PROJECT MANAGER	QA/QC REVIEWER	SR ENVL SCIENTIST II	SR ENVL SCIENTIST I	ENVL PROF II	ENVL PROF I	ENVL STAFF II	ENVL STAFF I	ENVL TECH II	ENVL TECH I	ADMIN/ CLERICAL		LABOR HOURS & COSTS
Environmental Services													
Informal Meetings and Project Communications													
Project Management, meetings, communications	4		2	8							12		26
Agency Coordination - in person meetings (not included)													0
Public Involvement; Document Publication (not included)													0
Resource Investigations and Supporting Documentation													0
Archeology Background Study - Antiquities Permit Application	1	2	2		8		6						19
Archeology Pedestrian Survey	1	4	16	24	24		2	6	16				93
Historic Resources - THC Coordination Letter	1	1	2		6		4						14
Historic Resources Reconaissance Survey		4	32			54	16						106
Delineation Report and NWP PCN	2	2	16	16			16	6	12	8			78
Geologic Assessment	1	4	20		8			6	1				40
Threatened/Endangered Species Habitat and Impact Assess.	2	1		12			18		10				43
Environmental Technical Memorandum Preparation		1			12				4	4			21
Comments and responses, coordination for Environmental Document		1		6	4				2	2			15
HOURS SUB-TOTALS	12	20	90	66	62	54	62	18	45	14	12		455
CONTRACT RATE PER HOUR	$138.00	$62.50	$113.00	$95.00	$83.00	$73.00	$60.00	$53.00	$45.00	$39.00	$50.00		
TOTAL LABOR COSTS	$1,656.00	$1,250.00	$10,170.00	$6,270.00	$5,146.00	$3,942.00	$3,720.00	$954.00	$2,025.00	$546.00	$600.00		$36,279.00
% DISTRIBUTION OF STAFFING	3%	4%	20%	15%	14%	12%	14%	4%	10%	3%	3%		
OTHER DIRECT EXPENSES	**UNIT**	**# OF UNITS**	**COST/UNIT**										
Lodging/Hotel	day/person	2	$80.00										$160.00
Lodging/Hotel Taxes/fees	day/person	2	$20.00										$40.00
Meals	day/person	4	$41.00										$164.00
Mileage (not allowed)	mile		$0.545										$0.00
Standard Postage	letter		$0.49										$0.00
Overnight Mail - letter size	each	1	$25.00										$25.00
Overnight Mail - oversized box	each	1	$30.00										$30.00
Courier Services	each	1	$25.00										$25.00
Photocopies B/W (8 1/2" X 11")	each		$0.10										$0.00
Photocopies B/W (11" X 17")	each		$0.20										$0.00
Photocopies Color (8 1/2" X 11")	each		$0.50										$0.00
Plots (B/W on Bond)	square foot		$0.50										$0.00
Plots (Color on Bond)	square foot		$1.00										$0.00
Tx Speleological Society Database Search	search	1	$250.00										$250.00
Geologic Assessment	report		$3,000.00										$0.00
Archeology Equipment - Backhoe Operator	day/person	2	$1,500.00										$3,000.00
CDs	each		$1.50										$0.00
SUBTOTAL DIRECT EXPENSES													**$3,694.00**

SUMMARY	
EA LABOR	$36,279.00
EA NON-LABOR	$3,694.00
TOTAL EA	$39,973.00

EXHIBIT B – 30% Design Schematic Excerpt

ECOSYSTEM PLANNING & RESTORATION

SCOPE OF WORK
Project Site Development – _Bishop Street Drainage Project – Channel Design

Ecosystem Planning and Restoration (EPR) is pleased to present this scope of work to __**Cobb Fendley and Associates, Inc.**_____ (CLIENT) to prepare **stream design and construction drawings**_ for the proposed site:

Site Name: **Bishop Street Drainage – Unnamed Tributary to Purgatory Creek**____
County: **Hays County**
Project Components: **Geomorphic Assessment, Detailed Design Plans**

Project Overview: **As part of the Bishop Street Drainage Project, the City of San Marcos is addressing flooding along Veramedi Street and Belvin Streets primarily due to an unnamed tributary to Purgatory Creek (Unnamed Trib) overtopping its banks. Additionally, the Unnamed Trib is experiencing bed and bank erosion. The goal of the channel design portion of the project is to reduce flooding along Veramedi and Belvin Streets and address the erosion along Unnamed Trib through a natural channel design. The channel design portion of the project extends along the Unnamed Trib from Belvin Street to approximately 800-LF upstream to the end Veramendi Street. It is understood that the channel design plans will be incorporated into the Bishop Street Drainage Plan set being prepared by Cobb Fendly.**

The following is a brief description of the deliverables to address each of the requirements needed to develop the site for restoration purposes.

1. DATA COLLECTION FOR DESIGN

- Watershed Data Collection and Analysis – EPR will perform an analysis of the watershed of project location, which will include delineation of stream reach watershed, evaluation of land-use, and description of area geology and soils, and identification of potential constraints that may affect the success of the project. EPR will use existing reports and information already prepared for the project site to supplement the analysis.

- Geomorphic Channel Surveys – EPR staff will conduct a geomorphic survey of the Unnamed Trib in order to document the existing condition to develop design criteria. EPR will survey up to 3 riffle and 3 pool cross-sections and conduct a longitudinal survey of the thalweg. EPR's geomorphic survey will include geomorphic cross-sections to identify bankfull and scour features along Unnamed Trib.

- Soil/Substrate Collection and Analyses - The collection and analysis of bed material samples through pebble counts (riffle and reach) and bar samples (if features are found) are included in this task item. Bed samples are necessary to evaluate existing and post-restoration shear stresses, sediment transport, and stability calculations.

- **Existing Vegetation Analyses** – EPR will develop a description of the existing dominant vegetation on the site, including riparian vegetation. This information is necessary to document the existing condition of the site and aids in determining the appropriate native species to be restored during restoration. A list of native and non-native species will be provided. The inventory of native plant species will be considered in the vegetative recommendations for the restored stream channel. A site visit will be conducted with the City to identify with trees should be marked for preservation. EPR will supplement this task with existing information provided by the City of San Marcos and the tree survey provided by Cobb Fendley.

- Existing Condition Maps – This task involves the development of base plan sheets that show the existing condition of the project site and will serve to document baseline conditions of the design. Existing condition maps

will show a plan view of the site, including the location of streams, property boundaries, significant structures and land features (buildings, ponds, etc.), benchmarks, topographic contours, and utilities. Survey information for the project will be provided to EPR by Cobb Fendley and will form the basis for the existing condition maps.

- **Design Criteria Development** – A reference reach survey is specifically excluded from this project as the San Antonio River Authority (SARA) has developed a reference reach database for this application. EPR will review this database and select a site that is comparable to the Unnamed Trib. EPR will then use the selected SARA site to develop the dimensionless design criteria to facilitate the design development.

- **Verification of Bankfull Stage**- This task involves the use of data from regional curve information to verify the bankfull stage identified from field indicators. The SARA has developed Regional Curves that will be used as a design tool for this project. Bankfull verification is necessary to ensure that the design channel is sized appropriately.

2. FORTY PERCENT (40%) DETAILED DESIGN DEVELOPMENT

The 40% design plans will be developed to provide the general project approach and layout. The following sections list the tasks to be completed to develop the 40% design plans.

- 40% Design – Using the data collected in Task 1, EPR will develop typical channel dimensions, a thalweg alignment and corresponding top of banks and channel profiles.

- Existing Tree Plan - plan sheets and a table summarizing the number of impacted trees will be included in the plans. The table will indicate which trees will be removed, and which trees are requested to be preserved if possible.

- 40% Construction Drawings – EPR will prepare drawings that will include plan views of the site that show the preliminary design features. The plan view drawing will show the existing stream alignments, design stream alignment, locations and types of proposed instream structures, standard structure details with limited design detail, typical sections, jurisdiction limits, existing tree plan, and a preliminary limit of disturbance. These plans will be marked preliminary and will not be sealed by an engineer.

- Natural Channel Design Report – EPR will prepare a natural channel design report to accompany the 40% design plan submittal. The report will document the data collection and development of the design criteria.

Deliverables:

- 40% Design Plan Sheets - At the 40% design level, EPR will submit PDF files of half-size plan sheets to CLIENT, if requested, to perform internal reviews. If hard copies of the plan sheets are required, CLIENT will be invoiced for printing charges on an at-cost basis. The plan sheets at the 40% design level will include a title sheet, details for any proposed structures, preliminary stream design and profiles, and existing tree plan. The 40% design plans will be not be sealed by a Professional Engineer and marked for review purposes only.

- Natural Channel Design Report in digital PDF format

ECOSYSTEM PLANNING & RESTORATION

3. SIXTY PERCENT (60%) DESIGN PLAN DEVELOPMENT

The following sections list the tasks to be completed to develop the 60% design plans.

- 60% Design – Using the data collected in Task 1, and upon approval of the alignments presented in Task 2, EPR will begin the detailed design development of the project. This will include finalizing in-stream structure location and type, sizing all materials based on a hydraulic analysis, performing preliminary grading analysis, developing the vegetation selection and layout, and refining the limits of disturbance.

- Hydraulic & Sediment Transport Analyses – This task includes hydraulic modeling of the proposed work. Boundary shear stress calculations and stream power calculations will be used as an aid to design the enhanced/restored channels. The sediment transport calculations will be made on the existing channel and the design channels for comparison. EPR will review and refine the existing and proposed hydrologic and hydraulic models prepared by the CLIENT using the USACE's HEC-RAS modeling program for Unnamed Trib. The hydraulic model results will also be used to refine and inform the proposed design. A Technical memo will be prepared to document the hydraulic modeling and results.

- 60% Construction Drawings – EPR will refine the details provided in the 40% Construction Drawings by providing the following information:

- Structure locations and type will be added to the profile
- Standard details will be revised to include the correct materials
- The grading plan will be incorporated
- The vegetation plan will be incorporated
- The existing tree plan will be revised based on 60% design modifications

These plans will be marked preliminary and will not be sealed by an engineer.

- **Preliminary Estimate of Construction Costs** – At the 60% design level, EPR will provide CLIENT with a preliminary estimate of the construction costs associated with the project. This estimate will include preliminary material quantities and costs associated with earthwork, instream structures, stabilization practices, and revegetation of the site.

- Natural Channel Design Review Checklist – To provide a predictable and easily reviewable design plan, the Natural Channel Design Review Checklist published by the USFWS, Chesapeake Bay Field Office and USEPA, Office of Wetlands, Oceans and Watersheds, will be provided. This checklist will provide information described in the project plan, including a completed checklist identifying the location of required items in the plan, allowing a streamlined review and evaluation of the design plan.

Deliverables:

- 60% Design Plan Sheets - At the 60% design level, EPR will submit PDF files of half-size plan sheets to CLIENT, if requested, to perform internal reviews. If hard copies of the plan sheets are required, CLIENT will be invoiced for printing charges on an at-cost basis. The plan sheets at the 60% design level will include a title sheet, details for any proposed structures, stream design and profiles, and existing tree plan. The 60% design plans will be not be sealed by a Professional Engineer and marked for review purposes only.

- NCD Review Checklist - in PDF format.

- Hydraulic Model & Technical Memo – a digital copy of the hydraulic model including the HEC-RAS model, report and supporting output/results tables in PDF format.

- Preliminary Estimate of Construction Costs – a digital copy of the preliminary estimate of construction cost will be provided in PDF format.

4. NINETY PERCENT (90%) DESIGN PLAN DEVELOPMENT

The following sections list the tasks to be completed to develop the 90% design plans.

- 90% Design – The 90% design will be revised based on comments received from client and/or agency review. All design aspects will be finalized including: alignment, profile, grading, structure type and location, erosion and sediment control features, site access, vegetation plan, and existing tree plan.

- Construction Sequence and Special Provisions – A construction sequence will be prepared and provided at the 90% design level. Any special provisions required due to the use of natural channel design procedures will be incorporated.

- 90% Construction Drawings – All sheets will be updated based on any comments incorporated into the 60% Design. Additionally, the Construction Sequence will be added to the plan set.

- Calculate Earthwork and Quantities – Cut/fill quantity estimates will be generated and shown on the plans. The quantities of instream structures, vegetation, erosion control devices, and all other pertinent items will be finalized.

- **Revised Estimate of Construction Costs** – At the 90% design level, EPR will provide CLIENT with a revised estimate of the construction costs associated with the project. This estimate will include material quantities and costs associated with earthwork, instream structures, stabilization practices, and revegetation of the site.

- **TCEQ Water Pollution and Abatement Plan (WPA)** – EPR will prepare the WPA plan at the 90% Plan stage using the geologic data and report provided by the CLIENT. EPR will work with the CLIENT to obtain all required signatures.

Deliverables:

- 90% Design Plan Sheets - At the 90% design level, EPR will submit PDF files of half-size plan sheets to CLIENT, if requested, to perform internal reviews. If hard copies of the plan sheets are required, CLIENT will be invoiced for printing charges on an at-cost basis. The plan sheets at the 90% design level will include a title sheet, details for any proposed structures, a construction sequence and quantities estimate, stream design, a vegetation planting plan, and erosion control plan. The 90% design plans will be not be sealed by a Professional Engineer and marked for review purposes only.

- Estimate of Construction Costs – a digital copy of the revised estimate of construction cost will be provided in PDF format.

- Specifications – Specifications will be provided in PDF format.

- TCEQ Water Pollution and Abatement Plan (WPA) – the WPA will be provided in PDF format.

5. ONE HUNDRED PERCENT (100%) FINAL DESIGN PLANS

- 100% Design – The plan set will be revised to incorporate all comments by the CLIENT, regulatory agencies, and contractor's reviews.

- Finalize Construction Sequence and Special Provisions – The construction sequence and special provisions will be finalized for use by the construction contractor.

- 100% Construction Drawings – All sheets will be updated based on any comments incorporated into the 90% Design.

- Prepare Construction Models – Develop a 3D model for use in real time GPS enabled equipment for the purpose of construction as a means of allowing a contractor to layout the design in the field will be prepared.

- Final Estimate of Construction Costs – At the 100% design level, EPR will provide CLIENT with a final estimate of the construction costs associated with the project. This estimate will include material quantities and costs associated with earthwork, instream structures, stabilization practices, and revegetation of the site.

Deliverables:

- Plan Sheet Submittal (100% design) – At the 100% design level, a final sealed set of plan sheets and special provisions will be submitted to CLIENT marked as construction drawings. EPR will submit PDF files of half-size plan sheets to CLIENT to perform internal reviews. If hard copies of the plan sheets are required, CLIENT will be invoiced for printing charges on an at-cost basis.

- Final Estimate of Construction Costs – a digital copy of the final estimate of construction cost will be provided in PDF format. Additionally, a blank bid tab will be provided to facilitate in soliciting bids from contractors.

- 3D model – A 3D model will be delivered in an acceptable digital format (LandXML) containing 3D line work and a proposed surface for use in GPS enabled construction equipment.

6. BID SERVICES

- **Bidding Assistance**. An EPR engineer/designer will assist with an on-site prebid meeting with potential contractors. The prebid meeting will be coordinated and facilitated by the CLIENT.

Deliverables:

- None

7. CONSTRUCTION SERVICES

- **Construction Observation** – EPR will provide construction observation to document the construction is progressing consistent with the construction sequence and in accordance with the design plans and specifications. A staff construction observer will be on-site for half a day (4 hours) per week for the construction timeline (16 weeks) listed in the assumptions below to ensure that the construction proceeds according to the design plans and specifications. All on-site construction observation performed by EPR must be coordinated with CLIENT. At the

completion of the contractor's work, EPR will prepare a punch list of deficiencies that the contractor needs to repair or rework. Finally, EPR will perform a site walk to confirm the punch list items have been corrected and the site meets compliance. This scope assumes that construction stake-out and the as-built survey and subsequent drawings will be provided by the contractor.

Deliverables:

- Documentation of on-site reviews in the form of meeting minutes and technical memos.
- Record Drawings will be maintained as the construction progresses to document any approved deviations from the design. A final sealed set of half size (11 in x 17 in) sheets will be developed upon the project completion and delivered in PDF format.

8. PROJECT ADMINISTRATION & MEETINGS

The CONSULTANT will provide general project administration including up to 28, bi-weekly calls (30-minutes each), invoices for work, and other administrative efforts to execute the project. Additionally, EPR will attend design review meetings at the 40%, 70%, and 90% Plan submittal stage.

ASSUMPTIONS

The following assumptions have been used to develop the preceding scope of work:

- Existing detailed topographic information will be provided to EPR by others.
- Geologic data and report will be provided by the CLIENT.
- Except for the WPA, all permitting will be handled by others.
- FEMA submittal or review is not included.
- Any printing of final plan set will be conducted by the CLIENT.
- Construction Access/Erosion Control/SWPPP plans to be prepared by the CLIENT
- Construction timeline is assumed to be 16 weeks.
- Construction stakeout will be performed by contractor.
- As-built survey and the submittal of as-built drawings will be performed by contractor.

FEE

The CONSULTANT Project Manager will provide monthly progress reports and invoices. CONSULTANT will remain on schedule and within budget to perform the requested tasks.

The estimated fee for these services is **$128,642**. The following tables provide an estimate of the fee breakdown and billing rate schedule.

ECOSYSTEM PLANNING & RESTORATION

	HOURS												
Task	**Senior Water Resources Eng.**	**Water Resources Eng. / Senior Scientist**	**Project Engineer / Designer**	**Env. Scientist / Biologist**	**GIS /CADD Technician**	**Clerical**	**Total Hours**	**Subtask Labor**	**Subtask Directs**		**Task Labor**	**Task Directs**	**Task Sum**
1. DATA COLLECTION									Lab Charges	Lump sum Out of State	$ 23,480	$ 1,718.00	$ 25,198.00
Watershed Data Collection and Analysis		10					10	$ 1,700					
Geomorphic Field work	16	24					40	$ 6,960	$ 100	$ 1,155			
Existing Vegetation Analyses		12		10			22	$ 3,240		$ 463			
Existing Condition Maps		4			20		24	$ 2,680					
Design Criteria Development	8	16					24	$ 4,160					
Bankfull Verification		2	20				22	$ 3,340					
Internal QA/QC	4	4					8	$ 1,400					
2. 40% Design											$ 16,980	$ -	$ 16,980.00
Base Plan Form/Plans set	4	20	30		30		84	$ 11,620					
NCD Report	2	2	24				28	$ 4,300					
Internal QA/QC	4	2					6	$ 1,060					
							0	$ -					
3. 60% Design											$ 24,220	$ -	$ 24,220.00
60% Design plans	2	10	45	10	55		122	$ 15,510					
Hydraulic Analyses & Memo		45					45	$ 7,650					
Internal QA/QC	4	2					6	$ 1,060					
							0	$ -					
4. 90% Design											$ 16,670	$ -	$ 16,670.00
90% Design plans	2	10	40		30		82	$ 11,060					
TCEQ Water Pollution and Abatement Plan		10	19				29	$ 4,550					
Internal QA/QC	4	2					6	$ 1,060					
5. 100% Design											$ 12,810	$ -	$ 12,810.00
100% Design Plans	4	4	10		15		33	$ 4,400					
Construction models	2	24			24		50	$ 6,840					
Internal QA/QC	4	5					9	$ 1,570					
6. Pre-Bid Services											$ 680	$ -	$ 680.00
Bidding Assistance		4					4	$ 680					
7. Construction Services											$ 18,360	$ 5,904.00	$ 24,264.00
Construction Observation		108					108	$ 18,360		$ 5,904			
8. Project Admin and Meetings											$ 7,820	$ -	$ 7,820.00
PM	4	20				6	30	$ 4,390					
Meetings	3	17					20	$ 3,430					
Totals	**67**	**357**	**188**	**20**	**174**	**6**	**812**	**$ 121,020.00**	**$ 100.00**	**$ 7,522.00**	**$ 121,020.00**	**$ 7,622.00**	**$ 128,642.00**

Hourly Rates	$ 180.00	$ 170.00	$ 150.00	$ 120.00	$ 100.00	$ 45.00
Labor	$ 12,060.00	$ 60,690.00	$ 28,200.00	$ 2,400.00	$ 17,400.00	$ 270.00
Total Labor	$ 121,020.00					
Directs	$ 7,622.00					
Cost	**$ 128,642.00**					

Billing Rate Schedule

Labor Category	Senior Water Resources Eng.	Water Resources Eng. / Senior Scientist	Project Engineer / Designer	Env. Scientist / Biologist	GIS /CADD Technician	Clerical
Hourly Billing Rate	$180.00	$170.00	$150.00	$120.00	$100.00	$45.00

SCHEDULE

A project schedule will be developed in coordination with the CLIENT and the City.

JAS Irrigation Design 512 989 8808 tel
www.jasirrigation.com 512 872 5305 fax

COST PROPOSAL FOR LANDSCAPE IRRIGATION DESIGN SERVICES

January 29, 2020

Cobb Fendley
505 E. Huntland Drive, Suite 100
Austin, Texas 78752

ATTN: Lance Parisher, P.E.

PROJECT: Bishop Street Improvements San Marcos, Texas

PROJECT SUMMARY: JAS Irrigation Design will provide the following tasks related to the design of the irrigation system for the Bishop Street Improvements project located in San Marcos, Texas. The irrigated area is the channel area, as shown on the email (Bishop Street – Irrigated Area, and 20200110_OVERALL-LAYOUT-EXHIBIT.pdf). The irrigation system will be designed based off a metered potable water source and according to the applicable local jurisdiction irrigation standards. This proposal does not include separate irrigation for water quality or water quality ponds. Cobb Fendley will provide the necessary AutoCAD files and layout sheets to be used for the irrigation plan layout.

This proposal is based on information provided by Lance Parisher, received on January 15, 2020.

TASKS:

- Task 1: Cost Estimate (40% Submittal)
- Task 2: Landscape Irrigation Design Plan (60% Submittal)
- Task 3: Landscape Irrigation Design Plan (90% Submittal)
- Task 4: Landscape Irrigation Design Plan (100% Submittal)
- Task 5: Landscape Irrigation Specifications

SCOPE OF SERVICES:

Task 1: Cost Estimate (40% Submittal)

A. Assist the engineer in providing a cost estimate for the proposed irrigation system.

Task 2: Landscape Irrigation Design Plan (60% Submittal)

A. A sixty percent plan submittal shall include, but is not limited to, the irrigation main line location and type.
B. Locate and size Point of Connection (POC).
C. Coordinate with the City of San Marcos on controller type, communication and location.
D. Provide plan sheets to lead consultant.
E. Respond to comments and resubmit.
F. Perform minor revisions (one round) to the Landscape Irrigation Design Plan.
G. Attend (via conference call) up to 28 one half hour weekly project meetings.
H. The Landscape Irrigation Design Plan does not include re-irrigation (water quality, temporary, etc.) or as-builts, unless noted.

Task 3: Landscape Irrigation Design Plan (90% Submittal) Plan includes details, notes, and tabulations that comply with applicable regulations.

A. Provide plan sheets to lead consultant.
B. Respond to comments and resubmit.
C. Attend (via conference call) up to 40 one half hour weekly project meetings.
D. The Landscape Irrigation Design Plan does not include re-irrigation (water quality, temporary, etc.) or as-builts, unless noted.

Task 4: Landscape Irrigation Design Plan (100% Submittal) Plan includes details, notes, and tabulations that comply with applicable regulations.

A. Provide plan sheets to lead consultant.
B. Respond to comments and resubmit.
C. Attend (via conference call) up to 40 one half hour weekly project meetings.
D. The Landscape Irrigation Design Plan does not include re-irrigation (water quality, temporary, etc.) or as-builts, unless noted.

Task 5: Landscape Irrigation Specifications Specifications include all components of the irrigation system.

A. Provide written Landscape Irrigation Design specifications. Specifications will cover all irrigation system components and installation procedures.

PROPOSED BASIS OF COMPENSATION

The total **LUMP SUM** fee **SHALL NOT EXCEED $8,610.00** for the above described services and will be invoiced monthly, marked to your attention at the above address.

The cost for any additional services requested by Cobb Fendley will be established and agreed upon in writing by both Client and JAS Irrigation Design prior to commencing the work.

In addition, JAS Irrigation Design may, after giving seven (7) days' written notice to Client, suspend services until JAS Irrigation Design has been paid in full all amounts due. In the event of a disputed or contested billing, only that portion so contested may be withheld from payment, and the undisputed portion will be paid to JAS Irrigation Design.

Client and JAS Irrigation Design agree that neither of them shall be responsible or liable to the other for the consequences of events that are beyond the reasonable control of the other party including, but not limited to, interference by third parties, changed conditions, labor strikes, weather delays, fires, thefts or other losses, or acts of God.

Client agrees that JAS Irrigation Design's liability for the negligent act, error, or omission in the preparation of designs and drawings, the designation or selection of materials and equipment, the selection and supervision of Project Representatives and other personnel, or the performance of any other services pursuant hereto shall in no event exceed the amount of the total compensation received by JAS Irrigation Design for services rendered hereunder.

ADDITIONAL SERVICES AND ASSUMPTIONS:

- All requests for additional services will be submitted to the Client in writing and a signed contract received by JAS Irrigation Design before commencement of work.

i. ETC ADA Accessibility

ETC ACCESSIBILITY CODE
Registered Accessibility Specialist

Accessibility Code Etc.
TAS Plan Review, Inspection, and Travel Fee Schedule

Construction Cost	TDLR Filing Fee	Plan Review Fee	Inspection Fee	Total Project Cost *Not Including Travel Fees*
Under $50, 000		$365	$440	$805.00
$50,000-199,999	$210.00	$385	$450	$1,045.00
$200,000-499,999	$210.00	$450	$475	$1,135.00
$500,000-999,999	$210.00	$500	$500	$1,210.00
$1M-4.99M	$210.00	$575	$600	$1,385.00
$5M-9.99M	$210.00	$700	$750	$1,660.00
$10M-14.99M	$210.00	$875	$875	$1,960.00
$15M-24.99M	$210.00	$1,050	$1,050	$2,310.00

- **Call for Quote:** Construction Cost Estimates over $25M.
- **For No-Show Inspection or incomplete facilities:** If the inspection has been scheduled by the client, the full inspection and travel fee will apply and must be paid prior to scheduling the final TAS inspection.
- **Standard service area:** Austin. For areas outside our standard service area, please consult the Travel Fee list. Attached. Note. If you do not see the city listed for your project, call/email for a travel quote.

Austin Area & Surroundings	
Town	Travel fee
Bastrop	$ 102
Buda	$ 46
Cedar Creek	$ 46
Dripping Springs	$ 72
Elgin	$ 77
Georgetown	$ 108
Hutto	$ 86
Killeen	$ 216
Kyle	$ 68
Lakeway	$ 68
Leander/Cedar Park	$ 71
Lockhart	$ 103
Manor	$ 46
Marble Falls	$ 231
New Braunfels	$ 185
Pflugerville	$ 62
Round Rock	$ 68
San Marcos	$ 94
Taylor	$ 114
Wimberley	$ 123

File #: Res. 2020-101R, **Version:** 1

AGENDA CAPTION:
Consider approval of Resolution 2020-101R, approving a professional services agreement with Weston Solutions, Inc. for design services relating to the Highway 21 Waterline Project in the estimated amount of $215,917.36; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: May 19, 2020

Department: Engineering and CIP

Amount & Source of Funding
Funds Required: $215,917.36
Account Number: C414
Funds Available: $500,000
Account Name: Highway 21 Waterline

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Promote & Support Potential of San Marcos Regional Airport

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*
Water Master Plan

Background Information:
This proposed agreement is with Weston Solutions, Inc., and provides for the design of an extension of a 12-inch waterline along Highway 21 from Airport Drive to William Pettus Road. This project was recommended in the 2016 Water Master Plan to primarily support future development within the city's regional airport along the Highway 21 corridor. Additionally, this waterline will support the future fire training facility which will be located approximately half way between the airport offices and William Pettus Road. This project will also include the design of conduit for city fiber optic line(s) to support the airport offices and the fire training facility.

Weston Solutions, Inc. was selected from the On-call Water Wastewater Engineering list approved by City Council April 16, 2019.

Construction is currently scheduled to begin in 2022.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends award of agreement 219-129.6 with Weston Solutions, Inc. for the waterline improvement on Hwy 21.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH WESTON SOLUTIONS, INC. FOR DESIGN SERVICES RELATING TO THE HIGHWAY 21 WATERLINE PROJECT IN THE ESTIMATED AMOUNT OF $215,917.36; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Professional Services Agreement with Weston Solutions, Inc. for design services relating to the Highway 21 Waterline Project in the estimated amount of $215,917.36 is approved.

PART 2. The City Manager or his designee is authorized to execute the professional service agreement on behalf of the City.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Texas Registered Engineering Firm: F-3123

Weston Solutions, Inc.
70 North East Loop 410, Suite 600
San Antonio, Texas 78216-5842
210-308-4300 • Fax 210-308-4329

25 March 2020

Mr. Kirk Abbott, P.E.
Project Engineer
Engineering/Capital Improvements Department
City of San Marcos, Texas
630 East Hopkins
San Marcos, TX 78666

VIA E-MAIL: kabbott@sanmarcostx.gov

RE: Highway 21 Waterline Extension Project
Scope and Fee Proposal – Professional Engineering Services
WESTON WO# 12877.004.001

Dear Mr. Abbott:

Weston Solutions Inc. (WESTON®) is pleased to submit this scope and fee proposal to perform professional engineering services for the Highway 21 Waterline Extension Project. The project will provide design of approximately 9,100 linear feet of 12-inch water line and 6,400 linear feet of fiber optic conduit along Highway 21 in preparation for a proposed fire training facility.

This scope of services is based on our scoping meeting held on 11 February 2020 and the City Scope of Services Checklist.

PROJECT BACKGROUND

The City of San Marcos Water Department is planning on building a fire training facility along Highway 21, adjacent to the airport. In preparation for the fire training facility, the City is proposing to install a 12-inch water line along Highway 21, adjacent to the airport, between Airport Drive and William Pettus Road, connecting to an existing 12-line south of Airport Drive. A fiber optic conduit is also proposed between Airport Drive and the fire training facility.

SCOPE OF SERVICES

Proposed tasks for each phase were based on the City of San Marcos Engineering Scope of Services Checklist. WESTON's proposed Scope of Work is provided as **Attachment A.**

COST

A Fee Estimate summary is provided as **Attachment B**. Design professional services are Not-to-Exceed.

Byrn & Associates, Inc. (Byrn) will provide a topographic survey for the project area. **Attachment B1** includes the proposal from Byrn for the topographic survey.

Design services by other subconsultants is not anticipated and is not included in this proposal. Should specialized subconsultant support be required, a request for Additional Services will be made.

CLOSING

WESTON appreciates the opportunity to provide these services for the Highway 21 Waterline Extension Project. We look forward to working with you to successfully complete this project. If you have any questions regarding this scope of services and budget please contact me at 512-651-7106 or 512-787-3509 (cell) or Dain Chernick, P.E. at 512-651-7138.

Very truly yours,

WESTON SOLUTIONS, INC.

Sam Irrinki, PE
Senior Project Manager

Attachments
A – Scope of Work
B – Fee Estimate
B1 – Proposal for Topographic Survey (Byrn & Associates, Inc.)
C – Project Schedule

ATTACHMENT A
SCOPE OF SERVICES
CITY OF SAN MARCOS
HIGHWAY 21 WATER LINE EXTENSION
25 MARCH 2020

PROJECT UNDERSTANDING

The work to be performed by Weston Solutions, Inc. (WESTON) under this contract shall consist of providing Preliminary Engineering Phase (30%), Design Engineering Phase (60%, 90%, and 100%), Bid Phase, and Construction Phase Services for the Highway 21 Water Line Extension Project. The Highway 21 Water Line Extension Project will provide for the design of approximately 9,100 LF of 12-inch water main along Highway 21, between Airport Drive and William Pettus Road and approximately 6,400 LF of conduit installation for future fiber optic service between Airport Drive and the planned fire training facility.

BASIC SCOPE OF SERVICES

Task 1000 Preliminary Phase (30%)

1. Project Management and QA/QC: This task includes routine communication with the City; managing subconsultants, staff resources, budgets, and schedules; preparation of field health and safety plans (HASP) for field investigations and site visits; invoicing; implementing and monitoring of QA/QC efforts; and other activities associated with managing the project.

2. Meetings

    a. Project Meetings: WESTON will prepare for and attend one (1) project kickoff meeting, one (1) coordination meeting, and (1) meeting with the City to review the 30% Technical Memo submittal, including review of the proposed design and required project permitting.

    b. Public Meetings: A public meeting is not included in this scope of services.

    c. Utility Coordination Meeting: Participation in a utility coordination meeting is not included in this scope of services.

3. Data Collection/Review

    a. Review Reports/Studies/Drawings: WESTON will obtain and review reports, studies, as-builts, and other data related to the project. A base map of the project area will be developed using available information. The base map will include aerial photography, topography, parcels, right-of-way, existing water and wastewater lines from the City's GIS system, FEMA floodplain, and other appropriate data. The base map will be utilized by the project team during the Preliminary Phase of the project. Information for this review includes but is not limited to:

        a. Plans and survey for the proposed fire training facility

        b. The City of Maxwell water system maps

        c. The existing electrical easement along Highway 21

        d. Record drawings of the water line recently installed by the City of San Marcos along Highway 21 that this proposed water line will tie into.

        e. City GIS data of utilities and property information.

    b. Site Visits: One site visit will be performed during this phase to verify project conditions and familiarize the team with the project area.

4. Field Investigations

   a. Topographic Surveying: Byrn & Associates, Inc. will provide topographic surveying services for the project. WESTON will not be on-site during the field survey. The surveying services shall include:

      - Provide horizontal and vertical control for topographic survey.
      - Topographic survey of the utility installation corridor, which shall be from approximately 100 feet from the fenceline to the edge of the Highway 21 roadway. At driveway locations, additional topo shall be captured, and the building and parking lot of the existing support building off of Highway 21 shall be captured as well as additional area at the future fire training location.
      - Locate all above ground planimetric features, including existing structures, edge of roads, evidence of underground utilities, overhead utilities, fences, trees 6-inch diameter and larger, ditch flowlines and other pertinent features affecting design.
      - Water valve top of nut elevations.
      - Locate existing property lines and property corners.
      - Contact Digg-Tess for location of existing utilities. Utility ROWs will not be located.
      - The topographic information will be provided in Autocad format with the triangulation network for the existing surface.

   b. Subsurface Utility Locates: Subsurface Utility Location will be performed by the City of San Marcos as needed.

   c. Geotechnical Investigation: Any Geotechnical Investigation work will be performed by the City of San Marcos as needed.

   d. Geological Assessment: A Geological Assessment is not included in this scope of work.

   e. Environmental and Permitting Review: WESTON will perform desktop review of environmental and natural resources mapping and databases to identify project constraints listed in the SOW checklist. Potential sources of information include published reports, aerial photographs, maps, and records at the Texas Natural Resources Information Systems archives. The results of the desktop review search and permitting identification will be summarized in the Preliminary Engineering Technical Memorandum.

   f. Archeological: WESTON will prepare and submit a coordination letter to the Texas Historical Commission (THC) to determine if any archeological surveys are required for the project area. This scope of services does not include preparation of any archeological permits and/or archeological field surveys.

5. Pipelines

   a. Determine Alignments: Using the survey and other field investigation data, WESTON will determine the suitable alignment for the new water pipelines, with consideration to water/sanitary sewer minimum separation distances, constructability/traffic, connections/tie-in to existing water distribution system, and other existing utilities.

b. Preliminary Hydraulics/Modeling: Water line hydraulics/modeling is not required of WESTON; proposed water line sizing was previously determined by City of San Marcos staff.

6. Information Technology
   a. Determine Alignments: Using the survey, other field investigation data, and information provided by the City, WESTON will determine the suitable alignment for the proposed fiber optic conduit for future use. Consideration will be given to separation distances, constructability and traffic, accessibility, and other existing and proposed utilities.

7. Identify Utility Providers: WESTON will contact the utility providers listed in the SOW checklist and request input on other utilities located within the project limits. WESTON will identify any potential utility conflicts and identify any locations in which any design phase subsurface utility locates are recommended.

8. Preliminary Opinion of Probable Construction Cost (OPCC): WESTON will prepare an Engineer's Cost Estimate based on the 30% phase design plan. Unit costs will be based recent bid tabulations for other water line construction projects in the San Marcos and surrounding area.

9. Deliverables:

   a. Monthly Status Report: WESTON will prepare a monthly status report on or before the 10th of each month, providing information on project work performed, project issues, and work to be completed.

   b. WESTON will prepare a brief Technical Memorandum (TM) summarizing the Preliminary Engineering Phase data, field investigations, environmental/permitting findings, design plan, and OPCC. WESTON will provide a draft TM in electronic (.pdf) format.

   c. WESTON will also provide a final TM in hard copy (two (2) copies) and electronic (.pdf) formats once all comments are addressed.

   d. WESTON will provide a completed Design Checklist in electronic (.pdf) format with each deliverable.

Task 2000 Design Phase (60/90/100%)

1. Project Management and QA/QC: This task includes routine communication with the City; managing surveyor, staff resources, budgets, and schedules; invoicing; implementing and monitoring of QA/QC efforts; and other activities associated with managing the project.

2. Meetings

   a. Project Meetings: WESTON will prepare for and attend four (4) project meetings with the City for project coordination and plan review.

   b. Public Meetings: Participation in a public meeting is not included in this scope of services.

   c. Utility Coordination Meeting: Participation in a utility coordination meeting is not included in this scope of services.

d. The City shall facilitate meetings with the airport operator.

3. Design Phase Site Visits: Design engineering staff will conduct one site visit during the Design Phase to verify design data and confirm proposed improvements.

4. Permitting Submittals: WESTON will coordinate with TXDOT and the airport for any required submittals or notifications.

5. Storm Water Pollution Prevention Plan (SWPPP): WESTON will complete standard TxDOT SWP3 sheets including 1) Environmental Permits, Issues, and Commitments (EPIC) Sheet and 2) TxDOT Storm Water Pollution Prevention Plan (SWP3).

6. <u>60% Design Phase Submittal</u>: The 60% deliverable will include:

   a. 60% Plans – two (2) 11"x17" hard copy sets and 1 PDF. Plans will include: Cover Sheet, General Notes, Project Layout Sheet, Tree Protection and Erosion/Sedimentation Control Sheets, Plan View Sheets (Profile not included until 90%), List of Standard Details, Special Details, and Traffic Control Sheets. City of San Marcos details will be provided as a list, where available, for the 60% submittal; City of Austin details will be listed otherwise.

      i. It is assumed that fiber optic conduit will be shown on the same Plan View Sheets as the proposed water line.

   b. 60% List of Specifications. City of San Marcos Division 1 specifications will be used. City of Austin standard specifications will be used.

   c. 60% Opinion of Probable Construction Cost (OPCC). An updated OPCC will be provided.

   d. 60% Construction Schedule. A construction schedule will be provided.

   e. 60% Design Checklist. An updated design checklist will be provided.

7. <u>90% Design Phase Submittal</u>: The 90% deliverable will include:

   a. 90% Plans – four (4) 11"x17" hard copy sets and 1 PDF. Plans will include: Cover Sheet, Project Layout Sheet, Quantities By Sheet, Tree Protection and Erosion Sedimentation Control Sheets, Plan and Profile Sheets, Standard Details, Special Details, and Traffic Control Sheets.

      i. It is assumed that fiber optic conduit will be shown on the same Plan and Profile Sheets as the proposed water line.

   b. 90% Specifications including Project Specific/Special Specifications.

   c. 90% Opinion of Probable Construction Cost (OPCC). An updated OPCC will be provided.

   d. 90% Construction Schedule. An updated construction schedule will be provided.

   e. 90% Design Checklist. An updated design checklist will be provided.

   f. 90% Bid Form. A draft bid form will be provided.

g. Comment Responses to any comments provided during review of the 60% Design Phase Submittal will be provided.

8. 99% Submittal: A 99% design set of plans will not be prepared for this project.

9. 100% Final Submittal: WESTON will provide final sealed plans including: two (2) 11"x17" Sets; electronic copies in PDF and CAD; Construction Checklist; Design Checklist; Bid Form in MSWord; Specifications in PDF; and Comment Responses in PDF. CAD submissions shall be in accordance with City GIS submittal requirements.

Task 3000 Bid Phase

1. Project Management: This task includes routine communication with the City; managing manpower, budgets, and schedules; invoicing; and other activities associated with managing the project.

2. Attend Pre-Bid Meeting: WESTON will assist the City in conducting pre-bid meeting and developing the agenda.

3. Answer Questions: WESTON will coordinate with the City for issuing responses for technical questions and requests for additional information.

4. Issue Addenda: WESTON will prepare Addenda required to address changes to bid documents during the bid phase. Budget for 1 Addendum has been included; additional addenda will be added scope.

5. Bid Tabulation and Recommendation of Award: WESTON will review bids and evaluate bids for responsiveness and bid amount. WESTON will also check references, by email or telephone, of the apparent low bidder and second low bidder, and will check for debarment. Because federal funds will not be involved, a background check will not be provided. WESTON will prepare a letter summarizing the review and evaluation and include recommendations for award of the contract for construction, or other action as may be appropriate. The City shall make the final decision on the award of the contract for construction and the acceptance or rejection of all bids.

6. Conformed Documents Deliverables: WESTON will incorporate addenda items in the Construction Plans; include addenda in the bound Project Manual; and issue a "Conformed" set of plans for construction. WESTON will provide one (1) electronic copy of Construction Plans in pdf, one (1) CAD copy, and two (2) full size 22″ x 34″ plan sets, four (4) 11″ x 17″ plan sets.

Task 4000 Construction Phase

Construction phase services budget was based on a construction phase duration of ten (10) months (300 calendar days), working 8 hours a day, 5 days per week. This assumes 270 calendar days from notice to proceed until substantial completion, and 30 days from substantial to final completion. Should construction be delayed or extended, a request for additional services will be requested to provide continued support.

1. Project Management: This task includes routine communication with the City; managing manpower, budgets, and schedules; invoicing; and other activities associated with managing the project.

2. Attend Pre-Construction Conference: WESTON will attend a pre-construction conference for the project with the City, Contractor, and other parties as appropriate.

3. Project Meetings and Construction Observation Site Visits: WESTON will attend regular construction meetings with the City, Contractor, and other parties as appropriate. WESTON will visit the site to check the progress of the work and verify general conformance with the project plans and technical specifications. For budgeting purposes we have assumed one (1) meeting per month of construction, for a total of ten (10) combined site visits/meetings. This does not include the pre-construction conference or final walkthrough.

4. Submittal Review: WESTON will review submittals provided by the Contractor and make a recommendation to the City for approval. Review effort for up to twenty-four (24) submittals is included, with an assumption that one third will need resubmittal.

5. Respond to Requests for Information/Modifications: WESTON will respond to requests for information (RFIs) from the Contractor related to design clarifications of plans and technical specifications. Effort is included for response to up to six (6) RFIs.

6. Pay Application Review: WESTON will review Contractor's Pay Applications after quantity concurrence by the City's Construction Inspector. Review of up to twelve (12) Pay Applications has been assumed. Effort is also included for review of the Contractor punch list after substantial completion.

7. Review of Change Orders: WESTON will provide review of two (2) Contractor's requests for Change Orders and coordinate Change Orders with the City as appropriate.

8. Final Completion Walk-Through: WESTON will participate in one site visit to determine outstanding items and document any "punch list items." A substantial completion walk-through is not planned, and a one-year warranty walk-through is not planned.

Task 5000 Record Drawing Phase

1. Draft Drawings. WESTON will review the Contractor's redline as-built drawings and incorporate deviations from the construction drawings as appropriate. WESTON will deliver one (1) set of full size bond drawings, one (1) set of half size plan set for review, one (1) pdf electronic copy and one (1) CAD copy.

2. Final Drawings. After review, WESTON will deliver two (2) sets of full size 22″ x 34″ bond drawings, two (2) 11x17 hard copy sets, one (1) pdf electronic copy and one (1) CAD copy. CAD submissions shall be in accordance with City GIS submittal requirements.

3. GIS Files. WESTON will convert CAD drawings and provide GIS Files along with the surface to grid conversion scale factor for GIS, in accordance with City GIS submittal requirements.

Schedule

Refer to Attachment C for the anticipated project schedule.

City Responsibilities / Assumptions in Scope Preparation

1. The City will provide to WESTON all data in the City's possession relating to WESTON's services on the Project. WESTON will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by the City.

2. The City will give prompt notice to WESTON whenever the City observes or becomes aware of any development that affects the scope or timing of WESTON's services.

3. The City shall examine information submitted by WESTON and render in writing or otherwise provide comments and decisions in a timely manner.

4. The City will obtain right-of-entry for all properties as necessary for WESTON to complete the design phase of the project.

5. The City will obtain all permanent water line, access, and temporary construction easements should any easements be required.

6. WESTON will show fiber optic conduit alignment on the same sheets as the water line plan and profile.

7. The City will provide necessary information for WESTON to design the fiber optic conduit installation. This may include but not be limited to: conduit size and material, pull box spacing, minimum curve radii, bury depth, necessary horizontal spacing from other utilities, starting and termination points, and typical details for cross sections, pull boxes, and other necessary appurtenances.

8. The City will pay for all permit and license fees.

9. The City will field and document all questions during the Bid period and route technical questions to WESTON requiring input from the Design Engineer.

10. WESTON will review submittal and RFIs and make recommendations to the City. The City will make the final decision and issue responses to the Contractor.

11. The City will distribute all Addenda.

12. The City will draft and route all Change Orders

13. Scope of Services does not include archeological field surveys.

14. Scope of Services does not include karst endangered species habitat surveys.

Attachment 1
Proposal Table

	Unit Rate	TASK 1		TASK 2		TASK 3		TASK 4		TASK 5		Totals	
		Prelim Engineering 30%		Design 60/90/100%		Bid Phase		Construction Phase		Record Drawing Phase			
Labor Estimate (per hour)		**Units**	**Amount**	**Units**	**Amount**	**Units**	**Amount**	**Units**	**Amount**	**Units**	**Amount**	**Units**	**Amount**
Project Manager	$200.00	20.0	$ 4,000.00	42.0	$ 8,400.00	2.0	$ 400.00	24.0	$ 4,800.00	3.0	$ 600.00	91.0	$ 18,200.00
QC Engineer	$176.55	9.0	$ 1,588.91	26.0	$ 4,590.17	2.0	$ 353.09	16.0	$ 2,824.72	4.0	$ 706.18	57.0	$ 10,063.07
Project Engineer	$106.76	65.0	$ 6,939.66	200.0	$ 21,352.80	13.0	$ 1,387.93	85.0	$ 9,074.94	14.0	$ 1,494.70	377.0	$ 40,250.03
Associate EIT	$89.03	130.0	$ 11,574.16	434.0	$ 38,639.89	24.0	$ 2,136.77	140.0	$ 12,464.48	18.0	$ 1,602.58	746.0	$ 66,417.87
CAD Operator	$105.49	48.0	$ 5,063.66	390.0	$ 41,142.27	9.0	$ 949.44	12.0	$ 1,265.92	30.0	$ 3,164.79	489.0	$ 51,586.08
GIS Analyst	$167.77	4.0	$ 671.09	-	$ -	-	$ -	-	$ -	6.0	$ 1,006.63	10.0	$ 1,677.72
Financial Analyst	$99.45	8.0	$ 795.58	14.0	$ 1,392.27	4.0	$ 397.79	12.0	$ 1,193.38	3.0	$ 298.34	41.0	$ 4,077.37
Labor Total			**$ 31,357.35**		**$ 117,287.87**		**$ 6,188.35**		**$ 32,589.14**		**$ 9,114.65**		**$ 196,537.36**
Subcontractor Costs													
Surveying			$ 15,000.00		$ -		$ -		$ -		$ 3,500.00	-	$ 18,500.00
Subcontractor Total			**$ 15,000.00**		**$ -**		**$ -**		**$ -**		**$ 3,500.00**		**$ 18,500.00**
External ODCs													
Full Size Plans Printing	$220.00	-	$ -	-	$ -	2	$ 440.00	-	$ -	2	$ 440.00	4	$ 880.00
External ODC Total			**$ -**		**$ -**		**$ 440.00**		**$ -**		**$ 440.00**		**$ 880.00**
Subtotal Estimated Cost			**$ 46,357.35**		**$ 117,287.87**		**$ 6,628.35**		**$ 32,589.14**		**$ 13,054.65**		**$ 215,917.36**

Contingency	**$**	**-**
Base Fee	**$**	**-**
Award Fee	**$**	**-**
Fixed Fee	**$**	**-**
Incentive Fee	**$**	**-**
Other Fees	**$**	**-**
Estimated Cost	**$**	**215,917.36**

BYRN & ASSOCIATES, INC.

SURVEYING

February 24, 2020

Dain Chernick, P.E.
Weston Solutions, Inc.

PROPOSAL FOR TOPOGRAPHIC SURVEY OF APPROXIMATELY 9,100 LINEAR FEET ALONG THE SOUTHEAST SIDE OF STATE HIGHWAY 21, FROM THE SAN MARCOS AIRPORT ENTRANCE TO WILLIAM PETTUS ROAD, CALDWELL COUNTY, TEXAS

Thank you for considering Byrn & Associates, Inc. for this work.

We can provide you with a topographic survey of the referenced property for a fee of $15,000.00. This includes hardwood trees 6" and larger.

Scope of services:

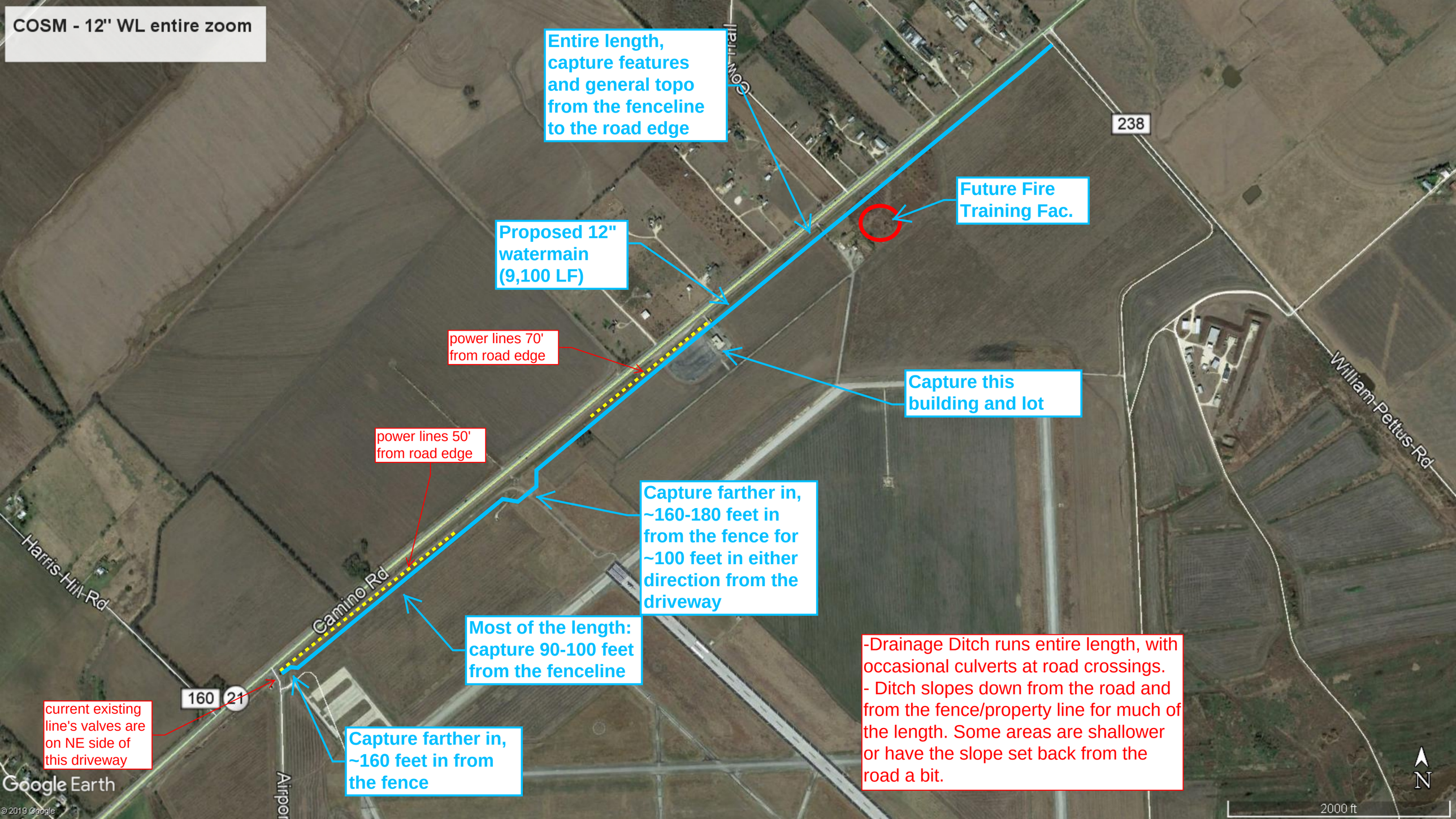
- Provide detailed topographic survey of area located on City of San Marcos property as shown on attached sketch provided by you, including visible utilities, geotechnical borings and SUE test holes.
- Provide general topographic survey information from the City of San Marcos property line to the ditch top slope on the Highway side.
- Locate City of San Marcos boundaries and existing easement boundaries along topo route.
- Provide survey control points every 1500'.
- Provide topographic survey in Autocad format.

This proposal does not include the preparation of easement plats and field note descriptions if needed.

An as-built survey of the visible waterline structures can be provided for a fee of $3,500.00.

Kyle Smith, R.P.L.S.

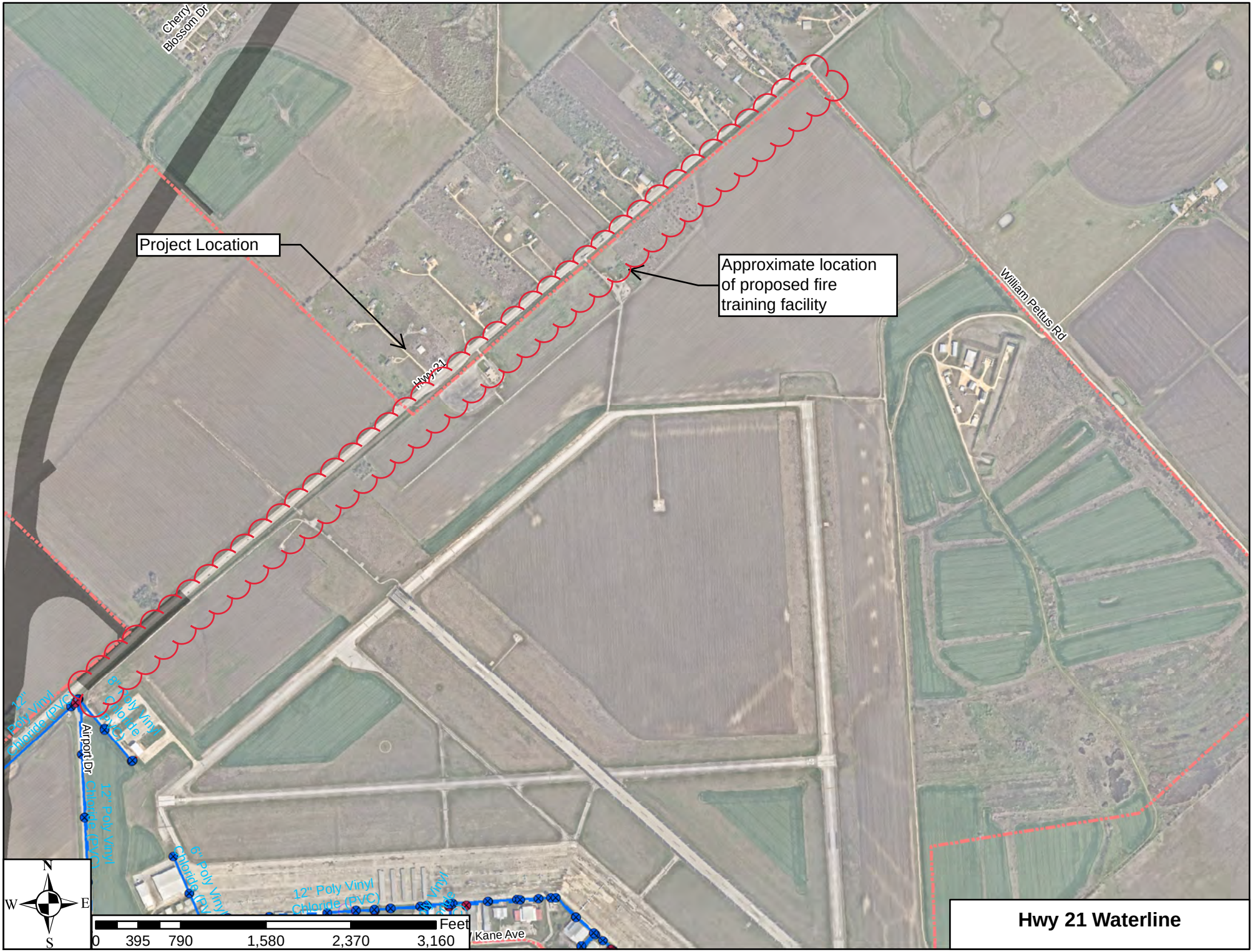
P.O. Box 1433, San Marcos, Texas 78667-1433 (512) 396-2270 Fax (512) 392-2945


COSM - 12" WL entire zoom
Entire length, capture features and general topo from the fenceline to the road edge
Cow Trail
238
Future Fire Training Fac.
Proposed 12" watermain (9,100 LF)
power lines 70' from road edge
Capture this building and lot
William Pettus Rd
power lines 50' from road edge
Capture farther in, ~160-180 feet in from the fence for ~100 feet in either direction from the driveway
Harris Hill Rd
Camino Rd
Most of the length: capture 90-100 feet from the fenceline
-Drainage Ditch runs entire length, with occasional culverts at road crossings.
- Ditch slopes down from the road and from the fence/property line for much of the length. Some areas are shallower or have the slope set back from the road a bit.
160
21
current existing line's valves are on NE side of this driveway
Capture farther in, ~160 feet in from the fence
Airpor
Google Earth
© 2019 Google
N
2000 ft

ATTACHMENT C
SCHEDULE
CITY OF SAN MARCOS
HIGHWAY 21 WATER LINE IMPROVEMENTS
25 MARCH 2020

The anticipated project schedule is as follows:

Preliminary Design:	120 Calendar days (4 months)
Design Phase:	240 Calendar days (8 months)
60% and Review	120 days
90% and Review	90 days
100% and Approval	45 days
Bid:	120 Calendar days (4 months)
Construction:	300 Calendar days (10 months)
Record Drawings:	90 Calendar days (3 months)


Cherry Blossom Dr
Project Location
Approximate location of proposed fire training facility
Hwy 21
William Pettus Rd
12" Poly Vinyl Chloride (PVC)
8" Poly Vinyl Chloride (PVC)
Airport Dr
12" Poly Vinyl Chloride (PVC)
6" Poly Vinyl Chloride (PVC)
12" Poly Vinyl Chloride (PVC)
Kane Ave
N
W
E
S
Feet
0
395
790
1,580
2,370
3,160
Hwy 21 Waterline

City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Legislation Text

File #: Res. 2020-102R, **Version:** 1

AGENDA CAPTION:
Consider approval of Resolution 2020-102R, approving a change in service to the construction contract with Cash Construction Company, Inc. relating to the Main Lift Station Force Main Replacement Project to decrease the contract price by $2,936,550.26; authorizing the City Manager or his designee to execute the appropriate documents relating to the change in service on behalf of the City; and declaring an effective date.

Meeting date: May 19, 2020

Department: Engineering and CIP, Laurie Moyer, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding
Funds Required: $0.00
Account Number: C111 & DP20
Funds Available: C111 - $5,712,837.98
Account Name: C111 - Main Lift Station Force Main Improv; Click or tap here to enter text.

Fiscal Note:

Prior Council Action: April 7, 2020, Resolution 2018-75R - Approval of construction contract to Cash Construction Company, Inc., amount of $9,286,059.00

City Council Strategic Initiative: [Please select from the dropdown menu below]

City Facilities

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☒ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Wastewater Master Plan

Background Information:

On April 7, 2020 the Main Lift Station Force Main Replacement Project was awarded to Cash Construction, LLC in the amount of $9,286,059.00. The construction includes the replacement of two 20" concrete wastewater force mains with two 24" PVC force mains, a reclaimed water bulk filling station, an underground electric duct bank, six storm sewer crossings and a 5'x5' box culvert along River Road.

Due to the cost of the electric work, this change order will remove the electrical duct bank from the project. This cost for this reduction in work is $2,936,550.26 which results in a 31.6% decrease to the original contract amount. The contractor was notified of the deletion prior to the award of the contract and agreed to the deductive change order.

More cost-effective alignments are currently being considered for the electric duct bank and will likely be added to a different CIP project.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of this deductive change order.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A CHANGE IN SERVICE TO THE CONSTRUCTION CONTRACT WITH CASH CONSTRUCTION COMPANY, INC. RELATING TO THE MAIN LIFT STATION FORCE MAIN REPLACEMENT PROJECT TO DECREASE THE CONTRACT PRICE BY $2,936,550.26; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE APPROPRIATE DOCUMENTS RELATING TO THE CHANGE IN SERVICE ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Change in Service to the construction contract with Cash Construction Company, Inc., relating to the Main Lift Station Force Main Replacement Project to decrease the contract price by $2,936,550.26 is approved.

PART 2. The City Manager or his designee is authorized to execute appropriate documents related to the change in service on behalf of the City.

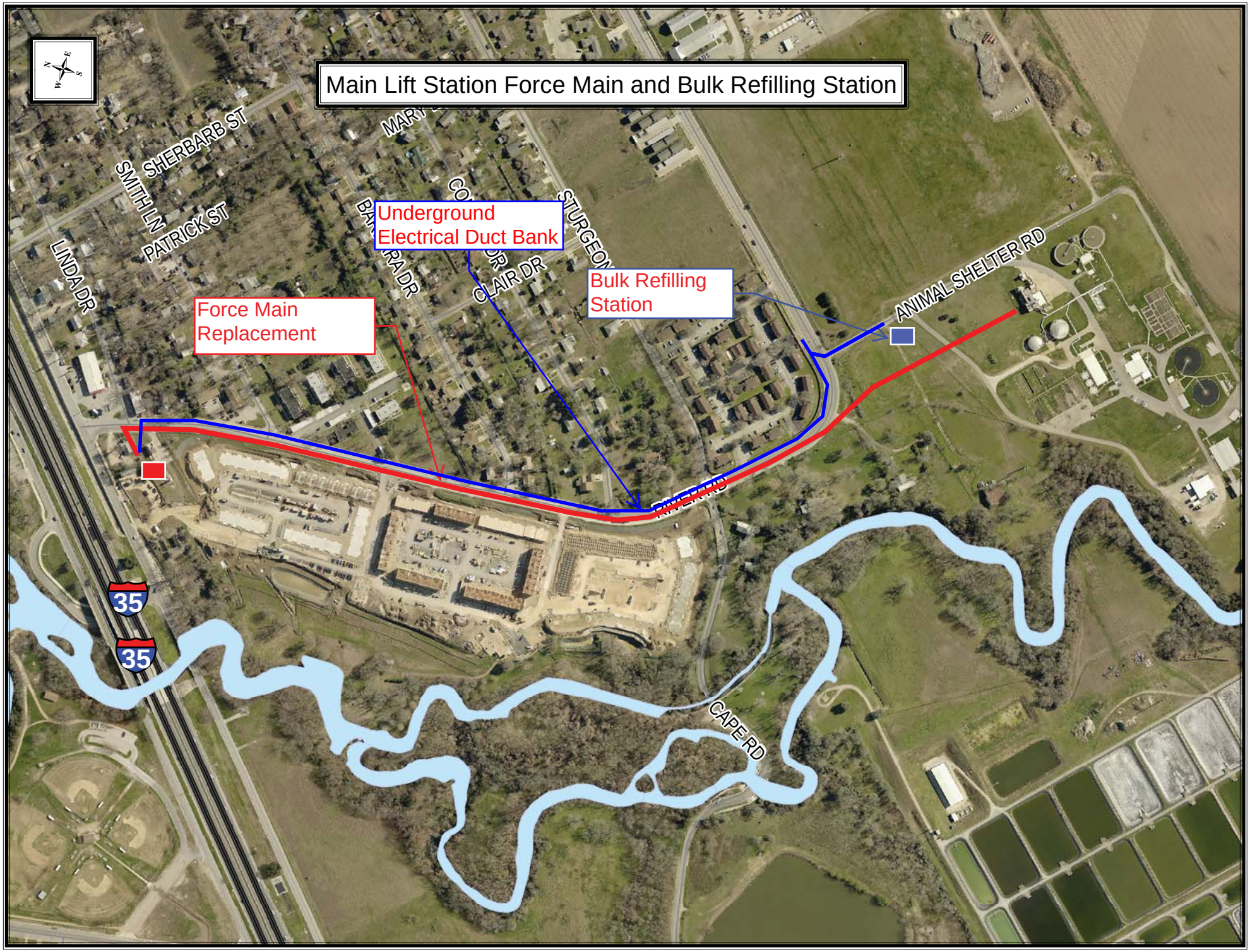
PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk


Main Lift Station Force Main and Bulk Refilling Station
Underground Electrical Duct Bank
Bulk Refilling Station
Force Main Replacement
SHERBARB ST
SMITH LN
PATRICK ST
LINDA DR
CLAIR DR
ANIMAL SHELTER RD
CAPE RD
35
35

CITY OF SAN MARCOS
CONSTRUCTION CHANGE ORDER
($50,000 and higher)

PROJECT: Main Lift Station - Force Main Replacement
CONTRACT NO.: 216-104

Date Prepared: 4/16/2020
Change Order #: 1

CONTRACTOR: Cash Construction Company, Inc.
ADDRESS: 217 Kingston Lacy Blvd.
CITY/STATE/ZIP: Pflugerville, TX 78660

We are submitting this Change Order to the referenced contract. In consideration of the Change Order agreed to herein as complete equitable adjustments and full and final payment for the Contractor's additional work, the Contractor hereby releases the Owner from any and all liability under this contract for further equitable adjustments, including additional time for performance, attributable to such facts or circumstances giving rise to the proposal for adjustment.

This authorization provides for the following modifications or additions: Due to elimination of the underground electrical duct bank, approximately 1/3 of the contract value, bid item costs needed to be addjusted accordingly.

I. Utilities

ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
1	700S-TM	Total Mobilizaion Payment	1	0	-1	LS	$280,000.56	-$280,000.56
1a	700S-TM	Total Mobilization Payment	0	1	1	LS	$246,000.00	$246,000.00
3	509S-1	Trench Excavation Safety Protective Systems (All Depths and All Pipe and Pipe Removal)	11,740	0	-11,740	LF	$1.00	-$11,740.18
3a	509S-1	Trench Excavation Safety Protective Systems (All Depths and All Pipe and Pipe Removal)	0	11,740	11,740	LF	$1.10	$12,914.20
4	402S-A	Controlled Low Strength Material/Flowable Fill	389	0	-389	CY	$168.00	-$65,365.44
4a	402S-A	Controlled Low Strength Material/Flowable Fill	0	389	389	CY	$170.00	$66,143.60
5	510-AR PVC 4" Dia.	Pipe, 4" Dia., PVC C900, DR14	192	0	-192	LF	$63.00	-$12,096.00
5a	510-AR PVC 4" Dia.	Pipe, 4" Dia., PVC C900, DR14	0	192	192	LF	$65.00	$12,480.00
6	510-AR PVC 12" Dia.	Pipe, 12" Dia., PVC C900, DR14	1,196	0	-1,196	LF	$74.00	-$88,495.12
6a	510-AR PVC 12" Dia.	Pipe, 12" Dia., PVC C900, DR14	0	1,196	1,196	LF	$76.00	$90,886.88
7	510-AR PVC 20" Dia.	Pipe, 20" Dia., Fusible PVC C900, DR10	20	0	-20	LF	$350.00	-$7,000.00
7a	510-AR PVC 20" Dia.	Pipe, 20" Dia., Fusible PVC C900, DR10	0	20	20	LF	$360.00	$7,200.00
8	510-AR PVC 24" Dia.	Pipe, 24" Dia., Fusible PVC C905, DR18	7,193	0	-7,193	LF	$342.00	-$2,459,927.34
8a	510-AR PVC 24" Dia.	Pipe, 24" Dia., Fusible PVC C905, DR18	0	7,193	7,193	LF	$359.00	$2,582,204.43
11	510-AR DI 24" Dia.	Pipe, 24" Dia., DIP AWWA C-151, Pressure Class 250 Min.	162	0	-162	LF	$422.00	-$68,165.66
11a	510-AR DI 24" Dia.	Pipe, 24" Dia., DIP AWWA C-151, Pressure Class 250 Min.	0	162	162	LF	$421.00	$68,004.13
TOTAL FOR BID CATEGORY							SUB TOTAL I:	$93,042.94

II. Electrical/Ductbank

ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
33	260500	Low Voltage Electrical Condutors & Cables - #12AWG	130	0	-130	LF	$3.40	-$442.00
33a	260500	Low Voltage Electrical Condutors & Cables - #12AWG	0	130	130	LF	$4.30	$559.00
34	260500	Low Voltage Electrical Condutors & Cables - #10AWG	40	0	-40	LF	$5.50	-$220.00
34a	260500	Low Voltage Electrical Condutors & Cables - #10AWG	0	40	40	LF	$7.40	$296.00
35	260500	Low Voltage Electrical Condutors & Cables - #1AWG	320	0	-320	LF	$5.50	-$1,760.00
35a	260500	Low Voltage Electrical Condutors & Cables - #1AWG	0	320	320	LF	$7.40	$2,368.00
36	260500	Low Voltage Electrical Condutors & Cables - #18AWG Shielded	80	0	-80	LF	$3.00	-$240.00
36a	260500	Low Voltage Electrical Condutors & Cables - #18AWG Shielded	0	80	80	LF	$3.80	$304.00
37	260526	Grounding & Bonding for Electrcial Systems - #12AWG	190	0	-190	LF	$3.10	-$589.00
37a	260526	Grounding & Bonding for Electrcial Systems - #12AWG	0	190	190	LF	$3.90	$741.00
38	260526	Grounding & Bonding for Electrcial Systems - #8AWG	50	0	-50	LF	$5.50	-$275.00
38a	260526	Grounding & Bonding for Electrcial Systems - #8AWG	0	50	50	LF	$7.40	$370.00
39	260526	Grounding & Bonding for Electrcial Systems - #6AWG	10	0	-10	LF	$8.50	-$85.00
39a	260526	Grounding & Bonding for Electrcial Systems - #6AWG	0	10	10	LF	$12.35	$123.50
40	260533	Conduits - 3/4" (Bulk Filling Station)	10	0	-10	LF	$8.50	-$85.00
40a	260533	Conduits - 3/4" (Bulk Filling Station)	0	10	10	LF	$11.70	$117.00
42	260526	Conduits - 2" (Bulk Filling Station, Lift Station)	460	0	-460	LF	$9.00	-$4,140.00
42a	260526	Conduits - 2" (Bulk Filling Station, Lift Station)	0	460	460	LF	$13.00	$5,980.00
43	260526	Conduits - 4" PVC (Underground-Lift Station)	100	0	-100	LF	$10.50	-$1,050.00
44	260526	Conduits - 4" PVC (Above Grade-Lift Station)	130	0	-130	LF	$200.00	-$26,000.00
45	260526	Conduits - 4" PVC (Underground-Telco Franchise Utility)	9,475	0	-9,475	LF	$8.50	-$80,537.50
46	260526	Conduits - 6" PVC (Underground SMEU Telco w/ 1" Innerduct)	3,265	0	-3,265	LF	$20.00	-$65,300.00
47	260526	Conduits - 6" PVC (Underground SMEU Power)	27,415	0	-27,415	LF	$14.20	-$389,293.00
48	260543	Manholes - 12x12 SMEU (Include Excavation & Backfill)	6	0	-6	EA	$55,000.00	-$330,000.00
49	260543	Manholes - 6x12 SMEU (Include Excavation & Backfill)	5	0	-5	EA	$30,000.00	-$150,000.00
50	260533	Pull and Junction Boxes (316SS-Lift Station)	2	0	-2	EA	$6,000.00	-$12,000.00
51	260543	Pullboxes-Concrete (Telco Franchise Utility/4"C.)	1	0	-1	EA	$11,000.00	-$11,000.00
52	260543	Pullboxes-Concrete (SMEU Telco/6"C.)	3	0	-3	EA	$11,000.00	-$33,000.00
53	260543	Pullboxes-Concrete (Lift Station)	2	0	-2	EA	$11,000.00	-$22,000.00
53a	260543	Pullboxes-Concrete (Lift Station)	0	2	2	EA	$6,500.00	$13,000.00
54	260573	Electrical Power Systems Study (Bulk Filling Station)	1	0	-1	EA	$10,500.00	-$10,500.00
54a	260573	Electrical Power Systems Study (Bulk Filling Station)	0	1	1	EA	$11,000.00	$11,000.00
55	260923	Lighting Contactor/Photocell (Bulk Filling Station)	1	0	-1	EA	$7,000.00	-$7,000.00
55a	260923	Lighting Contactor/Photocell (Bulk Filling Station)	0	1	1	EA	$7,500.00	$7,500.00
56	262416	Panelboards (Bulk Filling Station)	1	0	-1	EA	$7,500.00	-$7,500.00
56a	262416	Panelboards (Bulk Filling Station)	0	1	1	EA	$8,000.00	$8,000.00
57	262726	Wiring Devices (Bulk Filling Station)	1	0	-1	EA	$3,500.00	-$3,500.00
57a	262726	Wiring Devices (Bulk Filling Station)	0	1	1	EA	$3,800.00	$3,800.00
58	262816	Enclosed Switches (Bulk Filling Station)	1	0	-1	EA	$6,000.00	-$6,000.00
58a	262816	Enclosed Switches (Bulk Filling Station)	0	1	1	EA	$6,500.00	$6,500.00
59	265600	Exterior Lighting (Bulk Filling Station - Pole/Fixture)	2	0	-2	EA	$8,000.00	-$16,000.00
59a	265600	Exterior Lighting (Bulk Filling Station - Pole/Fixture)	0	2	2	EA	$8,500.00	$17,000.00
60		Relocate Security Camera (Lift Station)	1	0	-1	EA	$600.00	-$600.00
61		Service Transformer Pad (Bulk Filling Station)	1	0	-1	EA	$2,300.00	-$2,300.00
61a		Service Transformer Pad (Bulk Filling Station)	0	1	1	EA	$2,500.00	$2,500.00
62		Service Transformer Pad (Lift Station)	1	0	-1	EA	$2,300.00	-$2,300.00
63		Equipment Rack for Meter (Bulk Filling Station)	1	0	-1	EA	$16,000.00	-$16,000.00
63a		Equipment Rack for Meter (Bulk Filling Station)	0	1	1	EA	$18,000.00	$18,000.00
64		Equipment Rack for Meter (Lift Station)	1	0	-1	EA	$500.00	-$500.00
65		Temporary Support of Existing Utilities	1	0	-1	LS	$15,000.00	-$15,000.00
66		Process Integration	1	0	-1	LS	$18,000.00	-$18,000.00
66a		Process Integration	0	1	1	LS	$18,700.00	$18,700.00
67	511S-L	Relocate Existing Fire Hydrant	2	0	-2	EA	$3,500.00	-$7,000.00
68	510-S	Relocate 2" Waterline	3	0	-3	EA	$2,500.00	-$7,500.00

CITY OF SAN MARCOS
CONSTRUCTION CHANGE ORDER
($50,000 and higher)

PROJECT: Main Lift Station - Force Main Replacement
CONTRACT NO.: 216-104

Date Prepared: 4/16/2020
Change Order #: 1

69		Excavation and Backfill for Duct Banks (Includes all Excavation, Compacted Backfill, Flowable Fill, Concrete, Curb/Gutter Replacement, Fence Replacement, Tree Protection, Ramp Replacement, Pavement Replacement and Surface Restoration	3,057	0	-3,057	LF	$630.00	-$1,925,910.00
TOTAL FOR BID CATEGORY							SUB TOTAL II:	-$3,056,768.00

III. Stormwater

ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
73	111S-A	Extra Excavation (Due to Deep Stormwater)	2,000	0	-2,000	CY	$16.00	-$32,000.00
73a	111S-A	Extra Excavation (Due to Deep Stormwater)	0	2,000	2,000	CY	$17.00	$34,000.00
74	510-ASD 18" Dia	18" RCP (CL-III) Including Bedding & Backfill	31	0	-31	LF	$110.00	-$3,410.00
74a	510-ASD 18" Dia	18" RCP (CL-III) Including Bedding & Backfill	0	31	31	LF	$112.00	$3,472.00
75	510-ASD 24" Dia.	24" RCP (CL-III) Including Bedding & Backfill	112	0	-112	LF	$250.00	-$28,000.00
75a	510-ASD 24" Dia.	24" RCP (CL-III) Including Bedding & Backfill	0	112	112	LF	$253.00	$28,336.00
76	510-ASD 24" Dia.	24" RCP (CL-IV) Including Bedding & Backfill	589	0	-589	LF	$300.00	-$176,700.00
76a	510-ASD 24" Dia.	24" RCP (CL-IV) Including Bedding & Backfill	0	589	589	LF	$305.00	$179,645.00
77	510-ASD 48" Dia.	48" RCP (CL-IV) Including Bedding & Backfill	8	0	-8	LF	$365.00	-$2,920.00
77a	510-ASD 48" Dia.	48" RCP (CL-IV) Including Bedding & Backfill	0	8	8	LF	$370.00	$2,960.00
78	510-ASD 54" Dia.	54" RCP (CL-IV) Including Bedding & Backfill	35	0	-35	LF	$565.00	-$19,775.00
78a	510-ASD 54" Dia.	54" RCP (CL-IV) Including Bedding & Backfill	0	35	35	LF	$570.00	$19,950.00
79	559S	Precast Concrete Box Culverts, 5ft x 5ft	407	0	-407	LF	$635.00	-$258,445.00
79a	559S	Precast Concrete Box Culverts, 5ft x 5ft	0	407	407	LF	$640.00	$260,480.00
80	510-HW	Cement Stabilized Backfill, 24" Dia.	24	0	-24	LF	$64.00	-$1,536.00
80a	510-HW	Cement Stabilized Backfill, 24" Dia.	0	24	24	LF	$66.00	$1,584.00
81	510-HW	Cement Stabilized Backfill, 6" Dia.	3	0	-3	LF	$32.00	-$96.00
81a	510-HW	Cement Stabilized Backfill, 6" Dia.	0	3	3	LF	$33.00	$99.00
82	506S-MSW	Standard Pre-Cast Manhole w/ Pre-Cast Base, 60" Dia.	2	0	-2	EA	$4,500.00	-$9,000.00
82a	506S-MSW	Standard Pre-Cast Manhole w/ Pre-Cast Base, 60" Dia.	0	2	2	EA	$4,700.00	$9,400.00
83	506S-CNSW	Connection to Existing 84" Manhole	1	0	-1	EA	$3,500.00	-$3,500.00
83a	506S-CNSW	Connection to Existing 84" Manhole	0	1	1	EA	$3,600.00	$3,600.00
84	506S JSW	Junction Box (JB), 8ft x 8ft	4	0	-4	EA	$14,000.00	-$56,000.00
84a	506S JSW	Junction Box (JB), 8ft x 8ft	0	4	4	EA	$15,000.00	$60,000.00
85	506S-EDMSW	Extra Depth of 8ft x 8ft JB	46	0	-46	VLF	$800.00	-$36,800.00
85a	506S-EDMSW	Extra Depth of 8ft x 8ft JB	0	46	46	VLF	$850.00	$39,100.00
86	506S-I10S	10' Curb Inlet	1	0	-1	EA	$6,900.00	-$6,900.00
86a	506S-I10S	10' Curb Inlet	0	1	1	EA	$7,000.00	$7,000.00
87	506S-CNSW	Connection to Existing Inlet	8	0	-8	EA	$2,000.00	-$16,000.00
87a	506S-CNSW	Connection to Existing Inlet	0	8	8	EA	$2,100.00	$16,800.00
88	510-AW 12" Dia.	Water Main Vertical Adjustment, 12" Dia, PVC (C-900)(All Depths), Including Excavation and Backfill	80	0	-80	LF	$340.00	-$27,200.00
88a	510-AW 12" Dia.	Water Main Vertical Adjustment, 12" Dia, PVC (C-900)(All Depths), Including Excavation and Backfill	0	80	80	LF	$350.00	$28,000.00
89	510-AW 6" Dia.	Water Main Vertical Adjustment, 6" Dia, PVC (C-900)(All Depths), Including Excavation and Backfill	15	0	-15	LF	$420.00	-$6,300.00
89a	510-AW 6" Dia.	Water Main Vertical Adjustment, 6" Dia, PVC (C-900)(All Depths), Including Excavation and Backfill	0	15	15	LF	$440.00	$6,600.00
90	510-AW 6" Dia.	Water Main, 6" Dia., PVC (C-900)(All Depths), Including Excavation and Backfill	107	0	-107	LF	$100.00	-$10,700.00
90a	510-AW 6" Dia.	Water Main, 6" Dia., PVC (C-900)(All Depths), Including Excavation and Backfill	0	107	107	LF	$105.00	$11,235.00
91	510S	2" Water Service Lines (HDPE), Including Tapping Saddle, Service Line, and Components up to the Meter, Complete In-Place	2	0	-2	EA	$8,000.00	-$16,000.00
91a	510S	2" Water Service Lines (HDPE), Including Tapping Saddle, Service Line, and Components up to the Meter, Complete In-Place	0	2	2	EA	$8,200.00	$16,400.00
92	510S	Remove 6" Water Main (PVC C-900)	107	0	-107	LF	$31.00	-$3,317.00
92a	510S	Remove 6" Water Main (PVC C-900)	0	107	107	LF	$33.00	$3,531.00
93		Remove 24" RCP	152	0	-152	LF	$34.00	-$5,168.00
93a		Remove 24" RCP	0	152	152	LF	$36.00	$5,472.00
94		Remove 60" SD MH	2	0	-2	EA	$2,000.00	-$4,000.00
94a		Remove 60" SD MH	0	2	2	EA	$2,100.00	$4,200.00
95	506S-ABSW	Abandon 60" SD MH	2	0	-2	EA	$2,000.00	-$4,000.00
95a	506S-ABSW	Abandon 60" SD MH	0	2	2	EA	$2,100.00	$4,200.00
96		Remove Existing 5' Inlet	1	0	-1	EA	$2,000.00	-$2,000.00
96a		Remove Existing 5' Inlet	0	1	1	EA	$2,100.00	$2,100.00
97	TxDOT 467	Set (Type II) 3:1 Slope, 24" RCP, Cross	6	0	-6	EA	$2,000.00	-$12,000.00
97a	TxDOT 468	Set (Type II) 3:1 Slope, 24" RCP, Cross	0	6	6	EA	$2,100.00	$12,600.00
98	TxDOT 467	Set (Typle II) 6:1 Slope, 24" RCP, Cross	2	0	-2	EA	$3,000.00	-$6,000.00
98a	TxDOT 468	Set (Typle II) 6:1 Slope, 24" RCP, Cross	0	2	2	EA	$3,100.00	$6,200.00
99	104S-D	Remove Existing Headwall	15	0	-15	LF	$200.00	-$3,000.00
99a	104S-D	Remove Existing Headwall	0	15	15	LF	$220.00	$3,300.00
100	591S-A	Dry Rock Rip-Rap (Class 1), D50 = 6" Dia., w/ Geotextile Fabric	62	0	-62	SY	$58.10	-$3,602.20
100a	591S-A	Dry Rock Rip-Rap (Class 1), D50 = 6" Dia., w/ Geotextile Fabric	0	62	62	SY	$60.00	$3,720.00
TOTAL FOR BID CATEGORY							SUB TOTAL III:	$19,614.80

III. Pavement Markings

ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
101	802S-B C.I.P.	Pair of C.I.P. Project Signs	2	0	-2	EA	$2,000.00	-$4,000.00
101a	802S-B C.I.P.	Pair of C.I.P. Project Signs	0	2	2	EA	$2,100.00	$4,200.00
102	803S	Barricade, Signs and Traffic Handling	10	0	-10	MO	$3,000.00	-$30,000.00
102a	803S	Barricade, Signs and Traffic Handling	0	10	10	MO	$3,100.00	$31,000.00
118	TxDOT512-6009	Port CTB (FUR & INST)(Low Prof)(Ty 1)	1,340	0	-1,340	LF	$80.00	-$107,200.00
118a	TxDOT512-6010	Port CTB (FUR & INST)(Low Prof)(Ty 1)	0	1,340	1,340	LF	$82.00	$109,880.00
119	TxDOT512-6010	Port CTB (FUR & INST)(Low Prof)(Ty 2)	120	0	-120	LF	$75.00	-$9,000.00
119a	TxDOT512-6011	Port CTB (FUR & INST)(Low Prof)(Ty 2)	0	120	120	LF	$77.00	$9,240.00
120	TxDOT512-6033	Port CTB (Move)(Low Prof)(Ty 1)	1,520	0	-1,520	LF	$15.00	-$22,800.00
120a	TxDOT512-6034	Port CTB (Move)(Low Prof)(Ty 1)	0	1,520	1,520	LF	$17.00	$25,840.00
121	TxDOT512-6034	Port CTB (Move)(Low Prof)(Ty 2)	200	0	-200	LF	$15.00	-$3,000.00
121a	TxDOT512-6035	Port CTB (Move)(Low Prof)(Ty 2)	0	200	200	LF	$17.00	$3,400.00
TOTAL FOR BID CATEGORY							SUB TOTAL IV:	$7,580.00

CITY OF SAN MARCOS
CONSTRUCTION CHANGE ORDER
($50,000 and higher)

PROJECT: Main Lift Station - Force Main Replacement
CONTRACT NO.: 216-104

Date Prepared: 4/16/2020
Change Order #: 1

TOTAL CHANGE ORDER — **TOTAL I+II+III+IV:** -$2,936,550.26

CHANGE IN DAYS REQUESTED FOR CHANGE ORDER 0

Date	Contract Document	Amount	Days	Running Sum	% Change $
4/7/2020	ORIGINAL CONTRACT AMOUNT:	$9,286,059.00	0	$9,286,059.00	0.0%
4/16/2020	CHANGE ORDER 1:	($2,936,550.26)	0	$6,349,508.74	-31.6%
	REVISED CONTRACT AMOUNT/DAYS:	$6,349,508.74	0		

Your signature below will constitute your acceptance of this Change Order:

1. Prepared By Project Manager: 4/16/2020
Rey A. Garcia, P.E., Senior Engineer — Date

2. Contractor: 4/17/20
Trey Dickehut, Vice President — Date

3. Design Consultant: 04/16/2020
Anne Hoskins, P.E., Project Manager — Date

4. Recommended by Department Director:
Laurie Moyer, P.E., Director of Engineering/CIP — Date

5. Reviewed by Finance:
Contractor Administrator — Date
Purchasing Manager — Date

6. Approved By:
City Manager — Date

Distribution List: Project Manager
Finance Department - Contract Administration
Contractor
Inspector

Rev. 03/30/18

File #: Res. 2020-103R, **Version:** 1

AGENDA CAPTION:
Consider approval of Resolution 2020-103R, approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for "City of San Marcos, Texas special assessment revenue bonds, series 2020, Whisper Public Improvement District."
Meeting date: May 19, 2020

Department: Finance

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:
Prior Council Action: October 2014 - Council approved term sheet, December 2015 - Term sheet amendment #1 extending date for submission of design plans to June 2016, September 2017 - Term sheet amendment #2 extending date for construction completion to September 2018 and increase of maximum annual assessment, January 2019 - Term sheet amendment #3 extending date for construction completion to May 2019 and create traffic impact analysis criteria, April 2020 - Term sheet amendment #4 referring all terms to the Amended and Restated Financing Agreement upon completion

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Whisper PID (public improvement district) will reimburse the developer for infrastructure, improvement and construction completed for: 28-acre business park, 285 acres of commercial development, 106 acres single family residential, 111 acres master retail and commercial center, and 50,000 square foot commercial spec building. Estimated addition to the tax roles at build out is $638.2M. A maximum of $14.6M in PID bonds will be issued to reimburse the developer for improvements that provide special benefit to the district.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

CITY OF SAN MARCOS

RESOLUTION NO. 2020-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR "CITY OF SAN MARCOS, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020 (WHISPER PUBLIC IMPROVEMENT DISTRICT)"

WHEREAS, this City Council (the "Council") of the City of San Marcos, Texas (the "City") has adopted a resolution authorizing the creation of the Whisper Public Improvement District (the "District"); and

WHEREAS, this Council intends to issue "City of San Marcos, Texas Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)" (the "Bonds"), to fund public improvements within the District; and

WHEREAS, there has been presented to this Council a Preliminary Limited Offering Memorandum relating to the Bonds (the "Preliminary Limited Offering Memorandum"); and

WHEREAS, this Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the Preliminary Limited Offering Memorandum and authorize the use of the Preliminary Limited Offering Memorandum in the offering and sale of the Bonds by the underwriter of the Bonds, FMSbonds, Inc.; and

WHEREAS, the Council finds that the passage of this Resolution is in the best interest of the citizens of the City;

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

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That this Council hereby approves the form and content of the Preliminary Limited Offering Memorandum and deems the Preliminary Limited Offering Memorandum final, 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 under the Securities Exchange Act of 1934, with such changes, addenda, supplements or amendments as may be approved by the City Manager. The City hereby authorizes the Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 19th DAY OF MAY, 2020.

ATTEST:

_____
Jane Hughson, Mayor

_____
Tammy K. Cook, Interim City Clerk

NEW ISSUE **NOT RATED**

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____, 2020

THE BONDS ARE INITIALLY OFFERED ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions existing on the date of such opinion, subject to the matters described under "TAX MATTERS".

$14,075,000*
CITY OF SAN MARCOS, TEXAS
(a municipal corporation of the State of Texas located in Hays, Caldwell and Guadalupe Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

Dated Date: Date of Delivery **Due: September 1, as shown on the inside cover**

The City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds"), are being issued by the City of San Marcos, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $5,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing September 1, 2020* until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by UMB Bank, N.A., Austin, Texas, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY-ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on June 2, 2020, and an Indenture of Trust, dated as of June 2, 2020 (the "Indenture"), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying or reimbursing all or a portion of the costs of the Major Improvements (as defined herein), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the Whisper Public Improvement District (the "District"), and (v) paying the costs of issuance of the Bonds ((ii)-(v) collectively are also referred to as "District Formation and Bond Issuance Costs"). See "AUTHORIZED IMPROVEMENTS" and "APPENDIX B — Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues (as defined herein), consisting primarily of the Assessments (as defined herein) levied against assessable properties in the District in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate (as defined herein), all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS." The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a significant degree of risk and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by the City Attorney, Michael Cosentino, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer (as defined herein) by its counsel, McLean & Howard, LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about June 30, 2020 (the "Date of Delivery").

FMSbonds, Inc.

* Preliminary; subject to change.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws hereunder.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS

CUSIP Prefix: [a]

$14,075,000*
CITY OF SAN MARCOS, TEXAS
(a municipal corporation of the State of Texas located in Hays, Caldwell and Guadalupe Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

$[_____] _____% Term Bonds, Due _____, 20__, Priced to Yield _____%; CUSIP No.___ [a] [b] [c]

$[_____] _____% Term Bonds, Due _____, 20__, Priced to Yield _____%; CUSIP No.___ [a] [b] [c]

(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after _____, 20__, at the redemption price set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

* Preliminary; subject to change.

CITY OF SAN MARCOS, TEXAS

Elected Officials

City Council	Length of Service	Term Expires
Jane Hughson[1] Mayor	6 Years	November 2020
Maxfield Baker[2] Councilmember, Place 1	< 1 Year	November 2022
Saul Gonzales Councilmember, Place 2	3 Years	November 2022
Ed Mihalkanin[3] Councilmember, Place 3	3 Years	November 2020
Mark Rockeymoore Councilmember, Place 4	1 Year	November 2020
Jocabed "Joca" Marquez Councilmember, Place 5	1 Year	November 2021
Melissa Derrick Councilmember, Place 6	4 Years	November 2021

(1) Elected as Mayor on November 6, 2018. Prior to being elected as Mayor, Ms. Hughson served as a City Councilmember for five years. She additionally served as a City Councilmember from 1996 to 2002.
(2) Newly elected as of November 5, 2019.
(3) Mr. Mihalkanin also previously served as a City Councilmember from 1996 to 2000 and from 2001 to 2006.

Selected Administrative Staff

Name	Position
Bert Lumbreras	City Manager
Joe Pantalion	Assistant City Manager
Stephanie Reyes	Assistant City Manager
Melissa Neel	Assistant Director of Finance[1]
Tammy Cook	Interim City Clerk
Michael Cosentino	City Attorney

(1) The City is currently searching for a Director of Finance to replace the prior Director of Finance who resigned in March of 2020.

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.
Austin, Texas

FINANCIAL ADVISOR
Specialized Public Finance Inc.
Austin, Texas

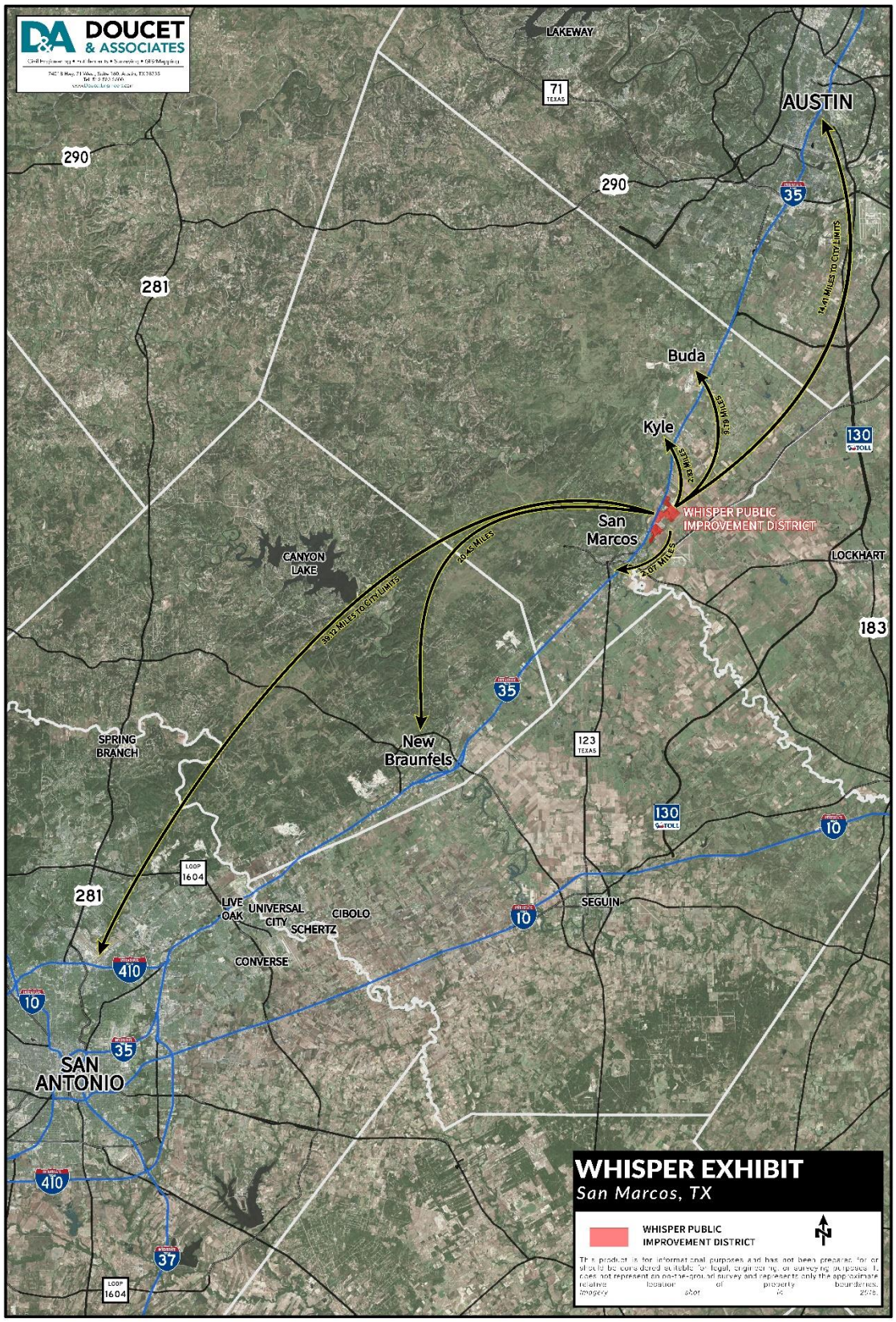
PID ADMINISTRATOR
P3Works, LLC
Austin and North Richland Hills, Texas

For additional information regarding the City, please contact:

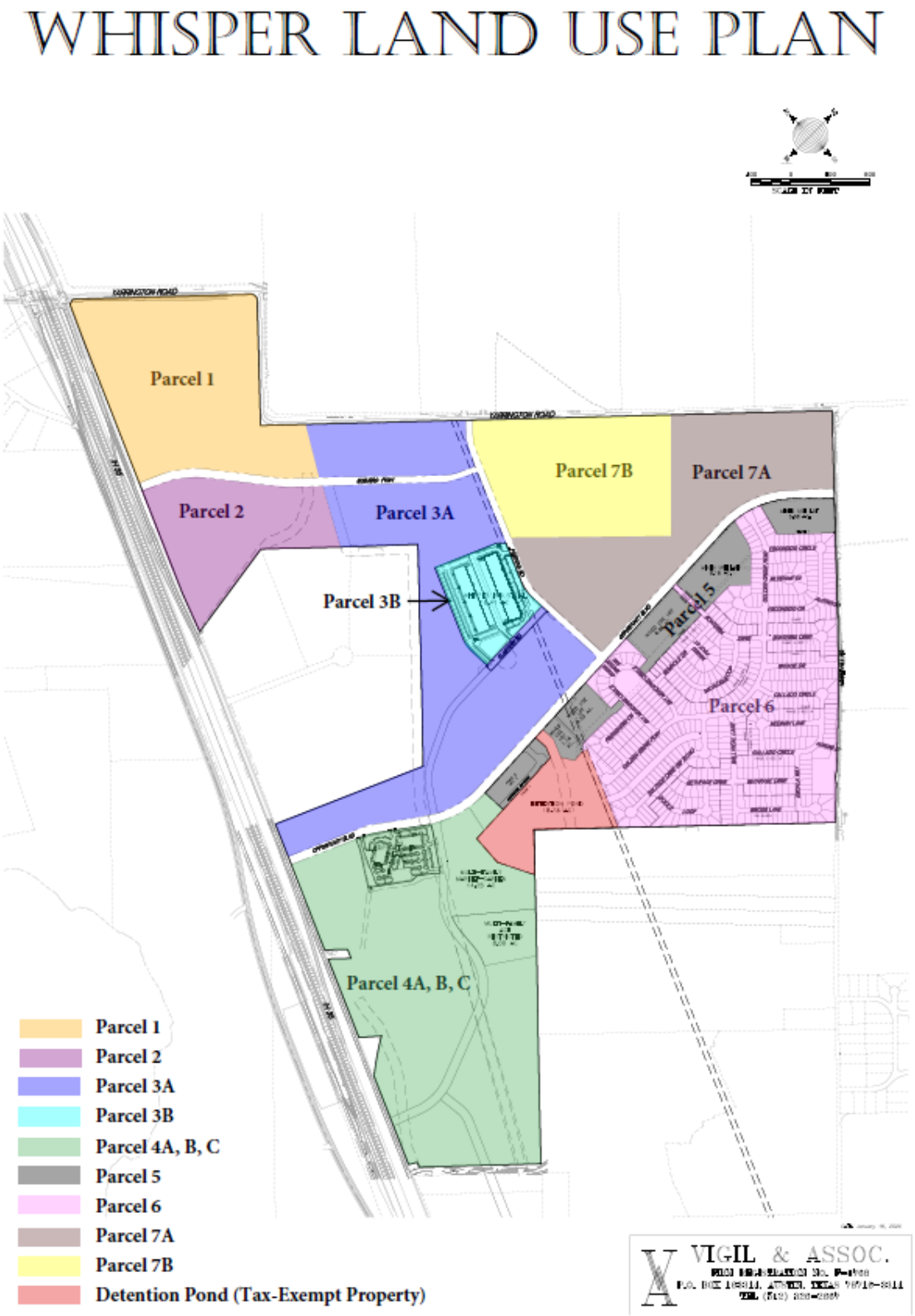
Ms. Melissa Neel
Assistant Director of Finance
City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666
(512) 393-8126

Mr. Dan Wegmiller
Managing Director
Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746
(512) 275-7300

REGIONAL LOCATION MAP OF THE DISTRICT



MAP SHOWING CONCEPT PLAN OF THE DISTRICT



4123-2153-1937.7

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS" HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPERS SINCE THE DATE HEREOF.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES

ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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TABLE OF CONTENTS

INTRODUCTION 2

PLAN OF FINANCE 3
- Development Plan 3
- Status of Major Improvements and Additional Improvements 4
- Homebuilders and Status of Home Construction 4
- Status of Multi-family, Industrial/Business Park and General Commercial 4
- The Bonds 5

DESCRIPTION OF THE BONDS 6
- General Description 6
- Redemption Provisions 6

BOOK-ENTRY-ONLY SYSTEM 9

SECURITY FOR THE BONDS SIMILARLY SECURED 11
- General 11
- Pledged Revenues 11
- Collection and Deposit of Assessments 12
- Unconditional Levy of Assessments 12
- Perfected Security Interest 13
- Pledged Revenue Fund 13
- Bond Fund 14
- Project Fund 14
- Administrative Fund 16
- Developer Property Tax Reserve Fund 16
- Defeasance 17
- Events of Default 18
- Remedies in Event of Default 18
- Restriction on Owner's Actions 19
- Application of Revenues and Other Moneys After Event of Default 19
- Investment or Deposit of Funds 20
- Against Encumbrances 20
- Other Obligations or Other Liens; Refunding Bonds 20

SOURCES AND USES OF FUNDS[(1)] 22

DEBT SERVICE REQUIREMENTS 23

OVERLAPPING TAXES AND DEBT 24

ASSESSMENT PROCEDURES 25
- General 25
- Assessment Methodology 26
- Collection and Enforcement of Assessment Amounts 27
- Assessment Amounts 29
- Prepayment of Assessments 30
- Priority of Lien 32
- Foreclosure Proceedings 32

THE CITY 32
- Background 32
- City Government 33

THE DISTRICT 33
- General 33
- Powers and Authority of the City 33

THE AUTHORIZED IMPROVEMENTS 33
- General 33
- Authorized Improvements 34
- Costs of Authorized Improvements 35
- Ownership and Maintenance of Major Improvements 36

THE DEVELOPMENT 36
- Overview 36
- Development Plan 37
- Construction Plan and Status of Construction 38
- Build-Out and Status of Lot Sales 39
- Multi-Family Residential Development 40
- Industrial/Business Park and General Commercial Development 41
- Single-Family Residential Development 41
- Photographs of the Development 43
- Financing Agreement 49
- Zoning/Permitting 49
- Education 49
- Residential Amenity Center 50
- Environmental 50
- Mineral Rights and Easement Rights 50
- Geotechnical Exploration 50
- Utilities 51

THE DEVELOPER 51
- General 51
- Description of Developer 51
- Executive Biography of Principals of McDonald Development 52
- History and Financing of the District 52

THE PID ADMINISTRATOR 55

APPRAISAL OF PROPERTY WITHIN THE DISTRICT 55
- The Appraisal 55

BONDHOLDERS' RISKS 56
- Infectious Disease Outbreak 57
- Assessment Limitations 58
- Effects of Future Legislation 59
- Risks Related to the Current Residential Real Estate Market 60
- Competition 60
- Loss of Tax Exemption 61
- Bankruptcy 61

Direct and Overlapping Indebtedness, Assessments and Taxes 61
Depletion of Reserve Account of the Reserve Fund..... 62
Hazardous Substance..... 62
Regulation 62
100-Year Flood Plain 62
Risk from Weather Events..... 63
Exercise of Mineral Rights 63
Bondholders' Remedies and Bankruptcy 63
Judicial Foreclosures 64
No Acceleration..... 65
Limited Secondary Market for the Bonds..... 65
No Credit Rating 65
Bankruptcy Limitation to Bondholders' Rights 65
Management and Ownership 65
General Risks of Real Estate Investment and Development..... 66
Use of Appraisal..... 67
Availability of Utilities..... 67
Dependence Upon Developer and Other Landowners 67
Chapter 11 Bankruptcy of a Development Entity Managed by Robert W. McDonald, III 67
Agricultural Use Valuation and Redemption Rights..... 68

TAX MATTERS 69
Opinion..... 69
Federal Income Tax Accounting Treatment of Original Issue Discount 69
Collateral Federal Income Tax Consequences..... 70
State, Local and Foreign Taxes 71
Information Reporting and Backup Withholding..... 71
Future and Proposed Legislation 71

LEGAL MATTERS 71
Legal Proceedings 71
Legal Opinions 71
Litigation — The City 72
Litigation — The Developer..... 72

SUITABILITY FOR INVESTMENT 73

ENFORCEABILITY OF REMEDIES 73

NO RATING 73

CONTINUING DISCLOSURE..... 73
The City..... 73
The City Compliance with Prior Undertakings 74
The Developer 74
The Developer's Compliance With Prior Undertakings 74
Yarrington 74
Yarrington's Compliance With Prior Undertakings 75
135 Residential 75
135 Residential's Compliance With Prior Undertakings 75

UNDERWRITING 75

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE..... 76

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS..... 76

INVESTMENTS 76

INFORMATION RELATING TO THE TRUSTEE..... 78

SOURCES OF INFORMATION 79
General 79
Developer 79
Experts..... 80
Updating of Limited Offering Memorandum 80

FORWARD-LOOKING STATEMENTS..... 80

AUTHORIZATION AND APPROVAL..... 80

APPENDIX A	General Information Regarding the City
APPENDIX B	Form of Indenture
APPENDIX C	Form of Service and Assessment Plan
APPENDIX D	Form of Opinion of Bond Counsel
APPENDIX E-1	Form of Disclosure Agreement of the Issuer
APPENDIX E-2	Form of Disclosure Agreement of the Developer
APPENDIX E-3	Form of Disclosure Agreement of Yarrington
APPENDIX E-4	Form of Disclosure Agreement of 135 Residential
APPENDIX F	Appraisal of the District
APPENDIX G	Financing Agreement
APPENDIX H	Reimbursement Agreement

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PRELIMINARY LIMITED OFFERING MEMORANDUM

$14,075,000*
CITY OF SAN MARCOS, TEXAS
(a municipal corporation of the State of Texas located in Hays, Caldwell and Guadalupe Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of San Marcos, Texas (the "City"), of its $14,075,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds").

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS," "BONDHOLDERS' RISKS," AND "SUITABILITY FOR INVESTMENT."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the "City Council") on June 2, 2020 (the "Bond Ordinance"), and an Indenture of Trust, dated as of June 2, 2020 (the "Indenture"), entered into by and between the City and UMB Bank, N.A., Austin, Texas, as trustee (the "Trustee"). The Bonds will be secured by a pledge of and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the "Assessments") levied pursuant to a separate ordinance adopted by the City Council on June 2, 2020 (the "Assessment Ordinance") against assessable parcels (the "Assessed Property") located within the Whisper Public Improvement District (the "District") all to the extent and upon the conditions described in the Indenture.

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum, except as otherwise noted in "ASSESSMENT PROCEDURES," that are not otherwise defined herein shall have the meanings set forth in the Indenture. See "APPENDIX B — Form of Indenture."

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Developer (as defined herein), P3Works, LLC (the "PID Administrator"), the Reimbursement Agreement (as defined herein) and the Financing Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-V, Frisco, Texas 75034, Phone: (214) 302-2246. The form of Indenture appears in "APPENDIX B — Form of Indenture" and the form of Service and Assessment Plan, as updated, appears as "APPENDIX C — Form of Service and Assessment Plan." The information provided under this caption "INTRODUCTION" is intended to provide a brief

* Preliminary; subject to change.

overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

Whisper Master Community Limited Partnership, a Texas limited partnership (the "Developer"), is developing the land within the District as a master planned, mixed-use development known as Whisper Master Community (the "Development"), which is zoned to allow single-family residential, multi-family residential, industrial, office/business park, retail and other uses. The District consists of approximately 706.349 acres. The Developer purchased approximately 590.663 of the 706.349 acres within the District (the "Original Developer Land") in two separate transactions from the Texas General Land Office and Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington"). Additionally, Yarrington retained ownership of the remaining approximately 115.686 acres of land within the District (the "Yarrington Land"). McDonald Development Group, LLC, a Texas limited liability company ("McDonald Development"), the general partner of the Developer, has an ownership interest in Yarrington. Subsequently, the Developer sold approximately 130.641 acres within the District to Harris Hill Investments, LP, a Texas limited partnership ("Harris Hill"), which in turn conveyed such land to 135 Residential Development, LLC, a Texas limited liability company ("135 Residential"). Both Harris Hill (the investment holding company) and 135 Residential (the dealer entity) are affiliates of the Developer and have identical ownership composition. The approximately 131 acres owned by 135 Residential is expected to be developed as single-family residential (the "Single-Family Parcel"). The Original Developer Land less the Single-Family Parcel is hereinafter referred to as the "Developer Land."

The Developer's development plans for the District consist of the initial construction of certain public improvements that benefit the entire District (the "Major Improvements") followed by the phased construction of additional roadway, utility and drainage improvements necessary to serve future platted lots within the District (the "Additional Improvements"). The Developer, and/or its successors in interest, is responsible for the construction of all of the Major Improvements within the District and will construct or cause to be constructed all of the Additional Improvements necessary to serve the Developer Land, excluding the Whisper Industrial Parcel (as defined herein). Yarrington, and/or its successors in interest, is responsible for the construction of the Additional Improvements necessary to serve the Yarrington Land. Whisper Industrial (as defined herein), and/or its successors in interest, is responsible for the construction of the Additional Improvements necessary to serve the Whisper Industrial Parcel. 135 Residential and/or its successors in interest, is responsible for the construction of the Additional Improvements necessary to serve the Single-Family Parcel. The Developer expects that the construction of the Additional Improvements within the District will progress based on absorption and market demand.

The Development is expected to include approximately 581 single-family residential lots, approximately 1,300 units of multi-family housing (conventional and age-restricted), and approximately 4,200,000 square feet of industrial/business park and general commercial space. The Single-Family Parcel is also planned to include an approximately 2-acre private amenity center, consisting of a pool, playscape, basketball court, open-air pavilion, parks and landscaping (the "Amenity Center"). See "MAP SHOWING CONCEPT PLAN OF THE DISTRICT" on page iv and "THE DEVELOPMENT."

The total cost of all of the Major Improvements is expected to be approximately $11,733,710*. A portion of the costs of the Major Improvements, in the approximate amount of $10,938,988*, are expected to be reimbursed to the Developer with proceeds of the Bonds. The balance of the costs of the Major Improvements, in the total approximate amount of $794,722*, were or will be financed by the Developer and will not be reimbursed by the City. The City and the Developer entered into the Whisper Public Improvement District Reimbursement Agreement, effective as of May 8, 2020 (the "Reimbursement Agreement"), which provides, in part, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the

* Preliminary; subject to change.

Authorized Improvements. See "SECURITY FOR THE BONDS — Pledged Revenue Fund," "THE AUTHORIZED IMPROVEMENTS" and "APPENDIX H —Reimbursement Agreement."

The City, the Developer and Yarrington entered into the Whisper Public Improvement District Financing Agreement dated as of September 5, 2017 (the "Original Financing Agreement"). The City, the Developer, 135 Residential, Whisper Industrial and Yarrington entered into an Amended and Restated Whisper Public Improvement District Financing Agreement effective as of May 8, 2020 (the "Financing Agreement"), which amended and restated the Original Financing Agreement in its entirety. The Financing Agreement provides, among other things, for the construction, acquisition and maintenance of the Major Improvements, the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Major Improvements and the District Formation and Bond Issuance Costs (as defined herein). Collectively, the Major Improvements and the District Formation and Bond Issuance Costs are referred to herein as the "Authorized Improvements." See "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT — Financing Agreement" and "APPENDIX G — Financing Agreement."

Status of Major Improvements and Additional Improvements

The Developer substantially completed construction of the majority of the Major Improvements in January of 2020 and is currently in the process of obtaining the City's final acceptance. The Developer anticipates that the remaining Major Improvements will be completed by the end of the second quarter of 2020. As of April 15, 2020, the Developer has spent approximately $10,900,000* on the construction of the Major Improvements.

The Developer substantially completed the Additional Improvements (estimated to be approximately $9,000,000) necessary to serve phase one of the Single-Family Parcel in March of 2020, which is expected to include approximately 318 single-family residential units. Whisper Industrial commenced construction of the Additional Improvements necessary to serve the Whisper Industrial Parcel in March of 2020. The Developer anticipates that construction of the Additional Improvements to serve an approximately 52 acre industrial/business park parcel, an approximately 8-acre general commercial parcel, and two multi-family sites will commence in the second quarter of 2020, the second or third quarter of 2020, and the fourth quarter of 2020, respectively. See "THE AUTHORIZED IMPROVEMENTS" and "THE DEVELOPMENT — Construction Plan and Status of Construction."

Homebuilders and Status of Home Construction

135 Residential has executed lot purchase and sale agreements (the "Lot Purchase Agreements") for all 581 lots within the Single-Family Parcel with merchant homebuilders, Continental Homes of Texas, L.P., a Texas limited partnership, d/b/a DR Horton ("DR Horton") and Lennar Homes of Texas Land and Sale Construction, LTD., a Texas limited partnership ("Lennar" and together with DR Horton, the "Homebuilders"). As of May 1, 2020, no lots have been taken down by the Homebuilders. The Developer expects the Homebuilders to begin taking down lots in June of 2020. The Homebuilders, collectively, have put down $881,500 in earnest money, of which $508,000 was provided by DR Horton and $373,500 was provided by Lennar. See "THE DEVELOPMENT — Single-Family Residential Development."

Status of Multi-family, Industrial/Business Park and General Commercial

Approximately 575 acres (roughly 81.5 percent) of the District consists of multi-family, industrial/business park and general commercial sites. In 2019, the Developer sold an approximately 17-acre industrial/business park parcel (the "Whisper Industrial Parcel") to Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company ("Whisper Industrial"). McDonald Development has an ownership interest in Whisper Industrial.

The Developer has purchase contracts or letters of intent for approximately 24 of these 575 acres, consisting of an approximately 14-acre conventional multi-family development, an approximately 2-acre mixed-use parcel and an approximately 8-acre age-restricted senior multi-family development. Additionally, the Developer plans to construct an approximately 60,000 square foot office building on an approximately 8-acre parcel through an affiliated, to be formed, special purpose entity. See "THE DEVELOPMENT — Development Plan," "— Construction Plan and Status of Construction" and "— Build-Out and Status of Lot Sales."

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the Major Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvements, (iii) funding a reserve fund for payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds ((ii)-(v) collectively are also referred to as "District Formation and Bond Issuance Costs"). See "AUTHORIZED IMPROVEMENTS" and "APPENDIX B — Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Assessments, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS" and "ASSESSMENT PROCEDURES."

The Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State") or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the full faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an "Investor") will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933 or a "qualified institutional buyer" under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Authorized Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has

assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor's decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (the "Date of Delivery") to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2020[*] (each an "Interest Payment Date"), until maturity or prior redemption. UMB Bank, N.A., Austin, Texas is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal and any integral multiple of $5,000 in excess thereof (or such smaller amounts of not less than $5,000 as authorized under the Indenture as a result of partial redemption) ("Authorized Denominations"). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry-only form. See "BOOK-ENTRY-ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after _____, 20__ before their scheduled maturity dates, in whole or in part, on any date on or after _____, 20__, such redemption date or dates to be fixed by the City, at a redemption price equal to the principal amount to be redeemed plus the applicable premium if any, plus accrued and unpaid interest to the date fixed for redemption (the "Redemption Price").

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of

[*] Preliminary; subject to change.

the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1 in the years ___ and ___ (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

$_____ Term Bonds due September 1, 20__

Redemption Date	Sinking Fund Installment
September 1, 20__	$
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

$_____ Term Bonds due September 1, 20__

Redemption Date	Sinking Fund Installment
September 1, 20__	$
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

At least 30 days prior to each mandatory sinking fund redemption date and subject to any prior reduction authorized by the Indenture, the Trustee will select for redemption by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment of such Bonds to be redeemed, will call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and will give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date will be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The Sinking Fund Installments of Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced in integral multiples of $5,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption, as follows:

(i) if the Bonds to be redeemed are selected in accordance with the 10% or Greater Manner (as defined and described below), the Sinking Fund Installment of Term Bonds required to be redeemed for each mandatory sinking fund redemption date shall be reduced by the principal amount called for redemption and allocated to such Bond on a pro rata basis among the scheduled Sinking Fund Installments to be mandatorily redeemed on the mandatory sinking fund redemption dates; or

(ii) if the Bonds to be redeemed are selected in accordance with the Less Than 10% Manner (as defined and described below), the Sinking Fund Installment of Term Bonds required to be redeemed for

each mandatory sinking fund redemption date shall be reduced by the principal amount called for redemption and allocated to such Bond in the inverse order of mandatory sinking fund redemption dates.

Notice of Redemption. Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee will give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice will 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 such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee 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 will not redeem the Bonds and the Trustee will give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Additional Provisions with Respect to Redemption. If less than all of the Bonds are called for optional redemption or extraordinary optional redemption, the Bonds or portion of a Bond of any one maturity to be redeemed shall be selected in the following manner:

(i) If the principal amount called for redemption is greater than or equal to ten percent (10%) of the original aggregate principal amount of the Bonds, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds and a portion of all Outstanding Bonds shall be redeemed in the principal amount allocated to such Bond (the "10% or Greater Manner"); and

(ii) If the principal amount called for redemption is less than ten percent (10%) of the original aggregate principal amount of the Bonds, the Outstanding Bonds shall be redeemed in inverse order of maturity (the "Less Than 10% Manner").

Bonds may be redeemed in minimum principal amounts of $5,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

A portion of an Outstanding Bond of any one maturity may be redeemed, but only in a principal amount equal to $5,000 or any integral thereof. If a portion of an Outstanding Bond of a maturity is selected for redemption, the Trustee shall select the Outstanding Bonds of such maturity to be redeemed by lot or in any manner deemed fair by the Trustee. The Trustee shall treat each $5,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $5,000, may be issued.

Upon surrender of any Bond in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds so surrendered, such exchange being without charge.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE

PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds Similarly Secured. "Bonds Similarly Secured" means, collectively, any Outstanding Bonds and Refunding Bonds (as defined herein). Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B — Form of Indenture."

General

THE BONDS SIMILARLY SECURED (AS DEFINED HEREIN) ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B — FORM OF INDENTURE."

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments expected to be levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, on June 2, 2020 the City Council expects to approve and adopt a Service and Assessment Plan (as may be updated and amended from time to time, the "Service and Assessment Plan"), which will describe the special benefit received by the property within the District, provide the basis and justification for the determination of special benefit on such property, establish the methodology for the levy of the Assessments and provide for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Authorized Improvements by levying Assessments upon the Assessed Property benefitted thereby. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Pursuant to the Indenture, "Pledged Revenues" are collectively, the sum of (i) Assessment Revenues (excluding the portion of Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan); (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of the Bonds Similarly Secured. "Assessment Revenues" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds. "Annual Installment" means, with respect to each Parcel in the District, each annual payment of: (i) the Assessments (including the principal and interest thereon) as shown on the Assessment Roll, and calculated as provided in the Service and Assessment Plan; (ii) Annual Collection Costs; and (iii) the Additional Interest. "Additional Interest" means the amount collected by application of the Additional Interest Rate (as defined below). The City will covenant in the Indenture that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "— Pledged Revenue Fund" and "APPENDIX C — Form of Service and Assessment Plan."

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds Similarly Secured are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds Similarly Secured, as and to the extent provided in the Service and Assessment Plan and the Indenture. See "SECURITY FOR THE BONDS — Pledged Revenue Fund."

The Assessments assessed to pay debt service on the Bonds Similarly Secured together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to first pay debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

The portions of the Annual Installments of Assessments collected to pay Annual Collection Costs (as defined herein) and Delinquent Collection Costs will be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The City is expected to impose Assessments on the property within the District sufficient to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments will be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds Similarly Secured plus the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the PID Act (the "Additional Interest Rate") calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, will be calculated annually during the Annual Service Plan Update and will be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds Similarly Secured are Outstanding and unpaid, an assessment to pay the annual costs incurred by the City in the administration and operation of the District (the "Annual Collection Costs"). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs will remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs will be due in the manner set forth in the Assessment Ordinance on October 1 of each year and will be delinquent if not paid by

February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.**

There will be no discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Pledged Revenues will be valid and binding and fully perfected from and after the Date of Delivery, without physical delivery or transfer of control of the Pledged Revenues, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenues granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Pledged Revenues granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve the perfection of the security interest in said pledge to the registered owners of the Bonds Similarly Secured, the City has agreed to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

The City will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. Immediately upon receipt thereof, the City will transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee will deposit or cause to be deposited the foregoing amounts as follows: (i) *first*, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) *third*, to pay other Actual Costs of the Major Improvements, and (iv) *fourth*, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest will only be utilized for the purposes set forth in the Indenture and, on each _____, beginning _____, 20__, 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 into the Delinquency and Prepayment Reserve Account and/or the Redemption Fund, as applicable.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee will 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 Improvement 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.

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Indenture, there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will 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.

The Trustee will transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

Upon receipt, the Trustee will deposit Foreclosure Proceeds to the Pledged Revenue Fund and promptly after such deposit will transfer such amount of Foreclosure Proceeds determined in writing by the City, *first*, to the Accounts within the Reserve Fund to restore any transfers from the Reserve Fund 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.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the accounts within the Reserve Fund, the Trustee will, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which moneys may be used for any lawful purpose for which assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and will have no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

On each Interest Payment Date, the Trustee will 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.

If, after the foregoing transfers and any transfer from any account of the Reserve Fund (as described under the subcaptions "Reserve Account of the Reserve Fund" and "Delinquency and Prepayment Reserve Account of the Reserve Fund" below), there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will 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.

Moneys in the Capitalized Interest Account will be used for the payment of all interest due on the Bonds Similarly Secured on _____, 20__[*] and _____, 20__[*]. Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee will 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 in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above will be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed as provided in the Indenture, such amounts will be transferred to the Redemption Fund to be used to redeem Bonds Similarly Secured and the Capitalized Interest Account will be closed.

Project Fund

Pursuant to the Indenture, a Project Fund will be created to be used for the purposes described in "PLAN OF FINANCE — The Bonds."

Disbursements from the Costs of Issuance Account of the Project Fund will be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the

[*] Preliminary; subject to change.

Improvement Account of the Project Fund to pay Actual Costs will be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the completion, abandonment, or constructive abandonment, of the Major Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Account of the Project Fund, the City Representative will file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in Improvement Account of the Project Fund will 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 Indenture. Upon such transfers, the Improvement Account of the Project Fund will be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds Similarly Secured have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, any amounts remaining in the Costs of Issuance Account will be transferred to the Improvement Account of the Project Fund and used to pay Actual 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 will be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds Similarly Secured and held by the Trustee and will be funded with proceeds of the Bonds Similarly Secured in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds Similarly Secured will be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of their date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount will be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of a mandatory sinking fund redemption, an optional redemption, or an extraordinary optional redemption, the Reserve Account Requirement will be reduced by a percentage equal to the pro rata principal of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the Date of Delivery of the Bonds, the Reserve Account Requirement is $_____ which is an amount equal to Maximum Annual Debt Service on the Bonds as of the date of issuance.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee will, as further set forth in the Indenture, transfer *first* from the Delinquency and Prepayment Reserve Account of the Reserve Fund (described below), and *second* from the Reserve Account of the Reserve Fund to the Bond Fund in the amount necessary to cure such deficiency.

In the event of an extraordinary optional redemption of Bonds Similarly Secured as a result of a Prepayment pursuant to the Indenture, the Trustee, pursuant to written directions from the City, will transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which will be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee will transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

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 will provide written notice to the City Representative of the amount of the excess. Such excess will 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 the Indenture, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Improvement Account of the Project Fund to pay Actual Costs of the Major Improvements if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds Similarly Secured. The Trustee will transfer from the Pledged Revenue Fund into the Delinquency and Prepayment Reserve Account on _____ of each year, commencing _____, 20__, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. If at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee will resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account on _____ of each year, and on any other day set forth in a City Certificate, until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. The Delinquency and Prepayment Reserve Requirement is 5.5% of the principal amount of the Outstanding Bonds Similarly Secured. The City has allocated the Additional Interest, authorized by Section 372.018(a) of the PID Act, to the Delinquency and Prepayment Reserve Account for such purpose or to the Redemption Fund as described below. Once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement will be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee will resume depositing such 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. In determining the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer. See "APPENDIX C — Form of Service and Assessment Plan."

Administrative Fund

The City will create under the Indenture an Administrative Fund to be held by the Trustee. Immediately upon receipt thereof, the City will deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and any other funds directed by the Indenture to be deposited therein.

Moneys in the Administrative Fund will be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances, and indemnities owed to the Trustee in accordance with the Indenture.

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

Developer Property Tax Reserve Fund

The City will create under the Indenture a Developer Property Tax Reserve Fund to be held by the Trustee. At least one business day prior to the Date of Delivery, the Developer, Yarrington and 135 Residential (the "AG

Landowners") will deposit or cause to be deposited their proportionate share of the Initial Landowner Deposit (as defined herein) into the Developer Property Tax Reserve Fund. Prior to the Developer Property Tax Reserve Fund Transfer Date (as defined herein), the City will provide a City Certificate to the Trustee specifying (1) the amount of funds deposited in the Developer Property Tax Reserve Fund to be transferred to the City and that such amount is equal to all outstanding Developer Property Tax Delinquency Amounts and (2) the date on which such transfer shall be made (the "Developer Property Tax Reserve Fund Transfer Date"). Upon receipt of such City Certificate and on the Developer Property Tax Reserve Fund Transfer Date, the Trustee will transfer the amount of funds specified in such City Certificate to the City for payment of the related unpaid delinquent ad valorem taxes levied by any taxing entity on any property located in the District and any penalties, costs and interest related thereto. Upon any transfer of funds deposited in the Developer Property Tax Reserve Fund to the City in accordance with the Indenture, the applicable AG Landowner shall deposit or cause to be deposited an equivalent amount of funds into the Developer Property Tax Reserve Fund to replenish such Fund, all in accordance with the Redemption Waiver Agreement. See "BONDHOLDERS' RISKS — Agricultural Use Valuation and Redemption Rights."

Upon termination of the Redemption Waiver Agreement, the City will provide the Trustee with a City Certificate authorizing the release of the funds remaining in the Developer Property Tax Reserve Fund to the applicable AG Landowner under the Redemption Waiver Agreement. The Trustee may conclusively rely on such City Certificate in disbursing the amounts remaining in the Developer Property Tax Reserve Fund to the applicable AG Landowner.

At such time as the Trustee receives a City Certificate confirming the condition for release of funds to the applicable AG Landowner under the Redemption Waiver Agreement is met, any amounts deposited in the Developer Property Tax Reserve Fund will be irrevocably and unconditionally released to the applicable AG Landowner, or their successors and assigns or designees as identified in a written notice from such AG Landowner to the Trustee and the City. The City and the Trustee will solely and conclusively rely as to payment of amounts released from the Developer Property Tax Reserve Fund on any such written notice from such AG Landowner as to their successors and assigns or designees.

THE DEVELOPER PROPERTY TAX RESERVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

Defeasance

Any Outstanding Bonds Similarly Secured will, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased Debt") when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) will have been made in accordance with the terms thereof, or (2) will have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm, or independent municipal advisor, either of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made will 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 the Indenture nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, will, 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 will be made only against delivery of such Defeasance Securities.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. "Investment Securities" means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended ("PFIA"); and

provided further investments and are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time. Under current State law, which is subject to change, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds Similarly Secured. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an "Event of Default" under the Indenture:

(i) the failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) the failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with the Indenture;

(iii) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied will have been given to the City by the Trustee, which may give such notice in its discretion and will give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

(iv) the failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any of the Events of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it will proceed, to protect and enforce the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or will be permitted.

THE PRINCIPAL OF THE BONDS SIMILARLY SECURED WILL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

Whenever moneys are to be applied pursuant to an Event of Default, irrespective of and whether other remedies authorized under the Indenture will 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 the Indenture. The Trustee will sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. 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 will 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 will 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 will 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.

Restriction on Owner's Actions

No Owner will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest 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 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 the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers 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 at least a Quarter in Interest 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 will have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity will be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity will, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture will affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds Similarly Secured.

In case the Trustee or any Owners of Bonds Similarly Secured have proceeded to enforce any right under the Indenture and such proceedings will have been discontinued or abandoned for any reason or will have been determined adversely to the Trustee or any Owners of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured will be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default will, after payment of the cost, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds Similarly Secured, as follows:

(i) 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 will not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

(ii) 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 will have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available will 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.

In the event funds are not adequate to cure an Event of Default, the available funds will 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 the Indenture.

Within thirty (30) 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 of Bonds Similarly Secured.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, will not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Account, will 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 will 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 will be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security will not exceed two hundred seventy (270) days and the average weighted maturity of any investment pool or no-load money market mutual fund will not exceed ninety (90) days.

Obligations purchased as an investment of moneys in any Fund or Account established pursuant to the Indenture will be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of permitted investments as determined and directed in writing by the City.

Against Encumbrances

The City will covenant in the Indenture not to create and, to the extent Pledged Revenues are received, not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture, the City will not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Other Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations (which obligations may be secured by future assessments levied in accordance with

the PID Act) which do not constitute or create a lien on the Trust Estate and are not payable from the Trust Estate or any portion of the Trust Estate.

Other than bonds issued to refund all or any portion of the Outstanding Bonds ("Refunding 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 done or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture will require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof will be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

Notwithstanding any contrary provision of the Indenture, the City will not issue additional bonds, notes or other obligations under the Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

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SOURCES AND USES OF FUNDS[1]

The table that follows summarizes the expected sources and uses of proceeds of the Bonds and additional funds received from the Developer:

Sources of Funds:	
Principal Amount	$
"Initial Landowner Deposit" to Developer Property Tax Reserve Fund	
TOTAL SOURCES	**$**
Use of Funds:	
Deposit to Improvement Account of the Project Fund	$
Deposit to Costs of Issuance Account of Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to the Administrative Fund	
Deposit to Developer Property Tax Reserve Fund	
Underwriter's Discount[2]	
TOTAL USES	**$**

(1) To be updated and completed upon pricing.
(2) Includes Underwriter's Counsel's fee.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Bonds:[1]

Year Ending (September 30)	Principal	Interest	Total
2020	$	$	$
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
Total	**$**	**$**	**$**

[1] To be updated and completed upon pricing.

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OVERLAPPING TAXES AND DEBT

The land within the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments.

In addition to the Assessments, the Developer anticipates that each property owner in the single-family residential parcel within the District will pay an annual maintenance and operation fee and/or a property owners' association fee (the "POA Fee") to Whisper Residential Community Association, Inc. (the "POA"), a homeowners' association formed by 135 Residential. The Developer also anticipates that each owner of property in the District other than the Single-Family Parcel, will pay an annual maintenance and operation fee and/or a property owners' association fee (the "COA Fee" and together with the POA Fee, the "General OA Fee") to Whisper Master Community Property Owners' Association Inc., (the "COA" and together with the POA, the "OA"), an owners' association formed by the Developer. Each property owner in the District may also be required to pay to the applicable OA or a condominium association, if created, one or more additional annual maintenance and operation fee (the "Additional OA Fee" and together with the General OA Fee, the "OA Fees") for the operation and maintenance of any improvements or amenities specific to the property owner's Lot. All OA Fees will be calculated annually based on the estimated expenses to be incurred by the applicable owners' association in performing its functions to, among other things, maintain, repair and manage the improvements or amenities covered by the respective OA Fee.

In addition to the City, Hays County, Austin Community College District ("Austin CCD") and the Hays Consolidated Independent School District ("Hays CISD") may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem taxes currently levied on property located in the District.

Overlapping Taxes in the District

Taxing Entity	Single-family Tax Year 2019 Ad Valorem Tax Rate[1]	Multi-family and Commercial Tax Year 2019 Ad Valorem Tax Rate[1][3]
The City	$0.6139	$0.6139
Hays County	0.3899	0.3899
Hays County (Road & Bridge Tax)	0.0338	0.0338
Austin CCD	0.1049	0.1049
Hays CISD	1.4677	1.4677
Total Current Tax Rate	**$2.6102**	**$2.6102**
Estimated Average Annual Installment of Assessment as a tax rate equivalent[2]	$0.1697	$0.1697
Estimated Total Tax Rate and Average Annual Installment of Assessment as a tax rate equivalent	**$2.7799**	**$2.7799**

(1) As reported by the taxing entities. Per $100 in value.

(2) Derived from information in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Based on Annual Installments due from 2022 to 2050 due to capitalized interest for coverage of Annual Installment due no later than January 31, 2021. As set forth in the Service and Assessment Plan, the "Maximum Equivalent Tax Rate" for each Annual Installment is (i) $0.17 per $100 of estimated buildout value for any single-family detached residential Parcel and (ii) $0.22 per $100 of estimated buildout value with respect to any other individual Parcel. See "ASSESSMENT PROCEDURES — Assessment Amounts – Method of Apportionment of Assessments" and "APPENDIX C — Form of Service and Assessment Plan." Preliminary; subject to change.

(3) Approximately 99.8 acres within Parcels 7A and 7B, which is planned to be developed as mixed-use and business park, is also located within Hays Emergency Services District No. 3 ("Hays ESD No. 3"). Hays ESD No. 3's 2019 ad valorem tax rate is $0.0995. The estimated total tax rate and average Annual Installment for lots taxed by Hays ESD No. 3 is $2.8794.

Source: Hays Central Appraisal District and the Service and Assessment Plan.

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District, as of April 15, 2020, and City debt to be secured by the Assessments:

Overlapping Debt in the District

Taxing or Assessing Entity	Gross Outstanding Debt as of April 15, 2020	Estimated % Applicable[1]	Estimated Overlapping Debt[1]
The City (Assessments - The Bonds)	$ 14,075,000[2]	100.00%	$14,075,000[2]
The City (Ad Valorem Taxes)	321,530,000	0.27%	868,131
Hays County	493,285,154	0.06%	295,971
Hays County (Road & Bridge Tax)[3]	-	0.06%	-
Austin CCD	404,420,000	0.01%	40,442
Hays CISD	465,770,000	0.15%	698,655
Total[4]	**$1,699,080,154**		**$15,978,199**

(1) Based on the Appraisal (as defined herein) for the District and on certified valuations for the Tax Year 2019 for the taxing entities.
(2) Preliminary; subject to change.
(3) Hays County (Road & Bridge Tax) does not have outstanding debt.
(4) Approximately 99.8 acres within Parcels 7A and 7B, which is planned to be developed as mixed-use and business park, is also located within Hays ESD No. 3. Hays ESD No.3's total outstanding debt as of fiscal year ended December 31, 2018 was $3,503,768. The estimated applicable percent is 0.15% and the estimated overlapping debt of Hays ESD No. 3 as of fiscal year ended December 31, 2018 was approximately $5,256.

Sources: Hays Central Appraisal District and Municipal Advisory Council of Texas.

If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. A portion of the undeveloped property in the District is currently subject to an agricultural valuation with respect to its ad valorem taxes. Agricultural use includes production of crops or livestock. It can also include leaving the land idle for a government program or for normal crop or livestock rotation. A portion of the undeveloped portion of the District is subject to a crop and/or grazing lease, which is able to be terminated at any point by Developer, for a nominal penalty. These leases and lessees' operations on the property allow the property to maintain its agricultural valuation. See "BONDHOLDERS' RISKS — Agricultural Use Valuation and Redemption Rights."

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous three years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due.

If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner may be able to maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land where use changed and not the entire tract. It is expected that rollback taxes will be paid by the Developer or purchasers from the Developer during development of the District and prior to the purchase of parcels or lots by homeowners.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the Assessed Property within the District, the amount of the benefit to and the Assessment against each Lot or Parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the City Clerk and made available for public inspection. Statutory

notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements funding the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance on June 2, 2020, after which the Assessments will become legal, valid and binding liens upon the Assessed Property.

Under the PID Act, the costs of Authorized Improvements to be defrayed through Assessments may be assessed by the City against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Assessed Property as a result of the Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Authorized Improvements to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessments.

As set forth in the Service and Assessment Plan, the benefits received by the Authorized Improvements will be allocated to the Assessed Property by spreading the entire Assessment across all Parcels within the District pro rata based on estimated buildout value of all Parcels within the District.

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The table below provides the value to lien analysis based on Lot Type in the District.

Value to Lien Analysis in the District[1]

Parcel	Lot Type	Planned Number of Lots/Units /Square Foot	Estimated Base Value per Parcel[2]	Estimated Buildout Value per Lot/SF[3]	Estimated Buildout Value per Parcel[3]	Outstanding Total Assessments per Parcel	Estimated Ratio of Base Value per Parcel to Outstanding Assessment	Estimated Ratio of Estimated Buildout Value per Parcel to Outstanding Assessment
Tract #1								
1	Retail/ Commercial	500,000	$ 14,800,000	$ 125	$ 62,500,000	$ 1,302,157	11.4 : 1	48.0 : 1
2	Retail/ Commercial	375,000	10,475,000	100	37,500,000	781,294	13.4 : 1	48.0 : 1
Tract #2								
3B	Business Park	180,000	3,575,000	90	16,200,000	337,519	10.6 : 1	48.0 : 1
Tract #3								
6	Single-family	581	19,500,000	230,000	133,630,000	2,784,116	7.0 : 1	48.0 : 1
Tract #4								
3A	Business Park	950,000	17,700,000	90	85,500,000	1,781,351	9.9 : 1	48.0 : 1
4A	Commercial	300,000	4,667,084	110	33,000,000	687,539	6.8 : 1	48.0 : 1
4B	Office	375,000	7,955,257	150	56,250,000	1,171,942	6.8 : 1	48.0 : 1
4C	Multi-family	1,300	15,627,660	85,000	110,500,000	2,302,214	6.8 : 1	48.0 : 1
5	Mixed-Use	110,000	6,900,000	100	11,000,000	229,180	30.1 : 1	48.0 : 1
7A	Business Park	800,000	12,025,000	90	72,000,000	1,500,085	8.0 : 1	48.0 : 1
Tract #5								
7B	Business Park	638,685	9,850,000	90	57,481,650	1,197,602	8.2 : 1	48.0 : 1
Total/ Average			**$123,075,000**		**$675,561,650**	**$14,075,000**	**8.7 : 1**	**48.0 : 1**

(1) The actual unit counts and estimated buildout value may vary from that shown above. Additionally, the Assessment allocation for each Lot Type may vary, subject to the terms of the Service and Assessment Plan, the PID Act, and other documents associated with the Bonds, and will be finalized for each Parcel at the time such Parcel is platted.

(2) The estimated base value per Parcel for Tracts #1, 2, 4 and 5 are based on the "as-is" market value of such land, as of February 4, 2020, and the estimated base value per Parcel for Tract #3 is based on the "as-complete" market value of such land, as of February 4, 2021, as shown in the Appraisal. See "AUTHORIZED IMPROVEMENTS — Costs of Authorized Improvements," "APPRAISAL OF PROPERTY WITHIN THE DISTRICT" and "APPENDIX F — Appraisal of the District."

(3) Provided by the Developer.

For further explanation of the Assessment methodology, see "APPENDIX C — Form of Service and Assessment Plan."

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefitted within the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

The City will covenant in the Indenture to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

The City will covenant, agree and warrant in the Indenture that, for so long as any Bonds are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for funds that it has contributed to pay the costs of the Authorized Improvements, it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City will not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding property.

The City will implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

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

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed on or about October 1 each year and become delinquent on February 1. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

Date Payment Received	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Parcel within the District. The Annual Installments for Assessments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Parcels comprising the Assessed Property, as indicated on the Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property by spreading the entire Assessment across all Parcels within the District pro rata based on estimated buildout value of all Parcels within the District. In the case of single-family residential Lots, there shall be only one Lot Type. The estimated buildout value for any single-family residential Assessed Property shall be calculated by using the average estimated buildout value of all single-family residential Lots within the single-family residential Assessed Property.

If an Assessed Property is divided prior to recording of a subdivision plat, the Assessment of such Assessed Property before the division shall be reallocated to the newly divided Assessed Properties based on the ratio of estimated build out value of each Assessed Property to estimated build out value of all newly-created Assessed Properties. If the division is by a recorded subdivision plat, the Assessment of such Parcel before the division shall be reallocated to the newly subdivided Lots based on the ratio of estimated build out value of each Lot Type of Assessed Properties to estimated build out value of all newly-created Lots. The Assessment for any resulting Lot may not exceed the Maximum Assessment for such Lot Type, as shown in the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

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The following table provides the expected allocation of Assessments based on Lot Type.

Assessment Allocation by Lot Type in the District [1]

Parcel	Lot Type	Planned Number of Lots/Units /Square Foot	Estimated Buildout Value per Lot/ Unit/SF[2]	Outstanding Assessment Per Lot/Unit/SF based on Lot Type[3]	Outstanding Total Assessments per Parcel	Average Outstanding Annual Installments Per Lot/Unit/SF based on Lot Type[4]	Equivalent Tax Rate per $100 AV[3]
Tract #1							
1	Retail/ Commercial	500,000	$ 125	$ 2.60	$ 1,302,157	$ 0.21	$0.1697
2	Retail/ Commercial	375,000	100	2.08	781,294	0.17	0.1697
Tract #2							
3B	Business Park	180,000	90	1.88	337,519	0.15	0.1697
Tract #3							
6	Single-family	581	230,000	4,791.94	2,784,116	390.23	0.1697
Tract #4							
3A	Business Park	950,000	90	1.88	1,781,351	0.15	0.1697
4A	Commercial	300,000	110	2.29	687,539	0.19	0.1697
4B	Office	375,000	150	3.13	1,171,942	0.25	0.1697
4C	Multi-family	1,300	85,000	1,770.93	2,302,214	144.22	0.1697
5	Mixed-Use	110,000	100	2.08	229,180	0.17	0.1697
7A	Business Park	800,000	90	1.88	1,500,085	0.15	0.1697
Tract #5							
7B	Business Park	638,685	90	1.88	1,197,602	0.15	0.1697
Total/ Average					**$14,075,000**		**$0.1697**

(1) Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. The actual unit counts and estimated buildout value may vary from that shown above. Additionally, the Assessment allocation for each Lot Type may vary, subject to the terms of the Service and Assessment Plan, the PID Act, and other documents associated with the Bonds, and will be finalized for each Parcel at the time such Parcel is platted.

(2) Provided by the Developer.

(3) Pursuant to the Service and Assessment Plan, the maximum assessment (the "Maximum Assessment") that can be levied on a Lot Type is equal to the lesser of (i) the amount calculated pursuant to the assessment methodology described in Section VI.A of the Service and Assessment Plan and (ii) the amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. See "OVERLAPPING TAXES AND DEBT — Overlapping Taxes in the District" and "APPENDIX C — Form of Service and Assessment Plan."

(4) Based on Annual Installments due from 2022 to 2050 due to capitalized interest for coverage of Annual Installment due no later than January 31, 2021.

The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See "SECURITY FOR THE BONDS" and "APPENDIX C — Form of Service and Assessment Plan."

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Mandatory Prepayments. If (i) Assessed Property is transferred to a party that is exempt from the payment of the Assessment under applicable law, or (ii) an owner of Assessed Property causes the Assessed Property to become

Non-Benefited Property, the owner of such Assessed Property shall pay to the City the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs, prior to any such transfer or act, in accordance with the Service and Assessment Plan; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an owners' association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment. See Section VI.C of "APPENDIX C — Form of Service and Assessment Plan."

True-Up of Assessments if Maximum Assessment Exceeded at Plat. If, based on a final subdivision plat, the Assessment for any Lot Type exceeds the Maximum Assessment for such Lot Type, the owner of the applicable Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment for such Lot Type. See Section VI.B of "APPENDIX C — Form of Service and Assessment Plan."

Prepayment as a Result of an Eminent Domain Proceeding or Taking. If any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefitted Property (as defined in the Service and Assessment Plan). See Section VI.F of "APPENDIX C — Form of Service and Assessment Plan."

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by the Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment (as defined and described in the Service and Assessment Plan), the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment. See Section VI.F of "APPENDIX C — Form of Service and Assessment Plan."

Notwithstanding the preceding paragraphs under this subcaption, if the owner of the Assessed Property notifies the City and the PID Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the estimated buildout value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the estimated buildout value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full. See Section VI.F of "APPENDIX C — Form of Service and Assessment Plan."

Notwithstanding the preceding paragraphs under this subcaption, the Assessment shall not, however, be reduced to an amount less than the outstanding Bonds. See Section VI.F of "APPENDIX C — Form of Service and Assessment Plan."

Reduction of Assessments. If, as a result of cost savings or Major Improvements not being constructed, the Actual Costs of completed Major Improvements are less than the Assessments, the Trustee shall apply amounts on

deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess Bond proceeds shall be applied to redeem outstanding Bonds. See Section VI.D of "APPENDIX C — Form of Service and Assessment Plan."

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Assessed Property may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. See "ASSESSMENT PROCEDURES — Prepayment of Assessments."

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event, there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Assessed Property.

The City will covenant in the Indenture to take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B — Form of Indenture." See also "APPENDIX E-1 — Form of Disclosure Agreement of the Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

THE CITY

Background

The City is the county seat and principal commercial, education and recreational center of Hays County located in the center of the State in the Austin-San Marcos statistical metropolitan area, approximately midway

between the metropolitan areas of San Antonio and Austin. The City is located on Interstate Highway 35, U.S. 81, State Highways 80, 142, 21, 123 and Ranch Road 12. The City contains a total land area of approximately 32 square miles. The City's 2010 census population was 44,994. The City's 2019 population estimate was 65,234.

City Government

The City is a political subdivision operating as a home-rule city under the laws of the State and a home-rule charter, initially approved by the voters in 1967. The City operates under the City Council/Manager form of government where the Mayor is elected at-large in even numbered years for a two-year term and six Council Members are elected at-large for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page ii hereof. General information regarding the City and the surrounding area can be found in "APPENDIX A — General Information Regarding the City and Surrounding Area."

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the City in accordance with the PID Act by a resolution adopted by the City Council on October 6, 2014 in accordance with the PID Act (the "Creation Resolution"), for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed in a phase. The District is not a separate political subdivision of the State and is governed by the City Council. Maps of the property within the District are included on pages iv and v hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a property owner for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The PID Act provides that the City may levy and collect special assessments on property in the District, or portions thereof, payable in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a property owner for the costs of, the financing, acquisition, construction or improvement of the Public Improvements. See "THE AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain wastewater and roadway improvements comprising the Major Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

THE AUTHORIZED IMPROVEMENTS

General

The Authorized Improvements consist of the (i) Major Improvements and (ii) the District Formation and Bond Issuance Costs, as described below. A portion of the costs of the Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Authorized Improvements will be paid by the Developer under the terms of the Financing Agreement and the Service and Assessment Plan. See "APPENDIX C — Form of Service

and Assessment Plan" and "APPENDIX G — Financing Agreement." The Major Improvements will be dedicated to the City, the COA or POA, as applicable. The COA or POA will grant an easement to the City with respect to any Major Improvement dedicated to such entity.

Authorized Improvements

Major Improvements. The Authorized Improvements consist of the following Major Improvements:

Road A (Opportunity Boulevard). Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure, including drainage infrastructure flowing to the District detention pond, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

Road B (Fortuna Road). Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction),), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure, including drainage infrastructure flowing to the District detention pond, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

Road C (Susurro Parkway). Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction),), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure, including drainage infrastructure flowing to the District detention pond, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

Lift Station and Wastewater Line D. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

Offsite Wastewater Line B. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

Detention Pond. Improvements providing drainage, detention and water quality treatment of stormwater runoff serving the District and the other Major Improvements, including without limitation the detention basin, water quality facilities, and related drainage inlets, swales, storm sewers, culverts and outfall structures located in the area shown on Exhibit H. All related earthwork, excavation, erosion control, retaining walls, drainage infrastructure, landscaping, irrigation and re-vegetation of all disturbed areas within the detention pond area are included. The detention pond will provide a benefit to each Lot within the District.

Soft Costs/Construction Management. Includes engineering, design, other professional fees and 4.0% construction management fee.

District Formation and Bond Issuance Costs. The Authorized Improvements also consist of the (i) initial deposit to the Reserve Account, (ii) any capitalized interest on the Bonds, (iii) the Underwriter's discount, (iv) the costs associated with establishing the District, including the initial deposit to the Administrative Fund and expenses incurred by the Developer and associated with forming the District, levying the Assessments and issuing the Bonds (the "Developer District Formation Costs"), and (v) costs related to issuing the Bonds (collectively, the "District Formation and Bond Issuance Costs").

Costs of Authorized Improvements

The following table reflects the expected total costs of the Authorized Improvements. A portion of the costs of the Authorized Improvements are expected to be financed with proceeds of the Bonds.

Authorized Improvements Costs[(1)]

Type of Improvement	Total Cost
Major Improvements	
Road A[(2)]	$ 5,214,299
Road B[(2)]	2,179,637
Road C[(2)]	2,284,880
Lift Station and Wastewater Line D	285,746
Offsite Wastewater Line B	315,750
Detention Pond	209,699
Construction Management	419,600
Soft Costs	824,099
Total Major Improvements	$11,733,710
District Formation and Bond Issuance Costs	
Deposit to Reserve Account	$ 1,066,556
Capitalized Interest	562,706
Underwriter Discount	422,250
First Year Annual Collection Costs	40,000
Developer District Formation Costs	200,000
Costs of Issuance	844,500
Total District Formation and Bond Issuance Costs	3,136,012
Total	**$14,869,722**

(1) Derived from information in the Service and Assessment Plan. Preliminary; subject to change.
(2) Net of proportionate share of $1,592,682 in City cost participation.

The costs of the Major Improvements are based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City and were approved by the City Council. See "APPENDIX C — Form of Service and Assessment Plan."

The total costs of all of the Authorized Improvements is expected to be approximately $14,869,722*. Only a portion of the costs of the Authorized Improvements, in the approximate amount of $14,075,000*, is expected to be paid with proceeds of the Bonds. The balance of the costs of the Authorized Improvements, in the total approximate amount of $794,722*, was or will be financed by the Developer and will not be reimbursed by the City.

The Appraisal estimates that the value of the property within the District under certain conditions, including the completion of all of the Major Improvements within the District and the Additional Improvements within the Single-Family Parcel, is $123,075,000. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the lots in the District in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions

* Preliminary; subject to change.

reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT" for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Major Improvements

The Major Improvements will be dedicated in fee or by easement to and accepted by the City and will constitute a portion of the City's infrastructure improvements. Certain Major Improvements will be owned by the COA or POA, but the COA or POA will grant an easement to the City with respect to any Major Improvement conveyed to such entity. The City, the COA or the POA, as applicable, will provide for the ongoing maintenance and repair of the Major Improvements owned by such entity.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 706-acre master-planned mixed-use community with single-family residential, multi-family, industrial, office, retail and mixed-use components, as further described below. The Development is located within the City's corporate limits, in southeast Hays County, approximately 20 miles from Austin and 50 miles from San Antonio. Access to the Development is provided by Interstate 35, Harris Hill Road and Yarrington Road. Additionally, Hays County and Texas Department of Transportation are working together to construct Loop 110, an 11.25-mile roadway that will connect Interstate 35 at McCarty Lane on the south side of the City with the Yarrington Road/Interstate 35 intersection adjoining the Development. When complete, the roadway will provide the Development with additional direct access to all major area roadways.

The Development is located within a Qualified Opportunity Zone. Qualified Opportunity Zones were created by the 2017 Tax Cuts and Jobs Act. These zones are designed to spur economic development and job creation in distressed communities throughout the country by providing tax benefits to investors who invest eligible capital into these communities. Taxpayers may defer tax on eligible capital gains by making an appropriate investment in a Qualified Opportunity Fund ("QOF") and meeting certain other requirements. In the case of an eligible capital gain realized by a partnership, the rules allow either a partnership or its partners to elect deferral. Similar rules apply to other pass-through entities, such as S corporations and its shareholders, as well as estates and trusts and its beneficiaries. To qualify for deferral, (i) capital gains must be invested in a QOF within 180 days, (ii) the taxpayer must elect deferral on Form 8949 and file with its tax return and (iii) the investment in the QOF must be an equity interest, not a debt interest.

If a taxpayer holds its QOF investment at least five years, the taxpayer may exclude ten percent of the original deferred gain. If a taxpayer holds its QOF investment for at least seven years, the taxpayer may exclude an additional five percent of the original deferred gain for a total exclusion of 15 percent of the original deferred gain. The original deferred gain – less the amount excluded due to the five and seven year holding periods – is recognized on the earlier of sale or exchange of the investment, or December 31, 2026. If the taxpayer holds the investment in the QOF for at least ten years, the taxpayer may elect to increase its basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged. This may eliminate all or a substantial amount of gain due to appreciation on the QOF investment.

Whisper Industrial, the purchaser of the Whisper Industrial Parcel, is a Qualified Opportunity Zone Business ("QOZB"), which is wholly owned by QOFs. Whisper Industrial was created by the general partner of the Developer; however, Whisper Industrial is not otherwise affiliated with the Developer and does not have the same investment structure. See "— Industrial/Business Park and General Commercial Development – Developer Land" below. The general manager of the Developer and other non-affiliated entities may create additional QOFs or QOZBs to purchase and hold land within the District, in order to take advantage of the tax benefits outlined above.

Development Plan

The Development. The Developer acquired approximately 591 of the 706 acres comprising the District for a long-term development project in two separate transactions, consisting of approximately 505 acres from the Texas General Land Office in 2015 and approximately 86 acres from Yarrington in 2016. Yarrington retained approximately 116 acres of land. In the second quarter of 2019, the Developer sold approximately 131 acres within the District, comprising the Single-Family Parcel, to Harris Hill, which in turn conveyed such land to 135 Residential. The Developer is responsible for the construction of all of the Major Improvements within the District and the Additional Improvements necessary to serve the Developer Land, excluding the Whisper Industrial Parcel. Yarrington, and/or its successors in interest, is responsible for the construction of the Additional Improvements necessary to serve the Yarrington Land. Whisper Industrial, and/or its successors in interest, is responsible for the construction of the Additional Improvements necessary to serve the Whisper Industrial Parcel. 135 Residential and/or its successors in interest, is responsible for the construction of the Additional Improvements necessary to serve the Single-Family Parcel.

The Developer expects to complete the Development in approximately two construction stages, which began with the Major Improvements and is being followed by the Additional Improvements necessary to serve each Lot or Parcel within the Developer Land, excluding the Whisper Industrial Parcel. Construction of the Additional Improvements to serve each Lot within the Development will commence based on absorption and market demand. Yarrington has not commenced construction of the Additional Improvements necessary to serve the Yarrington Land.

The Development is planned to consist of approximately 581 single-family residential lots, approximately 1,300 units of multi-family housing (conventional and age-restricted), approximately 4,200,000 square feet of industrial/business park, office and mixed-use space and the Amenity Center, as described below.

Single-family Lots. The Single-Family Parcel consists of approximately 131 acres and makes up approximately 20 percent of the District. The Developer has Lot Purchase Agreements with DR Horton and Lennar for all 581 lots. See "— Single-Family Residential Development" below.

Multi-family Units. The Developer anticipates that the District will include approximately 1,300 units of multi-family housing. An approximately 14-acre parcel is currently under contract for development with Whisper Apartments 1 LLC, a Texas limited liability company ("Whisper Apartments") and is expected to include an approximately 340-unit conventional multi-family development ("Multi-family A"). The Developer has also executed a purchase and sale agreement with Mission DG Ltd., a Texas limited partnership ("Mission DG"), to sell an approximately 8-acre parcel, on which Mission DG anticipates developing approximately 185 age-restricted senior multi-family units ("Multi-family B"). See "— Build-Out and Status of Lot Sales" and "— Multi-family Residential Development" below. In addition, the Developer expects to sell approximately three to four additional multi-family parcels, as development of the District progresses.

Industrial/Business Park. The Developer anticipates that the District will include approximately 2,570,000 square feet of industrial or flex-industrial business parks on approximately 262 acres. The Developer sold the approximately 17-acre Whisper Industrial Parcel to Whisper Industrial for a two-phase speculative industrial business park development. It is anticipated that each phase will contain one 90,000 square foot, 130 feet bay depth and 26 feet clear-height industrial building. See "— Build-Out and Status of Lot Sales" and "— Industrial/Business Park and General Commercial Development" below. The Developer expects to sell the remaining acres of business park space within the District in six to ten separate future transactions.

General Commercial. The Developer anticipates that the District will include approximately 1,660,000 square feet of general commercial on approximately 280 acres. The Developer anticipates that the various general commercial parcels will consist of office development, grocery anchored-retail, neighborhood retail, auto dealerships, hotel development or mixed-use spaces, depending on the location within the District. The Developer expects that it will construct a three-story, 60,000 square foot Class A office building on an approximately 8-acre parcel (the "WM Office Parcel"), through an affiliated, to be formed, special purpose entity. See "— Build-Out and Status of Lot Sales" and "— Industrial/Business Park and General Commercial Development" below. The Developer has an executed Letter of Intent and is currently negotiating a purchase and sale agreement with an individual to sell an approximately 2-acre

Parcel (the "Convenience Store Parcel"), on which a convenience store and gas station will be constructed. The Developer has not contracted with any party to construct any of the other general commercial sites.

Construction Plan and Status of Construction

Major Improvements. The Developer substantially completed construction of the Major Improvements in January of 2020 and is currently in the process of obtaining the City's final acceptance.

Additional Improvements and Vertical Construction. The Developer expects that the Additional Improvements will be constructed by the applicable builder in a phased-manner based on absorption and market demand. The Developer expects to build out the Developer Land, excluding the Whisper Industrial Parcel, in a five to ten-year period. 135 Residential substantially completed the Additional Improvements necessary to serve phase one of the Single-Family Parcel in March of 2020, which is expected to include approximately 318 single-family residential units. The Developer expects the Homebuilders to begin to take down lots in June of 2020. See "— Single-Family Residential Development" below.

The Developer anticipates that construction of the Additional Improvements to serve Multi-family A and Multi-family B will commence in the fourth quarter of 2020 and that vertical construction will be complete by the first quarter of 2022.

The Developer anticipates that construction of the Additional Improvements to serve the approximately 52 acre-business park parcel will commence in the second quarter of 2020. The Developer has architectural and civil construction plans complete for the WM Office Parcel and is currently in the process of obtaining building permits from the City. The Developer expects that construction should commence in the second or third quarter of 2020 and be substantially complete in the second or third quarter of 2021. McDonald Development will relocate its office from Austin, Texas to the Development upon completion of the office building.

Whisper Industrial commenced construction of the Additional Improvements necessary to serve the Whisper Industrial Parcel in March of 2020 and anticipates that vertical construction will be complete by the first quarter of 2021.

Yarrington has not commenced construction of any Additional Improvements on the Yarrington Land.

The foregoing information has been provided by the Developer consistent with its current concept plan, but will ultimately depend on the market conditions at the time of development. There can be no guarantee that the phased development will occur as contemplated.

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Build-Out and Status of Lot Sales

The Developer's current expectations regarding the estimated buildout value of the Lots within the District, which are subject to change, are as follows:

Expected Build-Out of the District

Parcel	Acreage[1]	Current Owner	Proposed Land Use	Expected Units/ Sq.	Estimated Buildout Value Per Unit/SF	Estimated Total Buildout Value
Tract #1						
1	69.393	Yarrington	Retail/ Commercial	500,000 Sq. Ft.	$ 125	$62,500,000
2	46.293	Yarrington	Retail/ Commercial	375,000 Sq. Ft.	100	37,500,000
Tract #2						
3B	16.56	Whisper Industrial	Business Park	180,000 Sq. Ft.	90	16,200,000
Tract #3						
6	130.641	135 Residential	Single-family	581 Homes	230,000	133,630,000
Tract #4						
3A	121.280	Developer	Business Park	950,000 Sq. Ft.	90	85,500,000
4A[2]	81.993	Developer	Commercial	300,000 Sq. Ft.	110	33,000,000
4B[2]	49.290	Developer	Office	375,000 Sq. Ft.	150	56,250,000
4C[2]	32.900	Developer	Multi-family	1,300 Units	85,000	110,500,000
5	33.370	Developer	Mixed-Use	110,000 Sq. Ft.	100	11,000,000
7A	72.660	Developer	Business Park	800,000 Sq. Ft.	90	72,000,000
Tract #5						
7B	51.969	Developer	Business Park	638,685 Sq. Ft.	90	57,481,650
Total	**706.349[2]**					**$675,561,650**

(1) Acres shown are rounded. Actual acreages per tract are shown in Exhibits A-2, A-3, A-4, A-5 and A-6 of the Service and Assessment Plan.

(2) Approximately 20 acres within Parcel 4 of Tract #4 is planned to be used as a detention pond. Such 20 acres of land is non-benefitted property and is not subject to an Assessment.

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The status of land sales within the District, as of April 15, 2020, is as follows:

Status of Land Sale Within the District

Parcel	Acreage[1]	Proposed Land Use	Expected Units/Sq. Ft.	Purchaser/ Builder	Status of Land Sale	Average Purchase Price per Unit/SF	Actual/ Expected Date of Initial Construction/ Take Down	Expected Date of Vertical Completion
3A	2.0	Convenience Store/Gas Station	5,500 Sq. Ft.	Individual	Letter of Intent	$9.00	Q3 2020	TBD[2]
3B	16.6	Business Park	180,000 Sq. Ft.	Whisper Industrial	Sold	> $2.00	Q1 2020	Q3 2020
4B	8.0	Office	60,000 Sq. Ft.	TBD[3]	TBD[3]	N/A	Q2 2020	Q2 2021
4C	14.3	Multi-family	340 Units	Whisper Apartments	Under Contract	> $4.00	Q4 2020	Q1 2022
4C	8.0	Senior Multi-family	185 Units	Mission DG	Under Contract	> $4.00	Q4 2020	Q1 2022
6	130.6	Single-Family	337 Homes 244 Homes	DR Horton Lennar	Under Contract	$48,187 $45,477	Q1 2020	TBD[4]
Total	**179.5**							

(1) Acres are rounded to the nearest tenth.
(2) Currently unavailable.
(3) The Developer expects to create an affiliated special purpose entity and enter into a contract with such entity to construct a three-story, 60,000 square foot Class A office building on the WM Office Parcel, when the City approves the plans for the building.
(4) The Developer's current expected date of vertical completion for phase 1 of the Single-Family Parcel is the third quarter of 2020, per the Lot Purchase Agreements.

Multi-Family Residential Development

The Developer has executed purchase and sale agreements with Whisper Apartments for an approximately 340-unit conventional multi-family development and Mission DG for an approximately 185-unit age-restricted senior multi-family development. Both land parcels are anticipated to be sold in excess of $4.00 per gross square foot.

Pursuant to its purchase and sale agreement with the Developer, Whisper Apartments has provided earnest money in the amount of $50,000. The agreement has an inspection period that expires on June 30, 2020 and a closing date of July 30, 2020. In the agreement, (i) the Developer agreed (A) that the District may not include another conventional multi-family apartments for 18 months following the closing of the transaction and (B) that there will be no third-party logistics and bulk warehousing companies that occupy more than 25,000 square feet of industrial space within 400 feet of Opportunity Blvd, between Interstate 35 and Fortuna Blvd and (ii) Whisper Apartments agreed that the property must be used for conventional multi-family apartments for ten years following the closing of the transaction.

Pursuant to its purchase and sale agreement with the Developer, Mission DG has provided earnest money in the amount of $75,000. The agreement has an inspection period that expires on June 4, 2020 with the ability to extend the inspection period for an additional 30 days by depositing an additional $50,000 of non-refundable earnest money. If the agreement is terminated prior to the expiration of the inspection period, the Developer must return $55,000 of the earnest money to Mission DG. The agreement provides for the closing of the transaction to occur on or before 30 days following the expiration of the inspection period, with the ability to extend the closing date for an additional 30 days by depositing an additional $50,000. The additional $50,000 to extend the closing date will be non-refundable but will be applicable to the purchase price upon closing. In the agreement, Mission DG agreed that the property must be used as age-restricted apartments for ten years following the closing of the transaction.

Industrial/Business Park and General Commercial Development

Developer Land. The Developer has executed a contract and closed escrow with Whisper Industrial for the purchase of the Whisper Industrial Parcel, which is anticipated to be developed as a two-phase speculative industrial business park with each phase containing one 90,000 square foot, 130 feet bay depth and 26 feet clear-height industrial building. Whisper Industrial acquired the Whisper Industrial Parcel for a purchase price in excess of $2.00 per gross square foot. Under the contract, Whisper Industrial is responsible for the construction of Flustern Road, an internal road necessary to serve the Whisper Industrial Parcel and must commence such construction by March of 2020. The Developer has agreed to contribute $435,000 to the construction of such road.

The Developer has an executed Letter of Intent and is currently negotiating a purchase and sale agreement with an individual to sell the approximately 2-acre Convenience Store Parcel, on which a convenience store and gas station will be constructed. The Convenience Store Parcel is anticipated to be sold for approximately $9.00 per gross square foot. It is expected that the agreement will provide for (i) $25,000 in earnest money within two days of the effective date of the agreement, (ii) an inspection period that expires 90 days after the effective date of the agreement and (iii) the closing to take place 60 days following the expiration of the inspection period, but in no event later than July 3, 2020.

The Developer expects that it will construct a three-story, 60,000 square foot Class A office building (the "WM Office Building") on the WM Office Parcel, through an affiliated, to be formed, special purpose entity. Pursuant to the Financing Agreement, within 360 days of the City's acceptance of the Major Improvements, the Developer agreed to obtain site development and building permits for, and commence construction of, the WM Office Building. The Financing Agreement sets forth the construction requirements for the WM Office Building. See "APPENDIX G — Financing Agreement."

Yarrington Land. Yarrington has no contracts or letters of intent for purchase of any parcels of the Yarrington Land.

Single-Family Residential Development

Homebuilders and Lot Purchase Agreements. 135 Residential has executed Lot Purchase Agreements for all 581 single-family residential lots within the District with the Homebuilders, DR Horton and Lennar. The Homebuilders expect to takedown lots in three phases. Pursuant to the Lot Purchase Agreements, DR Horton has agreed to purchase 337 lots, including 165 lots within phase 1, 142 lots within phase 2 and 30 within phase 3. Lennar has agreed to purchase 244 lots, including 153 lots within phase 1 and 91 lots within phase 2. The following table provides the number of lots by phase on which the Homebuilders plan to construct homes:

Homebuilders and Lot Purchase and Sale Agreements

Homebuilder	Total Lots[1]	Phase 1	Phase 2	Phase 3
DR Horton	337	165	142	30
Lennar	244	153	91	-
Total	**581**	**318**	**233**	**30**

(1) Lot totals include model homes.

Pursuant to the DR Horton Lot Purchase Agreement, DR Horton has agreed to initially take down 30 Lots upon the Developer's substantial completion of phase 1 of the Single-Family Parcel (the "Substantial Completion Date"), which initial closing is anticipated to occur in June of 2020. Not later than 120 days after the required initial closing date, DR Horton is required to purchase a minimum of 20 additional Lots, and during each 90-day period thereafter. Pursuant to the Lennar Lot Purchase Agreement, Lennar will acquire 19 Lots on or before the later of June 5, 2020 or 15 days after the Substantial Completion Date and 39 Lots no later than 90 days following the initial lot takedown. Lennar's third and fourth takedown will consist of 40 Lots and 19 Lots, respectively, that must be acquired within 180 days following the preceding takedown. Following the fourth takedown, Lennar will acquire 19 lots every 90 days thereafter. Under the Lot Purchase Agreements, the Homebuilders collectively have put down $881,500 in earnest money, of which $508,000 was provided by DR Horton and $373,500 was provided by Lennar. Approximately $254,500 of the $508,000 provided by DR Horton is designated as a contribution towards the construction of the

Amenity Center (the "Amenity Center Earnest Money"), as further described under "— Residential Amenity Center" herein. The earnest money not designated as Amenity Center Earnest Money will be credited back to the respective Homebuilder as lots are purchased by each respective Homebuilder. Each Lot Purchase Agreement contains a gross lot pricing escalation of six percent simple interest, commencing (i) for DR Horton, one year following DR Horton's initial lot takedown and (ii) for Lennar, 15 business days after the Substantial Completion Date.

There are circumstances described in the Lot Purchase Agreements which may result in the termination of the agreements. Pursuant to DR Horton's agreement, if the Substantial Completion Date does not occur by June 30, 2020, DR Horton may terminate the agreement, and any earnest money shall be returned to DR Horton. Pursuant to Lennar's agreement, if the Substantial Completion Date does not occur by May 29, 2020, Lennar may terminate the agreement, and any remaining earnest money shall be returned to Lennar.

The Developer's current expectations regarding the build-out of the single-family lots within the District and sale of single-family lots to the Homebuilders therein are shown in the following table.

Actual and Expected Build-Out Schedule of Single-Family Lots within the District

Phase	Single-Family Lots[1]	Actual/Expected Infrastructure Completion Date	Actual/Expected Initial Sale Date of Single-Family Lots to Homebuilders	Expected Final Sale Date of Single-Family Lots to Homebuilders[2]
1	318	February of 2020	March of 2020	November of 2021
2	233	January of 2022	February of 2022	May of 2023
3[3]	30	TBD	TBD	TBD
Total	**581**			

(1) Numbers include model homes.
(2) Expected Final Sale Date provided by the Developer.
(3) The expected development timeline of phase 3 of the Single-Family Parcel is currently unknown and will be dependent on development of adjacent property, which the Developer currently plans to purchase at a later date.

The actual and anticipated schedule for sale of single-family lots to Homebuilders, pursuant to the Lot Purchase Agreements, is shown in the following table.

Contractual Lot Takedown Schedule of Single-Family Lots to Homebuilders[1]

Year End	DR Horton	Lennar	Total Lots
2020	70	60	130
2021	80	78	158
2022	80	78	158
2023	107	28	135
Total	**337**	**244**	**581**

(1) Numbers include model homes.

The Developer's current expectations regarding estimated home prices for the single-family residential lots are as follows:

Single-Family Lot and Home Prices

Quantity	Average Base Lot Price	Average Base Home Price
581	**$45,660_**	**$230,000**

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Photographs of the Development

The photograph below depicts Fortuna Road and Opportunity Boulevard intersection facing south, with the Single-Family Parcel in background.

The photographs below depict construction of the entrance to the Single-Family Parcel at the intersection of Fortuna Road and Opportunity Boulevard.

The following three photographs below depict construction of the roads within the Single-Family Parcel.

The photograph below depicts construction of the drainage easement within the Single-Family Parcel.

The photograph below depicts Interstate 35 access to the Development off of Sussuro Parkway.

The photograph below depicts Opportunity Boulevard facing west towards Interstate 35.

The picture below depicts the design for the entry-way monument to be constructed at the intersection of Interstate 35 and Opportunity Boulevard.

The picture below depicts the design for the Whisper Industrial Parcel to be constructed by Whisper Industrial.

The picture below depicts the design for the WM Office Parcel to be constructed by an affiliate of the Developer.

The picture below depicts the design for the entry-way monument expected to be constructed at the entrance to the Single-Family Residential Parcel off Opportunity Blvd.

Financing Agreement

Pursuant to the Financing Agreement, the Developer has the right to construct public improvements for the District, including the Major Improvements, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through the proceeds of assessments and/or bonds. The Financing Agreement provides certain requirements to be met for the issuance of the Bonds and any additional bonds issued for the payment of the Major Improvements (collectively, "PID Bonds"), including (i) the total amount of PID Bonds may not exceed $14,630,000; (ii) the final maturity of each series of PID Bonds may not occur later than thirty years from the date of issuance of such PID Bonds; (iii) subject to the annual permitted increases allowed by clause (v) below, the initial annual installment tax rate equivalent cannot exceed (1) $0.17 for any single-family detached residential parcels and (2) $0.22 with respect to any other individual parcel; (iv) the minimum appraised value to lien ratio at the issuance date of each series of PID Bonds is 3:1 on an overall basis considering all parcels and 2.5:1 with respect to any individual parcel; and (v) the maximum annual permitted increase in annual installments is 2%. The City and the Developer may amend the Financing Agreement at any point without approval of the Owners of the Bonds. See "APPENDIX G —Financing Agreement."

Zoning/Permitting

The development of the property within the District will be governed by the concept plan for the District, the Financing Agreement, and the Whisper Texas Planned Development District standards (the "Whisper PDD"), pursuant to Ordinance No. 2017-40, adopted by the City Council (collectively, the "Applicable Regulations"). The concept plan of the District is shown on page iv.

Education

The District is located within Hays Consolidated Independent School District ("Hays CISD"). Hays CISD operates 13 elementary schools, six middle schools, four high schools and one alternative campus. Hemphill Elementary School, which is approximately 4 miles from the District, Laura B Wallace Middle School, which is approximately 5 miles from the District and Jack C Hays High School, which is approximately 8 miles from the District, are expected to serve residents within the District.

Both Hemphill Elementary School and Laura B Wallace Middle School are rated "below average" by GreatSchools.org. Jack C Hays High School is rated "average" by GreatSchools.org. According to the Texas Education Agency annual school report cards both Hays CISD and Jack C Hays High School were rated as "B" and Hemphill Elementary School and Laura B Wallace Middle School were rated as "C" for 2019. (The categories for public school districts and public schools are A, B, C, D or F).

Residential Amenity Center

Pursuant to Lot Purchase Agreements, the Developer has agreed to construct the Amenity Center available only to the single-family residential lots, which will include an approximately 2-acre complex with a pool, playscape, open-air pavilion, parks and landscaping. The Developer anticipates that the Amenity Center will cost approximately $880,000 to construct and expects to commence construction of the Amenity Center in the third quarter of 2020 and complete construction within seven months of such commencement. Per the terms of the Escrow Agreement (Whisper Residential Amenity Center) between the Developer and the Homebuilders, each Homebuilder will contribute $1,000 per contracted Lot to the construction of the Amenity Center, with the Developer paying for the balance. DR Horton currently has $254,500 in Amenity Center Earnest Money and will provide an additional $82,500 for the Amenity Center at its initial closing of lots. Lennar will provide $244,000 for the Amenity Center at its initial closing of lots. The Amenity Center will be dedicated to and maintained by the POA.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment (the "Phase One ESA") of the property within the District was completed on December 18, 2018. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the following endangered species are known or believed to occur in Hays County: whooping crane, golden-cheeked warbler, Barton Springs salamander, Texas blind salamander, fountain darter, San Marcos gambusia, Comal Springs riffle beetle and Comal Springs dryopid beetle. According to the website for the United States Fish and Wildlife Service, the following threatened species are known or believed to occur in Hays County: San Marcos Salamander and red knot. The Developer is not aware of any endangered or threatened species located on District property.

Mineral Rights and Easement Rights

There are certain mineral rights reservations of prior owners of real property within the District (the "Mineral Owners") pursuant to one or more deeds in the chain of title for the property in the District.

While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the exercise of such rights or any other mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Mineral Rights."

Geotechnical Exploration

The Developer and/or the Developer's engineers have conducted geotechnical testing within the District. Soils vary as a result of the large land area but is predominately lined with clay, with the exception of the northwest corner of the property, which contains low plasticity index soil.

Utilities

Water and Wastewater. The City will provide wastewater service to the Development. The City and Maxwell Special Utility District ("Maxwell SUD") will provide water service to the Development. The City and Maxwell SUD currently have sufficient capacity to provide water and wastewater service to the Development, as applicable. See "THE AUTHORIZED IMPROVEMENTS."

Other Utilities. The Developer anticipates additional utilities to be provided by the following entities:

Gas	CenterPoint Energy
Phone/Data	Century Link
Electric	Pedernales Electric Cooperative
Cable	Grande Communications, AT&T and CenturyLink

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds, issued by a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of Developer

The Developer is an affiliate of McDonald Development Group, LLC, a Texas limited liability company ("McDonald Development") and was created by McDonald Development for the purpose of managing and conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT." The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party.

Since its founding in 1990, McDonald Development has acquired, planned and/or developed 15+ communities consisting of nearly 5,000+ single-family home sites and has developed, owned or constructed over 40 general commercial projects (multi-family, retail, medical-office, professional office, self-storage, and industrial). McDonald Development's team of industry professionals can process and manage any real estate development project from start to finish throughout all aspects of a project. From initial entitlements to plan processing, plan amendments, zoning, tract mapping, infrastructure improvement plans, infrastructure development and permitting and clearances, its knowledge and experience allows it to navigate through the often complicated processes to obtain a successful project completion.

A snapshot of some of the communities McDonald Development has developed or is currently developing is presented below.

Project Name	Project Type	Number of Units/ Sq. Ft./Acres	County	Status
Blue Wing	SF Residential	307 lots	Bexar	Entitlement
Abbott Place	SF Residential	280 lots	Bexar	Entitlement
Rio Verde	SF Residential	250 lots	Guadalupe	Entitlement
Wolf Creek	SF Residential	200 lots	Travis	Entitlement
Compostela	SF Residential	78 lots	Caldwell	Entitlement
Guadalupe Heights	SF Residential	235 lots	Guadalupe	Under Construction
Shops at Stevens Ranch	Retail	17,000 Sq. Ft.	Bexar	Under Construction
McDonalds	Retail	1 acre	Bexar	Under Construction
Kress and Grant	Office	120,000 Sq. Ft.	Bexar	Under Construction
Gateway Business Park	Office	40,000 Sq. Ft.	Hays	Under Construction
Wonder World Medical Square	Medical Office	13,000 Sq. Ft.	Hays	Under Construction
Red Oak Shops	Retail	18,900 Sq. Ft.	Hays	Completed
Nash 123 Retail	Retail	7,600 Sq. Ft.	Hays	Completed
Guadalupe Station	Retail	18,000 Sq. Ft.	Hays	Completed
Freddy's	Retail	1 acre	Hays	Completed
Olive Garden	Retail	1 acre	Hays	Completed
Hooters	Retail	1 acre	Hays	Completed

Executive Biography of Principals of McDonald Development

Robert W. McDonald, III, Managing Director. Mr. McDonald has been in the real estate investment and development business for 35 years and has developed several million square feet of medical-office, office, retail and multi-family product. He was Founder and CEO of The Movie Shops, which operated 35 retail stores throughout Texas and was sold at its prime to Movie Gallery. Additionally, Mr. McDonald serves as a Director of Capital Bank of Texas in Carrizo Springs, Texas and First Choice Bank, in Pontotoc, Mississippi.

R.W. McDonald, IV, Managing Director. Mr. McDonald has been in the real estate investment and development business for 11 years and has managed more than 25 investment and development partnerships. Mr. McDonald's career commenced in the Great Recession by staffing, structuring and expanding the McDonald Development Group's in-house private credit business. He exclusively focused on this successful strategy for three years before opportunistically expanding into development of various commercial real estate asset classes. Mr. McDonald is currently the General Partner of CapStor Conversion Partners, Ltd., a discretionary closed-end fund that to-date has invested in self-storage, single-family residential lot development, single-tenant retail development and multi- tenant retail development in Texas and Florida.

History and Financing of the District

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. As of April 15, 2020, the Developer has substantially completed construction of the Major Improvements at a cost of approximately $10,900,000 all of which is expected to be reimbursed with proceeds of the Bonds. The remaining amount will not be reimbursed to the Developer. Additionally, the Developer has secured financing for the portion of the Additional Improvements for which it is responsible to construct, which the Developer expects will cost approximately $9,400,000. The value of the Additional Improvements is in addition to the value associated with the Major Improvements. As of April 15, 2020, the Developer has completed approximately $9,000,000 in Additional Improvements. In order to finance the acquisition and development of the District the Developer and certain third parties, including the Homebuilders, have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within the District that are subordinate to the lien associated with the Assessments securing the Bonds. A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Entities with At-Risk Capital Subordinate to the Lien Securing the Bonds

At Risk Entity	Funding Type	Funding Purpose	Security	Position to Assessment Lien	Initial Amount	Outstanding Balance [1]
Developer	Developer Equity	Land Purchase	N/A [2]	N/A [2]	$12,000,000	$12,000,000
Harris Hill	Single-Family Acquisition Loan	Purchase of Single-Family Parcel	Lien on Real Property within the Single-Family Parcel	Subordinate	$6,510,000	$6,510,000
First United Bank	Promissory Note	Development of the District	Lien on Real Property within the District	Subordinate	$11,320,000	$10,619,443
First United Bank (66.67%) [3] First Bank Southwest (33.33%) [3]	Promissory Note	Finance development of the Single-Family Parcel	Lien on Real Property within the Single-Family Parcel	Subordinate	$9,000,000	$8,361,007
Developer	Whisper Industrial Acquisition Loan	Purchase of 16.56 acres of the Whisper Industrial Parcel from Developer	Line on 1.8 acres of the 16.56 acre Whisper Industrial Parcel	Subordinate	$157,486	$157,486
Lennar	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Lots	Subordinate	$373,000	$373,500
DR Horton	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Lots	Subordinate	$507,000	$253,500[4]
Total Outstanding Balance of Equity and Loan/Notes Secured by a Subordinate Lien Against Real Property within the District:						**$38,274,936**

(1) As of April 15, 2020.

(2) While Developer equity is not considered a loan or note, the Developer's equity investment within the District is subordinate to the lien securing the Bonds.

(3) The Single-Family Development Loan permits First United Bank to sell participation interests in the Single-Family Development Loan to one or more participants. First United Bank entered into a Loan Participant Agreement with First Bank Southwest, under which First United Bank has a 66.67% interest and First Bank Southwest has a 33.33% interest in the Single-Family Development Loan.

(4) DR Horton has put down $508,000 in earnest money, of which $253,500 is secured by a lien on its contracted single-family lots and $254,500 is designated as a contribution towards the construction of the Amenity Center.

Acquisition of Land Within the District. The Developer purchased a portion of the property within the District in two separate transactions in 2015 and 2016 for a total purchase price of approximately $12,000,000. The Developer's acquisition was made on a cash basis and no third-party financing was used to acquire the property within the District.

Developer Development Loan for the District. In order to finance the development of the District, the Developer obtained a loan in the amount of $11,320,500 from First United Bank pursuant to a Promissory Note dated November 30, 2017, as amended on November 30, 2019 and March 15, 2020 (the "District Development Loan"), which is secured by, among other things, a lien on all of the real property within the District and improvements thereon owned by the Developer. The Single-Family Parcel and the Whisper Industrial Parcel are not encumbered by the District Development Loan. The District Development Loan bears interest at a variable rate, which is currently 5.25% and can never be lower than 4.75% per annum, and has a maturity date of September 30, 2020. As of April 15, 2020, the District Development Loan has an outstanding balance of $10,053,417.44. The Developer expects to pay off the majority of the District Development Loan with proceeds of the Bonds.

135 Residential Loans for the Single-Family Residential

Acquisition Loan. 135 Residential purchased the Single-Family Parcel from Harris Hill in 2019 for $2,760,000. In order to finance such purchase, 135 Residential obtained a loan in the amount of $6,510,000 from Harris Hill pursuant to a Promissory Note dated April 29, 2019 (the "Single-Family Acquisition Loan"), which is secured by a lien on all of the real property within the Single-Family Parcel and improvements thereon owned by 135 Residential. The Single-Family Acquisition Loan bears interest at a rate of 3.0% per annum and has a maturity date of April 28, 2026. Pursuant to the Subordination Agreement between Harris Hills and First United Bank effective as of April 30, 2019, Harris Hills has agreed to (i) subordinate all of the liens and security interests securing or pertaining to the Single-Family Acquisition Loan to the Single-Family Development Loan, as defined and described below, and (ii) defer its right to receive repayment of principal or interest on the Single-Family Acquisition Loan until the Single-Family Development Loan has been paid in full, except that Harris Hill is entitled to partial release payments from the proceeds of 135 Residential's sale of lots to the Homebuilders. As of April 15, 2020, the Single-Family Development Loan has an outstanding balance of $6,510,000.

Development Loan. In order to finance the development of the Single-Family Parcel, 135 Residential obtained a loan in the amount of $9,000,000 from First United Bank pursuant to a Promissory Note dated April 30, 2019 (the "Single-Family Development Loan"), which is secured by, among other things, a lien on all of the real property within the Single-Family Parcel and improvements thereon owned by 135 Residential and the Lot Purchase Agreements. The Single-Family Development Loan permits First United Bank to sell participation interests in the Single-Family Development Loan to one or more participants. First United Bank entered into a Loan Participant Agreement with First Bank Southwest, under which First United Bank has a 66.67% interest and First Bank Southwest has a 33.33% interest in the Single-Family Development Loan.

The Single-Family Development Loan bears interest at a variable rate, which is currently 5.25% and can never be lower than 5.25% per annum, and has a maturity date of October 30, 2022. Upon 135 Residential's substantial completion of phase 1 of the single-family residential development and payment of principal reduction payments to reduce the outstanding principal balance to not more than $2,000,000, 135 Residential may re-borrow up to the amount of the final budget of phase 2 of the single-family residential development. As of April 15, 2020, the Single-Family Development Loan has an outstanding balance of $8,361,007.

Whisper Industrial Acquisition Loan. Whisper Industrial purchased the 16.56-acre Whisper Industrial Parcel from the Developer in 2019 for approximately $1,400,000. In order to finance such purchase, Whisper Industrial obtained a loan in the amount of $157,486 from the Developer pursuant to a Promissory Note dated December 31, 2019 (the "Whisper Industrial Acquisition Loan"), which is secured by a lien on 1.8 acres of the 16.56-acre Whisper Industrial Parcel and the improvements thereon owned by Whisper Industrial. The Whisper Industrial Acquisition Loan bears interest at a rate of 6.0% per annum and has a maturity date of December 30, 2022. As of April 15, 2020, the Whisper Industrial Acquisition Loan has an outstanding balance of $157,486.

The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, First United Bank, Harris Hills and the Developer have agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the District Development Loan, the Single-Family Acquisition Loan, the Single-Family Development Loan and the Whisper Industrial Acquisition Loan to the assessment liens on property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessments will

have priority over any liens on the property within the District securing the District Development Loan, the Single-Family Acquisition Loan, the Single-Family Development Loan and the Whisper Industrial Acquisition Loan.

THE PID ADMINISTRATOR

The following information has been provided by the PID Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

The City has selected P3Works, LLC as the initial PID Administrator. The City has entered into an agreement with the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and has offices in Austin and North Richland Hills, Texas.

The PID Administrators duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County Parcel IDs within the District;
- Trust account analysis and reconciliation;
- Property owner inquires;
- Determination of prepayment amounts;
- Preparation and review of disclosure notices with dissemination agent; and
- Review of developer draw requests for reimbursement of authorized improvement costs.

APPRAISAL OF PROPERTY WITHIN THE DISTRICT

The Appraisal

General. Flato Realty Advisors, LLC (the "Appraiser") prepared an appraisal report for the City dated May 8, 2020, based upon a physical inspection of the District conducted on February 4, 2020 (the "Appraisal"). Since the date of the Appraisal, the costs of the Authorized Improvements have changed due to actual costs being finalized in anticipation for Bond issuance. The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX F — Appraisal of the District."

The effective date of the Appraisal is February 4, 2020. In developing the opinion of the market value of the District, as of the effective date of Appraisal, the most recent available market data was incorporated. Post the effective date of the Appraisal, on March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In light of the increasing volume of negative global economic news resulting from the impacts from COVID-19, it is possible that at some point in the near the future there may be some degree of influence or impact on property values in the Central Texas real estate market. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."

Value Estimates. The Appraiser estimated the market value of the fee simple interest in Tracts #1, 2, 4 and 5 and the prospective market value at completion of the fee simple interest in Tract #3 (the Single-Family Parcel) under certain hypothetical conditions. The Appraisal Report does not reflect the value of the District as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumptions that all of the Major Improvements within the District and the Additional Improvements within the Single-Family Parcel have been completed in accordance with plans and specifications as of the dates specified below. See "THE AUTHORIZED

IMPROVEMENTS," "THE DEVELOPMENT — Development Plan" and "APPENDIX F — Appraisal of the District."

The cumulative value estimate for the Assessed Property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of February 4, 2020 for Tracts #1, 2, 4 and 5 and, as of February 4, 2021, for Tract #3, is $123,075,000. None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

BONDHOLDERS' RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be

maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Infectious Disease Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include, for example, the issuance on March 19, 2020 of Executive Order GA-08 which, among other things, imposed limitations on social gatherings of more than 10 people; discouraged eating or drinking at bars, restaurants, and food courts, or visiting gyms or massage parlors; and limited visits to nursing homes and long-term care facilities. On April 15, 2020, the Governor issued Executive Order GA-14 which provided that the following was considered an "Essential Service" and therefore allowed to take place during the COVID-19 pandemic: "Workers performing housing and commercial construction related activities." On April 17, 2020, the Governor issued Executive Order GA-16, which, among other things, required Texans to minimize in-person contact with people who are not in the same household unless such people are involved in "Essential Services" or essential daily activities and orders the closure of schools throughout the State through the 2019-2020 school year, which was effective until April 30, 2020, unless otherwise extended, modified, rescinded, or superseded by the Governor. With Executive Order GA-16 set to expire on April 30, 2020, the Governor issued Executive Order GA-18 on April 27, 2020, which, among other things, permits the reopening of "reopened services," including retail establishments, dine-in restaurant services, movie theaters, shopping malls, museums and libraries, with limitations on the levels of occupancy. On May 5, 2020, the Governor issued Executive Order GA-21, which, among other things, expanded the scope of reopened services to include, among other things, hair salons, tanning salons and swimming pools, to be effective May 8, 2020, and certain business offices, manufacturing services and gyms, to be effective May 18, 2020. Executive Order GA-21 remains in place until 11:59 p.m. on May 19, 2020 unless otherwise, extended, modified rescinded or superseded by the Governor. Most of the federal and state actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and directly impacts the economy.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. Stock values and crude oil prices, in the United States and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of parcels, lots or homes within the District. The Bonds are secured by Assessments levied on benefitted property within the District. If lot or home sales are negatively impacted by the Pandemic, the Developer, Yarrington, Whisper Industrial and 135 Residential will continue to be responsible for the payment of the Assessments.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds. ***[We will continue to monitor and update accordingly]***

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within the District, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property.** It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer, 135 Residential and Yarrington are not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

Effects of Future Legislation

In October of 2017, the 85th Texas Legislature House of Representatives and the 85th Texas Legislature Senate issued interim charges to the 85th Texas Legislature House Committee on Special Purpose Districts and the 85th Texas Legislature Senate Intergovernmental Relations Committee (collectively, the "Interim Committees"), respectively, requesting the study of special purpose districts and potential bond issuance reforms. The charges to the Interim Committees included review, hearings and testimony related to changes to and oversight of bonds secured by special assessments.

In December 2018, the 85th Texas Legislature House Committee on Special Purpose Districts released its Interim Report to the 86th Texas Legislature (the "House SPD Report"). The House SPD Report recommended that a Senate committee substitute to a bill proposed during the 82nd Texas Legislature in 2011, HB 1400 (the "HB 1400 Committee Substitute") which set forth a tiered system for the findings required by a county or municipality prior to the issuance of bonds, be resurrected and re-examined in order to provide oversight for assessment. Under the HB 1400 Committee Substitute:

- Prior to the issuance of bonds or obligations wholly or partly payable from or secured by assessments, the governing body of a municipality with a population of 250,000 or less or the governing body of a county with a population of 1 million or less issuing the bonds or obligations must find and determine the following:
    - construction of all underground water, wastewater, and drainage facilities and roadways to serve the real property liable for assessments necessary to support the payment of the bonds or obligations is at least 95 percent complete; and
    - construction of at least 25 percent of the houses or other buildings on the real property liable for assessments and necessary to support the bonds or obligations has been completed.
- Prior to the issuance of bonds or obligations wholly or partly payable from or secured by assessments, a municipality with a population of more than 250,000 or a county with a population of more than 1 million issuing the bonds or obligations must obtain an independent market study from a firm recognized in the area of real estate market analysis supporting the development projects for the real property liable for assessments and necessary to support the payment of the bonds or obligations.

The findings of the House SPD Report suggested committee support applying standards similar to those applied by the Texas Commission of Environmental Quality (the "TCEQ") to bonds issued by municipal utility and other independent special purpose districts to bonds issued by cities and counties under the PID Act.

In December 2018, the 85th Texas Legislature Senate Intergovernmental Relations Committee released its Interim Report to the 86th Texas Legislature (the "Senate IGR Report"). The Senate IGR Report found that, based on testimony received by the committee, standards imposed by cities relating to the issuance of assessment-backed public improvement district bonds exceeded the standards applied by the TCEQ to bonds issued by municipal utility and other independent special purpose districts. The Senate IGR Report did not recommend any further action to the 86th Texas Legislature relating to assessment backed bonds.

The Texas Legislature convenes in odd numbered years, and the 86th Texas Legislature convened on January 8, 2019. The House of Representatives of the 86th Texas Legislature did not convene a House Special Purpose Districts Committee, and instead transferred portions of its jurisdiction to the 86th Texas Legislature House Committee on Natural Resources and the 86th Texas Legislature House Committee Urban Affairs. The Senate of the 86th Texas Legislature has convened the Intergovernmental Relations Committee. During the session, no legislation was introduced in the 86th Texas Legislature which proposed the provisions of the HB 1400 Committee Substitute, and the sine die for the 86th Texas Legislature Regular Session occurred on May 27, 2019.

It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Competition

Single-Family Residential. The housing industry in the San Marcos area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs of the single-family residential development within the District which are planned will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer or of any homebuilder in the sale of developed lots or the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

The following table is a list of competitive single-family residential projects, as shown in the Appraisal.

Project Name	Total Lots	Available Lots	City	Average Home Price
Paramount	330	330	Kyle	$220,000 - $335,000
Crosswinds Subdivision	88	60	Kyle	$229,000 - $285,000
Blanco Vista	403	295	San Marcos	$255,000 - $320,000
Cypress Forest	159	118	Kyle	$410,000 - $575,000
Cool Springs	71	37	Kyle	$244,990 - $325,000

There can be no assurances that other similar single-family residential projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. For more information on competitive projects, see "APPENDIX F — Appraisal of the District – Residential Market Analysis – Competitive Market Overview."

Commercial, Industrial/Business Park and Multi-family. Typically, the demand for commercial, industrial and multi-family development follows development of single-family residential, as demand increases due to population growth. The competitive position of the Developer or of any purchaser of commercial, industrial, business park, multi-family or mixed-use land within the District in the sale or lease of developed lots or the construction and sale of multifamily residential units, as applicable, is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. None of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs of the

commercial, industrial, business park, multi-family or mixed-use development within the District which are planned will ever commence or be completed in accordance with the Developer's expectations.

The following table shows the retail, office, industrial and multi-family land market analysis for the San Marcos – Kyle market, as shown in the Appraisal.

Market	Inventory	Average Annual Market Rental	Average Vacancy Rate	Projects Under Construction	Projected 12 Month Absorption	Market Outlook
Retail	5.1 million Sq. Ft.	$23.48 per Sq. Ft.	3.5%	19,900 Sq. Ft.	162,000 Sq. Ft.	Strong and improving
Office	1.4 million Sq. Ft.	$25.83 per Sq. Ft.	11.6%	82,600 Sq. Ft.	-3,500 Sq. Ft.	Strong with growth opportunities
Industrial	1.8 million Sq. Ft.	$9.12 per Sq. Ft.	9.5%	113,000 Sq. Ft.	-12,300 Sq. Ft.	Equilibrium and stable with growth opportunities
Multi-Family	9,774 units	$1,043 per unit	6.5%	266 units	205 units	Healthy

There can be no assurances that projects similar to the Development will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. For more information on competitive projects, see "APPENDIX F — Appraisal of the District – Commercial/Industrial/Multi-Family Land Market Analysis."

Loss of Tax Exemption

The Indenture will contain covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the property owners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture will provide that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund" herein.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency.

See "THE DEVELOPMENT — Environmental" for discussion of a Phase One ESA performed on the property within the District.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

100-Year Flood Plain

Approximately 35 acres within the District is located within an official FEMA 100-year flood plain as shown on the current Federal Emergency Management Agency's Flood Insurance Rate Map Community Panel No. 48209C0392G (the "Flood Plain"). All the lands identified to be within the developed floodplain will be located within dedicated open space, park or drainage easements. The City will not allow occupied structures to be developed within the floodplain.

Additionally, FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may exceed the Flood Plain.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through weather events that include strong winds, flooding and heavy rains. It is impossible to predict such weather events and the impact they may have on the City, including land within the District.

Exercise of Mineral Rights

As described herein under "THE DEVELOPMENT— Mineral Rights and Easement Rights," there are certain mineral rights reservations located within the District not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Hays County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments. However, the Developer provides no representations, warranties or other assurances with respect to the existence or exercise of any mineral rights or related real property rights in or around the District. Furthermore, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least 25 percent of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In Tooke, the Court noted the enactment in 2005 of sections

271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources." While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclose sale price, and by other factors, including taxpayers' right to redeem property

within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in any event, including in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new Developer or new officers in management positions may not have comparable experience in projects comparable to the Development.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined "true-up" agreement has been entered into between the City and Developer, nor is there a requirement that future developers or Developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or if made will provide the necessary assessment revenues required to service debt the on Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of builders to sell or lease retail space, commercial space and apartment units to maximum occupancy levels within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the retail space, commercial space, or multi-family apartments. In the event that a large number of rental, commercial or multi-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing and commercial properties within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the Major Improvements and the Additional Improvements, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the land purchase contracts are not met. Failure to meet the land purchase contract's conditions allows the applicable purchaser to terminate its obligation to purchase land from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT" herein.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Use of Appraisal

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in an appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the appraiser's, underwriter's and City's control, as well as to certain factual matters. Furthermore, the appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation.

The effective date of the Appraisal is February 4, 2020. In developing the opinion of the market value of the District, as of the effective date of Appraisal, the most recent available market data was incorporated. Post the effective date of the Appraisal, on March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In light of the increasing volume of negative global economic news resulting from the impacts from COVID-19, it is possible that at some point in the near the future there may be some degree of influence or impact on property values in the Central Texas real estate market. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."

Availability of Utilities

The progress of development within the District is also dependent upon the City and Maxwell WSC providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If the City or Maxwell WSC fail to supply water and wastewater services to the property in the District, the development of the land in the District could be adversely affected. See "THE DEVELOPMENT — Utilities."

Dependence Upon Developer and Other Landowners

As of May 1, 2020, the Developer, 135 Residential, Whisper Industrial and Yarrington had the obligation for payment of approximately 63%, 20%, 2%, and 15% of the total Assessments, respectively. Although no assurances can be given, the Developer expects that the Homebuilders will begin to take down lots within the District in June of 2020 and the Multi-family Builders will purchase their contracted land in the fourth quarter of 2020. The ability of the Developer, 135 Residential, Whisper Industrial, Yarrington, the Homebuilders and the Multi-family Builders to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds. See "THE DEVELOPER — Description of the Developer."

Chapter 11 Bankruptcy of a Development Entity Managed by Robert W. McDonald, III

On December 2, 2019, Blanco Riverwalk Business Park, LLC ("Blanco Riverwalk"), a single-purpose development entity created to develop the Blanco River Business Park (the "Blanco Project") in the City, filed Chapter 11 Bankruptcy in the Western District of Texas. Robert W. McDonald, III, the Managing Director of McDonald Development and the Developer, is a "Manager" and minority "Member" of Blanco Riverwalk. The Blanco Project was not initiated or commenced by Robert W. McDonald, III. Rather, Mr. McDonald came to be the Manager and minority Member of Blanco Riverwalk after the Blanco Project was already constructed. A number of the original membership owners of Blanco Riverwalk were unwilling to provide additional capital in response to capital calls to

cover Blanco Riverwalk's indebtedness related to the Blanco Project, which resulted in Blanco Riverwalk filing for Chapter 11 bankruptcy.

Blanco Riverwalk is not the Developer or an affiliate of the Developer and does not own an interest in the Developer or any of the Developer's affiliates.

Agricultural Use Valuation and Redemption Rights

Approximately 82% of the total area of the property in the District is currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. The Developer expects that property will be removed from agricultural valuation as development progresses. Under State law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although Assessments are not considered a tax under State law, the PID Act provides that the lien for Assessments may be enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for Assessments, though there is no indication in State law that such redemption rights would be available in such a case.

Prior to the closing of the Bonds, the AG Landowners will execute the Agreement Regarding Waiver of Right of Redemption and Waiver of Agricultural Valuation (a "Redemption Waiver Agreement") with the City and the Trustee, (when acting in such capacity, the "Escrow Agent"), covering the portion of the property within the District subject to the agricultural valuation, pursuant to which each AG Landowner will waive its right to redeem any agricultural valuation property and will require any subsequent purchaser to execute a similar waiver. In addition, each AG Landowner will deliver, and require any subsequent purchaser to deliver, into escrow with the Escrow Agent a waiver of open-space agricultural valuation, which the Escrow Agent will receive written direction to release the waiver to the City for filing with the Hays County Tax Assessor/Collector in the event that an owner has not paid ad valorem taxes or the Assessments due in respect of agricultural valuation property resulting in foreclosure, sale, transfer or conveyance of such property. The Redemption Waiver Agreement will be enforceable by the Escrow Agent on behalf of the Owners of the Bonds. Although the Redemption Waiver Agreement is intended to protect the City and the bondholders against potential redemption rights of the AG Landowners in the context of a foreclosure proceeding, because there is currently no case law with respect to waiver of redemption rights or an agricultural valuation, it is unclear whether the Redemption Waiver Agreement is enforceable under State law.

Because the enforceability of the Redemption Waiver Agreement is not certain, as additional protection against the occurrence of a tax sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising, prior to delivery of the Bonds, each AG Landowner will pay to the Escrow Agent to be deposited into the Developer Property Tax Reserve Fund an amount equal to the estimated ad valorem taxes assessed against such AG Landowner's agricultural valuation property due in the years 2019 and 2020 (collectively, the "Initial Landowner Deposit"). Such funds will be held by the Escrow Agent and used to pay delinquent ad valorem taxes on agricultural valuation property and thereby potentially avoid the possibility of a sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising. So long as an AG Landowner owns property in the District that is entitled to valuation based on its agricultural use, in the event a portion of the Initial Landowner Deposit is used to pay delinquent ad valorem taxes, the applicable AG Landowner will be required to deposit additional funds with the Escrow Agent to be held in the Developer Property Tax Reserve Fund in an amount that will cause such AG Landowner's total deposit (less any funds delivered to the City) to the Developer Property Tax Reserve Fund to equal their portion of the Initial Landowner Deposit, all in accordance with the Redemption Waiver Agreement. A proportionate amount of such deposit will be returned to the applicable AG Landowner upon termination of the agricultural valuation.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX D — Form of Opinion of Bond Counsel."

In rendering its opinion, Bond Counsel to the City will rely upon (a) the City's federal tax certificate and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds;

although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further

state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS," including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the final paragraph thereof), "LEGAL MATTERS — Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and "APPENDIX B" and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of the Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreement, the Financing Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect").

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See "BONDHOLDERS' RISKS." The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City and UMB Bank, N.A. (in such capacity, the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Issuer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX E-1 — Form of Disclosure Agreement of the Issuer." Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of the Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Issuer or from any statement made pursuant to the Disclosure Agreement of the Issuer.

The City Compliance with Prior Undertakings

Except as hereinafter described, during the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule. On December 15, 2015 the City's Electric Revenue Bonds were upgraded by S&P. The upgrade notices were filed on February 10, 2016. The City provided its Monthly Water Rates and Monthly Wastewater System Rates in its annual filings, however the City's Sewer Surcharge Rate is not included in their financial reports but is publicly available on their website. In fiscal years 2014 and 2018, the City filed a draft of their CAFR by the required date to satisfy its continuing disclosure agreements. However, it was discovered that the draft copy for fiscal year 2014 and 2018 did not contain all of the required tables. The City provided this information when it filed its final CAFR on April 24, 2015 and April 11, 2019. A late notice for these tables was filed on April 25, 2019.

The Developer

The Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Major Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of the Developer." Under certain circumstances, the failure of the Developer to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to (i) prepare and provide certain updated information in report form to the Dissemination Agent and (ii) provide notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

The Developer's Compliance With Prior Undertakings

The Developer has not previously entered into any continuing disclosure agreements related to the issuance of public securities.

Yarrington

Yarrington, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of Yarrington") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Yarrington, certain information regarding the Yarrington Land (the "Yarrington Reports"). The specific nature of the information to be contained in the Yarrington Reports is set forth in "APPENDIX E-3 — Form of Disclosure Agreement of Yarrington." Under certain circumstances, the failure of Yarrington to comply with its obligations under the Disclosure Agreement of Yarrington constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Yarrington would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

Yarrington has agreed to (i) prepare and provide certain updated information in report form to the Dissemination Agent and (ii) provide notices of certain specified events, only as provided in the Disclosure Agreement

of Yarrington. Yarrington has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Yarrington. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. Yarrington disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Yarrington or from any statement made pursuant to the Disclosure Agreement of Yarrington.

Yarrington's Compliance With Prior Undertakings

Yarrington has not previously entered into any continuing disclosure agreements related to the issuance of public securities.

135 Residential

135 Residential, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of 135 Residential") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of 135 Residential, certain information regarding the Single-Family Parcel (the "135 Residential Reports"). The specific nature of the information to be contained in the 135 Residential Reports is set forth in "APPENDIX E-4 — Form of Disclosure Agreement of 135 Residential." Under certain circumstances, the failure of 135 Residential to comply with its obligations under the Disclosure Agreement of 135 Residential constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of 135 Residential would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

135 Residential has agreed to (i) prepare and provide certain updated information in report form to the Dissemination Agent and (ii) provide notices of certain specified events, only as provided in the Disclosure Agreement of 135 Residential. 135 Residential has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of 135 Residential. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. 135 Residential disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of 135 Residential or from any statement made pursuant to the Disclosure Agreement of 135 Residential.

135 Residential's Compliance With Prior Undertakings

135 Residential has not previously entered into any continuing disclosure agreements related to the issuance of public securities.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of $_____ (the par amount of the Bonds, less an underwriting discount of $_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC

and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten (10) years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the

investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy,(b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15 percent of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed UMB Bank, N.A., a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering

Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.umb.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Major Improvements generally and, in particular, the information included in the maps in the Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE — Development Plan," "— Status of Major Improvements and Lot Development," "— Homebuilders and Status of Home Construction" and "— Status of Multi-family, Industrial/Business Park and General Commercial," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," and "THE DEVELOPER," and, to the best of its knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Major Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "APPENDIX E-2" and "APPENDIX G" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Flato Realty Advisors, LLC and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Flato Realty Advisors, LLC has consented to the inclusion of the Appraisal herein.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than ninety (90) days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has approved by resolution the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF SAN MARCOS, TEXAS

_____

Mayor

ATTEST:

_____

City Clerk

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

The following information has been provided for informational purposes only.

The City is the county seat and principal commercial, education and recreational center of Hays County located in the center of the State in the Austin-San Marcos statistical metropolitan area, approximately midway between the metropolitan areas of San Antonio and Austin. The City is located on Interest Highway 35, U.S. 81, State Highways 80, 142, 21, 123 and Ranch Road 12. The City contains a total land area of approximately 32 square miles. The City's 2010 census population was 44,994. The City's 2019 population estimate was 65,234.

The City is a political subdivision operating as a home-rule city under the laws of the State and a home-rule charter, initially approved by the votes in 1967. The City operates under the City Council/Manager form of government where the Mayor is elected at-large in even numbered years for a two-year term and six Council Members are elected at-large for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

THE CITY

Historical Employment in the City (Average Annual)

The City of San Marcos

	Average Annual[1]				
	2020[2]	2019	2018	2017	2016
Civilian Labor Force	33,713	33,672	33,107	32,227	31,238
Total Employed	32,412	32,631	32,028	31,122	30,101
Total Unemployed	1,301	1,041	1,079	1,105	1.137
Unemployment Rate	3.9%	3.1%	3.3%	3.4%	3.6%

[1] Source: Texas Workforce Commission.
[2] Source: Data through March 2020.

Ten Largest Employers in the City (2019)

The ten largest employers in the City are set forth in the table below. ***[City to review]***

Employer	Product or Service	Employees
Texas State University	Education	3,730
Amazon	Distribution Center	2,200
San Marcos Premium Outlets	Mall	1,600
Tanger Factory Outlets	Mall	1,540
San Marcos CISD	Education	1,400
Hays County	Government	885
City of San Marcos	Government	817
HEB Distribution Center	Distribution Center	750
Central Texas Medical Center	Health Care	675
CFAN	Government	600

Source: City's audited financial statements.

AUSTIN SAN MARCOS - REGIONAL EMPLOYMENT

Surrounding Economic Activity

The major employers of municipalities surrounding the City are set forth in the table below.

City of Kyle, TX — Approximately 5 Miles from San Marcos

Employer	Employees
Hays CISD	2,383
Seton Medical Center Hays	610
HEB Plus	208
City of Kyle	198
Legend Oaks Healthcare	116
Lowes	108
Warm Springs Rehab Hospital	100
Home Depot	100
Austin Community College Hays	80
RSI, Inc.	58

City of New Braunfels, TX — Approximately 20 Miles from San Marcos

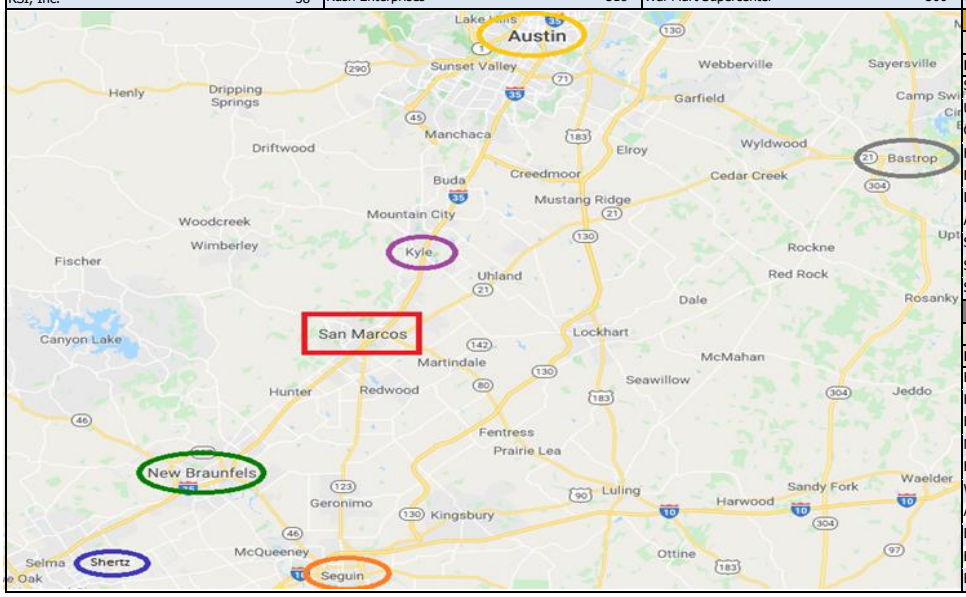
Employer	Employees
Comal ISD	2,895
Schlitterbahn Water Park	2,100
Wal-Mart Distribution Center	1,250
New Braunfels ISD	1,188
City of New Braunfels	812
Sysco	810
Hunter Industries-Colorado Materials	730
Comal County	681
HD Supply	538
Rush Enterprises	518

City of Seguin, TX — Approximately 25 Miles from San Marcos

Employer	Employees
Texas Power Systems/CAT	2,190
Continental AG (Motorola)	1,600
Seguin ISD	1,130
CMC Steel	840
Tyson Foods	745
Guadalupe Regional Medical Center	700
Guadalupe County	595
Texas Lutheran University	400
HEB	340
Wal-Mart Supercenter	300

City of Schertz, TX — Approximately 25 Miles from San Marcos

Employer	Employees
Schertz/Cibolo/UC ISD	1,837
Amazon.com	1,256
Sysco Central Texas	815
GE Oil Gas	600
FedEx Ground	475
Brandt Engineering	437
Visionworks	400
Republic Beverage Company	382
HEB Grocery Co.	350
City of Schertz	341



City of Austin, TX — Approximately 30 Miles from San Marcos

Employer	Employees
State Government	37,890
University of Texas at Austin	23,925
City of Austin	14,038
HEb	13,756
Federal Government	13,000
Dell Computer Corporation	13,000
Austin ISD	11,379
St. David's Healthcare	10,309
Seton Healthcare Network	9,947
Samsung Austin Semiconductor	8,935

City of Bastrop, TX — Approximately 40 Miles from San Marcos

Employer	Employees
Bastrop ISD	1,427
Hyatt Regency Lost Pines Resort	650
Bastrop County	464
MD Anderson Cancer Center	439
HEB	408
Wal-Mart	311
Agilent/Stratagene	306
Bastrop FCI	276
Buc-ee's	169
Bluebonnet Electric Co-Op	168

Source: Municipal Advisory Council of Texas

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APPENDIX B

FORM OF INDENTURE

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF THE ISSUER

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF THE DEVELOPER

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APPENDIX E-3

FORM OF DISCLOSURE AGREEMENT OF YARRINGTON

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APPENDIX E-4

FORM OF DISCLOSURE AGREEMENT OF 135 RESIDENTIAL

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APPENDIX F

APPRAISAL OF THE DISTRICT

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APPENDIX G

FINANCING AGREEMENT

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APPENDIX H

REIMBURSEMENT AGREEMENT

INDENTURE OF TRUST

By and Between

CITY OF SAN MARCOS, TEXAS

and

_____
as Trustee

DATED AS OF _____, 2020

SECURING

$_____

CITY OF SAN MARCOS, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION 4

Section 1.1. Definitions..... 4
Section 1.2. Findings..... 14
Section 1.3. Table of Contents, Titles and Headings. 14
Section 1.4. Interpretation. 14

ARTICLE II THE BONDS..... 15

Section 2.1. Security for the Bonds. 15
Section 2.2. Limited Obligations. 15
Section 2.3. Authorization for Indenture. 15
Section 2.4. Contract with Owners and Trustee. 16

ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS 16

Section 3.1. Authorization. 16
Section 3.2. Date, Denomination, Maturities, Numbers and Interest. 16
Section 3.3. Conditions Precedent to Delivery of Bonds..... 17
Section 3.4. Medium, Method and Place of Payment. 18
Section 3.5. Execution and Registration of Bonds. 19
Section 3.6. Ownership. 20
Section 3.7. Registration, Transfer and Exchange. 20
Section 3.8. Cancellation. 21
Section 3.9. Temporary Bonds..... 22
Section 3.10. Replacement Bonds. 22
Section 3.11. Book-Entry Only System. 23
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.24
Section 3.13. Payments to Cede & Co. 24

ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY 25

Section 4.1. Limitation on Redemption 25
Section 4.2. Mandatory Sinking Fund Redemption..... 25
Section 4.3. Optional Redemption 26
Section 4.4. Extraordinary Optional Redemption..... 26
Section 4.5. Partial Redemption..... 26
Section 4.6. Notice of Redemption to Owners. 27
Section 4.7. Payment Upon Redemption 28
Section 4.8. Effect of Redemption..... 28

ARTICLE V FORM OF THE BONDS 28

Section 5.1. Form Generally 28
Section 5.2. Form of the Bonds. 29
Section 5.3. CUSIP Registration..... 38

Section 5.4. Legal Opinion. 38

ARTICLE VI FUNDS AND ACCOUNTS 38

Section 6.1. Establishment of Funds and Accounts 38
Section 6.2. Initial Deposits to Funds and Accounts 39
Section 6.3. Pledged Revenue Fund 40
Section 6.4. Bond Fund 41
Section 6.5. Project Fund 42
Section 6.6. Redemption Fund 43
Section 6.7. Reserve Fund 43
Section 6.8. Rebate Fund: Rebatable Arbitrage 45
Section 6.9. Administrative Fund. 45
Section 6.10. Developer Property Tax Reserve Fund 46
Section 6.11. Investment of Funds 46
Section 6.12. Security of Funds 46

ARTICLE VII COVENANTS 48

Section 7.1. Confirmation of Assessments. 48
Section 7.2. Collection and Enforcement of Assessments. 48
Section 7.3. Against Encumbrances. 49
Section 7.4. Records, Accounts, Accounting Reports. 49
Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds. 50

ARTICLE VIII LIABILITY OF CITY 52

Section 8.1. Liability of City. 52

ARTICLE IX THE TRUSTEE 54

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent. 54
Section 9.2. Trustee Entitled to Indemnity. 54
Section 9.3. Responsibilities of the Trustee. 54
Section 9.4. Property Held in Trust. 56
Section 9.5. Trustee Protected in Relying on Certain Documents. 56
Section 9.6. Compensation. 56
Section 9.7. Permitted Acts. 57
Section 9.8. Resignation of Trustee. 57
Section 9.9. Removal of Trustee. 57
Section 9.10. Successor Trustee. 58
Section 9.11. Transfer of Rights and Property to Successor Trustee. 59
Section 9.12. Merger, Conversion or Consolidation of Trustee. 59
Section 9.13. Trustee To File Continuation Statements. 60
Section 9.14. Offering Documentation 58
Section 9.15. Expenditure of Funds and Risk 58
Section 9.16. Environmental Hazards 59
Section 9.17. Accounts, Periodic Reports and Certificates. 61
Section 9.18. Construction of Indenture. 61

ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE 59

Section 10.1. Amendments Permitted. 59
Section 10.2. Owners' Meetings. 62
Section 10.3. Procedure for Amendment with Written Consent of Owners. 63
Section 10.4. Procedure for Amendment Not Requiring Owner Consent. 63
Section 10.5. Effect of Supplemental Indenture. 64
Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments. 64
Section 10.7. Amendatory Endorsement of Bonds. 65
Section 10.8. Waiver of Default. 65
Section 10.9. Execution of Supplemental Indenture. 65

ARTICLE XI DEFAULT AND REMEDIES 65

Section 11.1. Events of Default. 65
Section 11.2. Immediate Remedies for Default. 66
Section 11.3. Restriction on Owner's Action. 67
Section 11.4. Application of Revenues and Other Moneys After Default. 68
Section 11.5. Effect of Waiver. 69
Section 11.6. Evidence of Ownership of Bonds. 69
Section 11.7. No Acceleration. 69
Section 11.8. Mailing of Notice. 70
Section 11.9. Exclusion of Bonds. 70

ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS 70

Section 12.1. Representations as to Pledged Revenues. 70
Section 12.2. General. 71

ARTICLE XIII SPECIAL COVENANTS 71

Section 13.1. Further Assurances; Due Performance. 71
Section 13.2. Other Obligations or Other Liens; Future Bonds. 71
Section 13.3. Books of Record. 72

ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE 72

Section 14.1. Trust Irrevocable. 72
Section 14.2. Satisfaction of Indenture. 72
Section 14.3. Bonds Deemed Paid. 73

ARTICLE XV MISCELLANEOUS 73

Section 15.1. Benefits of Indenture Limited to Parties. 74
Section 15.2. Successor is Deemed Included in All References to Predecessor. 74
Section 15.3. Execution of Documents and Proof of Ownership by Owners. 74
Section 15.4. No Waiver of Personal Liability. 74
Section 15.5. Notices to and Demands on City and Trustee. 75
Section 15.6. Partial Invalidity. 75
Section 15.7. Applicable Laws. 75
Section 15.8. Payment on Business Day. 76
Section 15.9. Counterparts. 76
Section 15.10. No Boycott of Israel; No Terrorist Organization. 76

Section 15.11. Electronic Storage. 78

EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN THE WHISPER PUBLIC IMPROVEMENT DISTRICT

EXHIBIT B FORM OF CERTIFICATION FOR PAYMENT (DESIGN) AND CERTIFICATION FOR PAYMENT (CONSTRUCTION)

INDENTURE OF TRUST

THIS INDENTURE, dated as of _____, 2020, is by and between the CITY OF SAN MARCOS, TEXAS (the "*City*"), and _____, as trustee (together with its successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Clerk of the City (the "*City Clerk*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Whisper Public Improvement District; and

WHEREAS, on October 6, 2014, the City Council (the "*City Council*") authorized the formation of the Whisper Public Improvement District (the "*District*" or "*PID*") pursuant to Resolution No. 2014-143R (the "*Creation Resolution*") in accordance with the PID Act;

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

WHEREAS, on October 6, 2014, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on October 6, 2014 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2014-143R, adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution No. 2014-143R, the City published notice of its authorization of the creation of the District in the *San Marcos Daily Record*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Clerk within 20 days after the date of publication of such notice; and

WHEREAS, on September 5, 2017, the City Council adopted a resolution approving the execution of the Financing Agreement, as subsequently amended and restated (as defined herein); and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on _____, 20__ of a public hearing in the _____, a newspaper of general circulation

in the City to consider the proposed "*Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the "*Assessments*" in the amount of $_____ on property in 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 Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the hearing on _____, 20__, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Clerk in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Assessment Roll, or the levy of the 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, at the meetings held on _____, 20__ and _____, 20__, respectively, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying the Actual Costs, (ii) funding a reserve fund for payment of principal and interest on the Bonds and (iii) for funding other funds as provided in Section 6.2(a); and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of San Marcos, Texas Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District Improvement)" (the "*Bonds*"), such Bonds being payable solely from the Trust Estate and for the purposes set forth in this preamble; and

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

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds Similarly Secured by the 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; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

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

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

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

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

legal or moral obligation to pay for the Bonds Similarly Secured out of any funds of the City other than the Trust Estate.

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

"*10% or Greater Manner*" shall have the meaning assigned to such term in Section 4.5(a).

"*135 Residential*" shall mean 135 Residential Development, LLC, a Texas limited liability company and any successor-in-interest thereto.

"*Account*", in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and "*Accounts*", in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

"*Actual Cost(s)*" means, with respect to the Authorized Improvements, (a) the costs incurred by or on behalf of the Developer for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, including a 4% construction management fee, (b) the costs incurred in preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (e) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (f) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, (g) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (h) payment of expenses incurred in the establishment, administration, and operation of the District. Amounts expended for costs described in

subsections (c), (d), (g) and (h) above shall be excluded from the amount upon which any general contractor and construction management fees are calculated.

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

"*Additional Interest Rate*" means the additional 0.50% interest charged on the Assessments as authorized by the PID Act.

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

"*Administrator*" means initially P3Works, LLC, or thereafter an employee or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

"*AG Landowners*" means (i) the Developer, (ii) Yarrington and (iii) 135 Residential, and any successor-in-interest thereto.

"*Annual Collection Costs*" means the actual or budgeted costs and expenses related to the creation and operation of the District, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying, and redeeming Bonds; (6) investing or depositing Assessments and Annual Installments; and (7) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"*Annual Debt Service*" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"*Annual Installment*" means, with respect to each Parcel, each annual payment of: (i) the Assessments (including the principal of and interest on), as shown on the Assessment Roll attached as Exhibit F to the Service and Assessment Plan and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

"*Annual Service Plan Update*" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

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

"*Assessment Ordinance*" means Ordinance No. 2020-__ adopted by the City Council on _____, 2020 that levied the Assessments.

"*Assessed Property*" means property on which Assessments have been levied as shown on the Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within the PID other than Non-Benefited Property as defined in the Service and Assessment Plan.

"*Assessment Revenues*" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"*Assessment Roll*" means the document attached as Exhibit F to the Service and Assessment Plan, showing the total amount of the Assessments, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"*Assessments*" means the assessments levied against Assessed Property in the PID, as provided for in the Assessment Ordinance and in the Service and Assessment Plan, and any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

"*Attorney General*" means the Attorney General of the State.

"*Authorized Denomination*" means $100,000 and any integral multiple of $5,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $100,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means the Authorized Improvements authorized by the PID Act, including the Major Improvements and District Formation and Bond Issuance Costs as described in Section III of the Service and Assessment Plan.

"*Bond*" means any of the Bonds.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"*Bond Date*" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

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

"*Bond Ordinance*" means Ordinance No. _____-__ adopted by the City Council on _____, 2020, authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)."

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

"*Bond Year*" means the one-year period beginning on [October 1] in each year and ending on [September 30] in the following year.

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

"*Capitalized Interest Account*" means the Account established pursuant to Section 6.1(b)(i)(A) of this Indenture.

"*Certification for Payment*" means a certificate given pursuant to the Reimbursement Agreement executed by an engineer, construction manager or other person or entity reasonably acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached hereto as Exhibit B.

"*City Certificate*" means a certificate signed by the City Representative and delivered to the Trustee.

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

"*Closing Date*" means the date of the initial delivery of and payment for the Bonds.

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

"*Comptroller*" means the Comptroller of Public Accounts of the State.

"*Costs of Issuance Account*" means the Account established pursuant to Section 6.1(b)(iii)(B) of this Indenture.

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

"*Delinquency & Prepayment Reserve Account*" means the Account established pursuant to Section 6.1(b)(ii)(B) of this Indenture.

"*Delinquency & Prepayment Reserve Requirement*" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund, and any excess funds to be deposited to the Redemption Fund, in accordance with the terms of this Indenture.

"*Delinquent Collection Costs*" means, for a Parcel, interest, penalties, attorneys' fees and other costs that are authorized by the PID Act and by the Assessment Ordinance and that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent payments due under the SAP, including costs and expenses related to the foreclosure of liens.

"*Designated Payment/Transfer Office*" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, initially Austin, Texas and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"*Developer*" means Whisper Master Community Limited Partnership, a Texas limited partnership, and any successor thereto under the Financing Agreement.

"*Developer District Formation Costs*" mean the costs incurred by the Developer and associated with forming the District, levying the Assessments, and issuing the PID Bonds.

"*Developer Property Tax Delinquency Amount*" means, as of any date of determination, any amount of ad valorem taxes levied by any taxing entity on Parcels subject to an agricultural valuation for purposes of such ad valorem taxes remaining unpaid on or after _____ of the year after such ad valorem taxes are due.

"*Developer Property Tax Reserve Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.10.

"*Developer Property Tax Reserve Fund Transfer Date*" means the date specified in a City Certificate pursuant to Section 6.10(a).

"*District Formation and Bond Issuance Costs*" means the costs associated with forming the District and issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter's discount, cost of issuance, fees charged by the Texas Attorney General, 1st year Annual Collection Costs, Developer District Formation Costs and any other cost or expense directly associated with the establishment of the District and/or the issuance of the Bonds.

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

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

"*Escrow Agent*" means _____, _____, _____, and its successors under the Redemption Waiver Agreement, acting solely as Escrow Agent thereunder and not as Trustee.

"*Event of Default*" means such events as described in Section 11.1 of this Indenture.

"*Financing Agreement*" means the Whisper Public Improvement District Financing Agreement between the City, the Developer and Yarrington, dated as of September 5, 2017, as amended by the Amended and Restated Financing Agreement between the City and the Property Owners dated _____, 2020, and as may be further amended and supplemented from time to time.

"*Foreclosure Proceeds*" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"*Fund*", in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and "*Funds*", in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

"*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 Bonds*" means the Initial Bonds authorized by Section 5.2 of this Indenture.

"*Interest Payment Date*" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing September 1, 2020.

"*Investment Securities*" means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time.

"*Less Than 10% Manner*" shall have the meaning assigned to such term in Section 4.5(a).

"*Major Improvements*" means mean the Authorized Improvements that benefit the entire District.

"*Maximum Annual Debt Service*" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds Similarly Secured.

"*Outstanding*" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10, and (iv) Bond Similarly Secured alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"*Owner*" or "*Holder*" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11. The term "*Owner*" or "*Holder*", when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

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

"*PID Act*" means Chapter 372, Texas Local Government Code, as amended.

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"*Prepayment*" means the payment of all or a portion of an 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 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

"*Prepayment Costs*" means interest, including Additional Interest and Annual Collection Costs and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

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

"*Projects*" mean Major Improvements plus the District Formation and Bond Issuance Costs.

"*Property Owners*" means (i) Yarrington; (ii) the Developer; (iii) Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company; and (iv) 135 Residential, and any successor-in-interest thereto.

"*Purchaser*" means the initial purchaser of the Bonds.

"*Quarter in Interest*" means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a

conflicting manner, only the group of Owners with the greatest percentage of then Outstanding Bonds Similarly Secured (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Record Date*" means the close of business on the 15th calendar day, 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.

"*Redemption Waiver Agreement*" means the Agreement Regarding Waiver of Right of Redemption and Waiver of Agricultural Valuation – Whisper PID by and between the City, the Escrow Agent, Yarrington, 135 Residential and the Developer, dated as of _____, 20__, as may be amended and supplemented from time to time.

"*Refunding Bonds*" means bonds issued 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 Agreement*" means the Whisper Public Improvement District Reimbursement Agreement by and between the City and the Developer, effective as of _____, 20__, as may be further amended and supplemented from time to time.

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(b); and provided further that as a result of (1) a mandatory sinking fund redemption pursuant to Section 4.2, (2) an optional redemption pursuant to Section 4.3 or (3) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is $_____ which is an amount

equal to Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

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

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, as may be updated, amended and supplemented from time to time.

"*Sinking Fund Installment*" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"*Special Record Date*" means in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"*State*" means the State of Texas.

"*Stated Maturity*" means the date the Bonds, 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 and the Trustee pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"*Tax Certificate*" means 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 _____, _____, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability, and may rely upon the City's financial advisor to provide a determination as to the foregoing.

"*Yarrington*" means Yarrington Partners, Ltd., a Texas limited partnership and any successor-in-interest thereto.

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 and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. **Limited Obligations.**

The Bonds Similarly Secured are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds Similarly Secured shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. **Authorization for Indenture.**

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles

of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful and/or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. **Contract with 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, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of paying a portion of the Actual Costs of the Projects (including (a) the Major Improvements, and (b) the District Formation and Bond Issuance Costs).

Section 3.2. **Date, Denomination, Maturities, Numbers and Interest.**

(a) The Bonds shall be dated the date of the initial delivery thereof (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing _____, 20__, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

Maturity Date	Principal Amount	Interest Rate

(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 the order of the City, but only upon delivery to the Trustee of:

(a) a certified copy of the Assessment Ordinance;

(b) a certified copy of the Bond Ordinance;

(c) a copy of the executed Financing Agreement and any amendments;

(d) a copy of the Redemption Waiver Agreement;

(e) a copy of a Continuing Disclosure Agreement between the City and the dissemination agent thereunder and a Continuing Disclosure Agreement between the Developer, the Administrator and the dissemination agent thereunder;

(f) a copy of this Indenture executed by the Trustee and the City;

(g) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;

(h) an executed Signature and No-Litigation Certificate;

(i) satisfactory evidence, in the City's sole discretion, from the Developer delivered to the City of financial ability to complete all improvements not funded from Bond proceeds;

(j) executed opinions of Bond Counsel and the City Attorney; and

(k) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. **Medium, Method and Place of Payment.**

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, 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 thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Holders of such Bonds for any further

payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

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

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Clerk, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

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

Section 3.6 **Refunding Bonds.**

(a) Except in accordance with the provisions of this Indenture, including Section 13.2, the City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State of Texas. Except as limited by the

terms of this Indenture, including Section 13.2, the City reserves the right to incur 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 is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond 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 shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.8. **Registration, Transfer and Exchange.**

(a) So long as any Bond remains outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or

other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.9. **Cancellation.**

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall destroy such Bonds and deliver a certificate of such destruction to the City.

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 in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11. **Replacement Bonds.**

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the City shall provide and the Trustee, pursuant to the Applicable Laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(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;

(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, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.12. **Book-Entry Only System.**

(a) The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose

of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.13. **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 to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.14. **Payments to Cede & Co.**

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE 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 _____ in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing _____, 20__

Redemption Date	Sinking Fund Installments
_____, 20__	$_____
_____, 20__	_____

_____
†Final Maturity

Term Bonds Maturing _____, 20__

Redemption Date	Sinking Fund Installments
_____, 20__	$_____
_____, 20__	_____

_____
†Final Maturity

(b) At least 30 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by this Indenture, the Trustee shall select for redemption by lot 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 Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(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 Term Bonds of such maturity which, at least 30 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 Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The Sinking Fund Installments 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 in integral multiples of $5,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions in Sections 4.3 and 4.4, respectively, hereof, and not previously credited to a mandatory sinking fund redemption, as follows:

(i) if the Bonds to be redeemed are selected in accordance with the 10% or Greater Manner (as defined and described below), the Sinking Fund Installment of Term Bonds required to be redeemed for each mandatory sinking fund redemption date shall be reduced by the principal amount called for redemption and allocated to such Bond on a pro rata basis among the scheduled Sinking Fund Installments to be mandatorily redeemed on the mandatory sinking fund redemption dates; or

(ii) if the Bonds to be redeemed are selected in accordance with the Less Than 10% Manner (as defined and described below), the Sinking Fund Installment of Term Bonds required to be redeemed for each mandatory sinking fund redemption date shall be reduced by the principal amount called for redemption and allocated to such Bond in the inverse order of mandatory sinking fund redemption dates.

Section 4.3. **Optional Redemption.**

The Bonds may be redeemed prior to their scheduled maturities on any date on or after _____, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

Section 4.4. **Extraordinary Optional Redemption.**

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. **Partial Redemption.**

(a) If less than all of the Bonds are called for optional redemption or extraordinary optional redemption pursuant to Sections 4.3 and 4.4, respectively, hereof, the Bonds or portion of a Bond of any one maturity to be redeemed shall be selected in the following manner:

(i) If the principal amount called for redemption is greater than or equal to ten percent (10%) of the original aggregate principal amount of the Bonds, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds and a portion of all Outstanding Bonds shall be redeemed in the principal amount allocated to such Bond (the "10% or Greater Manner"); and

(ii) If the principal amount called for redemption is less than ten percent (10%) of the original aggregate principal amount of the Bonds, the Outstanding Bonds shall be redeemed in inverse order of maturity (the "Less Than 10% Manner").

Bonds may be redeemed in minimum principal amounts of $5,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

(b) A portion of an Outstanding Bond of any one maturity may be redeemed, but only in a principal amount equal to $5,000 or any integral thereof. If a portion of an Outstanding Bond of a maturity is selected for redemption pursuant to subsection 4.5(a) hereof, the Trustee shall select the Outstanding Bonds of such maturity to be redeemed by lot or in any manner deemed fair by the Trustee. The Trustee shall treat each $5,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $5,000, may be issued.

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

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

(a) Upon notification by the City to the Trustee of the exercise of any 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 portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City 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 then called for redemption, and such cancellation shall not constitute an Event of Default

under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption 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.

Section 4.7. **Payment Upon Redemption.**

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. **Effect of Redemption.**

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus accrued unpaid interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE 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 Bond 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 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, HAYS COUNTY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED	United States of America	REGISTERED
NO. _____	State of Texas	$_____

CITY OF SAN MARCOS, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	_____, 20__	_____, 20__	_____ ___

The City of San Marcos, Texas (the "*City*"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1, of each year, commencing _____, 20__.

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 Austin, Texas (the "*Designated Payment/Transfer Office*"), of _____, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each 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 $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of _____, 20__ (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is

hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of paying a portion of the Actual Costs of the Projects (including (a) Major Improvements, and (b) the District Formation and Bond Issuance Costs).

The Bonds are limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the 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.

Subject to the restrictions contained in the Indenture, the City has reserved the right to issue Refunding Bonds payable from and secured by a lien on a pledge of the sources described above on a parity with this Bond.

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

The Bonds are issuable as fully registered bonds only in denominations of $100,000 and any multiple of $5,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than $100,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture.

The Bonds maturing on _____ in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing _____, 20__

Redemption Date	Sinking Fund Installments
_____, 20__	$_____
_____, 20__	_____

_____
†Final Maturity

Term Bonds Maturing _____, 20__

Redemption Date	Sinking Fund Installments

_____, 20__	$_____
_____, 20__	_____

_____
†Final Maturity

At least 30 days prior to each mandatory sinking fund redemption date, the Trustee shall select for redemption by lot 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 Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of 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 Term Bonds of such maturity which, at least 30 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 Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The Sinking Fund Installments of Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced in integral multiples of $5,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions in Sections 4.3 and 4.4, respectively, of the Indenture, and not previously credited to a mandatory sinking fund redemption, as follows:

(i) if the Bonds to be redeemed are selected in accordance with the 10% or Greater Manner (as defined and described below), the Sinking Fund Installment of Term Bonds required to be redeemed for each mandatory sinking fund redemption date shall be reduced by the principal amount called for redemption and allocated to such Bond on a pro rata basis among the scheduled Sinking Fund Installments to be mandatorily redeemed on the mandatory sinking fund redemption dates; or

(ii) if the Bonds to be redeemed are selected in accordance with the Less Than 10% Manner (as defined and described below), the Sinking Fund Installment of Term Bonds required to be redeemed for each mandatory sinking fund redemption date shall be reduced by the principal amount called for redemption and allocated to such Bond in the inverse order of mandatory sinking fund redemption dates.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after _____, _____, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

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 of the Bonds are called for optional redemption or extraordinary optional redemption pursuant to Sections 4.3 and 4.4 of the Indenture, the Bonds or portion of a Bond of any one maturity to be redeemed shall be selected in the following manner:

(a) If the principal amount called for redemption is greater than or equal to ten percent (10%) of the original aggregate principal amount of the Bonds, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds and a portion of all Outstanding Bonds shall be redeemed in the principal amount allocated to such Bond (the "10% or Greater Manner"); and

(b) If the principal amount called for redemption is less than ten percent (10%) of the original aggregate principal amount of the Bonds, the Outstanding Bonds shall be redeemed in inverse order of maturity (the "Less Than 10% Manner").

Bonds may be redeemed in minimum principal amounts of $5,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

A portion of an Outstanding Bond of any one maturity may be redeemed, but only in a principal amount equal to $5,000 or any integral thereof. If a portion of an Outstanding Bond of a maturity is selected for redemption pursuant to the Indenture, the Trustee shall select the Outstanding Bonds of such maturity to be redeemed by lot or in any manner deemed fair by the Trustee. The Trustee shall treat each $5,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $5,000, may be issued.

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 portion thereof to be redeemed, at the address shown in the Register.

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to any other term of the Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

Any notice given 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 this 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 holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record

Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue 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, HAYS COUNTY, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Clerk, City of San Marcos, Texas	Mayor, City of San Marcos, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT 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:

_____	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.
Authorized Signatory	

(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) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year	Principal Amount	Interest Rate

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Market Intelligence 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. The City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion.**

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Clerk 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) Developer Property Tax Reserve Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Bond Fund:

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

(ii) The following Account is hereby created and established under the Reserve Fund:

(A) Reserve Account; and

(B) Delinquency & Prepayment Reserve Account.

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the 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 shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Capitalized Interest Account of the Bond Fund: $_____;

(ii) to the Reserve Account of the Reserve Fund $_____ which is equal to the initial Reserve Account Requirement;

(ii) to the Costs of Issuance Account of the Project Fund: $_____;

(iii) to the Improvement Account of the Project Fund: $_____; and

(iv) to the Administrative Fund: $_____.

(b) Funds received from the AG Landowners on the Business Day prior to the Closing Date in the amount of $_____ (the "Initial Deposit") shall be deposited to the Developer Property Tax Reserve Fund.

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, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third to pay other Actual Costs of the Projects, 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-1) hereof and, on each _____, beginning _____, 20__, 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 into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

(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.

(d) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Accounts within the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency & Prepayment Reserve Requirement), and second, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for Actual Costs of the Projects and any other lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. **Bond Fund.**

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and 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 & 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 all interest due on the Bonds on _____, 20__ and _____, 20__. 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 in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed as provided in Section 6.5(d), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

(d) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph

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

Section 6.5. **Project Fund.**

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such Certification for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the completion, abandonment, or constructive abandonment, of one or more of the Major Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to (i) the Improvement Account of the Project Fund and

used to pay Actual Costs of the Major Improvements or (ii) if no Major Improvements remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. **Redemption Fund.**

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds 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 as provided in Article IV.

Section 6.7. **Reserve Fund.**

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(a-1) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on _____ of each year, commencing _____, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. At any time after the forgoing transfers, the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume transferring such Additional Interest into the Delinquency & Prepayment Reserve Account on _____ of each year, and on any other day set forth in a City Certificate, until the Delinquency & Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV; provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than the Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

(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) In the event of an extraordinary optional redemption of Bonds Similarly Secured as a result of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & 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: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Improvement Account of the Project Fund to pay Actual Costs of the Major Improvements if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(d-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(a-1) hereof.

(e) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency & Prepayment Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(f) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & 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.

(g) 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.

(h) 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 the portion of the Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the 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 Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by

the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. **Developer Property Tax Reserve Fund.**

(a) The AG Landowners shall deposit or cause to be deposited the Initial Deposit into the Developer Property Tax Reserve Fund at least one Business Day prior to the issuance of the Bonds. Prior to the Developer Property Tax Reserve Fund Transfer Date, the City shall provide a City Certificate to the Trustee specifying (1) the amount of funds deposited in the Developer Property Tax Reserve Fund to be transferred to the City and that such amount is equal to all outstanding Developer Property Tax Delinquency Amounts and (2) the date on which such transfer shall be made (the "Developer Property Tax Reserve Fund Transfer Date"). Upon receipt of such City Certificate and on the Developer Property Tax Reserve Fund Transfer Date, the Trustee shall transfer the amount of funds specified in such City Certificate to the City for payment of the related unpaid delinquent ad valorem taxes levied by any taxing entity on any property located in the District and any penalties, costs and interest related thereto. Upon any transfer of funds deposited in the Developer Property Tax Reserve Fund to the City in accordance with this clause (a), the applicable AG Landowner shall deposit or cause to be deposited an equivalent amount of funds into the Developer Property Tax Reserve Fund to replenish such Fund, all in accordance with the Redemption Waiver Agreement.

(b) Upon termination of the Redemption Waiver Agreement, the City shall provide the Trustee with a City Certificate authorizing the release of the funds remaining in the Developer Property Tax Reserve Fund to the applicable AG Landowner under the Redemption Waiver Agreement. The Trustee may conclusively rely on such City Certificate in disbursing the amounts remaining in the Developer Property Tax Reserve Fund to the applicable AG Landowner.

At such time as the Trustee receives a City Certificate confirming the condition for release of the funds to the applicable AG Landowner under the Redemption Waiver Agreement is met, any amounts deposited in the Developer Property Tax Reserve Fund shall be irrevocably and unconditionally released to the applicable AG Landowner, or their successors and assigns or designees as identified in a written notice from such AG Landowner to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Developer Property Tax Reserve Fund on any such written notice from such AG Landowner as to their successors and assigns or designees. The Developer Property Tax Reserve Fund shall not be a part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.11. **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, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in money market mutual funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services which are authorized and permitted investments under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time, until directed otherwise by the City Certificate.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as determined and directed in writing by the City.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. 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 legality of any investments.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Certificate shall specify the amount to the transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.12. **Security of Funds.**

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. **Confirmation of Assessments.**

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the 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 Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Projects, the City covenants, agrees and warrants that it will take and pursue all reasonable actions pemissib1e under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding property.

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

Section 7.3. **Against Encumbrances.**

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. **Records, Accounts, Accounting Reports.**

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Holder or Holders of any Bonds Similarly Secured or any duly authorized agent or agents of such Holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. **Covenants Regarding Tax Exemption of Interest on Bonds.**

(a) 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 holder 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 (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the 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 projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" 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, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is 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) and, to the extent applicable, section 149(d) of the Code;

(8) 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; and,

(9) 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.

(b) In order to facilitate compliance with the above covenant (a)(8), 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 Mayor 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 to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs of Projects on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded 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 proposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and except for the Trust Estate, no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act

of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the 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 Trust Estate or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

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

Consultant, an independent inspector or City Manager or other independent person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent.**

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the 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 scheduled debt service payments prior to the occurrence of a default, or to delivering 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 to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Similarly Secured 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. The Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; or (v) any loss suffered in connection with any investment of funds.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Major Improvements and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen with due care.

(d) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee has actual knowledge thereof or shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least Quarter in Interest of the Bonds Similarly Secured at that time. The Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

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 any statements contained or matters referred to in any such instrument. Subject to Sections 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. the Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

Section 9.6. **Compensation.**

Unless otherwise provided by contract with the Trustee, the Trustee 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, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred 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 in the Administrative Fund prior to any Bonds Similarly Secured Outstanding. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. 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 in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. **Permitted Acts.**

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any 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 holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a Quarter in Interest of the Bonds Similarly Secured.

Section 9.8. **Resignation of Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 60 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. **Removal of Trustee.**

The Trustee may be removed at any time by (i) the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City.

Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

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 a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners of at least a Quarter in Interest of the Bonds Similarly Secured, 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 at least a Quarter in Interest of the Bonds Similarly Secured, as provided herein, 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 and upon receipt of its outstanding charges, 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.**

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The City will cause to be filed all appropriate financing statements. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest and rights of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. Unless otherwise notified in writing by the City or an Owner, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee's UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 **Offering Documentation.**

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15 **Expenditure of Funds and Risk.**

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16 **Environmental Hazards.**

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. **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 9.18. **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 outstanding principal of the Bonds Similarly Secured at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, (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 for the issuance of Refunding Bonds or 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 shall not modify any of the

rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the 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 any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City 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;

(iv) 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

(v) to authorize Refunding Bonds in accordance with the provisions of this Indenture.

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment 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 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, if such consent is required pursuant to Section 10.1, 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 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, the Trustee 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 Similarly Secured Issued After Amendments.**

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bonds 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 Similarly Secured.**

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.**

Subject to Section 10.1, with the written consent of the Owners of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured at that time, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the 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 Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

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 at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it 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. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

(c) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms 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. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by

such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

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 actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest 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 at least a Quarter in Interest 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 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 of Bonds Similarly Secured shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured shall be restored to their former positions and rights

hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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

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

FIRST: To the payment to the 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 thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured 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.**

The Trustee may, with the prior written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, waive an Event of Default occurring hereunder. 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 Similarly Secured.**

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the 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 Similarly Secured.**

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. **Remedies Not Exclusive.**

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. **Direction by Owners**.

Anything herein to the contrary notwithstanding, the Owners of a Quarter in Interest of the Outstanding Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

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) Subject to Section 7.2(d), 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 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. **General.**

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. **Other Obligations or Other Liens; Refunding Bonds.**

(a) The City reserves the right to issue 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 of the Trust Estate.

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate or any portion thereof, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust

Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) 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 Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

Section 13.3. **Books of Record.**

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the 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 this Indenture is satisfied; if so, the Trustee shall pay over or

deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. **Bonds Similarly Secured Deemed Paid.**

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this 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, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm, or independent municipal advisor, either of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. 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 Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the 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 expressly provided herein, 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 Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. **Notices to and Demands on City and Trustee.**

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City	City of San Marcos, Texas 630 E. Hopkins San Marcos, Texas 78666 Attn: City Manager Telephone: (512) 393-8000
If to the Trustee Or the Paying Agent/Registrar	_____

(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 parry 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 applicable to contracts made and performed in the State.

Section 15.8. **Payment on Business Day.**

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. **Counterparts.**

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

Section 15.10. **No Boycott of Israel; No Terrorist Organization.**

(a) Pursuant to Section 2271.002, Texas Government Code, the Trustee hereby represents that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable federal or state law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) Pursuant to Subchapter F, Chapter 2252, Texas Government Code, 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, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable federal or state law and 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. The Trustee understands "affiliate"

to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit."

Section 15.11. **Electronic Storage.**

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

[Remainder of page left blank intentionally]

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

CITY OF SAN MARCOS, TEXAS

By: _____
Mayor

Attest:

_____
City Clerk

(CITY SEAL)

_____,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF THE PROPERTY WITHIN THE WHISPER PUBLIC IMPROVEMENT DISTRICT

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT (DESIGN) AND CERTIFICATION FOR PAYMENT (CONSTRUCTION)

Form of Certification for Payment
(Design – Whisper PID)

_____ ("**Construction Manager**") hereby requests payment for the percentage of design costs completed (the "**Design Costs**") described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Whisper Public Improvement District Financing Agreement between Yarrington Partners, Ltd., a Texas limited partnership,Whisper Master Community Limited Partnership, a Texas limited partnership, Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company, 135 Residential Development, LLC, a Texas limited liability company and the City of San Marcos (the "**City**"), dated as of _____, 20__ (as may be amended from time to time, the "**Financing Agreement**"). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The design work described in Attachment A has been completed in the percentages stated therein.

3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.

4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.

5. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT (DESIGN)

Date :_____

[Construction Manager Signature Block to be added]

APPROVAL BY THE CITY

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

Date: _____

CITY OF SAN MARCOS, TEXAS

By: _____

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

Description of Design Work	Percentage of Design Work Completed under this Certification for Payment	Design Costs	Total Percentage of Design Work Completed

ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

FORM OF CERTIFICATION FOR PAYMENT
(Construction – Whisper PID)

_____ ("**Construction Manager**") hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the "**Draw Actual Costs**"). Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Whisper Public Improvement District Financing Agreement between Yarrington Partners, Ltd., a Texas limited partnership, Whisper Master Community Limited Partnership, a Texas limited partnership, Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company, 135 Residential Development, LLC, a Texas limited liability company and the City of San Marcos, Texas (the "**City**"), dated as of _____, 20__ (as may be amended from time to time, the "**Financing Agreement**"). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.

3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.

4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT (CONSTRUCTION)

Date :_____ [Construction Manager Signature Block to Be inserted]

JOINDER OF PROJECT ENGINEER

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

_____

Project Engineer

APPROVAL BY THE CITY

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

Date: _____

CITY OF SAN MARCOS, TEXAS
By: _____

ATTACHMENT A TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

Segment	Description of Work Completed under this Certification for Payment	Draw Actual Costs

ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[receipts – attached]

Whisper
Public Improvement District

SERVICE AND ASSESSMENT PLAN
MAY 7, 2020

TABLE OF CONTENTS

Table of Contents 1
Introduction 3
Section I: Definitions 4
Section II: The District 10
Section III: Authorized Improvements 10
Section IV: Service Plan 12
Section V: Assessment Plan 13
Section VI: Terms of the Assessments 15
Section VII: Assessment Roll 20
Section VIII: Additional Provisions 20
List of Exhibits 22
Exhibit A-1 – District Legal Description 23
Exhibit A-2 – Tract #1 Legal Description 36
Exhibit A-3 – Tract #2 Legal Description 39
Exhibit A-4 – Tract #3 Legal Description 41
Exhibit A-5 – Tract #4 Legal Description 44
Exhibit A-6 – Tract #5 Legal Description 45
Exhibit B-1 – District Boundary Map 47
Exhibit B-2 – Tract #1 Boundary Map 48
Exhibit B-3 – Tract #2 Boundary Map 49
Exhibit B-4 – Tract #3 Boundary Map 50
Exhibit B-5 – Tract #4 Boundary Map 51
Exhibit B-6 – Tract #5 Boundary Map 52
Exhibit C – Authorized Improvements 53
Exhibit D – Service Plan – Five Year Plan 54
Exhibit E – Service Plan – Sources and Uses 55
Exhibit F – Assessment Roll 56
Exhibit G-1 – Annual Installments 57
Exhibit G-2 – Annual Installments for Tract #1 58

Exhibit G-3 – Annual Installments for Tract #2 59
Exhibit G-4 – Annual Installments for Tract #3 60
Exhibit G-5 – Annual Installments for Tract #4 61
Exhibit G-6 – Annual Installments for Tract #5 62
Exhibit H – Map of Major Improvements 63
Exhibit I – Land Use Matrix 64
Exhibit J – Notice of PID Assessment Termination 65

INTRODUCTION

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

On October 6, 2014 (the "**Creation Date**") the City passed and approved Resolution No. 2014-143R authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 706.1 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Since the Creation Date, the Developer and/ or one or more of the Owners has caused the conveyance or dedication of right-of-way and other Non-Benefitted Property for public improvements (including without limitation Authorized Improvements) so that the Assessed Property is less than the amount of the property within the District.

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

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

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

SECTION I: DEFINITIONS

"Actual Costs" means, with respect to the Authorized Improvements, (1) the costs incurred by or on behalf of the Developer for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, including a 4% construction management fee, (2) the costs incurred in preparing the construction plans for such Authorized Improvement, (3) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (4) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (5) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (6) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, (7) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (8) payment of expenses incurred in the establishment, administration, and operation of the district. Amounts expended for costs described in subsection (3), (4), (7) and (8) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

"Additional Interest Rate" means the 0.50% additional interest rate charged on an Assessment as authorized by Section 372.018 of the PID Act.

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

"Amended and Restated Financing Agreement" means that certain Amended and Restated Financing Agreement between the City and the Owners dated May 8, 2020 passed and approved by Resolution No. 2020-____, as amended.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the creation and operation of the District, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and

other consultants engaged by the City and advisors; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; and (7) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"Annual Service Plan Update" means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council, in accordance with the PID Act.

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

"Assessment" means the assessment levied against a Parcel, other than Non-Benefitted Property, and imposed pursuant to the Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means the ordinance adopted by the City Council in accordance with the PID Act that approves the Service and Assessment Plan and levies the Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

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

"Authorized Improvements" mean improvements authorized by Section 372.003 of the PID Act, as more specifically described in **Section III** and depicted on **Exhibit C**.

"City" means the City of San Marcos, Texas.

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

"County" means Hays County, Texas.

"Delinquent Collection Costs" mean, for an Assessed Property, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this SAP, including costs and expenses to foreclose liens.

"Developer" means Whisper Master Community Limited Partnership, Ltd., a Texas limited partnership.

"Developer District Formation Costs" mean the costs incurred by the Developer and associated with forming the District, levying the Assessments and issuing the PID Bonds.

"District" means the Whisper Public Improvement District, consisting of approximately 706.349 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

"District Formation and Bond Issuance Costs" mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, first year's Annual Collection Costs, underwriter discount, fees charged by the Texas Attorney General, Developer District Formation Costs, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

"Estimated Buildout Value" means the estimated buildout value of an Assessed Property, based on information from the Developer, which shall be verified by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value. In the case of single-family residential Lots, there shall be only one Lot Type. The Estimated Buildout Value for any single-family residential Assessed Property shall be calculated by using the average Estimated Buildout Value of all single-family residential Lots within the single-family residential Assessed Property, as calculated by the Administrator based on information provided by the Developer, verified by the Administrator and confirmed and approved by the City Council.

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

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

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, business park, retail, office, multi-family, single-family residential, buildout value, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, there shall be only one Lot Type.

"Major Improvements" mean the Authorized Improvements that benefit the entire District and are fully allocated to the Assessed Property.

"Maximum Assessment" means, for each Lot Type, an Assessment equal to the lesser of: (1) the amount calculated pursuant to **Section VI.A**, and (2) an amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment shall be calculated at the time a final plat is recorded, issuance of a site development permit or units are created by a horizontal condominium regime, as applicable, or any other action that would cause the uses within a Parcel to differ from the uses shown on **Exhibit I**.

"Maximum Equivalent Tax Rate" means, for each Annual Installment, (i) $0.17 per $100 of Estimated Buildout Value for any single-family detached residential Parcels and (ii) $0.22 per $100 of Estimated Buildout Value with respect to any other individual Parcel.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from Authorized improvements as determined by the City Council.

"Owner(s)" means (i) Yarrington Partners, Ltd., a Texas limited partnership, (ii) 135 Residential Development, LLC, a Texas limited liability company, (iii) the Developer, (iv) Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company, and (v) any successor owner of the property within the District, or any portion thereof, including a merchant builder, that intends to develop such property for the ultimate purpose of transfer to end users.

"Owners Association" means one or more property owners associations formed with respect to all or a portion of the Assessed Properties that may own, operate and/ or maintain some of the

Authorized Improvements and which the City acknowledges are approved and authorized by the City pursuant to Section 372.023(a)(3) of the PID Act.

"Parcel(s)" means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Hays 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 the County, or by any other means as determined by the City Council.

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

"PID Bonds" means those certain "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)", that are secured by Assessments.

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

"Prepayment Costs" mean interest, including Additional Interest if applicable, and Annual Collection Costs incurred up to the date of Prepayment.

"Remaining Property" shall have the meaning assigned to such term in **Section VI.F**.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan, as it may be modified, amended, supplemented, and updated from time to time.

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

"Taken Property" shall have the meaning assigned to such term in **Section VI.F**.

"Taking" shall have the meaning assigned to such term in **Section VI.F**.

"Tract #1" means approximately 115.686 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

"Tract #2" means approximately 16.560 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

“Tract #3” means approximately 130.641 acres located within the District, as shown on **Exhibit B-4** and more specifically described in **Exhibit A-4**.

“Tract #4” means approximately 391.493 acres located within the District, as shown on **Exhibit B-5** and more specifically described in **Exhibit A-5**.

“Tract #5” means approximately 51.969 acres located within the District, as shown on **Exhibit B-6** and more specifically described in **Exhibit A-6**.

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

SECTION II: THE DISTRICT

The District includes approximately 706.349 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Development of the District will occur in phases and subject to market demand, is currently anticipated to include 581 single-family homes, approximately 1,300 multi-family units and approximately 4,228,685 square feet of commercial, retail, business park, office and mixed-use space, as well as associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage and utilities to the property within the District.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Major Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City once accepted unless specifically stated below. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

A. Major Improvements

- *Road A*

  Opportunity Boulevard – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Road B*

  Fortuna Road – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls,

intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Lift Station & Wastewater Line D*
  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Road C*
  Susurro Parkway – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Offsite Wastewater Line B*
  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

- *Detention Pond*
  Improvements providing drainage, detention and water quality treatment of stormwater runoff serving the District and the other Major Improvements, including without limitation the detention basin, water quality facilities, and related drainage inlets, swales, storm sewers, culverts and outfall structures located in the area shown on **Exhibit H**. All related earthwork, excavation, erosion control, retaining walls, drainage infrastructure, landscaping, irrigation and re-vegetation of all disturbed areas within the detention pond area are included. The detention pond will provide a benefit to each Lot within the District.

- *Soft Costs/Construction Management*
  Includes engineering, geotechnical, permitting, inspection, surveying, design, and other professional fees and 4.0% construction management fee.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement*
  Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*
  Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount*
  Equals a percentage of the par amount of a particular series of PID Bonds.

- *Underwriter's Counsel*
  Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

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

- Developer District Formation Costs
  Expenses directly incurred by the Developer associated with forming the District, levying Assessments, and issuing the PID Bonds.

- *First Year Annual Collection Costs*
  Expenses directly associated with forming the District including first year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the projected costs and annual indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct certain Authorized Improvements. **Exhibit E** will be updated to show the amount required to fund the required

reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

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

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

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

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs of the Major Improvements shall be allocated to each Parcel in the District pro rata based on Estimated Buildout Value of all Parcels. The allocation of the Major Improvements is shown on **Exhibit C**. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

B. Assessments

Assessments will be levied on each Parcel within the Assessed Property according to the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments are shown on **Exhibit G-1**. The projected Annual Installments for Tract #1 are shown on **Exhibit G-2**. The projected Annual Installments for Tract #2 are shown on **Exhibit G-3**. The projected Annual Installments for Tract #3 are shown on **Exhibit G-4**. The projected Annual Installments for Tract

#4 are shown on **Exhibit G-5**. The projected Annual Installments for Tract #5 are shown on **Exhibit G-6**. In no case will the Assessment exceed the Maximum Assessment.

C. Findings of Special Benefit

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

- The cost of the Authorized Improvements equal $14,869,722 as shown on **Exhibit C**; and
- The Assessed Property receives special benefit equal to or greater than the Authorized Improvements; and
- Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5 comprise 100% of the Assessed Property, and will be allocated 100% of the Assessments levied for the Authorized Improvements, which equals $14,075,000 as shown on the Assessment Roll, attached as **Exhibit F;** and
- The special benefit (≥ $14,869,722) received by the Assessed Property from the Authorized Improvements is greater than the amount of Assessments ($14,075,000) levied on the Assessed Property for the Authorized Improvements; and
- At the time the City Council approved this Service and Assessment Plan, the Owners owned 100% of Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5. In a Landowner Agreement with the City, the Owners acknowledged that the Authorized Improvements confer a special benefit on Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owners ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Assessments on the Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type
D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
E= the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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

3. Upon Consolidation

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

The Assessment for any resulting Lot will not exceed the Maximum Assessment, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.B**.

B. True-up of Assessments if Maximum Assessment Exceeded

If, based on a final subdivision plat, the Assessment for any Lot Type exceeds the Maximum Assessment, the owner of the applicable Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment. If a Prepayment is required, the final subdivision plat of any Assessed Property shall not be recorded without a letter from the Administrator confirming that the Prepayment has been made. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefitted

Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefitted Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an Owners Association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund, relating to the PID Bonds, that are not expected to be used for purposes of the Project Fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments, as shown on **Exhibit F** and **Exhibit G-1 – Exhibit G-6**, to reflect the reduced Assessments.

E. Prepayment of Assessments

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

If an Assessment is pre-paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part

of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached as **Exhibit J**.

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

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

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

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the $100 Assessment, (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the

$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be $90 and the Annual Installments adjusted accordingly.

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

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

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G-1** shows the projected Annual Installments for the District. The projected Annual Installments for Tract #1 are shown on **Exhibit G-2**. The projected Annual Installments for Tract #2 are shown on **Exhibit G-3**. The projected Annual Installments for Tract #3 are shown on **Exhibit G-4**. The projected Annual Installments for Tract #4 are shown on **Exhibit G-5**. The projected Annual Installments for Tract #5 are shown on **Exhibit G-6**. In no case will the Assessment for a Lot Type exceed the Maximum Assessment. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the Annual Installments for the Assessed Property. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2021. Failure of an owner of Assessed Property to receive an invoice for an Annual Installment on the property tax bill or otherwise shall not relieve the owner of Assessed Property of the obligation to pay the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of an Assessed Property claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the sole and exclusive remedy of the owner of Assessed Property shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner, the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the

owner's notice of error and the Administrator's response at a public meeting, and within 30 days after adjourning such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, or the applicable Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

D. Severability

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

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Tract #1 Legal Description
Exhibit A-3	Tract #2 Legal Description
Exhibit A-4	Tract #3 Legal Description
Exhibit A-5	Tract #4 Legal Description
Exhibit A-6	Tract #5 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Tract #1 Boundary Map
Exhibit B-3	Tract #2 Boundary Map
Exhibit B-4	Tract #3 Boundary Map
Exhibit B-5	Tract #4 Boundary Map
Exhibit B-6	Tract #5 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan – Five Year Plan
Exhibit E	Service Plan – Sources and Uses
Exhibit F	Assessment Roll
Exhibit G-1	Annual Installments
Exhibit G-2	Annual Installments for Tract #1
Exhibit G-3	Annual Installments for Tract #2
Exhibit G-4	Annual Installments for Tract #3
Exhibit G-5	Annual Installments for Tract #4
Exhibit G-6	Annual Installments for Tract #5
Exhibit H	Map of Major Improvements
Exhibit I	Land Use Matrix
Exhibit J	Notice of PID Assessment Termination

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

Including that certain approximately 86.948 acre tract, as described below.

S. CRAIG HOLLMIG, INC.
CONSULTING ENGINEERS · SURVEYORS
410 N SEGUIN STREET
NEW BRAUNFELS, TEXAS 78130-6065

TEXAS SOCIETY OF PROFESSIONAL ENGINEERS
AMERICAN SOCIETY OF CIVIL ENGINEERS

TEXAS SURVEYORS ASSOCIATION
TELEPHONE (830) 625-8538 • FAX: (830) 885-8551

WATER SYSTEMS • SEWER SYSTEMS • SUBDIVISIONS • LAND PLANNING • STREETS • SURVEYING

FIELD NOTES
FOR
AN 86.948 ACRE TRACT

Being an 86.948 acre tract of land situated in the Joel Miner Survey, Abstract No. 321, Hays County, Texas, being a portion of that certain tract of land called 97.84 acres conveyed to Albert M. Walker, Trustee, by instrument recorded in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are referenced to a bearing of N 24° 08' 30" E between monumentation found along the Easterly right-of-way line of Interstate Highway 35 (basis is taken from Texas State Highway Department Right-of-Way Map), said 86.948 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a ½" iron pin set on the Northeasterly line of the above referenced 97.84 acre tract, same being a Southwesterly line of that certain tract now being a remainder of a 328.824 acre tract described in Volume 720, Page 152 of the Official Public Records of Hays County, Texas, said ½" iron pin set S 45° 57' 20" E 232.0 feet from a ¾" iron pipe found on the Easterly right-of-way line of Interstate Highway 35, for the North corner of the above referenced 97.84 acre tract, for a Northerly corner of this tract;

THENCE: Generally along an old meandering cedar post and wire fence (falling down), with a Southwesterly line of said 328.824 acre tract, the Northeasterly line of the above referenced 97.84 acre tract, S 45° 57' 20" E 1,913.50 feet to a ½" iron pin found for a Southwesterly corner of said 328.824 acre tract, situated on the Northwesterly line of a tract called 72.85 acres (Popham Tract), recorded in Volume 895, Page 450 of the Official Public Records of Hays County, Texas, for the East corner of the above referenced 97.84 acre tract, for the East corner of this tract;

THENCE: Generally with fence, along a Southeast line of the above referenced 97.84 acre tract, the Northwest line of said 72.85 acre tract, S 44° 19' 36" W 390.40 feet to a ½" iron pin found and S 44° 37' 31" W 551.28 feet to a ¾" iron pin found for the West corner of said 72.85 acre tract, same being the North corner of Saddle Brook Subdivision, a plat recorded in Volume 9, Pages 107-109 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Continuing along the Southeast line of the above referenced 97.84 acre tract, a Northwest line of said Saddle Brook Subdivision, generally along a wood fence, S 44°

16' 53" W 1,278.72 feet to a ½" iron pin set for an interior corner of Saddle Brook Subdivision, for the South corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, with a Northeasterly line of Saddle Brook Subdivision, N 46° 04' 27" W 1,232.19 feet to a ½" iron pin set on said Northeast line, for a Southwesterly corner of this tract;

THENCE: Leaving the Northeasterly line of Saddle Brook Subdivision, N 24° 08' 30" E 52.37 feet to a ½" iron pin set and N 59° 31' 04" W 90.55 feet to a ½" iron pin set on the Easterly right-of-way line of Interstate Highway 35, for a Southwest corner of this tract, being located N 24° 08' 30" E 30.0 feet from a ½" iron pin found for a corner of Saddle Brook Subdivision;

THENCE: Continuing with the Easterly right-of-way line of Interstate Highway 35, N 24° 08' 30" E 959.44 feet to a ½" iron pin set in the curving Southeast line of that certain 10.67 acre tract described in Deed from Kitty Page Yarrington to State of Texas, dated February 7, 1935, recorded in Volume 110, Page 219 of the Deed Records of Hays County, Texas, for a corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract (which is in conflict with the 10.67 acre tract), with the Southeast line of said 10.67 acre tract, in a curve to the right, having a radius of 2,925.00 feet, an arc length of 415.32 feet, a central angle of 08° 08' 07", and a chord bearing and distance of N 55° 56' 05" E 414.97 feet to a ½" iron pin set for an interior corner of this tract;

THENCE: Continuing with the remainder of said 10.67 acre tract, N 47° 55' 30" W 229.79 feet to a ½" iron pin found on the Easterly right-of-way line of Interstate Highway 35, for a corner of this tract;

THENCE: Continuing with said Easterly right-of-way line, N 24° 08' 30" E 851.42 feet to a ½" iron pin set in same, for the most Northwesterly corner of this tract;

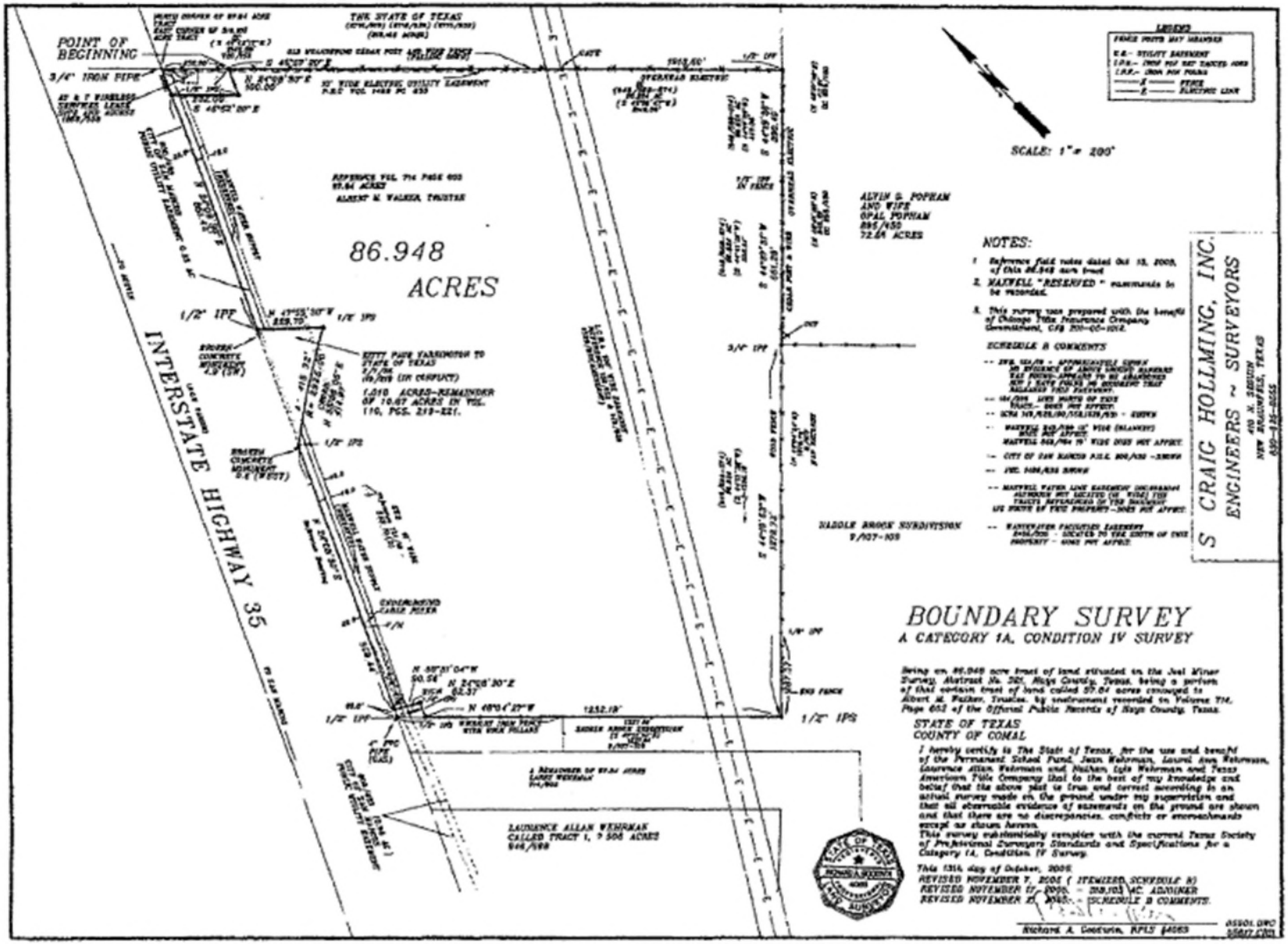
THENCE: Entering the above referenced 97.84 acre tract, S 45° 57' 20" E 232.00 feet to a ½" iron pin set for an interior corner of this tract and N 24° 08' 30" E 100.00 feet to the Point of Beginning and containing 86.948 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, October 13, 2005. Reference plat prepared this same date of this 86.948 acre tract.

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Job #05-901


POINT OF BEGINNING
3/4" IRON PIPE
THE STATE OF TEXAS
86.948 ACRES
INTERSTATE HIGHWAY 35
SCALE: 1" = 200'
ALVIN G. POPHAM AND WIFE OPAL POPHAM
NOTES:
CRAIG HOLLINGS, INC.
ENGINEERS ~ SURVEYORS
BOUNDARY SURVEY
A CATEGORY 1A, CONDITION IV SURVEY
STATE OF TEXAS
COUNTY OF COMAL
LAURENCE ALLAN WEHRMAN
CALLED TRACT 1, 7.505 ACRES

Including that certain approximately 99.8 acre tract, as described below.

VICKREY & ASSOCIATES, Inc.
CONSULTING ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS

Being a 99.80 acre tract of land situated in the Joel Miner Survey, Abstract No. 321 in Hays County, Texas, being the same property called two 50 acre tracts of land conveyed to Jane Richmond Benasutti, Trustee of Thomas R. Richmond Testamentary Family Trust by Deed recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, and individually one-half interest to Victoria Elizabeth Richmond a/k/a Elizabeth L. Richmond by Deed recorded in Volume 850, Page 595 of the Deed Records of Hays County, Texas, said 99.80 acre tract being more particularly described by metes and bounds with all bearings being referenced to the North American Datum 1983, Texas Coordinate System, South Central Zone; Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a ½-inch iron rod found at the intersection of the Southwest line of County Road No. 159, known as Yarrington Road and the Northwest line of County Road No. 160, known as Harris Hill Road for the East corner of the herein described tract, said Beginning point having Texas South Central Grid Coordinates of (N=13,886,570.38, E= 2,327,818.81);

Thence: S 43°21'39" W, along the Northwest line of said County Road No. 160, a distance of 2086.12 feet to a found ½ inch iron rod with yellow cap, for a Northeast corner of a 318.105 acre tract of land recorded in Volume 2715, Page 533 of the Official Public Records of Hays County, Texas, being the South corner of the herein described tract;

Thence: N 46°11'01" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2092.35 feet to a found ½ inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract;

Thence: N 43°31'53" E, along a Southeasterly line of said 318.105 acre tract, passing the common corner of said 318.105 acre tract and a 201.496 acre tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas, at a distance of 818.94 feet, and continuing along the Southeast line of said 201.496 acre tract, for a total distance of 2075.38 feet, to a found ½" iron rod on the Southwest line of said County Road No. 159 and being the North corner of the herein described tract;

Thence: S 46°28'39" E, along said Southwest line of County Road No. 159, a distance of 2086.11 feet to the POINT OF BEGINNING and containing 99.80 acres of land, more or less.

Note: Survey Plat of even date accompanies this legal description.

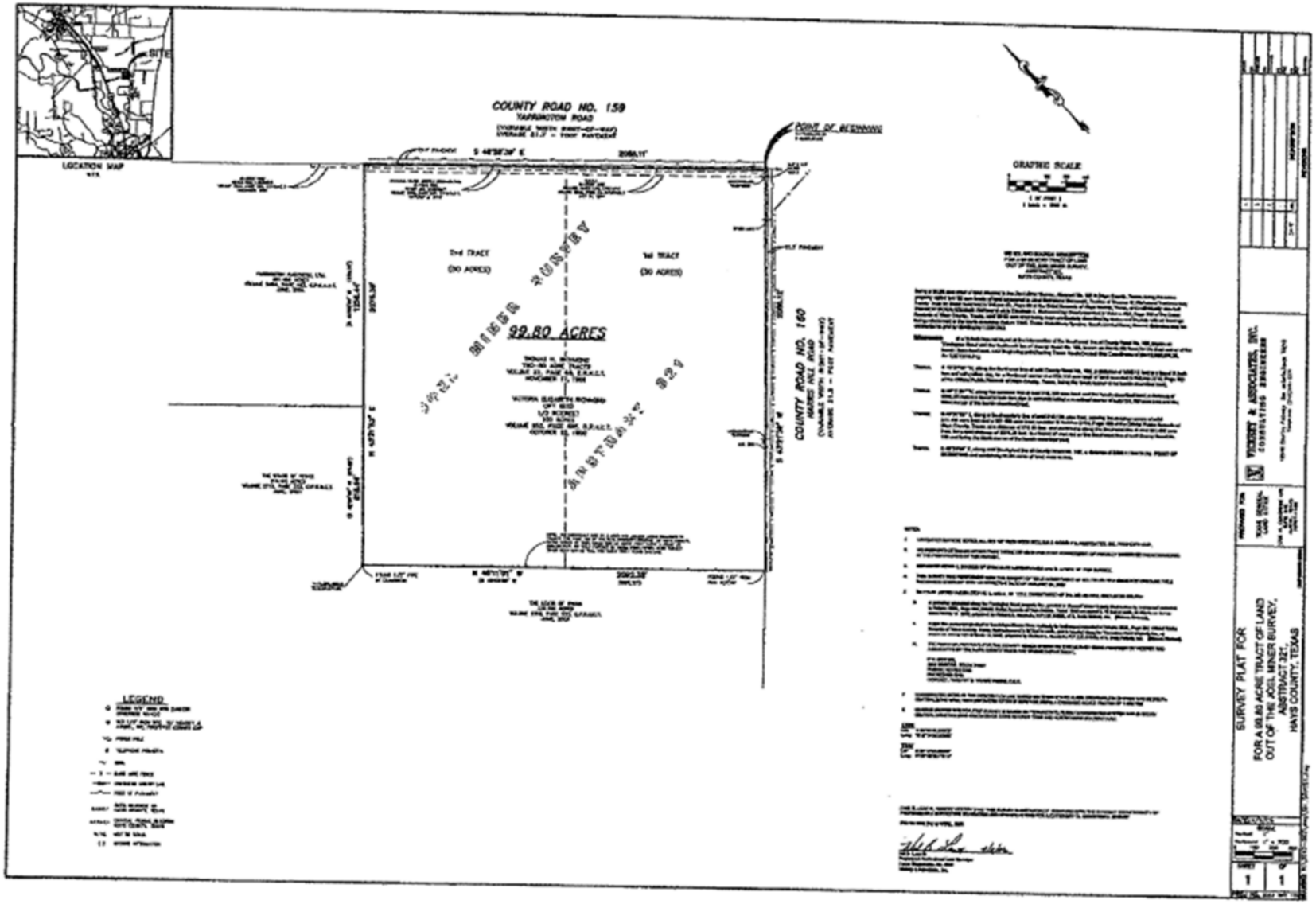
Hal B. Lane III 4/11/06
Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.

STATE OF TEXAS REGISTERED HAL B. LANE III 4690 PROFESSIONAL LAND SURVEYOR

Job No. 2042-002-104
Hlgm 99.80 Acres 041106
April 6, 2006
April 11, 2006

N:\2042-002\M&B\99.80 Acres (FINAL) 041106.rtf

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271 • FAX 210-349-2561


COUNTY ROAD NO. 159
TAFFINGTON ROAD
LOCATION MAP
SITE
POINT OF BEGINNING
GRAPHIC SCALE
99.80 ACRES
COUNTY ROAD NO. 160
HARRIS HILL ROAD
LEGEND
SURVEY PLAT FOR
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS

Including that certain approximately 318.105 acre tract, as described below.

Chaparral

Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-441-6987

2807 Manchaca Road
Building One
Austin, Texas 78704

318.105 ACRES
JOEL MINER SURVEY

A DESCRIPTION OF 318.105 ACRES IN THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN TRUSTEE'S DEED TO JIM McCROCKLIN, TRUSTEE, DATED MARCH 1, 1988, OF RECORD IN VOLUME 720, PAGE 152 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS; SAID 318.105 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" rebar found in the east right-of-way line of Interstate Highway 35 (right-of-way width varies) for the west corner of said 328.824 acre tract and the north corner of a 97.84 acre tract of land described in Volume 714, Page 603 of the Real Property Records of Hays County, Texas;

THENCE North 22°55'27" East, with the east right-of-way line of said IH-35 and the northwest line of the 328.824 acre tract, a distance of 1366.86 feet to a ½" rebar with cap set for the southwest corner of Lot 1, San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Plat Records of Hays County, Texas, from which a concrete highway monument found bears North 22°55'27" East, a distance of 2010.30 feet;

THENCE South 67°05'52" East, over and across the 328.824 acre tract with the southwest line of said San Marcos Technology Park, a distance of 1606.37 feet to a ½" rebar with cap set for an angle point in the north line of the 328.824 acre tract and the south corner of Lot 3, San Marcos Technology Park;

THENCE with the north line of the 328.824 acre tract and the southeast line of Lots 3 and 4, San Marcos Technology Park, the following three (3) courses:

1. North 43°06'54" East, a distance of 1113.31 feet to a ½" rebar found;
2. North 41°52'41" East, a distance of 231.92 feet to a ½" rebar found;
3. North 43°00'24" East, a distance of 894.26 feet to a ½" rebar found in the southwest line of a 214.40 acre tract of land described in Volume 773, Page 816 of the Real Property Records of Hays County, Texas, for the east corner of Lot 4, San Marcos Technology Park and the north corner of the 328.824 acre tract;

THENCE South 47°05'53" East, with the northeast line of the 328.824 acre tract

and the southwest line of said 214.40 acre tract, a distance of 2136.85 feet to a ½" rebar found for the south corner of the 214.40 acre tract and the northeast corner of the 328.824 acre tract and in the northwest line of a 100 acre tract of land described in Volume 52, Page 68 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 328.824 acre tract and the said 100 acres, the following two (2) courses:

1. South 42°49'26" West, a distance of 819.02 feet to a ½" iron pipe found for the west corner of the 100.00 acre tract;

2. South 46°53'58" East, a distance of 2092.27 feet to a ½" rebar with cap set in the northwest right-of-way line of County Road 160 (Harris Hill Road, right-of-way width varies) for the easternmost corner of the 328.824 acre tract;

THENCE with the northwest right-of-way line of said C.R. 160 and the southeast line of the 328.824 acre tract, the following six (6) courses:

1. South 43°41'13" West, a distance of 675.23 feet to a ½" rebar with cap set;

2. South 45°13'02" West, a distance of 369.18 feet to a ½" rebar with cap set;

3. South 45°38'13" West, a distance of 508.86 feet to a ½" rebar with cap set;

4. South 57°29'20" West, a distance of 74.15 feet to a ½" rebar with cap set;

5. South 33°18'43" West, a distance of 64.34 feet to a ½" rebar with cap set;

6. South 45°42'28" West, a distance of 395.47 feet to a ½" rebar found for the south corner of the 328.824 acre tract and the east corner of a 36.40 acre tract of land described in Volume 1435, Page 407 of the Official Public Records of Hays County, Texas;

THENCE North 47°04'03" West, with a southwest line of the 328.824 acre tract and the northeast line of said 36.40 acre tract, a distance of 3052.04 feet to a ½" rebar found for the north corner of the 36.40 acre tract;

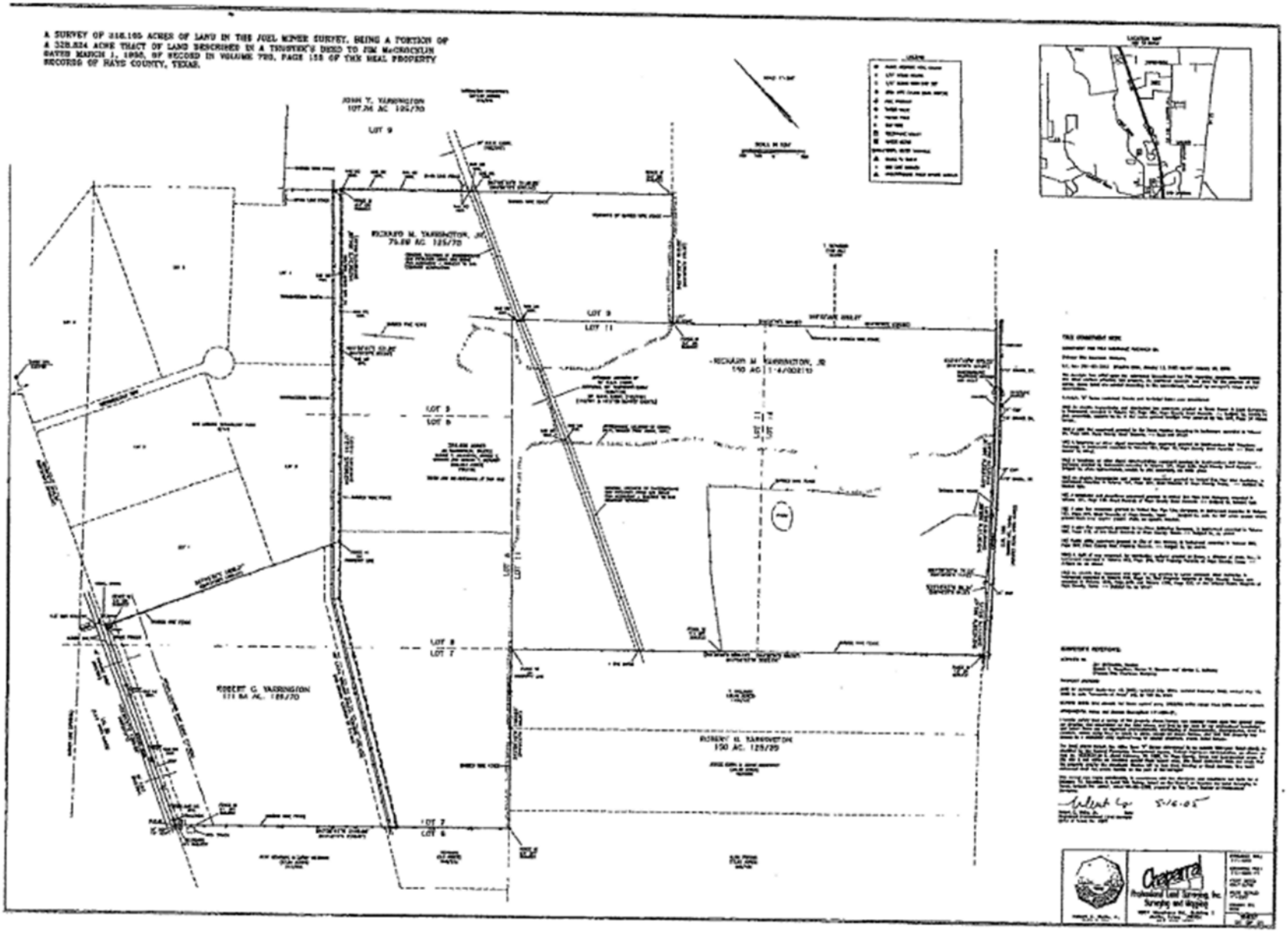
THENCE South 42°56'45" West, with a southwest line of the 328.824 acre tract and the northwest line of the 36.40 acre tract, passing at a distance of 521.59 feet a ½" rebar found for the west corner of the 36.40 acre tract and the north corner of a 36.40 acre tract described in Document No. 9924088 of the Official Public Records of Hays County, Texas, for a total distance of 1163.93 feet to a ½" rebar found for the east corner of a 6.6 acre tract described in Volume 946, Page 575 of the Official Public Records of Hays County, Texas, being in the northwest line of a 72.85 acre tract described in Volume 895, Page 450 of the Official Public Records of Hays County, Texas;

THENCE North 47°09'41" West, with a southwest line of the 328.824 acre tract and the northeast lines of said 6.6 acre tract and said 97.84 acre tract, a distance of 2145.66 feet to the **POINT OF BEGINNING**, containing 318.105 acres of land, more or less.

Surveyed on the ground September 12, 2003. Attachments: survey drawing 111-005-T1. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN Values from LCRA Control Network.

Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995

3-11-05


A SURVEY OF 216.165 ACRES OF LAND IN THE JOEL MINER SURVEY, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO JIM McCRACKLIN DATED MARCH 1, 1990, OF RECORD IN VOLUME 793, PAGE 158 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS.
JOHN T. YARRINGTON
107.36 AC 125/70
LOT 9
RICHARD M. YARRINGTON, JR.
76.88 AC 125/70
LOT 9
LOT 11
RICHARD M. YARRINGTON, JR
150 AC
LOT 8
LOT 9
LOT 8
LOT 7
ROBERT G. YARRINGTON
111.84 AC. 125/70
ROBERT G. YARRINGTON
150 AC. 125/70
LOT 7
LOT 6
Chapparal
Professional Land Surveying, Inc.
Surveying and Mapping

Including that certain approximately 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

Scott A. Hahn, RPLS 6375

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

January 19, 2016

Date

Including that certain approximately 201.496 acre tract, save and except, that certain 85.81 acre tract, as described below.

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 – J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract herein;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

EXHIBIT A-2 – TRACT #1 LEGAL DESCRIPTION

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Save and except, that certain 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

EXHIBIT A-3 – TRACT #2 LEGAL DESCRIPTION

FIELD NOTE DESCRIPTION
16.56 ACRES
JOEL MINOR SURVEY
HAYS COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 16.56 ACRES OF LAND OUT OF THE JOEL MINOR SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 318.05 ACRE TRACT DESCRIBED IN A DEED TO WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP RECORDED IN DOCUMENT NUMBER 2016-16000334 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THE SAID 16.56 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

NOTE: All steel pins set cited herein are ½ inch diameter with cap marked Lenz & Assoc. All nails set cited herein are 60d with washer marked Lenz & Assoc. Bearings cited herein are based on the Texas Coordinate System of 1983 (NAD83), South Central Zone.

COMMENCING, at a ½ inch diameter steel pin found with cap marked DOUCET in the interior of the said 318.05 acre tract at the north end of a 25.00 foot radius curve on the west line of Fortuna Road, as dedicated by the plat of Whisper PID Improvements Plat, of record in Document Number 19030333 of the Plat Records of Hays County, Texas, from which a ½ inch diameter steel pin found with cap marked DOUCET on the north line of Opportunity Boulevard at the west end of said curve bears a chord bearing and distance of S 42°22'38" W, 35.36 feet;

THENCE, N 02°37'22" W, a distance of 841.73 feet, through the interior of the said 318.05 acre tract, along the west line of Fortuna Road, to a ½ inch diameter steel pin steel pin found with cap marked DOUCET;

THENCE, continuing with the west line of Fortuna Road with a curve to the right, having a central angle of 15°56'47", a radius of 535.00 feet, an arc of 148.90 feet and a chord bearing and distance of N 05°21'01" E, 148.42 feet to a steel pin set for the **PLACE OF BEGINNING** of the herein described tract;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, the following eight (8) courses and distances:

1) N 76°42'40" W, 39.59 feet to a steel pin set;
2) S 23°17'22" W, 293.17 feet to a steel pin set;
3) S 87°59'58" W, 668.17 feet to a steel pin set;
4) N 02°00'02" W, 205.93 feet to a steel pin set;
5) With a curve to the right, having a central angle of 25°17'23", a radius of 385.00 feet, an arc of 169.94 feet and a chord bearing and distance of N 10°38'40" E, 168.56 feet to a steel pin set;

6) N 23°17'22" E, 759.80 feet to a steel pin set;

7) S 66°42'38" E, 667.95 feet to a steel pin set;

8) S 46°14'43" E, 98.21 feet to a steel pin set on the west line of Fortuna Road, from which a ½ inch diameter steel pin found with cap marked Doucet bears N 23°17'48" E, 986.89 feet;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, along the west line of Fortuna Road, the following two (2) courses and distances:

1) S 23°17'48" W, 397.99 feet to a steel pin found with cap marked Doucet;

2) With a curve to the left, having a central angle of 09°58'23", a radius of 535.00 feet, an arc of 93.13 feet and a chord bearing and distance of S 18°18'36" W, 93.01 feet to the **PLACE OF BEGINNING**, containing 16.56 acres of land, more or less.

This description prepared for the benefit of Whisper Industrial 2019 QOZB, LLC and Simmons Bank, an Arkansas State Charter Bank.

DECEMBER 30, 2019

Timothy A. Lenz
Lenz & Associates, Inc.
Firm Number 100290-00
4150 Freidrich Lane, Suite A-1
Austin, Texas 78744
(512) 443-1174

STATE OF TEXAS
REGISTERED
TIMOTHY A. LENZ
4393
PROFESSIONAL
LAND SURVEYOR

Whisper (16.56 ac).doc

EXHIBIT A-4 – TRACT #3 LEGAL DESCRIPTION

PROPERTY DESCRIPTION

FIELD NOTES FOR A 130.641 ACRE TRACT

Being a 130.641 acre tract of land, out of the Joel Miner Survey, Hays County, Texas, and being out of a 318.105 acre tract and a 99.800 tract, conveyed to Whisper Master Community Limited Partnership by a Deed Without Warranty recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, being more particularly described as follows:

COMMENCING at a point in the Northwesterly R.O.W. of County Road 160 (Harris Hill Road), being the intersection of the Southwesterly line of a 318.105 acre tract, conveyed to Whisper Master Community Limited Partnership by a Deed With Warranty recorded in Document No. 2016-16000334 in the Official Public Records of Hays County, Texas;

Thence **N 46°21'27" W**, a distance of **23.53** feet to the beginning point of said 318.105 acre tract;

Thence: Along the Southwesterly line of said 318.105 acre tract, **N 46°21'27" W**, a distance of **2,227.77** feet to the Southwesterly corner of said 318.105 acre tract;

Thence: Leaving said 318.105 acre tract and traversing thru the interior of the said 318.105 tract, **N 23°17'22" E**, a distance of **830.41** feet to an interior corner;

Thence: **N 50°54'24" E**, a distance of **84.97** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **408.50** feet to an interior corner;

Thence: **S 71°04'04" E**, a distance of **52.81** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **111.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **70.50** feet to an interior corner;

Thence: **N 89°50'45" W**, a distance of **121.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **365.15** feet to a corner point on the south right-of-way of Whisper Hills Blvd;

Thence: With the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **606.71** feet to a corner point on said south right-of-way;

Thence: Leaving said south right-of-way, **S 00°09'15" W**, a distance of **306.12** feet to an interior corner;

Thence: **S 87°13'46" W**, a distance of **121.90 feet** to an interior corner;

Thence: Along a curve to the right, an arc length of **9.27** feet, a radius of **181.50** feet, a chord bearing of **S 01°18'29" E** and a chord distance of **9.26** feet to an interior corner;

Thence: **S 00°09'15" W**, a distance of **73.16** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **160.33** feet to an interior corner;

Thence: **N 01°04'24" W**, a distance of **10.00** feet to an interior corner;

Thence: **N 88°55'36" E**, crossing the said 318.105 acre tract and said 99.800 acre tract boundary line a distance of 601.21 feet, thence continuing thru the said 99.800 acre tract for a total distance of **669.07** feet to an interior corner;

Thence: **N 00°09'15"** E, a distance of **65.73** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **144.19** feet, a radius of **2975.00** feet, a chord bearing of **N 01°14'03" W** and a chord distance of **144.18** feet to an interior corner;

Thence: **N 02°37'22" W**, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **N 47°37'24" W** and a chord distance of **35.36** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **100.00** feet to a corner point;

Thence: Leaving said right-of-way along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **S 42°22'37" W** and a chord distance of **35.36** feet to an interior corner;

Thence: **S 02°37'22"** E, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the right, an arc length of **146.62** feet, a radius of **3025.00** feet, a chord bearing of **S 01°14'03" E** and a chord distance of **146.60** feet to an interior corner

Thence: **S 00°09'15" W**, a distance of **64.66** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **361.77** feet to an interior corner ;

Thence: **S 46°21'27"** E, a distance of **214.73** feet to an interior corner;

Thence: **N 45°55'20"** E, a distance of **293.36** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **143.55** feet, a radius of **262.00** feet, a chord bearing of **N 30°13'34" E** and a chord distance of **141.76** feet to an interior corner;

Thence: **N 14°31'48" E**, a distance of **256.58** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along said south right-of-way a curve to the right, an arc length of **303.28** feet, a radius of **955.00** feet, a chord bearing of **S 75°48'18" E** and a chord distance of **302.01** feet to a corner point;

Thence: Leaving said south right-of-way, **S 14°31'48" W**, a distance of **258.35** feet to an interior corner;

Thence: Along a curve to the right an arc length of **79.50** feet, a radius of **564.00** feet, a chord bearing of **S 18°34'05" W** and a chord distance of **79.43** feet to an interior corner;

Thence: **S 46°21'27" E**, a distance of **582.83** feet a Northeast corner point;

Thence: **S 43°51'51" W**, crossing the said 99.800 acre tract and said 318.105 acre tract boundary line a distance of 847.96 feet, thence continuing thru the said 318.105 acre tract for a total distance of **1507.06** feet to a point;

Thence: A curve to the right, an arc length of **31.57** feet, a radius of **619.00** feet, a chord bearing of **S 45°19'32" W** and a chord distance of **31.57** feet to a point;

Thence: **S 46°47'12" W**, a distance of **1393.50** feet to the Point of Beginning and containing 130.641 acres, more or less.

STATE OF TEXAS
THEIMANN VIGIL
50269
LICENSED
PROFESSIONAL ENGINEER

March 28, 2019

EXHIBIT A-5 – TRACT #4 LEGAL DESCRIPTION

Being approximately 706.349 acres of land within the District as more particularly described in **Exhibit A-1**; SAVE AND EXCEPT the approximately 115.686-acre tract of land comprising Tract #1 as more particularly described in **Exhibit A-2;** SAVE AND EXCEPT the approximately 16.560-acre tract of land comprising Tract #2 as more particularly described in **Exhibit A-3;** SAVE AND EXCEPT the approximately 130.641-acre tract of land comprising Tract #3 as more particularly described in **Exhibit A-4;** SAVE AND EXCEPT the approximately 51.969-acre tract of land comprising Tract #5 as more particularly described in **Exhibit A-6**.

EXHIBIT A-6 – TRACT #5 LEGAL DESCRIPTION

PAPE-DAWSON ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR

A 51.969 acre, or 2,263,776 square feet more or less, tract of land out of a portion of that 85.81 acre tract described in Special Warranty Deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16011214 of the Official Public Records of Hays County, Texas, and out of a portion of that 99.80 acre tract described in Deed Without Warranty to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, situate in the Joel Miner Survey, Abstract 321, partially in the City of San Marcos, Hays County, Texas. Said 51.969 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found 1/2" iron rod marked "Spot On" on the southwest right-of-way line of County Road No. 159, variable width right-of-way (aka Yarrington Road), at the north corner of said WMCLP 85.81 acre tract, at an east corner of the Yarrington Partners, LTD tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas;

THENCE: S 46°29'26" E, along the southwest right-of-way line of said County Road No. 159, a distance of 1614.02 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", at the northeast corner of Fortuna Road, 70-foot wide public right-of-way, dedicated in Whisper PID Infrastructure Improvements Plat recorded in Document Number 19030333 of the Plat Records of Hays County, Texas, on the northeast line of said WMCLP 85.81 acre tract, for a northerly corner of the herein described tract, same being the POINT OF BEGINNING;

THENCE: S 46°29'26" E, continuing along the southwest right-of-way line of said County Road No. 159, at a distance of 1531.09 feet pass a found 1/2" iron rod for a northwest corner of said WMCLP 99.80 acre tract, for the southeast corner of said WMCLP 85.81 acre tract, and continuing for a total distance of 1938.27 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", on the northeast line of said WMCLP 99.80 acre tract, for the southeast corner of the herein described tract;

THENCE: S 43°30'22" W, departing the southwest line of said County Road No. 159, over and across said WMCLP 99.80 acre tract, a distance of 1256.46 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" for the south corner of the herein described tract;

TBPE Firm Registration #470 | TBPLS Firm Registration #10028800
San Antonio | Austin | Houston | Fort Worth | Dallas
Transportation | Water Resources | Land Development | Surveying | Environmental
2000 NW Loop 410, San Antonio, TX 78213 T: 210.375.9000 www.Pape-Dawson.com

THENCE: N 46°26'18" W, continuing over and across said WMCLP 99.80 acre tract, at a distance of 407.57 feet pass a found 1/2" iron rod at the southeast corner of a 318.105 acre tract described by deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, at the south corner of said WMCLP 85.81 acre tract, continuing for a total distance of 1579.85 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" on the southeast right-of-way line of said Fortuna Road, for the west corner of the herein described tract;

THENCE: Along and with the southeast right-of-way line of said Fortuna Road, the following bearings and distances:

N 23°17'58" E, a distance of 1012.74 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 465.00 feet, a central angle of 20°12'33", a chord bearing and distance of N 33°24'15" E, 163.16 feet, for an arc length of 164.01 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

N 43°30'31" E, a distance of 123.99 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Northeasterly, along a tangent curve to the right, said curve having a radius of 20.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 88°30'31" E, 28.28 feet, for an arc length of 31.42 feet to the POINT OF BEGINNING and containing 51.969 acres partially in the City of San Marcos, Hays County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 11152-04 by Pape-Dawson Engineers, Inc.

PREPARED BY:	Pape-Dawson Engineers, Inc.
DATE:	November 27, 2019
JOB NO.	11152-04
DOC. ID.	N:\CIVIL\11152-04\Word\11152-04 FN 51.969 AC.docx

STATE OF TEXAS
REGISTERED
G. E. BUCHANAN
4999
PROFESSIONAL
LAND SURVEYOR

12/02/2019

PAPE-DAWSON ENGINEERS

EXHIBIT B-1 – DISTRICT BOUNDARY MAP

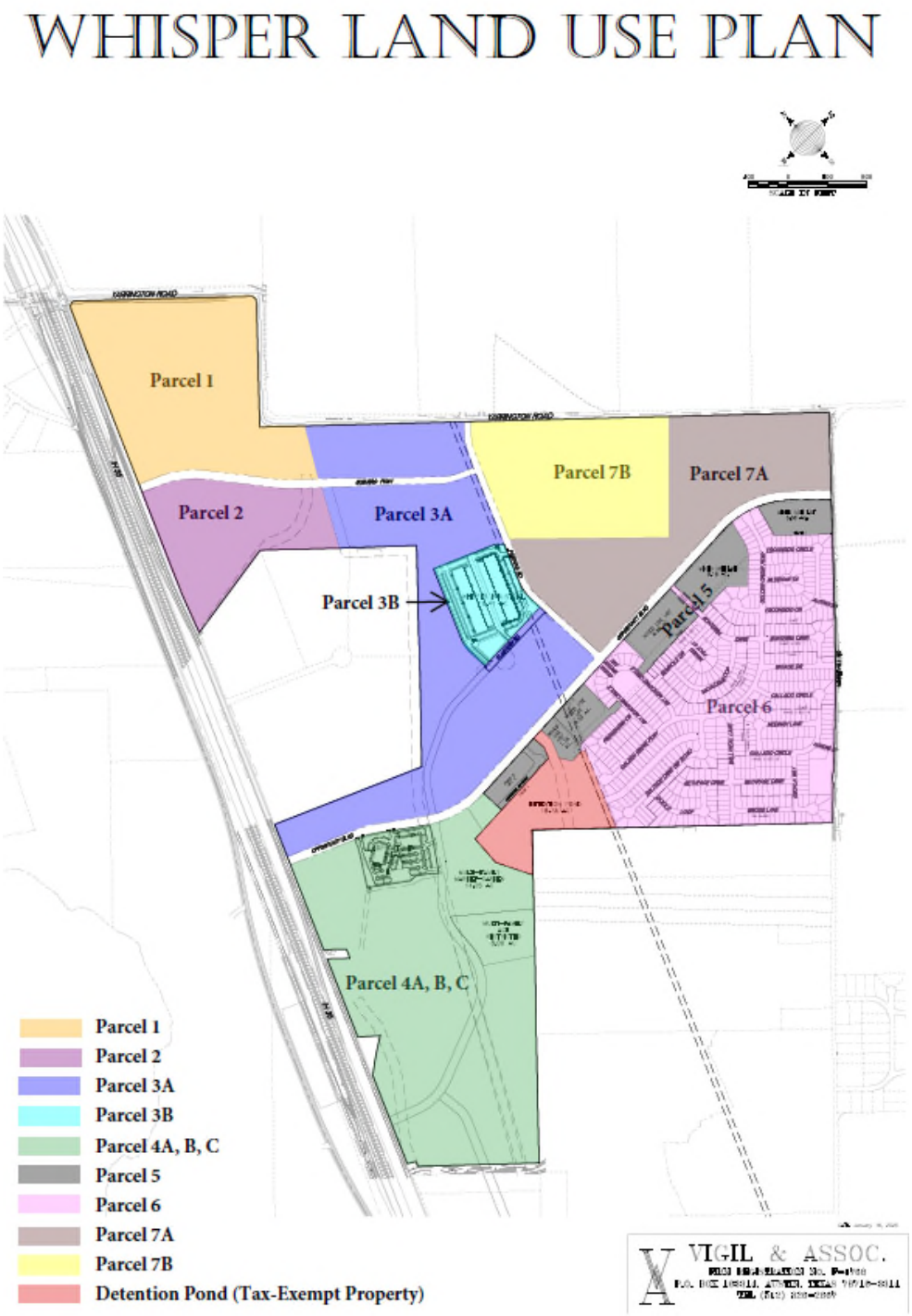


EXHIBIT B-2 – TRACT #1 BOUNDARY MAP

EXHIBIT B-3 – TRACT #2 BOUNDARY MAP

EXHIBIT B-4 – TRACT #3 BOUNDARY MAP

EXHIBIT B-5 – TRACT #4 BOUNDARY MAP

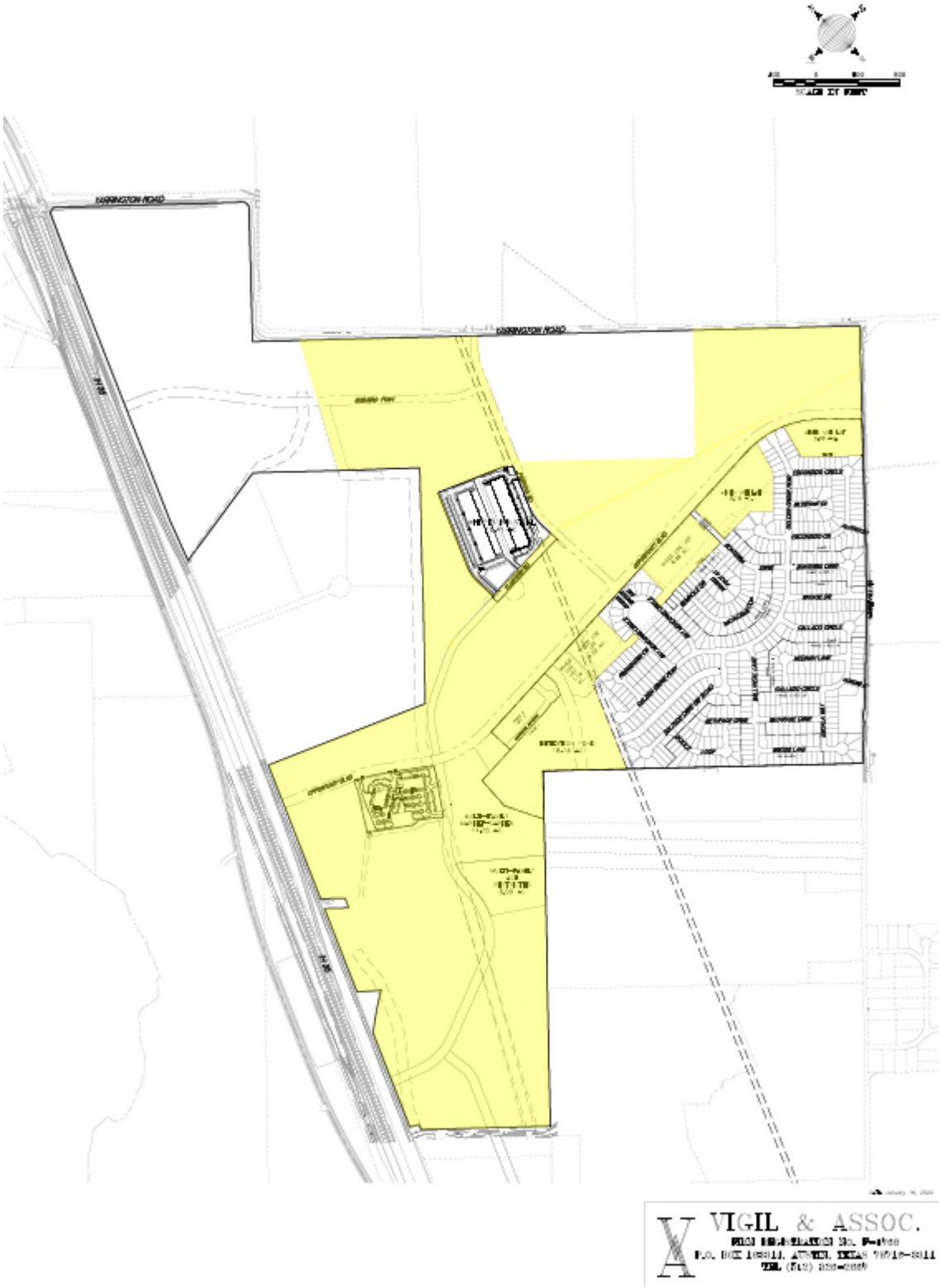


EXHIBIT B-6 – TRACT #5 BOUNDARY MAP

TRACT #5

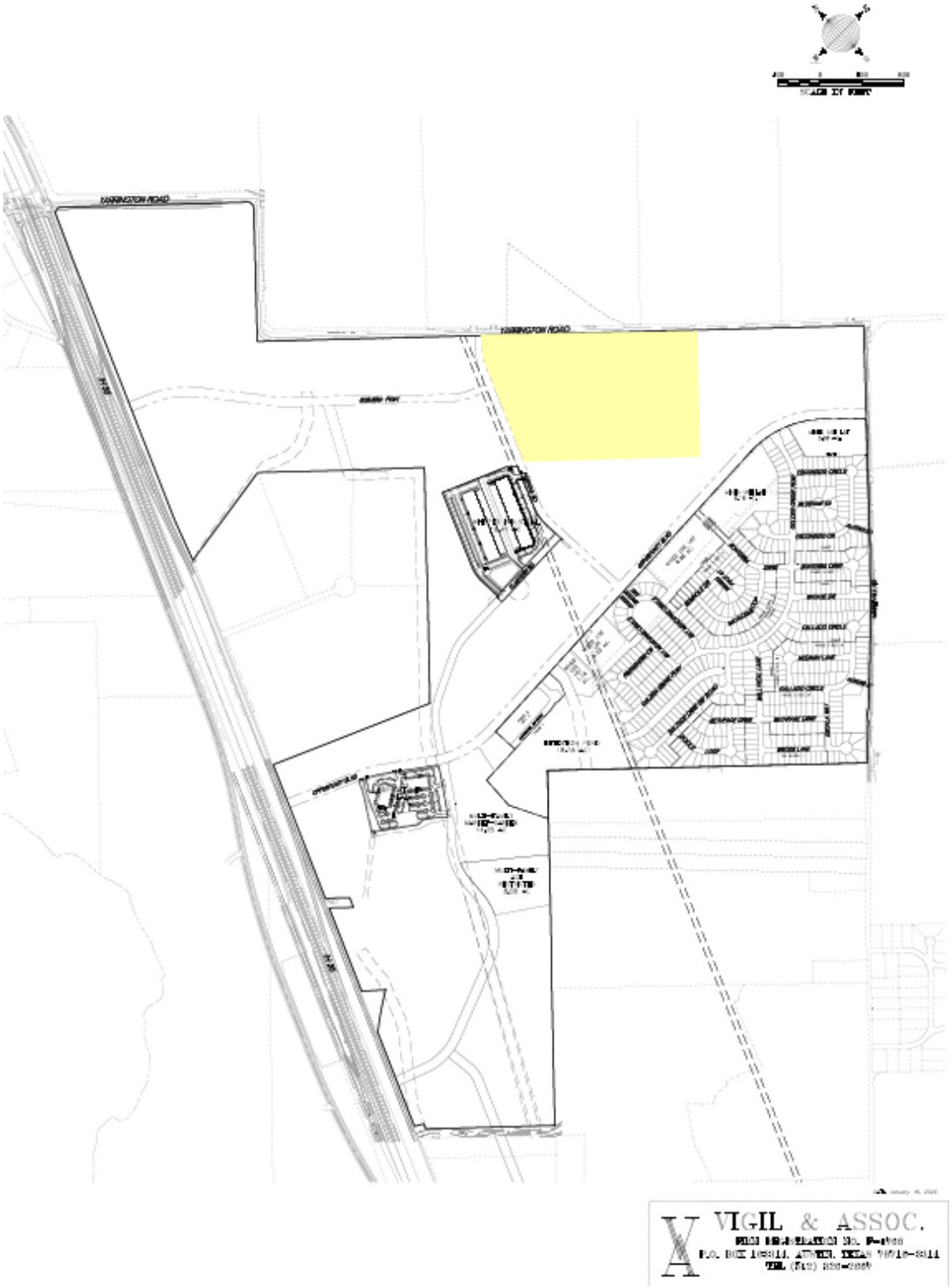


EXHIBIT C – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Whisper PID %	Whisper PID Cost
Major Improvements			
Road A [b]	$ 5,214,299	100.00%	$ 5,214,299
Road B [b]	2,179,637	100.00%	2,179,637
Lift Station & Wastewater Line D	285,746	100.00%	285,746
Road C [b]	2,284,880	100.00%	2,284,880
Offsite Wastewater Line B	315,750	100.00%	315,750
Detention Pond	209,699	100.00%	209,699
Construction Management (4%)	419,600	100.00%	419,600
Soft Costs	824,099	100.00%	824,099
	$ 11,733,710		$ 11,733,710
District Formation and Bond Issuance Costs			
Debt Service Reserve Fund	$ 1,066,556		$ 1,066,556
Capitalized Interest	562,706		562,706
Underwriter's Discount	281,500		281,500
Underwriter's Counsel	140,750		140,750
Cost of Issuance	844,500		844,500
Developer District Formation Costs	200,000		200,000
First Year Annual Collection Costs	40,000		40,000
	$ 3,136,012		$ 3,136,012
Total	**$ 14,869,722**		**$ 14,869,722**

Footnotes:

[a] Costs provided by Sundance Analytics dated April 27, 2020. Costs may not add due to rounding.

[b] Net of proportionate share of $1,592,682 in City cost participation.

EXHIBIT D – SERVICE PLAN – FIVE YEAR PLAN

Five Year Service Plan						
Installments Due		**1/31/2021**	**1/31/2022**	**1/31/2023**	**1/31/2024**	**1/31/2025**
Principal		$ -	$ 195,000	$ 205,000	$ 215,000	$ 225,000
Interest		840,556	840,556	830,075	819,056	807,500
Capitalized Interest		(420,278)	-	-	-	-
	(1)	$ 420,278	$ 1,035,556	$ 1,035,075	$ 1,034,056	$ 1,032,500
Annual Collection Costs	(2)	$ 40,800	$ 41,616	$ 42,448	$ 43,297	$ 44,163
Additional Interest Reserve	(3)	$ 70,375	$ 70,375	$ 69,400	$ 68,375	$ 67,300
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 531,453**	**$ 1,147,547**	**$ 1,146,923**	**$ 1,145,729**	**$ 1,143,963**

EXHIBIT E – SERVICE PLAN – SOURCES AND USES

Sources of Funds		
PID Bond Par	$	14,075,000
Developer Contribution [a]		794,722
Total Sources	**$**	**14,869,722**

Uses of Funds		
Major Improvements	$	11,733,710
District Formation and Bond Issuance Costs		
Debt Service Reserve Fund	$	1,066,556
Capitalized Interest		562,706
Underwriter's Discount		281,500
Underwriter's Counsel		140,750
Cost of Issuance		844,500
Developer District Formation Costs		200,000
First Year Annual Collection Costs		40,000
	$	**3,136,012**
Total Uses	**$**	**14,869,722**

Footnotes:

[a] Non-reimbursable to the Developer.

EXHIBIT F – ASSESSMENT ROLL

	Whisper PID	
Property ID	Outstanding Assessment	Annual Installment due 1/31/21
Tract #1	$ 2,083,452	$ 78,668
Tract #2	$ 337,519	$ 12,744
Tract #3	$ 2,784,116	$ 105,125
Tract #4	$ 7,672,311	$ 289,696
Tract #5	$ 1,197,602	$ 45,220
Total	**$ 14,075,000**	**$ 531,453**

Note: For billing purposes only, until a plat has been recorded within Tract #1, Tract #2, Tract #3, Tract #4 or Tract #5, the Annual Installment will be billed to each property ID within each Tract based on the Hays Central Appraisal District acreage.

EXHIBIT G-1 – ANNUAL INSTALLMENTS

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 142,428	$ (142,428)	$ -	$ -	$ -
2021	$ -	$ 840,556	$ (420,278)	$ 70,375	$ 40,800	$ 531,453
2022	$ 195,000	$ 840,556	$ -	$ 70,375	$ 41,616	$ 1,147,547
2023	$ 205,000	$ 830,075	$ -	$ 69,400	$ 42,448	$ 1,146,923
2024	$ 215,000	$ 819,056	$ -	$ 68,375	$ 43,297	$ 1,145,729
2025	$ 225,000	$ 807,500	$ -	$ 67,300	$ 44,163	$ 1,143,963
2026	$ 240,000	$ 795,406	$ -	$ 66,175	$ 45,046	$ 1,146,628
2027	$ 255,000	$ 782,506	$ -	$ 64,975	$ 45,947	$ 1,148,429
2028	$ 265,000	$ 768,800	$ -	$ 63,700	$ 46,866	$ 1,144,366
2029	$ 280,000	$ 754,556	$ -	$ 62,375	$ 47,804	$ 1,144,735
2030	$ 295,000	$ 739,506	$ -	$ 60,975	$ 48,760	$ 1,144,241
2031	$ 315,000	$ 723,650	$ -	$ 59,500	$ 49,735	$ 1,147,885
2032	$ 330,000	$ 704,750	$ -	$ 57,925	$ 50,730	$ 1,143,405
2033	$ 355,000	$ 684,950	$ -	$ 56,275	$ 51,744	$ 1,147,969
2034	$ 375,000	$ 663,650	$ -	$ 54,500	$ 52,779	$ 1,145,929
2035	$ 400,000	$ 641,150	$ -	$ 52,625	$ 53,835	$ 1,147,610
2036	$ 425,000	$ 617,150	$ -	$ 50,625	$ 54,911	$ 1,147,686
2037	$ 450,000	$ 591,650	$ -	$ 48,500	$ 56,010	$ 1,146,160
2038	$ 480,000	$ 564,650	$ -	$ 46,250	$ 57,130	$ 1,148,030
2039	$ 510,000	$ 535,850	$ -	$ 43,850	$ 58,272	$ 1,147,972
2040	$ 540,000	$ 505,250	$ -	$ 41,300	$ 59,438	$ 1,145,988
2041	$ 575,000	$ 472,850	$ -	$ 38,600	$ 60,627	$ 1,147,077
2042	$ 610,000	$ 437,631	$ -	$ 35,725	$ 61,839	$ 1,145,195
2043	$ 650,000	$ 400,269	$ -	$ 32,675	$ 63,076	$ 1,146,020
2044	$ 690,000	$ 360,456	$ -	$ 29,425	$ 64,337	$ 1,144,219
2045	$ 735,000	$ 318,194	$ -	$ 25,975	$ 65,624	$ 1,144,793
2046	$ 785,000	$ 273,175	$ -	$ 22,300	$ 66,937	$ 1,147,412
2047	$ 835,000	$ 225,094	$ -	$ 18,375	$ 68,275	$ 1,146,744
2048	$ 890,000	$ 173,950	$ -	$ 14,200	$ 69,641	$ 1,147,791
2049	$ 945,000	$ 119,438	$ -	$ 9,750	$ 71,034	$ 1,145,221
2050	$ 1,005,000	$ 61,556	$ -	$ 5,025	$ 72,454	$ 1,144,036
Total	**$ 14,075,000**	**$ 17,196,259**	**$ (562,706)**	**$ 1,407,425**	**$ 1,655,178**	**$ 33,771,156**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-2 – ANNUAL INSTALLMENTS FOR TRACT #1

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 21,082.84	$ (21,082.84)	$ -	$ -	$ -
2021	$ -	$ 124,423.32	$ (62,211.66)	$ 10,417.26	$ 6,039.42	$ 78,668.34
2022	$ 28,864.87	$ 124,423.32	$ -	$ 10,417.26	$ 6,160.21	$ 169,865.66
2023	$ 30,345.12	$ 122,871.84	$ -	$ 10,272.93	$ 6,283.41	$ 169,773.30
2024	$ 31,825.37	$ 121,240.79	$ -	$ 10,121.21	$ 6,409.08	$ 169,596.45
2025	$ 33,305.62	$ 119,530.17	$ -	$ 9,962.08	$ 6,537.26	$ 169,335.14
2026	$ 35,526.00	$ 117,740.00	$ -	$ 9,795.55	$ 6,668.01	$ 169,729.55
2027	$ 37,746.37	$ 115,830.47	$ -	$ 9,617.92	$ 6,801.37	$ 169,996.13
2028	$ 39,226.62	$ 113,801.60	$ -	$ 9,429.19	$ 6,937.39	$ 169,394.81
2029	$ 41,446.99	$ 111,693.18	$ -	$ 9,233.06	$ 7,076.14	$ 169,449.37
2030	$ 43,667.37	$ 109,465.40	$ -	$ 9,025.82	$ 7,217.67	$ 169,376.26
2031	$ 46,627.87	$ 107,118.28	$ -	$ 8,807.49	$ 7,362.02	$ 169,915.65
2032	$ 48,848.24	$ 104,320.60	$ -	$ 8,574.35	$ 7,509.26	$ 169,252.45
2033	$ 52,548.87	$ 101,389.71	$ -	$ 8,330.11	$ 7,659.44	$ 169,928.13
2034	$ 55,509.37	$ 98,236.78	$ -	$ 8,067.36	$ 7,812.63	$ 169,626.14
2035	$ 59,209.99	$ 94,906.22	$ -	$ 7,789.81	$ 7,968.89	$ 169,874.91
2036	$ 62,910.62	$ 91,353.62	$ -	$ 7,493.76	$ 8,128.26	$ 169,886.26
2037	$ 66,611.24	$ 87,578.98	$ -	$ 7,179.21	$ 8,290.83	$ 169,660.26
2038	$ 71,051.99	$ 83,582.31	$ -	$ 6,846.16	$ 8,456.64	$ 169,937.10
2039	$ 75,492.74	$ 79,319.19	$ -	$ 6,490.90	$ 8,625.78	$ 169,928.60
2040	$ 79,933.49	$ 74,789.62	$ -	$ 6,113.43	$ 8,798.29	$ 169,634.84
2041	$ 85,114.36	$ 69,993.61	$ -	$ 5,713.76	$ 8,974.26	$ 169,796.00
2042	$ 90,295.24	$ 64,780.36	$ -	$ 5,288.19	$ 9,153.74	$ 169,517.53
2043	$ 96,216.24	$ 59,249.78	$ -	$ 4,836.72	$ 9,336.82	$ 169,639.55
2044	$ 102,137.24	$ 53,356.53	$ -	$ 4,355.64	$ 9,523.56	$ 169,372.96
2045	$ 108,798.36	$ 47,100.63	$ -	$ 3,844.95	$ 9,714.03	$ 169,457.96
2046	$ 116,199.61	$ 40,436.72	$ -	$ 3,300.96	$ 9,908.31	$ 169,845.60
2047	$ 123,600.86	$ 33,319.50	$ -	$ 2,719.96	$ 10,106.47	$ 169,746.79
2048	$ 131,742.23	$ 25,748.95	$ -	$ 2,101.95	$ 10,308.60	$ 169,901.74
2049	$ 139,883.61	$ 17,679.73	$ -	$ 1,443.24	$ 10,514.78	$ 169,521.36
2050	$ 148,765.11	$ 9,111.86	$ -	$ 743.83	$ 10,725.07	$ 169,345.87
Total	**$ 2,083,451.60**	**$ 2,545,475.90**	**$ (83,294.50)**	**$ 208,334.06**	**$ 245,007.64**	**$ 4,998,974.69**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-3 – ANNUAL INSTALLMENTS FOR TRACT #2

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 3,415.42	$ (3,415.42)	$ -	$ -	$ -
2021	$ -	$ 20,156.58	$ (10,078.29)	$ 1,687.60	$ 978.39	$ 12,744.27
2022	$ 4,676.11	$ 20,156.58	$ -	$ 1,687.60	$ 997.95	$ 27,518.24
2023	$ 4,915.91	$ 19,905.24	$ -	$ 1,664.22	$ 1,017.91	$ 27,503.27
2024	$ 5,155.71	$ 19,641.01	$ -	$ 1,639.64	$ 1,038.27	$ 27,474.62
2025	$ 5,395.51	$ 19,363.89	$ -	$ 1,613.86	$ 1,059.04	$ 27,432.29
2026	$ 5,755.21	$ 19,073.88	$ -	$ 1,586.88	$ 1,080.22	$ 27,496.19
2027	$ 6,114.91	$ 18,764.54	$ -	$ 1,558.10	$ 1,101.82	$ 27,539.37
2028	$ 6,354.71	$ 18,435.86	$ -	$ 1,527.53	$ 1,123.86	$ 27,441.96
2029	$ 6,714.41	$ 18,094.29	$ -	$ 1,495.76	$ 1,146.34	$ 27,450.80
2030	$ 7,074.11	$ 17,733.39	$ -	$ 1,462.18	$ 1,169.26	$ 27,438.95
2031	$ 7,553.71	$ 17,353.16	$ -	$ 1,426.81	$ 1,192.65	$ 27,526.34
2032	$ 7,913.42	$ 16,899.94	$ -	$ 1,389.04	$ 1,216.50	$ 27,418.90
2033	$ 8,512.92	$ 16,425.13	$ -	$ 1,349.48	$ 1,240.83	$ 27,528.36
2034	$ 8,992.52	$ 15,914.36	$ -	$ 1,306.91	$ 1,265.65	$ 27,479.43
2035	$ 9,592.02	$ 15,374.81	$ -	$ 1,261.95	$ 1,290.96	$ 27,519.74
2036	$ 10,191.52	$ 14,799.29	$ -	$ 1,213.99	$ 1,316.78	$ 27,521.57
2037	$ 10,791.02	$ 14,187.79	$ -	$ 1,163.03	$ 1,343.11	$ 27,484.96
2038	$ 11,510.42	$ 13,540.33	$ -	$ 1,109.08	$ 1,369.98	$ 27,529.81
2039	$ 12,229.82	$ 12,849.71	$ -	$ 1,051.53	$ 1,397.38	$ 27,528.43
2040	$ 12,949.23	$ 12,115.92	$ -	$ 990.38	$ 1,425.32	$ 27,480.84
2041	$ 13,788.53	$ 11,338.97	$ -	$ 925.63	$ 1,453.83	$ 27,506.95
2042	$ 14,627.83	$ 10,494.42	$ -	$ 856.69	$ 1,482.91	$ 27,461.84
2043	$ 15,587.03	$ 9,598.46	$ -	$ 783.55	$ 1,512.56	$ 27,481.61
2044	$ 16,546.23	$ 8,643.76	$ -	$ 705.61	$ 1,542.82	$ 27,438.42
2045	$ 17,625.33	$ 7,630.30	$ -	$ 622.88	$ 1,573.67	$ 27,452.19
2046	$ 18,824.34	$ 6,550.75	$ -	$ 534.76	$ 1,605.15	$ 27,514.99
2047	$ 20,023.34	$ 5,397.76	$ -	$ 440.63	$ 1,637.25	$ 27,498.98
2048	$ 21,342.24	$ 4,171.33	$ -	$ 340.52	$ 1,669.99	$ 27,524.08
2049	$ 22,661.14	$ 2,864.12	$ -	$ 233.81	$ 1,703.39	$ 27,462.46
2050	$ 24,099.95	$ 1,476.12	$ -	$ 120.50	$ 1,737.46	$ 27,434.03
Total	**$ 337,519.16**	**$ 412,367.10**	**$ (13,493.71)**	**$ 33,750.12**	**$ 39,691.24**	**$ 809,833.90**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-4 – ANNUAL INSTALLMENTS FOR TRACT #3

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 28,173.00	$ (28,173.00)	$ -	$ -	$ -
2021	$ -	$ 166,266.89	$ (83,133.44)	$ 13,920.58	$ 8,070.48	$ 105,124.50
2022	$ 38,572.13	$ 166,266.89	$ -	$ 13,920.58	$ 8,231.89	$ 226,991.48
2023	$ 40,550.19	$ 164,193.63	$ -	$ 13,727.72	$ 8,396.52	$ 226,868.06
2024	$ 42,528.24	$ 162,014.06	$ -	$ 13,524.97	$ 8,564.45	$ 226,631.73
2025	$ 44,506.30	$ 159,728.17	$ -	$ 13,312.33	$ 8,735.74	$ 226,282.54
2026	$ 47,473.39	$ 157,335.96	$ -	$ 13,089.80	$ 8,910.46	$ 226,809.60
2027	$ 50,440.47	$ 154,784.26	$ -	$ 12,852.43	$ 9,088.67	$ 227,165.83
2028	$ 52,418.53	$ 152,073.08	$ -	$ 12,600.23	$ 9,270.44	$ 226,362.28
2029	$ 55,385.62	$ 149,255.59	$ -	$ 12,338.14	$ 9,455.85	$ 226,435.19
2030	$ 58,352.71	$ 146,278.61	$ -	$ 12,061.21	$ 9,644.97	$ 226,337.49
2031	$ 62,308.82	$ 143,142.15	$ -	$ 11,769.44	$ 9,837.87	$ 227,058.28
2032	$ 65,275.91	$ 139,403.62	$ -	$ 11,457.90	$ 10,034.62	$ 226,172.05
2033	$ 70,221.05	$ 135,487.07	$ -	$ 11,131.52	$ 10,235.31	$ 227,074.96
2034	$ 74,177.17	$ 131,273.81	$ -	$ 10,780.42	$ 10,440.02	$ 226,671.41
2035	$ 79,122.31	$ 126,823.18	$ -	$ 10,409.53	$ 10,648.82	$ 227,003.84
2036	$ 84,067.46	$ 122,075.84	$ -	$ 10,013.92	$ 10,861.80	$ 227,019.01
2037	$ 89,012.60	$ 117,031.79	$ -	$ 9,593.58	$ 11,079.03	$ 226,717.01
2038	$ 94,946.78	$ 111,691.03	$ -	$ 9,148.52	$ 11,300.61	$ 227,086.94
2039	$ 100,880.95	$ 105,994.23	$ -	$ 8,673.78	$ 11,526.63	$ 227,075.59
2040	$ 106,815.12	$ 99,941.37	$ -	$ 8,169.38	$ 11,757.16	$ 226,683.03
2041	$ 113,738.32	$ 93,532.46	$ -	$ 7,635.30	$ 11,992.30	$ 226,898.39
2042	$ 120,661.53	$ 86,565.99	$ -	$ 7,066.61	$ 12,232.15	$ 226,526.28
2043	$ 128,573.76	$ 79,175.47	$ -	$ 6,463.30	$ 12,476.79	$ 226,689.33
2044	$ 136,485.99	$ 71,300.33	$ -	$ 5,820.44	$ 12,726.33	$ 226,333.08
2045	$ 145,387.25	$ 62,940.57	$ -	$ 5,138.01	$ 12,980.85	$ 226,446.67
2046	$ 155,277.54	$ 54,035.59	$ -	$ 4,411.07	$ 13,240.47	$ 226,964.67
2047	$ 165,167.83	$ 44,524.85	$ -	$ 3,634.68	$ 13,505.28	$ 226,832.64
2048	$ 176,047.15	$ 34,408.32	$ -	$ 2,808.84	$ 13,775.39	$ 227,039.69
2049	$ 186,926.46	$ 23,625.43	$ -	$ 1,928.61	$ 14,050.89	$ 226,531.39
2050	$ 198,794.81	$ 12,176.18	$ -	$ 993.97	$ 14,331.91	$ 226,296.88
Total	**$ 2,784,116.37**	**$ 3,401,519.44**	**$ (111,306.44)**	**$ 278,396.80**	**$ 327,403.70**	**$ 6,680,129.87**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-5 – ANNUAL INSTALLMENTS FOR TRACT #4

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 77,637.56	$ (77,637.56)	$ -	$ -	$ -
2021	$ -	$ 458,188.89	$ (229,094.45)	$ 38,361.55	$ 22,240.16	$ 289,696.16
2022	$ 106,294.89	$ 458,188.89	$ -	$ 38,361.55	$ 22,684.96	$ 625,530.30
2023	$ 111,745.91	$ 452,475.53	$ -	$ 37,830.08	$ 23,138.66	$ 625,190.18
2024	$ 117,196.93	$ 446,469.20	$ -	$ 37,271.35	$ 23,601.44	$ 624,538.91
2025	$ 122,647.95	$ 440,169.86	$ -	$ 36,685.36	$ 24,073.47	$ 623,576.63
2026	$ 130,824.48	$ 433,577.54	$ -	$ 36,072.12	$ 24,554.94	$ 625,029.07
2027	$ 139,001.01	$ 426,545.72	$ -	$ 35,418.00	$ 25,046.03	$ 626,010.76
2028	$ 144,452.03	$ 419,074.41	$ -	$ 34,723.00	$ 25,546.95	$ 623,796.39
2029	$ 152,628.56	$ 411,310.12	$ -	$ 34,000.74	$ 26,057.89	$ 623,997.31
2030	$ 160,805.09	$ 403,106.33	$ -	$ 33,237.59	$ 26,579.05	$ 623,728.07
2031	$ 171,707.13	$ 394,463.06	$ -	$ 32,433.57	$ 27,110.63	$ 625,714.38
2032	$ 179,883.66	$ 384,160.63	$ -	$ 31,575.03	$ 27,652.85	$ 623,272.16
2033	$ 193,511.21	$ 373,367.61	$ -	$ 30,675.61	$ 28,205.90	$ 625,760.33
2034	$ 204,413.25	$ 361,756.94	$ -	$ 29,708.06	$ 28,770.02	$ 624,648.26
2035	$ 218,040.80	$ 349,492.14	$ -	$ 28,685.99	$ 29,345.42	$ 625,564.35
2036	$ 231,668.35	$ 336,409.69	$ -	$ 27,595.79	$ 29,932.33	$ 625,606.16
2037	$ 245,295.90	$ 322,509.59	$ -	$ 26,437.45	$ 30,530.98	$ 624,773.91
2038	$ 261,648.96	$ 307,791.84	$ -	$ 25,210.97	$ 31,141.59	$ 625,793.36
2039	$ 278,002.02	$ 292,092.90	$ -	$ 23,902.72	$ 31,764.43	$ 625,762.07
2040	$ 294,355.07	$ 275,412.78	$ -	$ 22,512.71	$ 32,399.72	$ 624,680.28
2041	$ 313,433.64	$ 257,751.48	$ -	$ 21,040.94	$ 33,047.71	$ 625,273.77
2042	$ 332,512.21	$ 238,553.67	$ -	$ 19,473.77	$ 33,708.66	$ 624,248.32
2043	$ 354,316.29	$ 218,187.30	$ -	$ 17,811.21	$ 34,382.84	$ 624,697.64
2044	$ 376,120.37	$ 196,485.42	$ -	$ 16,039.63	$ 35,070.49	$ 623,715.92
2045	$ 400,649.96	$ 173,448.05	$ -	$ 14,159.02	$ 35,771.90	$ 624,028.94
2046	$ 427,905.06	$ 148,908.24	$ -	$ 12,155.77	$ 36,487.34	$ 625,456.41
2047	$ 455,160.16	$ 122,699.06	$ -	$ 10,016.25	$ 37,217.09	$ 625,092.56
2048	$ 485,140.77	$ 94,820.49	$ -	$ 7,740.45	$ 37,961.43	$ 625,663.14
2049	$ 515,121.38	$ 65,105.62	$ -	$ 5,314.74	$ 38,720.66	$ 624,262.40
2050	$ 547,827.50	$ 33,554.44	$ -	$ 2,739.14	$ 39,495.07	$ 623,616.15
Total	**$ 7,672,310.51**	**$ 9,373,714.99**	**$ (306,732.01)**	**$ 767,190.17**	**$ 902,240.62**	**$ 18,408,724.29**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-6 – ANNUAL INSTALLMENTS FOR TRACT #5

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 12,118.76	$ (12,118.76)	$ -	$ -	$ -
2021	$ -	$ 71,520.58	$ (35,760.29)	$ 5,988.01	$ 3,471.56	$ 45,219.86
2022	$ 16,592.00	$ 71,520.58	$ -	$ 5,988.01	$ 3,540.99	$ 97,641.58
2023	$ 17,442.88	$ 70,628.76	$ -	$ 5,905.05	$ 3,611.81	$ 97,588.50
2024	$ 18,293.75	$ 69,691.20	$ -	$ 5,817.84	$ 3,684.04	$ 97,486.84
2025	$ 19,144.62	$ 68,707.91	$ -	$ 5,726.37	$ 3,757.73	$ 97,336.63
2026	$ 20,420.93	$ 67,678.89	$ -	$ 5,630.65	$ 3,832.88	$ 97,563.35
2027	$ 21,697.24	$ 66,581.27	$ -	$ 5,528.54	$ 3,909.54	$ 97,716.58
2028	$ 22,548.11	$ 65,415.04	$ -	$ 5,420.05	$ 3,987.73	$ 97,370.93
2029	$ 23,824.42	$ 64,203.08	$ -	$ 5,307.31	$ 4,067.48	$ 97,402.29
2030	$ 25,100.72	$ 62,922.52	$ -	$ 5,188.19	$ 4,148.83	$ 97,360.27
2031	$ 26,802.47	$ 61,573.35	$ -	$ 5,062.69	$ 4,231.81	$ 97,670.32
2032	$ 28,078.78	$ 59,965.21	$ -	$ 4,928.68	$ 4,316.45	$ 97,289.10
2033	$ 30,205.96	$ 58,280.48	$ -	$ 4,788.28	$ 4,402.77	$ 97,677.49
2034	$ 31,907.70	$ 56,468.12	$ -	$ 4,637.25	$ 4,490.83	$ 97,503.90
2035	$ 34,034.88	$ 54,553.66	$ -	$ 4,477.71	$ 4,580.65	$ 97,646.90
2036	$ 36,162.06	$ 52,511.57	$ -	$ 4,307.54	$ 4,672.26	$ 97,653.43
2037	$ 38,289.24	$ 50,341.84	$ -	$ 4,126.73	$ 4,765.70	$ 97,523.52
2038	$ 40,841.86	$ 48,044.49	$ -	$ 3,935.28	$ 4,861.02	$ 97,682.65
2039	$ 43,394.47	$ 45,593.98	$ -	$ 3,731.07	$ 4,958.24	$ 97,677.76
2040	$ 45,947.09	$ 42,990.31	$ -	$ 3,514.10	$ 5,057.40	$ 97,508.90
2041	$ 48,925.14	$ 40,233.48	$ -	$ 3,284.37	$ 5,158.55	$ 97,601.54
2042	$ 51,903.19	$ 37,236.82	$ -	$ 3,039.74	$ 5,261.72	$ 97,441.48
2043	$ 55,306.68	$ 34,057.75	$ -	$ 2,780.22	$ 5,366.96	$ 97,511.61
2044	$ 58,710.17	$ 30,670.21	$ -	$ 2,503.69	$ 5,474.30	$ 97,358.37
2045	$ 62,539.09	$ 27,074.22	$ -	$ 2,210.14	$ 5,583.78	$ 97,407.23
2046	$ 66,793.45	$ 23,243.70	$ -	$ 1,897.44	$ 5,695.46	$ 97,630.05
2047	$ 71,047.81	$ 19,152.60	$ -	$ 1,563.48	$ 5,809.37	$ 97,573.26
2048	$ 75,727.61	$ 14,800.92	$ -	$ 1,208.24	$ 5,925.56	$ 97,662.32
2049	$ 80,407.41	$ 10,162.60	$ -	$ 829.60	$ 6,044.07	$ 97,443.67
2050	$ 85,512.64	$ 5,237.65	$ -	$ 427.56	$ 6,164.95	$ 97,342.80
Total	**$ 1,197,602.36**	**$ 1,463,181.55**	**$ (47,879.05)**	**$ 119,753.85**	**$ 140,834.43**	**$ 2,873,493.13**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT H – MAP OF MAJOR IMPROVEMENTS

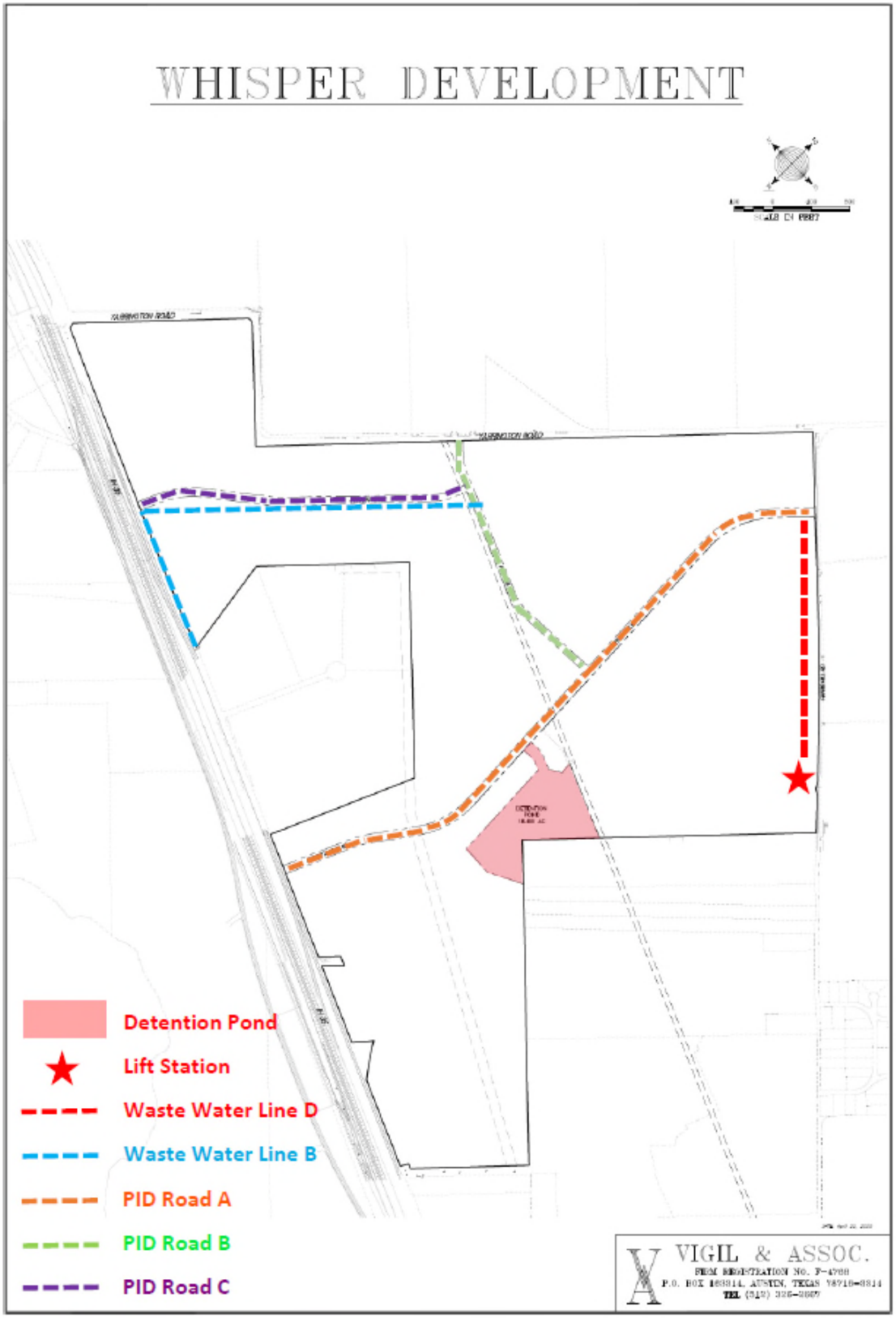


EXHIBIT I – LAND USE MATRIX

Parcel	Lot Description	Acreage [a]	Units/SF	AV Per Unit/SF	Total Assessed Value
TRACT #1					
1	Retail/Commercial	69.393	500,000	$ 125	$ 62,500,000
2	Retail/Commercial	46.293	375,000	$ 100	$ 37,500,000
TRACT #2					
3B	Business Park	16.560	180,000	$ 90	$ 16,200,000
TRACT #3					
6	Single Family	130.641	581	$ 230,000	$ 133,630,000
TRACT #4 [b]					
3A	Business Park	121.280	950,000	$ 90	$ 85,500,000
4A	Commercial	81.993	300,000	$ 110	$ 33,000,000
4B	Office	49.290	375,000	$ 150	$ 56,250,000
4C	Multi-Family	32.900	1,300	$ 85,000	$ 110,500,000
5	Mixed Use	33.370	110,000	$ 100	$ 11,000,000
7A	Business Park	72.660	800,000	$ 90	$ 72,000,000
TRACT #5					
7B	Business Park	51.969	638,685	$ 90	$ 57,481,650
	Total	**706.349**			**$ 675,561,650**

Footnotes:

[a] Acres shown are rounded. Actual acreages per Tract are shown in Exhibits A-2, A-3, A-4, A-5 and A-6.

[b] Approximately 20 acres within Parcel 4 of Tract #4 is planned to be used as a detention pond. Such 20 acres of land is Non-Benefitted Property and is not subject to an Assessment.

EXHIBIT J – NOTICE OF PID ASSESSMENT TERMINATION

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

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
Hays County
712 S. Stagecoach Trail
San Marcos, TX 78666

Re: City of San Marcos Lien Release documents for filing

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

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

City of San Marcos
Attn: [City Secretary]
630 E. Hopkins
San Marcos, TX 78666

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
630 E. Hopkins
San Marcos, TX 78666

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

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

RECITALS

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

WHEREAS, on or about October 6, 2014, the City Council for the City, approved Resolution No. 2014-143R, creating the Whisper Public Improvement District; and

WHEREAS, the Whisper Public Improvement District consists of approximately 706.1 contiguous acres located within the City; and

WHEREAS, on or about _____, 2020, the City Council, approved Ordinance No. ____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Whisper Public Improvement District; and

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

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

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

RELEASE

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

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

CITY OF SAN MARCOS, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF HAYS §

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

_____
Notary Public, State of Texas

_____, 2020

CITY OF SAN MARCOS, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)
DATED _____, 2020
IN THE PRINCIPAL AMOUNT OF $_____

AS BOND COUNSEL for the City of San Marcos, in Hays, Caldwell and Guadalupe Counties, Texas (the "Issuer"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the dates and mature on the dates stated on the face of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the Issuer and UMB Bank, N.A. dated as of _____, 2020, (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use

and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of June 2, 2020 (this "Disclosure Agreement") is executed and delivered by and between the City of San Marcos, Texas (the "Issuer") and UMB Bank, N.A. (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)" (the "Bonds"). The Issuer 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 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 June 2, 2020, 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:

"135 Residential" shall mean 135 Residential Development, LLC, a Texas limited liability company, and its designated successors and assigns.

"Administrator" shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, 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 initially selected P3Works, LLC as the Administrator.

"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 Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"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.

"Developer" shall mean Whisper Master Community Ltd., a Texas limited partnership, and its successors and assigns.

"Disclosure Agreement of 135 Residential" shall mean the Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020 executed and delivered by 135 Residential, the Administrator and the Dissemination Agent.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

"Disclosure Agreement of Yarrington" shall mean the Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020 executed and delivered by Yarrington, the Administrator and the Dissemination Agent.

"Disclosure Representative" shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean UMB Bank, N.A., 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 Whisper Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"Filing Date" shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer's Fiscal Year, which Filing Date is currently March 31.

"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 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 calendar year from October 1 through September 30.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"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.

"Trustee" shall mean UMB Bank, N.A., or any successor trustee pursuant to the Indenture.

"Yarrington" shall mean Yarrington Partners, Ltd., a Texas limited partnership, and its designated successors and assigns.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2020, 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, not later than the Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement. The audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and may be submitted later than the Filing Date, if audited financial statements are not available by the Filing Date. If, however, the audited financial statements are not complete by the Filing Date, then the Issuer shall provide unaudited financial statements by the Filing Date. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer.

If by the fifth (5th) day before the Filing Date, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Filing Date, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than the 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 Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file, the following:

(a) By the 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 and the principal amount remaining Outstanding and the interest amount remaining Outstanding;

(B) The amounts in the funds and accounts securing the Bonds; and

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

(ii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(iii) Any changes to the land use designation for the property in the District from the purposes identified in the Service and Assessment Plan.

(iv) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Assessments in the District.

(v) The aggregate taxable assessed valuation for parcels or lots within the District based on the most recent certified tax roll available to the Issuer.

(vi) With respect to single-family residential lots, until certificates of occupancy have been issued for lots representing, in the aggregate, ninety-five percent (95%) of the total single-

family residential lots within the District, the Annual Issuer Report (in the SAP Update or otherwise) shall include the following:

(A) The number of new homes completed in the District during such Fiscal Year; and

(B) The aggregate number of new homes completed within the District since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2020.

(vii) With respect to commercial, industrial/business park, office, retail and multifamily residential parcels, until such time as development thereof is complete, the following information:

(A) Issuance of building permit(s);

(B) Issuance of certificate(s) of occupancy; and

(C) For parcels where a certificate of occupancy was issued, the total covered square footage for such commercial, industrial/business park, office, retail and/or multifamily residential units on an annual and cumulative basis, if available.

(viii) Listing of any landowners in the District, as determined by the most recent certified tax roll available to the Issuer, representing more than five percent (5%) of the levy of Assessments, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within the District, as shown on the Assessment Roll attached to the SAP Update for such Fiscal Year.

(ix) Collection and delinquency history of the Assessments within the District for the past five (5) Fiscal Years, in the following format:

Collection and Delinquent History of Assessments

Collected in Fiscal Year Ending 9/30	Assessment Billed	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected[1]
2020	$			—	—		$

[1] Collected as of _____, 20__. Includes $_____ attributable to Prepayments.

(x) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.

(xi) The amount of delinquent Assessments by Fiscal Year:

(A) Which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) For which foreclosure proceedings have been instituted but have not been concluded;

(C) Which have been reduced to judgment but not collected;

(D) Which have been reduced to judgment and collected; and

(E) The result of any foreclosure sales of assessed property within the District if the assessed property sold at a foreclosure sale represents more than one percent (1%) of the total amount of Assessments.

(xii) Total amount of Prepayments collected, as of March 1 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(xiii) 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) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, 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 audited financial statements are not included with the financial information provided under subsection 4(a) above, unaudited financial statements shall be included with such financial information by the Filing Date.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. 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 Issuer Reports 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.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, 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 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 or Yarrington of real property within the District to be considered a significant event for the purposes of paragraph (10) above.

Any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or

governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (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 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 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 or cause to be made 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 Issuer, the Participating Underwriter, the Trustee, 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 subparagraph (a) above is <u>not</u> 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).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer 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 of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent 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 such series of Bonds under Section 5(a).

SECTION 7. 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 UMB Bank, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer 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), 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, or 5(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 Issuer Report, 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 5(a), and (ii) the Annual Issuer Report 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 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, 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 by the Issuer shall not be deemed a default under any of the Disclosure Agreement of Developer by the Developer, the Disclosure Agreement of Yarrington by Yarrington or the Disclosure Agreement of 135 Residential by 135 Residential, and a default under any of the Disclosure Agreement of Developer by the Developer, the Disclosure Agreement of Yarrington by Yarrington or the Disclosure Agreement of 135 Residential by 135 Residential, shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

(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 Annual Installments collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. 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 5 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) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT 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 THE ISSUER OR THE DISSEMINATION AGENT, RESPECTIVELY, 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 IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer 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 or Dissemination Agent in other than that person's official capacity.

SECTION 14. 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 15. Sovereign Immunity. The Dissemination Agent agrees 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 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, 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 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. [The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.] [The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.]

SECTION 18. Anti-Boycott Verification. The Dissemination Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law and excludes the Dissemination Agent 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. The Dissemination Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

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.] [Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies that it has filed a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.]

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 SAN MARCOS, TEXAS
(as Issuer)

By: _____
City Manager

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of San Marcos, Texas, has not provided [an Annual Issuer Report][annual audited financial statements] for fiscal year end _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of the Issuer dated as of June 2, 2020, between the Issuer and UMB Bank, N.A., as "Dissemination Agent." The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by _____.

Dated: _____

UMB Bank, N.A.,
on behalf of the City of San Marcos, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of San Marcos, Texas

EXHIBIT B

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

*****Excluding Audited Financial Statements of the Issuer

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

Bonds (Principal Balance) _____
Funds and Accounts [list] _____
TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____
Outstanding Program Expenses (if any) _____
TOTAL LIABILITIES _____

EQUITY

Assets Less Liabilities _____
Value to Debt Ratio _____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (viii)
[Insert a line item]

SECTION 4(a)(ix) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN THE DISTRICT FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquent History of Assessments

Collected in Fiscal Year Ending 9/30	Assessment Billed	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected[1]
2020	$			—	—		$

[1] Collected as of _____, 20__. Includes $_____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(x) – (xiii) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF SAN MARCOS, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020, (WHISPER PUBLIC IMPROVEMENT DISTRICT)
[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Annual Installments of Assessments are due.
February 1	1	Annual Installments of Assessments delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payments on March 1. **If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified in writing.** Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment. Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September. At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Annual Installments of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be referred for commencement of foreclosure.** **If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue**

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures are subject to adjustment by the Issuer.

		Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.
March 15	43/44	Trustee pays bond interest payments to bondholders. Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate. Issuer, or the Trustee, on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Fund for debt service. **Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.** Issuer determines whether or not any Annual Installments of Assessments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments of Assessments.
March 20	**48/49**	**Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.** **If any property owner with ownership of property responsible for more than $10,000 of the Annual Installments of Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Annual Installments of Assessments.**
April 15	**74/75**	**Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.**

		If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.
May 1	90/91	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
May 15	104/105	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 121/122).
June 1	**121/122**	**Foreclosure action to be filed with the court.**
June 15	**135/137**	**Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing.** Dissemination Agent notifies bondholders.
July 1	151/152	If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the 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, Assistant City Manager or the Finance Director to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER

This Continuing Disclosure Agreement of the Developer dated as of June 2, 2020 (this "Disclosure Agreement") is executed and delivered by and among Whisper Master Community Limited Partnership, a Texas limited partnership (the "Developer"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A. (the "Dissemination Agent") with respect to the "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)" (the "Bonds"). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of June 2, 2020, 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:

"135 Residential" shall mean 135 Residential Development, LLC, a Texas limited liability company, and its designated successors and assigns.

"Administrator" shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, 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 current Administrator.

"Agreement of Sale and Purchase" shall mean, with respect to lots or land within the District, any agreement of sale and purchase between one or more Non-SF Landowner and the Developer to purchase lots or to purchase land intended for any use other than single family residential.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

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

"Annual Service Plan Update" shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"Assessed Property" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall 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.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Whisper Master Community Ltd., a Texas limited partnership, and its designated successors and assigns.

"Developer Land" shall mean the land within the District designated as Tracts #2, #4 and #5 (Parcels 3A, 3B, 4A, 4B, 4C, 5, 7A ad 7B) in "Exhibit I – Land Use Matrix" of the original Service and Assessment Plan, consisting of approximately 460 acres of land.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of 135 Residential" shall mean the Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020 executed and delivered by 135 Residential, the Administrator and the Dissemination Agent.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of the Issuer dated as of June 2, 2020 executed and delivered by and among the Issuer and the Dissemination Agent.

"Disclosure Agreement of Yarrington" shall mean the Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020 executed and delivered by Yarrington, the Administrator and the Dissemination Agent.

"Dissemination Agent" shall mean UMB Bank, N.A., or any successor Dissemination Agent designated in writing by the Issuer and the Developer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Whisper Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.

"Issuer" shall mean the City of San Marcos, Texas.

"Listed Events" shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

"Major Improvements" shall have the meaning assigned to such term in the Indenture.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Non-SF Landowner" shall mean any landowner, other than the Developer, who acquires a Non-SF Parcel within the Developer Land.

"Non-SF Parcel" shall mean any Parcel in the Developer Land that is designated for any use other than single family residential use, including, but not limited to, commercial, industrial, retail, office, business park or multifamily residential.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall mean the registered owner of any Bonds.

"Parcel" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

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

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning September 30, 2020.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Non-SF Landowner.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Non-SF Landowner" shall mean any Non-SF Landowner, including any affiliates of such Non-SF Landowner, other than the Developer, that then owns property within the Developer Land representing at least five percent (5%) of the total Annual Installments of the Assessments as of each Quarterly Ending Date.

"Significant Non-SF Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall mean UMB Bank, N.A., or any successor trustee pursuant to the Indenture, and its designated successors and assigns.

"Yarrington" shall mean Yarrington Partners, Ltd., a Texas limited partnership, and its designated successors and assigns.

SECTION 3. Quarterly Reports.

(a) The Developer, with respect to the Developer Land, and any Significant Non-SF Landowner, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with September 30, 2020, the information required for the preparation of the Quarterly Report (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Non-SF Landowner and (ii) the Developer shall remain obligated with respect to any real property acquired by such Significant Non-SF Landowner only until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 5 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) provide to the Reporting Parties each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. Each Reporting Party shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, the Developer shall use commercially reasonable efforts to cause to be provided any information required by this Section 3 regarding and in the possession of a Non-SF Landowner that is not a Significant Non-SF Landowner. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Agreement of Sale and Purchase that is executed with a Non-SF Landowner that is not a Significant Non-SF Landowner after the date hereof contains a provision obligating the applicable Non-SF Landowner to provide to the Developer the information required by this Section 3 as and when required for the Developer to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by each Reporting Party. The Dissemination Agent

shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information provided by each Reporting Party to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within the Developer Land subject to the Assessments, as of the Quarterly Ending Date, including:

A. The number of Non-SF Parcels, broken out by type of use (i.e., commercial, business park, industrial, office, multifamily, mixed-use);

B. The number of acres of Non-SF Parcels, broken out by type of use;

C. The square footage of each type of Non-SF Parcel, broken out by type of use;

D. The number of Non-SF Parcels identified in the original Service and Assessment Plan, broken out by type of use; and

E. An explanation as to any change to the number of Parcels within the Developer Land from the original Service and Assessment Plan;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of the Developer Land, including:

A. The number of Parcels and/or lots owned by each type of landowner (i.e., Developer, Non-SF Landowner);

B. Based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of Annual Installments of Assessments relative to

the total Annual Installments of Assessments for each type of landowner, as of the Quarterly Ending Date, including any changes from the prior Quarterly Ending Date; and

C. The number of acres of land owned by each type of landowner;

(iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, a listing of all Non-SF Landowners, and, based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of each Non-SF Landowner's and the Developer's Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the Quarterly Ending Date;

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, for each Non-SF Parcel within the Developer Land designated as multifamily residential:

A. Name of developer/builder entity;

B. Number of actual or expected dwelling units;

C. Actual or expected date of commencement of vertical construction;

D. Actual or expected date of substantial completion of the multifamily facility; and

E. Actual or expected average rental rates by dwelling unit type;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, for each Non-SF Parcel within the Developer Land designated as any use other than multifamily residential, including but not limited to, commercial, office, retail, business park and mixed-use:

A. Name of developer/builder entity;

B. Actual or expected date of commencement of vertical construction;

C. Actual or expected date of substantial completion of vertical improvements on the applicable Parcel; and

D. Type of business or tenant;

(vi) In a form similar to that as Table 3(d)(vi) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of the Developer Land which necessitates changes to the land use plans of the Developer; and

(vii) In a form similar to that as Table 3(d)(vii) in Exhibit A attached hereto, the occurrence of any new or modified mortgage debt on the land within the Developer Land owned by the Developer, including the amount, interest rate and terms of repayment.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Developer Land on a Parcel owned by the Developer or any of the Developer's affiliates; provided, however, that the exercise of any right of the Developer or any of the Developer's affiliates as a landowner within the Developer Land to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the Developer Land, including the Major Improvements;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the acquisition, development or permanent financing of the District undertaken by the Developer or any of the Developer's affiliates;

(iv) Material default by the Developer or any of Developer's affiliates on any loan secured by property within the District owned by the Developer or any of the Developer's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Developer or any of the Developer's affiliates or any determination that the Developer or any of the Developer's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of $1,000,000 against the Developer or any of the Developer's affiliates that may adversely affect the completion of development of the District or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any material change in the legal structure, chief executive officer or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to each Significant Non-SF Landowner is a Significant Non-SF Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Developer Land on a lot or Parcel owned by such Significant Non-SF Landowner; provided, however, that the exercise of any right of such Significant Non-SF Landowner as a landowner within the Developer Land to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Non-SF Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Non-SF Landowner or any determination that such Significant Non-SF Landowner is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Non-SF Landowner or the sale of all or substantially all of the assets of such Significant Non-SF Landowner, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Non-SF Landowner;

(v) Early termination of or material default by such Significant Non-SF Landowner under an Agreement of Sale and Purchase; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

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

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the

MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event.

(d) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event, notify the Issuer and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations by Significant Non-SF Landowner.

If a Non-SF Landowner acquires ownership of real property in the Developer Land resulting in such Non-SF Landowner becoming a Significant Non-SF Landowner, the Developer shall cause such Significant Non-SF Landowner to comply with the Developer's disclosure obligations under Sections 3(d)(iv)-(vi) and 4(b) hereof, as applicable, with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Significant Non-SF Landowner in substantially the form attached as Exhibit E (the "Significant Non-SF Landowner Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Non-SF Landowner Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Non-SF Landowner, and such Significant Non-SF Landowner's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Non-SF Landowner arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer or shall use commercially reasonable efforts to require that any Significant Non-SF Landowner comply with obligations of this Section 5 with respect to any subsequent transfers by such Significant Non-SF Landowner to any individual or entity meeting the definition of a "Significant Non-SF Landowner" in

the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Non-SF Landowner Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above.

SECTION 6. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Non-SF Landowner under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or the Significant Non-SF Landowner, as applicable, is no longer responsible for the payment of Annual Installments of Assessments equal to at least five percent (5%) of the total Annual Installment of Assessments as of each Quarterly Ending Date or (iii) with respect to an individual lot or Parcel for which the Developer or a Significant Non-SF Landowner is responsible for reporting information pursuant to Section 3 hereof, the Issuer's issuance of the certificate of occupancy for such lot or the Issuer's issuance of the last certificate of occupancy for such Parcel.

(b) At such time that the reporting obligations of the Reporting Party terminate in accordance with subsection (a) of this Section 6, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 6 and any Termination Notice required by subsection (b) of this Section 6 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 7. 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 the obligations of the Reporting Parties 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 UMB Bank, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 8 to the Issuer, the Dissemination Agent, the Administrator and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of a Reporting Party or Administrator to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction) or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Reporting Party and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party, shall not be deemed a default under any of the Disclosure Agreement of Issuer by the Issuer, the Disclosure Agreement of Yarrington by Yarrington or the Disclosure Agreement of 135 Residential by 135 Residential, and a default under any of the Disclosure Agreement of Issuer by the Issuer, the Disclosure Agreement of Yarrington by Yarrington or the Disclosure Agreement of 135

Residential by 135 Residential shall not be deemed a default under this Disclosure Agreement by a Reporting Party or Administrator. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

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. The Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of the Developer 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 Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to

the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE DEVELOPER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT NON-SF LANDOWNER, 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. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. 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 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 16. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. [The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.][The Issuer shall pay or reimburse the

Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.]

SECTION 17. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. 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.]

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP,
a Texas limited partnership
(as Developer)

By: Whisper M.C., LLC, a Texas limited liability company, Its General Partner

By: _____
Robert W. McDonald III, Manager

P3WORKS, LLC
(as Administrator)

By: _____
Name:_____
Title:_____

EXHIBIT A

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: _____
City: _____
Telephone: _____
Contact Person: _____

[Remainder of page intentionally left blank]

TABLE 3(d)(i)

DEVELOPER LAND OVERVIEW (as of [*Insert Quarterly Ending Date*])							
NUMBER OF NON-SINGLE FAMILY PARCELS, ACREAGE OF SUCH PARCELS, SQUARE FEET OF NON-SINGLE FAMILY PARCELS WITHIN DEVELOPER LAND SUBJECT TO ASSESSMENTS:							
	Developer Land			Original Service and Assessment Plan(2)			Explanation as to any change to the number of Parcels from the Original Service and Assessment Plan
Non-SF							
Retail/Commercial Parcels/Acres/Sq. Ft.							
Business Park Parcels/ Acres/Sq. Ft.							
Commercial Parcels/ Acres/Sq. Ft.							
Office Parcels/Acres/ Sq. Ft.							
Multifamily Parcels/ Acres/Sq. Ft.							
Mixed-Use Parcels/ Acres/Sq. Ft.							
[Additional Non-SF Parcels/Acres/Sq. Ft.]							
Total Non-SF Parcels/ Acres/Sq. Ft.:							

[Remainder of page intentionally left blank]

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of [*Insert Quarterly Ending Date*]) OF DEVELOPER LAND				
Landowner Composition	Actual Number of Parcels Owned	% of Annual Installments of Assessments[(1)]	Change in % of Annual Installments from Prior Quarterly Ending Date	Acreage
Developer Owned				
Business Park				
Commercial				
Office				
Multifamily				
Mixed-Use				
[Additional Non-SF]				
Total Developer Owned:				
Non-SF Landowner Owned[(2)]				
Retail/Commercial				
Business Park				
Commercial				
Office				
Multifamily				
Mixed-Use				
[Additional Non-SF]				
Total Non-SF				
Total Developer Land:				

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Information for Non-SF Landowner owned is reported as the total aggregate amount of Parcels owned by Non-SF Landowners within the Developer Land.

[Remainder of page intentionally left blank]

TABLE 3(d)(iii)

ASSESSMENT PAYER CONCENTRATION WITHIN DEVELOPER LAND (as of [*Insert Quarterly Ending Date*])	
Landowner	Percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments[(1)]
Developer	%
Non-SF Landowners[(2)]	
	%
	%
	%
	%

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Add lines for each Non-SF Landowner.

FOR EACH PARCEL DESIGNATED AS MULTIFAMILY RESIDENTIAL:

TABLE 3(d)(iv)

DEVELOPER/BUILDER OF MULTIFAMILY RESIDENTIAL				
Name of Developer/Builder	Number of Actual/Expected Dwelling Units by Type	Actual/Expected Date of Commencement of Vertical Construction	Actual/Expected Date of Substantial Completion	Actual/Expected Rental Rates by Dwelling Unit Type

FOR EACH PARCEL DESIGNATED AS A NON-SF PARCEL, OTHER THAN MULTIFAMILY:

TABLE 3(d)(v)

DEVELOPER/BUILDER OF COMMERCIAL/OFFICE/RETAIL			
Name of Developer/Builder	Actual/Expected Date of Commencement of Vertical Construction	Actual/Expected Date of Substantial Completion	Type of Business or Tenant

STATUS OF DEVELOPMENT:

TABLE 3(d)(vi)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vii)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Terms

[Remainder of page intentionally left blank]

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer"] Significant Non-SF Landowner"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020, by and among Whisper Master Community Limited Partnership, a Texas limited partnership (the "Developer"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"). The [Developer] [Significant Non-SF Landowner] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

UMB Bank, N.A.
(as Dissemination Agent)

By: _____

Title: _____

cc: City of San Marcos, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

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

[Whisper Master Community Limited Partnership
9811 South IH 35, Building 3, Suite 100
Austin, Texas 78744]

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

[Insert Significant Non-SF Landowner
Contact Information]

UMB Bank, N.A.
[address]

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer"] ["Significant Non-SF Landowner"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby, terminating such party's reporting obligations under the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020, by and among Whisper Master Community Limited Partnership, a Texas limited partnership (the "Developer"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent").

Dated: _____

P3Works, LLC
(as Administrator)

By: _____

Title: _____

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)
CUSIP Nos.	[insert CUSIP NOs.]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Whisper Public Improvement District

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020, by and among Whisper Master Community Limited Partnership, a Texas limited partnership (the "Developer"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer] [_____, as a "Significant Non-SF Landowner"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer] [Significant Non-SF Landowner], constitutes the [portion of the] Quarterly Report required to be furnished by [Developer] [Significant Non-SF Landowner]. Any and all Quarterly Information, provided by the [Developer] [Significant Non-SF Landowner], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP,
a Texas limited partnership
(as Developer)

By: Whisper M.C., LLC, a Texas limited liability company, Its General Partner

By: _____
Robert W. McDonald III, Manager

OR

[Significant Non-SF Landowner
By:_____
Title:_____]

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT NON-SF LANDOWNER REPORTING OBLIGATIONS

[DATE]

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

P3Works, LLC
3901 S. Lamar Blvd., Suite 440
Austin, Texas 78704

UMB Bank, N.A.
[address]

Re: Whisper Public Improvement District – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ acres within the Whisper Public Improvement District (the "District"), which property represents _____ percent (__%) of the total Annual Installments of the Assessments.

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020, by and among Whisper Master Community Limited Partnership, a Texas limited partnership (the "Developer"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"), with respect to the "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)," any entity that owns property within the District representing at least five percent (5%) of the total Annual Installments of the Assessments is defined as a Significant Non-SF Landowner.

As a Significant Non-SF Landowner, pursuant to Section 5 of the Disclosure Agreement of the Developer, you acknowledge and assume the reporting obligations under Sections [3(d)(iv)-(v)][3(d)(vi)] and 4(b) of the Disclosure Agreement of the Developer for the property which is owned as detailed in the Disclosure Agreement of the Developer, which is included herewith.

Sincerely,

WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP,
a Texas limited partnership
(as Developer)

By: Whisper M.C., LLC, a Texas limited liability company, Its General Partner

By: _____
Robert W. McDonald III, Manager

Acknowledged by:

[INSERT SIGNIFICANT NON-SF LANDOWNER NAME]

By: _____
Title: _____
Address: _____
_____
Phone Number: _____

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

CONTINUING DISCLOSURE AGREEMENT OF YARRINGTON

This Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020 (this "Disclosure Agreement") is executed and delivered by and among Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A. (the "Dissemination Agent") with respect to the "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)" (the "Bonds"). Yarrington, 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 Yarrington, 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 June 2, 2020, 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:

"135 Residential" shall mean 135 Residential Development, LLC, a Texas limited liability company, and its designated successors and assigns.

"Administrator" shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, 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 current Administrator.

"Agreement of Sale and Purchase" shall mean, with respect to lots or land within the District, any agreement of sale and purchase between one or more Non-SF Landowner and Yarrington to purchase lots or to purchase land intended for any use other than single family residential.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

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

"Annual Service Plan Update" shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"Assessed Property" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall 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.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Whisper Master Community Ltd., a Texas limited partnership, and its designated successors and assigns.

"Disclosure Agreement of 135 Residential" shall mean the Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020 executed and delivered by 135 Residential, the Administrator and the Dissemination Agent.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of the Issuer dated as of June 2, 2020 executed and delivered by and among the Issuer and the Dissemination Agent.

"Dissemination Agent" shall mean UMB Bank, N.A., or any successor Dissemination Agent designated in writing by the Issuer and Yarrington and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Whisper Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.

"Issuer" shall mean the City of San Marcos, Texas.

"Listed Events" shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

"Major Improvements" shall have the meaning assigned to such term in the Indenture.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Non-SF Landowner" shall mean any landowner, other than Yarrington, who acquires a Non-SF Parcel within the Yarrington Land.

"Non-SF Parcel" shall mean any Parcel in the Yarrington Land that is designated for any use other than single family residential use, including, but not limited to, commercial, industrial, retail, office, business park or multifamily residential.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall mean the registered owner of any Bonds.

"Parcel" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

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

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning September 30, 2020.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, Yarrington and any Significant Non-SF Landowner.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Non-SF Landowner" shall mean any Non-SF Landowner, including any affiliates of such Non-SF Landowner, other than Yarrington, that then owns property within the Yarrington Land representing at least five percent (5%) of the total Annual Installments of the Assessments as of each Quarterly Ending Date.

"Significant Non-SF Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall mean UMB Bank, N.A., or any successor trustee pursuant to the Indenture, and its designated successors and assigns.

"Yarrington" shall mean Yarrington Partners, Ltd., a Texas limited partnership, and its designated successors and assigns.

"Yarrington Land" shall mean the land within the District designated as Tract #1 (Parcels 1 and 2) in "Exhibit I – Land Use Matrix" of the original Service and Assessment Plan, consisting of approximately 116 acres of land.

"Yarrington Listed Event" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

SECTION 3. Quarterly Reports.

(a) Yarrington, with respect to the Yarrington Land, and any Significant Non-SF Landowner, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with September 30, 2020, the information required for the preparation of the Quarterly Report (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if Yarrington elects, Yarrington may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Non-SF Landowner and (ii) Yarrington shall remain obligated with respect to any real property acquired by such Significant Non-SF Landowner only until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 5 of this Disclosure Agreement, at which time Yarrington shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) provide to the Reporting Parties each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. Each Reporting Party shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, Yarrington shall use commercially reasonable efforts to cause to be provided any information required by this Section 3 regarding and in the possession of a Non-SF Landowner that is not a Significant Non-SF Landowner. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Agreement of Sale and Purchase that is executed with a Non-SF Landowner that is not a Significant Non-SF Landowner after the date hereof contains a provision obligating the applicable Non-SF Landowner to provide to Yarrington the information required by this Section 3 as and when required for Yarrington to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this

Section 3 and the Certification Letter(s) provided by each Reporting Party. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information provided by each Reporting Party to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within the Yarrington Land subject to the Assessments, as of the Quarterly Ending Date, including:

A. The number of Non-SF Parcels, broken out by type of use (i.e., commercial, business park, industrial, office, multifamily, mixed-use);

B. The number of acres of Non-SF Parcels, broken out by type of use;

C. The square footage of each type of Non-SF Parcel, broken out by type of use;

D. The number of Non-SF Parcels identified in the original Service and Assessment Plan, broken out by type of use; and

E. An explanation as to any change to the number of Parcels within the Yarrington Land from the original Service and Assessment Plan;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of the Yarrington Land, including:

A. The number of Parcels and/or lots owned by each type of landowner (i.e., Yarrington, Non-SF Landowner);

B. Based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of Annual Installments of Assessments relative to

the total Annual Installments of Assessments for each type of landowner, as of the Quarterly Ending Date, including any changes from the prior Quarterly Ending Date; and

C. The number of acres of land owned by each type of landowner;

(iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, a listing of all Non-SF Landowners, and, based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of each Non-SF Landowner's and Yarrington's Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the Quarterly Ending Date;

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, for each Non-SF Parcel within the Yarrington Land designated as multifamily residential, if any:

A. Name of developer/builder entity;

B. Number of actual or expected dwelling units;

C. Actual or expected date of commencement of vertical construction;

D. Actual or expected date of substantial completion of the multifamily facility; and

E. Actual or expected average rental rates by dwelling unit type;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, for each Non-SF Parcel within the Yarrington Land designated as any use other than multifamily residential, including but not limited to, commercial, office, retail, business park and mixed-use:

A. Name of developer/builder entity;

B. Actual or expected date of commencement of vertical construction;

C. Actual or expected date of substantial completion of vertical improvements on the applicable Parcel; and

D. Type of business or tenant;

(vi) In a form similar to that as Table 3(d)(vi) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of the Yarrington Land which necessitates changes to the land use plans of Yarrington; and

(vii) In a form similar to that as Table 3(d)(vii) in Exhibit A attached hereto, the occurrence of any new or modified mortgage debt on the land within the Yarrington Land owned by Yarrington, including the amount, interest rate and terms of repayment.

To the extent that any of the information required to be included in the Quarterly Report pursuant to this Section 3(d) is not applicable to a Reporting Party (i.e., there are no multifamily residential Parcels

within the land owned by such Reporting Party), such Reporting Party shall include a statement in its Quarterly Information that such reporting requirement is not applicable.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Yarrington Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Yarrington Land on a Parcel owned by Yarrington or any of Yarrington's affiliates; provided, however, that the exercise of any right of Yarrington or any of Yarrington's affiliates as a landowner within the Yarrington Land to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Yarrington Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the Yarrington Land, including the Major Improvements;

(iii) Material default by Yarrington or any of Yarrington's affiliates on any loan with respect to the acquisition, development or permanent financing of the Yarrington Land undertaken by Yarrington or any of Yarrington's affiliates;

(iv) Material default by Yarrington or any of Yarrington's affiliates on any loan secured by property within the Yarrington Land owned by Yarrington or any of Yarrington's affiliates;

(v) The bankruptcy, insolvency or similar filing of Yarrington or any of Yarrington's affiliates or any determination that Yarrington or any of Yarrington's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of Yarrington, or the sale of all or substantially all of the assets of Yarrington or any of Yarrington's affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of $1,000,000 against Yarrington or any of Yarrington's affiliates that may adversely affect the completion of development of the Yarrington Land or litigation that may materially adversely affect the financial condition of Yarrington or any of Yarrington's affiliates;

(viii) Any change in the legal structure, chief executive officer or controlling ownership of Yarrington; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to each Significant Non-SF Landowner is a Significant Non-SF Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Yarrington Land on a lot or Parcel owned by such Significant Non-SF Landowner; provided, however, that the exercise of any right of such Significant Non-SF Landowner as a landowner within the Yarrington Land to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Non-SF Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Non-SF Landowner or any determination that such Significant Non-SF Landowner is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Non-SF Landowner or the sale of all or substantially all of the assets of such Significant Non-SF Landowner, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Non-SF Landowner;

(v) Early termination of or material default by such Significant Non-SF Landowner under an Agreement of Sale and Purchase; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

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

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event.

(d) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event, notify the Issuer and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations by Significant Non-SF Landowner.

If a Non-SF Landowner acquires ownership of real property in the Yarrington Land resulting in such Non-SF Landowner becoming a Significant Non-SF Landowner, Yarrington shall cause such Significant Non-SF Landowner to comply with Yarrington's disclosure obligations under Sections 3(d)(iv)-(vi) and 4(b) hereof, as applicable, with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement. Yarrington shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Significant Non-SF Landowner in substantially the form attached as Exhibit E (the "Significant Non-SF Landowner Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, Yarrington shall direct the Dissemination Agent to file a copy of the Significant Non-SF Landowner Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Non-SF Landowner, and such Significant Non-SF Landowner's delivery of written acknowledgement of assumption of Yarrington's obligations under this Disclosure Agreement as to the property transferred, Yarrington shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, Yarrington shall not be liable for the acts or omissions of such Significant Non-SF Landowner arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, Yarrington or shall use

commercially reasonable efforts to require that any Significant Non-SF Landowner comply with obligations of this Section 5 with respect to any subsequent transfers by such Significant Non-SF Landowner to any individual or entity meeting the definition of a "Significant Non-SF Landowner" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Non-SF Landowner Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above.

SECTION 6. Termination of Reporting Obligations.

(a) The reporting obligations of Yarrington or any Significant Non-SF Landowner under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when Yarrington or the Significant Non-SF Landowner, as applicable, is no longer responsible for the payment of Annual Installments of Assessments equal to at least five percent (5%) of the total Annual Installment of Assessments as of each Quarterly Ending Date or (iii) with respect to an individual lot or Parcel for which Yarrington or a Significant Non-SF Landowner is responsible for reporting information pursuant to Section 3 hereof, the Issuer's issuance of the certificate of occupancy for such lot or the Issuer's issuance of the last certificate of occupancy for such Parcel.

(b) At such time that the reporting obligations of the Reporting Party terminate in accordance with subsection (a) of this Section 6, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 6 and any Termination Notice required by subsection (b) of this Section 6 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 7. 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 the obligations of the Reporting Parties 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 UMB Bank, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, Yarrington, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to

any amendment so requested by Yarrington or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. Yarrington shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 8 to the Issuer, the Dissemination Agent, the Administrator and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of a Reporting Party or Administrator to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction) or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Reporting Party and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party, shall not be deemed a default under any of the Disclosure Agreement of Issuer by the

Issuer, the Disclosure Agreement of Developer by the Developer or the Disclosure Agreement of 135 Residential by 135 Residential, and a default under any of the Disclosure Agreement of Issuer by the Issuer, the Disclosure Agreement of Developer by the Developer or the Disclosure Agreement of 135 Residential by 135 Residential shall not be deemed a default under this Disclosure Agreement by a Reporting Party or Administrator. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

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. Yarrington agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of Yarrington 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 Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. Yarrington agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of Yarrington under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR YARRINGTON BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT NON-SF LANDOWNER, 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. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. 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 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Yarrington, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 16. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. [The Dissemination Agent has entered into a separate agreement with the Issuer,

which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.][The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.]

SECTION 17. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. 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.]

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

YARRINGTON PARTNERS, LTD.,
a Texas limited partnership
(as Yarrington)

By: TEXAS REALTY/RETAIL PARTNERS, INC.,
a Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

By: 501 W. 15TH, INC.,
a Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

P3WORKS, LLC
(as Administrator)

By: _____
Name:_____
Title:_____

EXHIBIT A

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

YARRINGTON QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: _____
City: _____
Telephone: _____
Contact Person: _____

[Remainder of page intentionally left blank]

TABLE 3(d)(i)

YARRINGTON LAND OVERVIEW (as of [*Insert Quarterly Ending Date*])							
NUMBER OF NON-SINGLE FAMILY PARCELS, ACREAGE OF SUCH PARCELS, SQUARE FEET OF NON-SINGLE FAMILY PARCELS WITHIN YARRINGTON LAND SUBJECT TO ASSESSMENTS:							
	Yarrington Land			Original Service and Assessment Plan(2)			Explanation as to any change to the number of Parcels from the Original Service and Assessment Plan
Non-SF							
Retail/Commercial Parcels/Acres/Sq. Ft.							
Business Park Parcels/ Acres/Sq. Ft.							
Commercial Parcels/ Acres/Sq. Ft.							
Office Parcels/Acres/ Sq. Ft.							
Multifamily Parcels/ Acres/Sq. Ft.							
Mixed-Use Parcels/ Acres/Sq. Ft.							
[Additional Non-SF Parcels/ Acres/Sq. Ft.]							
Total Non-SF Parcels/ Acres/Sq. Ft.:							

[Remainder of page intentionally left blank]

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of [*Insert Quarterly Ending Date*]) OF YARRINGTON LAND				
Landowner Composition	Actual Number of Parcels Owned	% of Annual Installments of Assessments[(1)]	Change in % of Annual Installments from Prior Quarterly Ending Date	Acreage
Yarrington Owned				
Business Park				
Commercial				
Office				
Multifamily				
Mixed-Use				
[Additional Non-SF]				
Total Yarrington Owned:				
Non-SF Landowner Owned[(2)]				
Retail/Commercial				
Business Park				
Commercial				
Office				
Multifamily				
Mixed-Use				
[Additional Non-SF]				
Total Non-SF				
Total Yarrington Land:				

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Information for Non-SF Landowner owned is reported as the total aggregate amount of Parcels owned by Non-SF Landowners within the Yarrington Land.

[Remainder of page intentionally left blank]

TABLE 3(d)(iii)

ASSESSMENT PAYER CONCENTRATION WITHIN YARRINGTON LAND (as of [*Insert Quarterly Ending Date*])	
Landowner	Percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments[(1)]
Yarrington	%
Non-SF Landowners[(2)]	
	%
	%
	%
	%

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Add lines for each Non-SF Landowner.

FOR EACH PARCEL DESIGNATED AS MULTIFAMILY RESIDENTIAL:

TABLE 3(d)(iv)

DEVELOPER/BUILDER OF MULTIFAMILY RESIDENTIAL				
Name of Developer/Builder	Number of Actual/Expected Dwelling Units by Type	Actual/Expected Date of Commencement of Vertical Construction	Actual/Expected Date of Substantial Completion	Actual/Expected Rental Rates by Dwelling Unit Type

FOR EACH PARCEL DESIGNATED AS A NON-SF PARCEL, OTHER THAN MULTIFAMILY:

TABLE 3(d)(v)

DEVELOPER/BUILDER OF COMMERCIAL/OFFICE/RETAIL			
Name of Developer/Builder	Actual/Expected Date of Commencement of Vertical Construction	Actual/Expected Date of Substantial Completion	Type of Business or Tenant

STATUS OF DEVELOPMENT:

TABLE 3(d)(vi)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vii)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Terms

[Remainder of page intentionally left blank]

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Yarrington"] ["Significant Non-SF Landowner"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020, by and among Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A., (the "Dissemination Agent"). [Yarrington] [Significant Non-SF Landowner] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

UMB Bank, N.A.
(as Dissemination Agent)

By: _____

Title: _____

cc: City of San Marcos, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

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

[Yarrington Partners, Ltd.
9811 South IH 35, Building 3, Suite 100
Austin, Texas 78744]

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

[Insert Significant Non-SF Landowner
Contact Information]

UMB Bank, N.A.
[address]

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Yarrington"] ["Significant Non-SF Landowner"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby, terminating such party's reporting obligations under the Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020, by and among Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington"), P3Works, LLC, (the "Administrator") and _____ (the "Dissemination Agent").

Dated: _____

P3Works, LLC
(as Administrator)

By: _____

Title: _____

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)
CUSIP Nos.	[insert CUSIP NOs.]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Whisper Public Improvement District

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020, by and among Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"), this letter constitutes the certificate stating that the Quarterly Information, provided by [Yarrington] [_____, as a "Significant Non-SF Landowner"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Yarrington] [Significant Non-SF Landowner], constitutes the [portion of the] Quarterly Report required to be furnished by [Yarrington] [Significant Non-SF Landowner]. Any and all Quarterly Information, provided by [Yarrington] [Significant Non-SF Landowner], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

YARRINGTON PARTNERS, LTD.,
a Texas limited partnership
(as Yarrington)

By: TEXAS REALTY/RETAIL PARTNERS, INC.,
a Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

By: 501 W. 15TH, INC.,
a Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

OR

[Significant Non-SF Landowner
By:_____
Title:_____]

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT NON-SF LANDOWNER REPORTING OBLIGATIONS

[DATE]

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

P3Works, LLC
3901 S. Lamar Blvd., Suite 440
Austin, Texas 78704

UMB Bank, N.A.
[address]

Re: Whisper Public Improvement District – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ acres within the Whisper Public Improvement District (the "District"), which property represents _____ percent (__%) of the total Annual Installments of the Assessments.

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Landowners dated as of June 2, 2020, by and among Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"), with respect to the "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)," any entity that owns property within the District representing at least five percent (5%) of the total Annual Installments of the Assessments is defined as a Significant Non-SF Landowner.

As a Significant Non-SF Landowner, pursuant to Section 5 of the Disclosure Agreement of Yarrington, you acknowledge and assume the reporting obligations under Sections [3(d)(iv)-(v)][3(d)(vi)] and 4(b) of the Disclosure Agreement of Yarrington for the property which is owned as detailed in the Disclosure Agreement of Yarrington, which is included herewith.

Sincerely,

YARRINGTON PARTNERS, LTD.,
a Texas limited partnership
(as Yarrington)

By: TEXAS REALTY/RETAIL PARTNERS, INC.,
a Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

By: 501 W. 15TH, INC.,
a Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT SIGNIFICANT NON-SF LANDOWNER NAME]

By: _____
Title: _____
Address: _____
_____
Phone Number: _____

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

CONTINUING DISCLOSURE AGREEMENT OF 135 RESIDENTIAL

This Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020 (this "Disclosure Agreement") is executed and delivered by and among 135 Residential Development, LLC, a Texas limited liability company ("135 Residential"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A. (the "Dissemination Agent") with respect to the "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)" (the "Bonds"). 135 Residential, 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 135 Residential, 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 June 2, 2020, 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:

"135 Residential" shall mean 135 Residential Development, LLC, a Texas limited liability company, and its designated successors and assigns.

"135 Residential Land" shall mean the land within the District designated as Tract #3 (Parcel 6) in "Exhibit I – Land Use Matrix" of the original Service and Assessment Plan, consisting of approximately 131 acres of land.

"135 Residential Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Administrator" shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, 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 current Administrator.

"Amenity Center" shall mean the approximately 2-acre private amenity center to be constructed by 135 Residential in the District, consisting of a pool, playscape, basketball court, open-air pavilion, parks, landscaping, and other similar improvements.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

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

"Annual Service Plan Update" shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"Assessed Property" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall 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.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Whisper Master Community Ltd., a Texas limited partnership, and its designated successors and assigns.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of June 2, 2020 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of the Issuer dated as of June 2, 2020 executed and delivered by and among the Issuer and the Dissemination Agent.

"Disclosure Agreement of Yarrington" shall mean the Continuing Disclosure Agreement of Yarrington dated as of June 2, 2020 executed and delivered by Yarrington, the Administrator and the Dissemination Agent.

"Dissemination Agent" shall mean UMB Bank, N.A., or any successor Dissemination Agent designated in writing by the Issuer and 135 Residential and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Whisper Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.

"Homebuilder(s)" shall mean any merchant homebuilder who enters into a Homebuilder Agreement of Sale and Purchase with 135 Residential, and the affiliates and/or successors and assigns of such homebuilder under such Homebuilder Agreement of Sale and Purchase.

"Homebuilder Agreement of Sale and Purchase" shall mean, with respect to lots or land within the District, any agreement of sale and purchase between one or more Homebuilders and 135 Residential, to purchase lots or to purchase land intended for single family residential use.

"Issuer" shall mean the City of San Marcos, Texas.

"Listed Events" shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

"Major Improvements" shall have the meaning assigned to such term in the Indenture.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall mean the registered owner of any Bonds.

"Parcel" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

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

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning September 30, 2020.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, 135 Residential and any Significant Homebuilder.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"SF Parcel" shall mean any Parcel in the 135 Residential Land that is designated for single family residential use.

"Significant Homebuilder" shall mean a Homebuilder that then owns ten (10) or more single family residential lots within the District.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall mean UMB Bank, N.A., or any successor trustee pursuant to the Indenture, and its designated successors and assigns.

"Yarrington" shall mean Yarrington Partners, Ltd., a Texas limited partnership, and its designated successors and assigns.

SECTION 3. Quarterly Reports.

(a) 135 Residential, with respect to the 135 Residential Land, and any Significant Homebuilder, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with September 30, 2020, the information required for the preparation of the Quarterly Report (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if 135 Residential elects, 135 Residential may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) 135 Residential shall remain obligated with respect to any real property acquired by such Significant Homebuilder only until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 5 of this Disclosure Agreement, at which time 135 Residential shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) provide to the Reporting Parties each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. Each Reporting Party shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, 135 Residential shall use commercially reasonable efforts to cause to be provided any information required by this Section 3 regarding and in the possession of a Homebuilder that is not a Significant Homebuilder. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Homebuilder Agreement of Sale and Purchase that is executed with a Homebuilder that is not a Significant Homebuilder after the date hereof contains a provision obligating the applicable Homebuilder to provide 135 Residential the information required by this Section 3 as and when required for 135 Residential to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by each Reporting Party. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information provided by each Reporting Party to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within the 135 Residential Land subject to the Assessments, as of the Quarterly Ending Date, including:

A. The number of SF Parcels;

B. The number of acres of SF Parcels;

C. The number of platted single family residential lots;

D. The number of proposed single family residential lots identified in the original Service and Assessment Plan, and

E. An explanation as to any change to the number of Parcels and/or lots within the 135 Residential Land from the original Service and Assessment Plan;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of the 135 Residential Land, including:

A. The number of Parcels and/or lots owned by each type of landowner (i.e., 135 Residential, Homebuilder, homeowner (end-user));

B. Based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of Annual Installments of Assessments relative to

the total Annual Installments of Assessments for each type of landowner, as of the Quarterly Ending Date, including any changes from the prior Quarterly Ending Date; and

C. The number of acres of land owned by each type of landowner;

(iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, a listing of all Homebuilders, and, based on the information in the Annual Service Plan Update most recently approved by the Issuer, the percentage of each Homebuilder's, 135 Residential's and homeowner's (end-users') Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the Quarterly Ending Date;

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, for each SF Parcel, lot absorption statistics by phase, on a current quarter and running total basis, including:

A. The number of single family lots platted in the 135 Residential Land;

B. The number of single family lots in the 135 Residential Land owned by 135 Residential under contract (but not closed) with a Homebuilder;

C. The number of single family lots in the 135 Residential Land owned by 135 Residential closed with a Homebuilder; and

D. The number of single family lots in the 135 Residential Land owned by 135 Residential not closed or under contract with a Homebuilder;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, for each SF Parcel, for each Homebuilder, broken down by phase, on a running total basis:

A. The number of homes under construction in the 135 Residential Land;

B. The number of completed homes not under contract with end-users, in the 135 Residential Land;

C. The number of homes under contract with end-users in the 135 Residential Land;

D. The number of homes closed with (delivered to) end-users in the 135 Residential Land;

E. The average sales price of homes closed with end-users; and

F. The estimated date of completion of all homes to be constructed by the Homebuilder;

(vi) In a form similar to that as Table 3(d)(vi) in Exhibit A attached hereto, with respect to the Amenity Center to be developed for use by the SF Parcels, broken down by type of amenity:

A. Total expected construction budget;

B. Total costs spent to date;

C. Actual or expected date of commencement of construction; and

D. Actual or expected date of construction completion;

(vii) In a form similar to that as Table 3(d)(vii) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of the 135 Residential Land which necessitates changes to the land use plans of 135 Residential; and

(viii) In a form similar to that as Table 3(d)(xi) in Exhibit A attached hereto, the occurrence of any new or modified mortgage debt on the land within the 135 Residential Land owned by 135 Residential, including the amount, interest rate and terms of repayment.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a 135 Residential Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the 135 Residential Land on a Parcel owned by 135 Residential or any of 135 Residential's affiliates; provided, however, that the exercise of any right of 135 Residential or any of 135 Residential's affiliates as a landowner within the 135 Residential Land to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a 135 Residential Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the 135 Residential Land, including the Major Improvements;

(iii) Material default by 135 Residential or any of 135 Residential's affiliates on any loan with respect to the acquisition, development or permanent financing of the 135 Residential Land undertaken by 135 Residential or any of 135 Residential's affiliates;

(iv) Material default by 135 Residential or any of 135 Residential's affiliates on any loan secured by property within the 135 Residential Land owned by 135 Residential or any of 135 Residential's affiliates;

(v) The bankruptcy, insolvency or similar filing of 135 Residential or any of 135 Residential's affiliates or any determination that 135 Residential or any of 135 Residential's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of 135 Residential, or the sale of all or substantially all of the assets of 135 Residential or any of 135 Residential's affiliates, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of $1,000,000 against 135 Residential or any of 135 Residential's affiliates that may adversely affect the completion of development of the 135 Residential Land or litigation that may materially adversely affect the financial condition of 135 Residential or any of 135 Residential's affiliates;

(viii) Any material change in the legal structure, chief executive officer or controlling ownership of 135 Residential; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds;

(i) Failure to pay any real property taxes or Assessments levied within the District on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Homebuilder Agreement of Sale and Purchase; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy

of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

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

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event.

(d) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event, notify the Issuer and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. <u>Assumption of Reporting Obligations by Significant Homebuilder</u>.

If a Homebuilder acquires ownership of real property in the 135 Residential Land resulting in such Homebuilder becoming a Significant Homebuilder, 135 Residential shall cause such Significant Homebuilder to comply with 135 Residential's disclosure obligations under Sections 3(d)(iv)-(v) and 4(b) hereof with respect to such acquired real property until such party's disclosure obligations terminate

pursuant to Section 6 of this Disclosure Agreement. 135 Residential shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit E, (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, 135 Residential shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of 135 Residential's obligations under this Disclosure Agreement as to the property transferred, 135 Residential shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, 135 Residential shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, 135 Residential shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 5 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above.

SECTION 6. Termination of Reporting Obligations.

(a) The reporting obligations of 135 Residential or any Significant Homebuilder under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when 135 Residential, including any of its affiliates, or such Significant Homebuilder no longer owns ten (10) or more single family residential lots within the 135 Residential Land, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by 135 Residential, including any of its affiliates, or such Significant Homebuilder, respectively.

(b) At such time that the reporting obligations of the Reporting Party terminate in accordance with subsection (a) of this Section 6, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 6 and any Termination Notice required by subsection (b) of this Section 6 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 7. 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 the obligations of the Reporting Parties 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 UMB Bank, N.A.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, 135 Residential, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by 135 Residential or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. 135 Residential shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 8 to the Issuer, the Dissemination Agent, the Administrator and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of a Reporting Party or Administrator to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction) or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Reporting Party and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party, shall not be deemed a default under any of the Disclosure Agreement of Issuer by the Issuer, the Disclosure Agreement of Yarrington by Yarrington or the Disclosure Agreement of Developer by the Developer, and a default under any of the Disclosure Agreement of Issuer by the Issuer, the Disclosure Agreement of Yarrington by Yarrington or the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by a Reporting Party or Administrator. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

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. 135 Residential agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of 135 Residential 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 Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. 135 Residential agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties

hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of 135 Residential under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, 135 RESIDENTIAL BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. 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 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of 135 Residential, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 16. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. [The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.][The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.]

SECTION 17. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. 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.]

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

135 RESIDENTIAL DEVELOPMENT, LLC,
a Texas limited liability company
(as 135 Residential)

By: _____
Name: _____
Title: _____

P3WORKS, LLC
(as Administrator)

By: _____
Name:_____
Title:_____

EXHIBIT A

CITY OF SAN MARCOS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(WHISPER PUBLIC IMPROVEMENT DISTRICT)

---

135 RESIDENTIAL QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: _____
City: _____
Telephone: _____
Contact Person: _____

[Remainder of page intentionally left blank]

TABLE 3(d)(i)

135 RESIDENTIAL LAND OVERVIEW (as of [*Insert Quarterly Ending Date*])					
NUMBER OF SINGLE FAMILY RESIDENTIAL PARCELS, ACREAGE OF SUCH PARCELS, NUMBER OF PLATTED SINGLE FAMILY LOTS IN 135 RESIDENTIAL LAND SUBJECT TO ASSESSMENTS:					
	The District[1]		Original Service and Assessment Plan[2]		Explanation as to any change to the number of Parcels and/or Lots from the Original Service and Assessment Plan
Single Family					
Total SF Parcels/Acres					
Platted SF Lots					

(1) Single family lots represent the number of platted single family lots in the 135 Residential Land, as of [*Insert Quarterly Ending Date*].

(2) Single family lots represent the number of planned single family lots included in Exhibit K of the original Service and Assessment Plan.

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of [*Insert Quarterly Ending Date*]) OF 135 RESIDENTIAL LAND				
Landowner Composition	Actual Number of Lots Owned	% of Annual Installments of Assessments[1]	Change in % of Annual Installments from Prior Quarterly Ending Date	Acreage
135 Residential Owned				
Homebuilder Owned[2]				
Homeowner (End-User) Owned[2]				
Total 135 Residential Land:				

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Information for Homebuilder owned and homeowner (end-user) owned is reported as the total aggregate amount for the applicable type of landowner within the District.

TABLE 3(d)(iii)

135 RESIDENTIAL LAND ASSESSMENT PAYER CONCENTRATION (as of [*Insert Quarterly Ending Date*])	
Landowner	Percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments[(1)]
135 Residential	%
Homebuilders[(2)]	
	%
	%
	%
	%
Homeowners (End-Users)[(3)]	%

(1) Derived from information in the Assessment Roll approved by the Issuer on _____, 20__ as part of the Annual Service Plan Update. Does not take into consideration any prepayments of Assessments made between the date of such Annual Service Plan Update and the date of this Quarterly Report.

(2) Add lines for each Homebuilder.

(2) Information for homeowners (end-users) is reported as the total aggregate amount for all end-users within the 135 Residential Land.

[Remainder of page intentionally left blank]

FOR EACH PARCEL DESIGNATED AS SINGLE FAMILY RESIDENTIAL:

TABLE 3(d)(iv)

LOT ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN THE DISTRICT											
	Q__ 20__	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**
# of platted SF lots:											
• Phase 1	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 2	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 3	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
# of SF lots under contract with Homebuilders:											
• Phase 1											
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 2											
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 3											
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
# of SF lots closed with Homebuilders:											
• Phase 1											
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 2											
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 3											
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ [Homebuilder] (1)	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
○ Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
# of SF lots not under contract with Homebuilders:											
• Phase 1											
• Phase 2	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Phase 3	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
• Total	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __
	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __	• __

(1) Add information for each Homebuilder.

TABLE 3(d)(v)

[*Homebuilder*] ABSORPTION STATISTICS FOR PHASE [*1*] SINGLE FAMILY RESIDENTIAL LOTS IN THE DISTRICT[(1)]								
	Q__ 20__	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**	**Q__ 20__**
# of SF homes under construction: • __' x __' • __' x __' • Total								
# of completed SF homes NOT under contract with end-user: • __' x __' • __' x __' • Total								
# of SF homes under contract with end-user: • __' x __' • __' x __' • Total								
# of SF homes closed on (delivered to) end-users: • __' x __' • __' x __' • Total								
Average sales price of homes: • __' x __' • __' x __' • Average								

(1) Additional tables to be added for each Homebuilder by phase (ex. Homebuilder A Phase 1, Homebuilder B Phase 1, Homebuilder A Phase 2, etc.)

The estimated date of completion of all homes to be constructed by [Homebuilder] in Phase [1] is _____, ____.

The estimated date of completion of all homes to be constructed by [Homebuilder] in Phase [1] is _____, ____.

[Remainder of page intentionally left blank]

STATUS OF DEVELOPMENT:

TABLE 3(d)(vi)

STATUS OF SINGLE FAMILY RESIDENTIAL AMENITY CENTER				
Amenity	Expected Construction Budget	Total Costs Spent to Date	Actual/Expected Date of Commencement of Construction	Expected or Actual Completion Date

TABLE 3(d)(vii)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(viii)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Terms

[Remainder of page intentionally left blank]

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["135 Residential"] ["Significant Homebuilder) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020, by and among 135 Residential Development, LLC, a Texas limited liability company ("135 Residential"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"). [135 Residential] [Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

UMB Bank, N.A.
(as Dissemination Agent)

By: _____

Title: _____

cc: City of San Marcos, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

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

[135 Residential, LLC
9811 South IH 35, Building 3, Suite 100
Austin, Texas 78744]

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

[Insert Significant Homebuilder
Contact Information]

UMB Bank, N.A.
[address]

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["135 Residential"] ["Significant Homebuilder]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby, terminating such party's reporting obligations under the Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020, by and among 135 Residential Development, LLC, a Texas limited liability company ("135 Residential"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent").

Dated: _____

P3Works, LLC
(as Administrator)

By: _____

Title: _____

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of San Marcos, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)
CUSIP Nos.	[insert CUSIP NOs.]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Whisper Public Improvement District

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of 135 Residential dated as of June 2, 2020, by and among 135 Residential Development, LLC, a Texas limited liability company ("135 Residential"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"), this letter constitutes the certificate stating that the Quarterly Information, provided by [135 Residential] [_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [135 Residential] [Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by [135 Residential] [Significant Homebuilder]. Any and all Quarterly Information, provided by the [135 Residential] [Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

135 RESIDENTIAL DEVELOPMENT, LLC,
a Texas limited liability company
(as 135 Residential)

By: _____
Name: _____
Title: _____

OR

[Significant Homebuilder
By:_____
Title:_____]

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

City of San Marcos, Texas
630 East Hopkins
San Marcos, Texas 78666

P3Works, LLC
3901 S. Lamar Blvd., Suite 440
Austin, Texas 78704

UMB Bank, N.A.
[address]

Re: Whisper Public Improvement District – Continuing Disclosure Obligation

Dear _____,

As of _____, 2020, you own ___ single family residential lots within the Whisper Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Landowners dated as of June 2, 2020, by and among 135 Residential Development, LLC, a Texas limited liability ("135 Residential"), P3Works, LLC, (the "Administrator") and UMB Bank, N.A. (the "Dissemination Agent"), with respect to the "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)," any entity that owns ten or more single family residential lots within the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 5 of the Disclosure Agreement of 135 Residential, you acknowledge and assume the reporting obligations under Sections 3(d)(iv), (d)(v) and 4(b) of the Disclosure Agreement of 135 Residential for the property which is owned as detailed in the Disclosure Agreement of 135 Residential, which is included herewith.

Sincerely,

135 RESIDENTIAL DEVELOPMENT, LLC,
a Texas limited liability company
(as 135 Residential)

By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT SIGNIFICANT HOMEBUILDER NAME]

By: _____
Title: _____
Address: _____
_____
Phone Number: _____

MARKET VALUE APPRAISAL REPORT

Proposed 581 Single-family Lots
And 8 Tracts of Mixed Use Vacant Land
Whisper Public Improvement District
ES of IH-35 between at Yarrington Road
San Marcos, Hays County, Texas

FRA Job No.: 20-FRA-1003

PERTINENT DATES:
Valuation Date: As Is – February 4, 2020
As Complete – February 4, 2021
Report Date: May 8, 2020

PREPARED FOR:
Mr. Bert Lumbreras
City Manager
City of San Marcos
630 E. Hopkins Street
San Marcos, Texas 78666

PREPARED BY:
Flato Realty Advisors, LLC
8919 Tesoro, Suite 405
San Antonio, Texas 78217

FLATO
REALTY ADVISORS, LLC

May 8, 2020

Mr. Bert Lumbreras
City Manager
City of San Marcos
630 E. Hopkins Street
San Marcos, Texas 78666

RE: An Appraisal of Real Property
Proposed 581 Single-family Lots
And 8 Tracts of Vacant Land
Whisper Public Improvement District
ES of IH-35 at Yarrington Road
San Marcos, Hays County, Texas

Flato Realty Adv. Job No.: 20-FRA-1003

Dear Mr. Lumbreras:

At the request and authorization of City of San Marcos, Flato Realty Advisors, LLC ("Flato") has prepared an appraisal to determine the market value of the referenced property and presented our analysis in the following Market Value Appraisal Report. In the course of completing the valuation of the appraised property, numerous sources have been contacted. These include government sources, active real estate brokers, and homebuilders and developers in the Hays County Area, including the proposed development of Whisper Public Improvement District (PID) The appraised property consists of 581 proposed single-family lots to be known as Whisper Mixed Use Subdivision and eight (8) tracts of mixed use land all situated within the Whisper PID. The property is located along the east side of IH-35 to the south of Yarrington Road in the City of San Marcos in Hays County, Texas.

The vacant land tracts are proposed for mixed use development according to the approved PID, which include commercial, industrial, multi-family and single-family residential uses. The proposed residential lots will include lots which average 46-foot, 50-foot and 52-foot lots. Terrain is generally level; and each proposed lot will have a usable building site. Subdivision and site improvements will include asphalt paved streets, concrete curbing, storm drainage, street lighting, fire hydrants, underground water, sewer and electricity. The property will be located in a Public Improvement District (PID), funded by the City of San Marcos in order to provide all onsite and offsite improvements including roads and utilities to the proposed subdivision.

The proposed Whisper PID includes a master planned, mixed use development that will include mixed-use commercial development, light industrial/business park development, multi-family development and single-family residential lots. The single-family portion will feature walking paths, gathering places and some recreational facilities and open spaces with a focus on preserving the natural features of the land.

The proposed subdivision portion of the appraised property is appraised utilizing income capitalization approach (lot sell-out) incorporating the Sales Comparison approach in the valuation of the proposed lots, and the Cost Approach in the valuation of the proposed lot development. The Income and Cost Approaches most closely reflect the actions of buyers and sellers. The sales Comparison Approach is utilized in valuing the vacant land tracts.

Data, information, and calculations leading to the value conclusion(s) are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions (if any), is an integral part of, and inseparable from, this letter. *The size and number of lots is per the subdivision plan provided by the client. Should the land size or number/size of lots change, the value conclusion is subject to revision*.

We have appraised the land on an "As Is" basis and the proposed lots on a prospective, "As Complete" basis, assuming platting and subdivision improvements are completed as proposed. Based on the analysis contained in the following report, and after considering the extraordinary assumptions and hypothetical conditions of this report, the opinion of value of the subject property is as follows:

MARKET VALUE CONCLUSION - WHISPER PID						
Property Description		Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion	$/Unit
Tract 1	69.393 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	$14,800,000	$4.90/SF
Tract 2	46.293 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	$10,475,000	$5.19/SF
Tract 3A	121.280 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$17,700,000	$3.35/SF
Tract 3B	16.560 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$3,575,000	$4.96/SF
Tract 4	164.183 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$28,250,000	$3.95/SF
Tract 5	33.370 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$6,900,000	$4.75/SF
Tract 6	130.641 Acres/581 Single Family Lots	"As Complete"	Fee Simple Estate	February 4, 2021	$19,500,000	$33,563/Lot
Tract 7A	72.660 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$12,025,000	$3.80/SF
Tract 7B	51.969 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$9,850,000	$4.35/SF

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations, and the appraisal guidelines of the City of San Marcos.

The appraisers have not performed previous appraisal services with regard to this property within the three-year period immediately preceding the date of acceptance of this assignment. The intended use of this appraisal is for possible PID bond collateralization purposes. The intended users are the City of San Marcos and FMSbonds. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Flato Realty Advisors, LLC can be of further service, please contact us.

Respectfully submitted,

FLATO REALTY ADVISORS, LLC

Franklin L. Flato, MAI
President
Certified General Real Estate Appraiser
Texas – TX-1321148-G; Exp. June 30, 2021
E-Mail: franklin@flatorealtyadvisors.com

Ted A. Moore, MAI
Certified General Real Estate Appraiser
Texas – TX-1320476-G;
Exp. January 31, 2021
E-Mail: ted@flatorealtyadvisors.com

IH-35 Access Road adjacent to Tracts 1 and 2

IH-35 access road adjacent to Tract 2

Entry road to Subdivision Tract 6

View along road adjacent to Tract 7

View of Tracts 5 and 6

Interior View of Tract 2

View of intersection Harris Hill and Opportunity Blvd

Interior view of Residential Tract 6

View of roadway adjacent to Tract 5

View along road adjacent to Tract 7

View of Tract 5

Interior View of Tract 4

AERIAL VIEW

SUBJECT LOCATION

EXECUTIVE SUMMARY	
Property Name	**WHISPER PID VACANT LAND TRACTS AND PROPOSED LOTS**
Property Identfication	Nine tracts of vacant mixed use land; Whisper Subdivision, San Marcos, Hays County, Texas
Legal Description- As Is, Vacant Land	Various surveys, Hays County, Texas; see page 17
Tax Parcel Numbers	Various; See Tax Section
Property Owner	Yarrington Partners Ltd., Whisper Master Community Limited Partnership, Whisper Industrial 2019 QOZB and 135 Residential Development, LLC
Interest Appraised	Land - "As Is" Market Value Proposed Lots - "As Complete" Prospective Market Value assumming completion of PID improvements and residential lot development Commercial/Mixed Use Tracts - "As Is" Market Value assumming completion of PID Improvements
Property Rights Appraised	Fee Simple Estate
Date of "As Is" Valuation	February 4, 2020
Date of "As Complete" Valuation - Proposed Lots	February 4, 2021
Report Date	May 8, 2020
Market	Austin-Round Rock MSA
Flood Plain	Zone X; Area of Minimal Flood Hazard
Utilities	Water, sewer, telephone and electric
Zoning	PUD
Tax Assessment	Various,- see Tax Section of the report
Lot Sell-out Period	4.75 Years

Property Description		Concluded Values	$/Unit
Tract 1	**69.393 Acres Vacant Commercial Land**	**$14,800,000**	**$4.90/SF**
Tract 2	**46.293 Acres Vacant Commercial Land**	**$10,475,000**	**$5.19/SF**
Tract 3A	**121.280 Acres Vacant Mixed Use Land**	**$17,700,000**	**$3.35/SF**
Tract 3B	**16.560 Acres Vacant Mixed Use Land**	**$3,575,000**	**$4.96/SF**
Tract 4	**164.183 Acres Vacant Mixed Use Land**	**$28,250,000**	**$3.95/SF**
Tract 5	**33.370 Acres Vacant Mixed Use Land**	**$6,900,000**	**$4.75/SF**
Tract 6	**130.641 Acres/581 Single Family Lots**	**$19,500,000**	**$33,563/Lot**
Tract 7A	**72.660 Acres Vacant Mixed Use Land**	**$12,025,000**	**$3.80/SF**
Tract 7B	**51.969 Acres Vacant Mixed Use Land**	**$9,850,000**	**$4.35/SF**
Estimated Marketing Time (months)		< 12 months	

TABLE OF CONTENTS

INTRODUCTION....1
REGIONAL ANALYSIS....7
NEIGHBORHOOD ANALYSIS....9
RESIDENTIAL MARKET ANALYSIS....14
COMMERCIAL/INDUSTRIAL/MULTI-FAMILY LAND MARKET ANALYSIS....20
LAND AND DEVELOPMENT ANALYSIS....24
ZONING....33
ASSESSMENT AND TAXES....34
HIGHEST AND BEST USE....35
APPRAISAL METHODOLOGY....37
LAND VALUE "AS IS"....39
COST APPROACH – PROPOSED SUBDIVISION....59
INCOME APPROACH – SUBDIVISION ANALYSIS....61
DISCOUNTED CASH FLOW ANALYSIS – INCOME APPROACH....66
RECONCILIATION....71
CERTIFICATION....72
ASSUMPTIONS AND LIMITING CONDITIONS....73

ADDENDA

ADDENDUM A: DEFINITIONS
ADDENDUM B: APPRAISER QUALIFICATIONS
ADDENDUM C: CLIENT CORRESPONDENCE
ADDENDUM D: DEVELOPER'S COST ESTIMATE
ADDENDUM E: COMPARABLE LAND SALES

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The appraised property consists of a 706.349-acre tract of land proposed for mixed use development. The property includes 9 tracts of vacant land. Tract No. 6 is proposed for development with 581 single-family lots to be known as Whisper Mixed Use Subdivision. The 8 remaining tracts of vacant land are proposed for mixed use commercial and multi-family development. The property is located along the east side of IH-35 at the southeast corner of Yarrington Road in the far northern quadrant of the city of San Marcos in Hays County, Texas. The development includes mixed use commercial and industrial use areas as well as single-family residential development with asphalt paved interior streets with concrete curbing, street lighting, and underground utilities. The property will be situated in the Whisper Public Improvement District which has been created by the city of San Marcos for purposes of funding the infrastructure necessary to support the proposed subdivision. The sizes of the development tracts are per Steven Elder.

The proposed residential lots (Phases 1 and 2) will have frontages of 46-feet and 50-feet and will be legally described as:

Lots 1-25, Block A; Lots 1-37, Block B; Lots 1-31, Block C; Lots 1-22, Block D; Lots 1-38, Block E; Lots 1-40, Block F; Lots 1-19, Block G; Lots 1-22, Block H; Lots 1-20, Block I; Lots 1-29, Block J; Lots 1-15, Block K; Lots 1-28, Block L; Lots 1-99, Block M; Lots 1-17, Block N; Lots 1-14, Block O; Lots 1-21 Block P, Lots 1-27, Block Q; Lots 1-48, Block R; Lots 1-38, Block S; Whisper Mixed Use Subdivision, San Marcos, Hays County, Texas.

The vacant land parcels are legally described as follows:

VACANT LAND INVENTORY			
Unit #	**Location**	**Size (Ac)**	**Legal Description**
Tract 1	SEC Yarrington Rd & IH-35	69.393	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 2	SEC Suspro Pkwy & IH-35	46.293	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3A	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	121.280	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3B	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	16.560	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 4	SEC Opportunity Blvd. & IH-35	164.183	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 5	SES Opportunity Blvd.	33.370	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 6	SS Opportunity Blvd.	130.641	J. Miner Survey, Abstract 321
Tract 7A	SEC Yarrington Rd & Fortuna Blvd.	72.660	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 7B	NEC Opportunity Blvd. & Fortuna Blvd.	51.969	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

CURRENT OWNERSHIP HISTORY

The appraised property is owned by Yarrington Partners Ltd., Whisper Master Community Limited Partnership, Whisper Industrial 2019 QOZB and 135 Residential Development, LLC (an entity of the subject property developer).

The portions of the subject property owned by Whisper Master Community Limited Partnership were acquired in two separate transactions. A portion containing approximately 506 acres was acquired from the Texas General Land Office in 2015 for an undisclosed amount. The remaining 86 acres was purchased from Yarrington Partners Ltd. in 2016 for an undisclosed amount. Yarrington Partners Ltd. owns approximately 112 acres designated at tax parcel R16595 which was acquired prior to 2003. Tract No. 6 (130.6 Acres of Single-family Residential Land) was transferred from Whisper Master Community Ltd. to Harris Hill Investments which conveyed the land to 135 Residential Development, LLC in a non-market sale as it was an intercompany transfer in April of 2019 for an assigned price of $2,760,000.

A 14.25 acre parcel out of the rear of Tract 4, is currently under contract to Whisper apartments LLC for a sales price of $2,638,104 (or $5.95 per square foot). Another 8.0 acre parcel just south of the 14.25 acre parcel out of the rear of Tract 4, is under contract to Mission DG, Ltd. for a price of $1,672,704 (or $6.50 per square foot). Additionally, a third parcel containing 52 acres (out of Tract 7B) is under contract to U.S. Real Estate Ltd. Partnership for a sales price of $4,354,248 (or $4.80 per square foot) as of the date of appraisal. Although this contract was rescinded in mid-2020, it was valid as of the date of analysis. Additionally, a 17.0 acre parcel (out of Parcel 3B) was sold to Whisper Industrial 2019 QOZB, LLC in 2019 for a price equivalent to approximately $2.00 per square foot. This sale was not an arm's length sale as members of the subject entity are also members of the buyer entity. All of these contracts are subject to the PID improvements and subsequent taxes.

No other portion of the property as a whole nor the proposed lots are currently listed for sale. As discussed later in this report, all of the proposed single-family lots are under contract to area homebuilders.

The property is proposed to benefit from the Whisper Public Improvement District (PID) which is intended to stimulate further growth and benefit the City of San Marcos, Texas and its residents. The PID is intended to improve wastewater and drainage facilities, improve, widen and add additional streets, etc. The total cost of the PID improvements is projected to be $11,797,419. The improvements resulting from the PID, including those improvements funded by the City, are intended to benefit the subject sections as well as future and adjacent development. .

To the best of our knowledge, no other sale or transfer of ownership of the appraised property has occurred within the past five years.

INTENDED USE AND USERS OF THE APPRAISAL

The intended use of this appraisal is for possible PID bond collateralization purposes related to funding for the proposed PID by the City of San Marcos. The intended client is the City of San Marcos. The intended users are the City of San Marcos and FMSbonds.

PROPERTY RIGHTS APPRAISED

We have appraised the fee simple estate of the prospective "As Complete" Market Value of the proposed single-family lots and the "As-Is" Market Value of the commercial tracts under the Hypothetical Condition that infrastructure (including offsite roads and utilities) is complete as of the date of valuation.

The following definition is from the Dictionary of Real Estate Appraisal, Sixth Edition (2015), published by the Appraisal Institute.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Additional appraisal definitions applicable to the analysis presented herein are presented in the Addenda.

RELEVANT DATES

The date of inspection and "As Is" Market Value of the subject property is February 4, 2020. The date of Prospective "As Complete" Market Value is February 4, 2021. The date of report is May 8, 2020.

DEFINITION OF MARKET VALUE

As defined by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Sub-part C – Appraisals, 34.42 Definitions (g), market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

This definition of market value is generally accepted by agencies regulating financial institutions in the United States.

SCOPE OF WORK

The scope of work refers to the type and extent of research and analyses employed in the appraisal assignment and presented in the appraisal report. This appraisal is presented in the form of a Market Value Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report is intended to incorporate, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value.

The Extent to Which the Property was Identified

The subject is identified via legal description, aerial photograph, and physical description.

The Extent to Which the Property was Inspected

The subject property and surrounding neighborhood were inspected by Franklin L. Flato, MAI, and by Ted A. Moore, MAI on February 4, 2020.

The Type and Extent of Data Researched

We physically observed the pertinent market with respect to the appraised property regarding physical and economic factors relevant to the valuation process through interviews with regional and/or local market participants, and available published data and other various resources. Our research included: exposure and marketing time; area land use trends; demographic trends; lot absorption surveys provided by market experts, market trends relative to the subject property type; flood zone status; real estate tax data; cost data via market participants; and comparable listing and available sales data. All data utilized has been analyzed and confirmed with sources assumed to be reliable.

The Type and Extent of Analyses Applied

We analyzed the property and market data gathered through the use of accepted market-derived methods and procedures, employed the appropriate approaches to value, and correlated and reconciled the results into an estimate of market value, as defined within the appraisal report.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions

Extraordinary assumptions are defined in the Uniform Standards of Professional Appraisal Practice as

"...an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. The use of extraordinary assumptions can have an effect on the concluded value(s) presented herein.

It has been reported, and is assumed, that the proposed subdivision will meet county development requirements for single-family subdivision development. It is also assumed that the proposed development will be in a PID which will provide adequate roads, utilities and infra-structure as well as entry enhancement to support the proposed development. It is assumed that the PID improvements will be completed by the estimated completion date.

It is additionally assumed, per information provided by the client that the appraised property, "As Complete" will include 581 proposed single-family lots and 8 tracts of vacant land totaling 706.349 acres according to final tract sizes provided by Steven Elder. The Whisper Planned Unit Development plan has been approved by the City of San Marcos for mixed use commercial development. Should the proposed development plans

change, the value conclusion "As Complete" is subject to revision. It is also assumed that the proposed 581 lots will be all completed as of February 4, 2021, (a one-year time frame); and that all will be completed in a workman like manner. The use of extraordinary assumptions may affect the value conclusions.

Hypothetical Conditions

Hypothetical conditions are defined in the Uniform Standards of Professional Appraisal Practice as

"...that which is contrary to what exists but is supposed for the purpose of analysis."

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.

The public infrastructure improvements (PID) including utility extensions and roadways associated with the commercial and mixed use lots (Tract Nos. 1, 2, 3A, 3B, 4, 5, 7A and 7B) are underway and are nearing completion. The current market value of the commercial/mixed-use lots is completed under the hypothetical condition that the PID improvements are complete as of the date of valuation.

No further hypothetical conditions have been made.

SIGNIFICANT APPRAISAL ASSISTANCE OR CONTRIBUTION

No other person has provided real property appraisal assistance to the persons signing this report in the form of property inspection, research, or general report preparation.

EXPOSURE AND MARKETING TIME

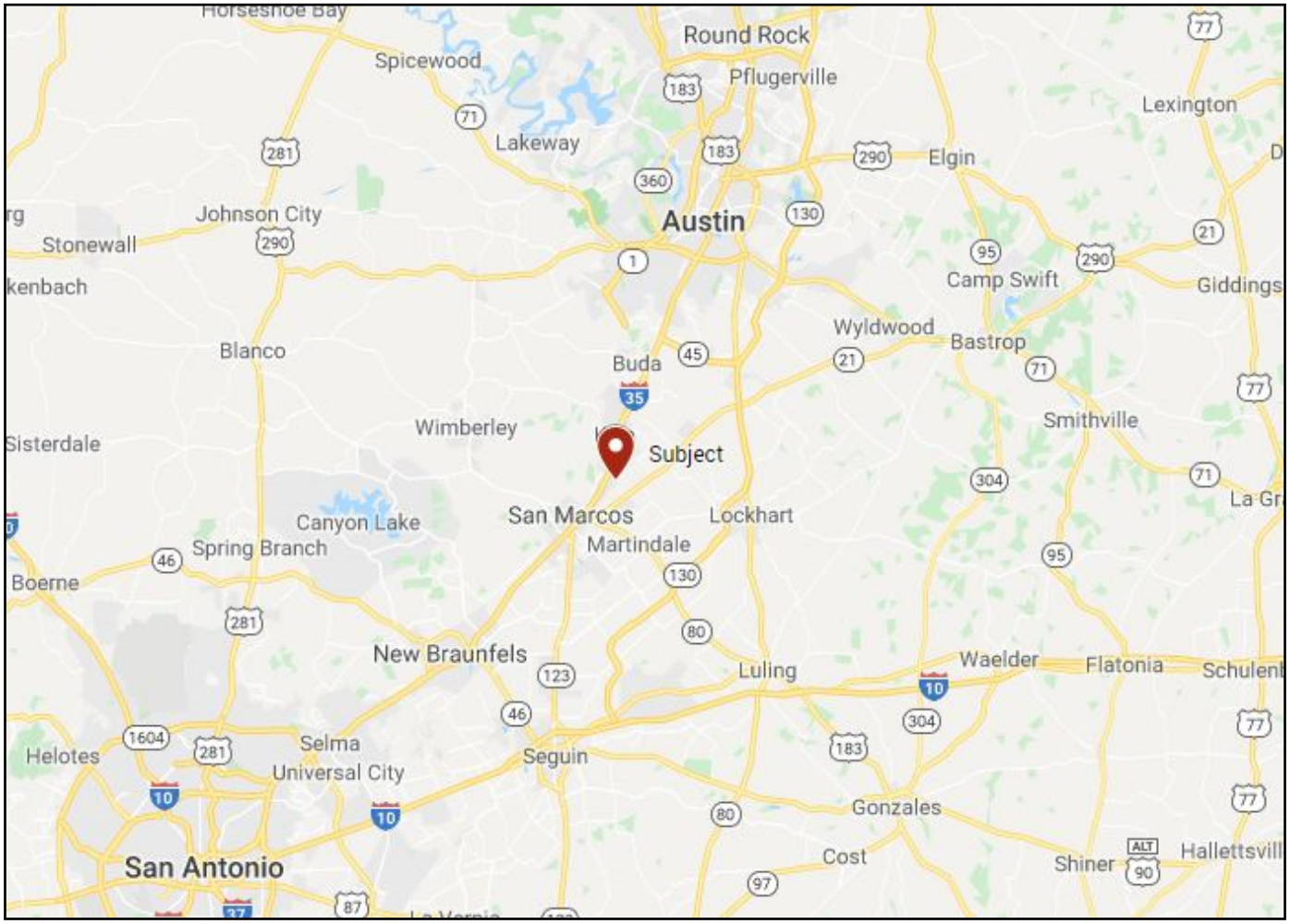
Current appraisal guidelines require an estimate of a reasonable time period in which the subject property could be brought to market and sold. Exposure time precedes the date of value with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term used is marketing time. The exposure/marketing time is a function of price, time, and use. In estimating an appropriate exposure/marketing time for the subject property, we considered general market conditions, available sales data and interviews with market participants (exposure and marketing times).

As the single-family home building economy continues to improve, it is anticipated that marketing times for residential lots will decrease. Beginning in 2008, marketing time for residential lots for single-family homes was somewhat extended. However due to the lack of new subdivision development and increasing demand over the last several years absorption has improved beginning in 2011 continuing to grow stronger through 2020. Interest rates remain at an historic low and new home development has continued to improve. The subject is a planned unit development located on the north edge of the City of San Marcos in a proposed Improvement District. Based on this analysis, we have concluded that an exposure/marketing time of twelve months would be considered reasonable for the subject property. This exposure/marketing time reflects typical current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that

the subject property is (or has been) actively and professionally marketed. The exposure/marketing time would apply to all valuation premises included in this report.

REGIONAL ANALYSIS

The appraised property is located in the south east sector of Hays County which is also in the far south sector of the Austin Metropolitan Area.

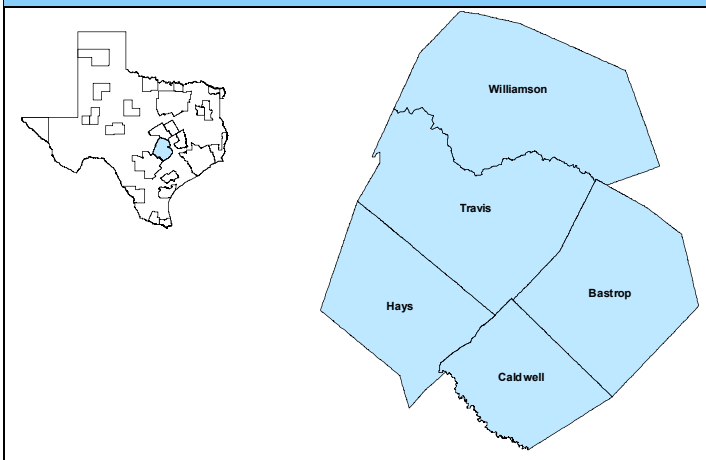


A detailed analysis of the Austin-Round Rock MSA provided by the Texas Labor Market is included on the following page.

TEXAS Labor Market Information

Austin-Round Rock MSA

December 2019



MSA Labor Force Statistics

	Dec-19	Nov-19	Dec-18	Yearly Change
Civilian Labor Force	1,235,899	1,235,828	1,205,457	30,442
Employed	1,205,871	1,204,465	1,172,355	33,516
Unemployed	30,028	31,363	33,102	-3,074
Unemployment Rate	2.4%	2.5%	2.7%	-0.3%

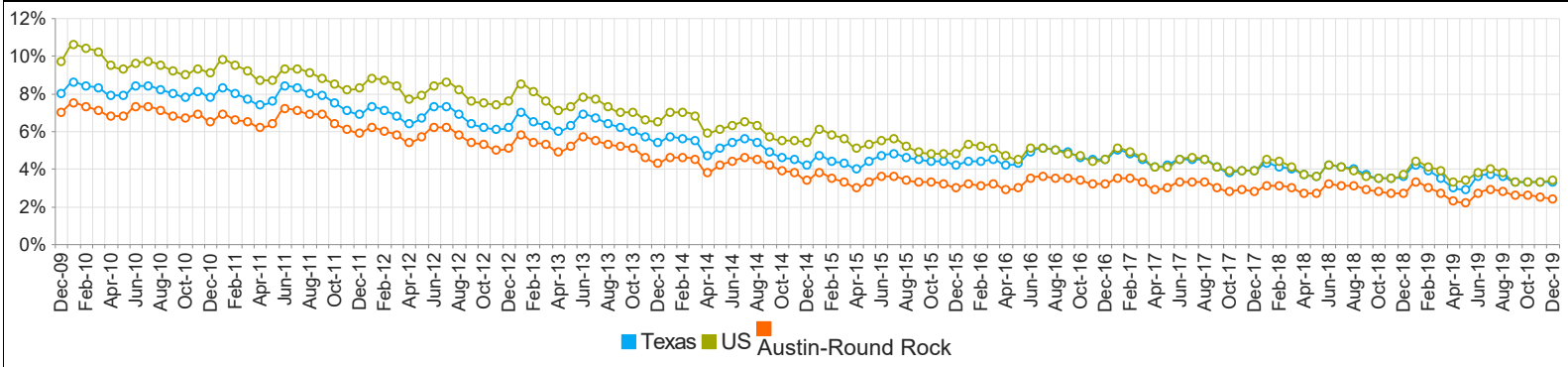
Texas Labor Force Statistics

	Dec-19	Nov-19	Dec-18	Yearly Change
Civilian Labor Force	14,228,471	14,264,714	13,975,415	253,056
Employed	13,758,042	13,787,798	13,473,628	284,414
Unemployed	470,429	476,916	501,787	-31,358
Unemployment Rate	3.3%	3.3%	3.6%	-0.3%

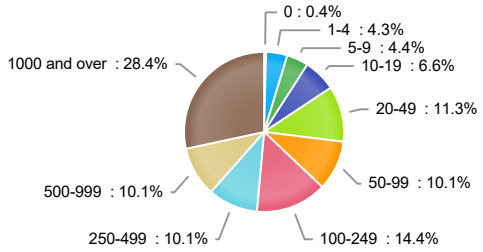
US Labor Force Statistics

	Dec-19	Nov-19	Dec-18	Yearly Change
Civilian Labor Force	164,007,000	164,386,000	162,510,000	1,497,000
Employed	158,504,000	158,945,000	156,481,000	2,023,000
Unemployed	5,503,000	5,441,000	6,029,000	-526,000
Unemployment Rate	3.4%	3.3%	3.7%	-0.3%

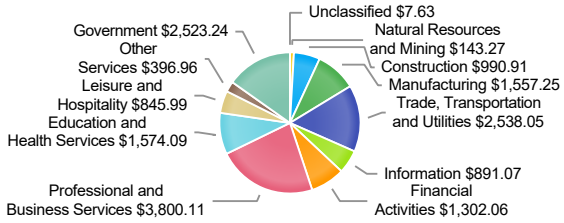
Historical Unemployment Rates



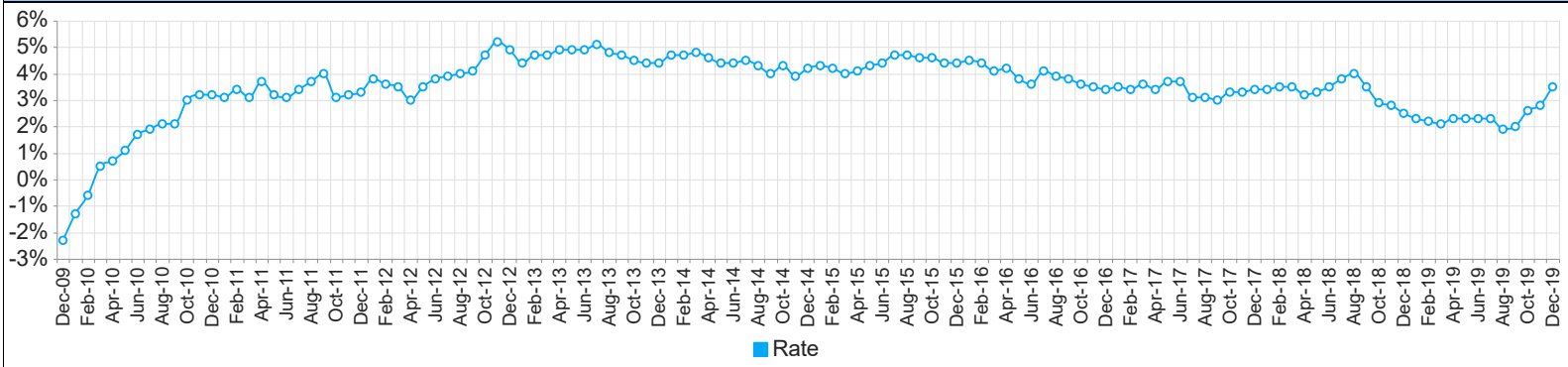
Employment by Size Class (2nd Quarter 2019)



Wages by Industry (in millions) (2nd Quarter 2019)



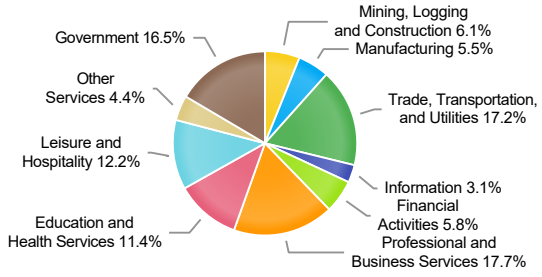
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2019)

Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	1,119,800	0.5%	3.5%
Mining, Logging and Construction	68,600	-0.6%	8.2%
Manufacturing	61,800	0.3%	0.3%
Trade, Transportation, and Utilities	192,800	1.5%	2.7%
Information	34,500	-0.9%	0.6%
Financial Activities	65,500	0.8%	3.0%
Professional and Business Services	198,600	0.5%	5.6%
Education and Health Services	127,300	0.5%	0.3%
Leisure and Hospitality	136,500	1.5%	6.1%
Other Services	48,900	0.6%	8.4%
Government	185,300	-0.4%	1.4%

Employment by Industry (December 2019)



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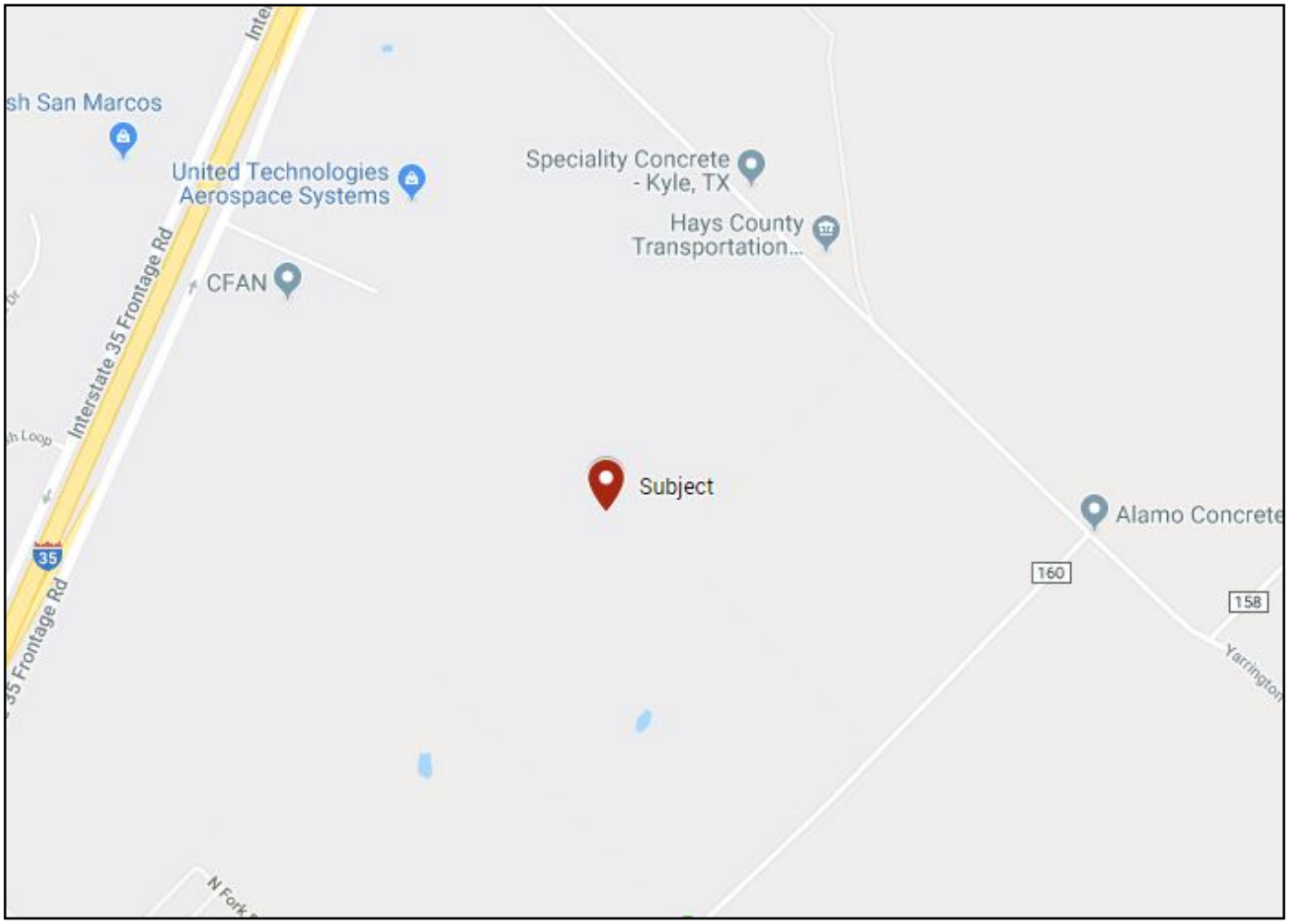
NEIGHBORHOOD ANALYSIS

The appraised property is located in the southeast sector of Hays County, Texas on the northern edge of the City of San Marcos. The area is also considered part of the far southerly sector of the Austin Metropolitan area.



Location

The appraised property is located in the southeastern sector of Hays County on the northern edge of the City of San Marcos and approximately 25 miles south of downtown Austin. The property is situated along the east side of IH-35 approximately 1 1/2 miles north of the City of San Marcos and approximately seven miles south of the City of Kyle, Texas.

Access

The primary access to the area is via IH-35 which extends in a north-south direction through the neighborhood connecting the area with the city of Austin to the north and the city of San Antonio to the south, with the city of New Braunfels to the east. The property will have frontage along IH-35, C.R. 159 (Yarrington Road) both sides of Opportunity Blvd. and several other proposed interior streets. Additional interior streets include both Roland Lane to the south and Opal Lane to the north. The subject will have

access via proposed streets within the subdivision and the development. Additionally, the PID will complete road widening and traffic flow improvements and will add additional roadways within the subject property PID.

Land Use

The subject property is part of a planned unit development including mixed use retail, commercial industrial, multi-family and single-family development and will be a major land use in the neighborhood. The surrounding land is primarily rural in nature with scattered mixed use commercial development and residential subdivisions being situated throughout the neighborhood as well as larger acreage farms and ranches. Some mixed use commercial and/or residential development is scattered throughout the area immediately surrounding the subject for several miles. Most of the existing commercial development is located along IH-35.

Existing development along IH-35 in the vicinity of the subject includes Southwestern Pneumatic office and warehouse, City Electric Supply, C.F. Stoneworks, AR and W Truck and Trailer Repair, and Roger Beasley Hyundai. Additionally, Kyle RV and Boat Storage and Aztec Village Oak Hill Manufactured Home park are both located in the subject neighborhood.

Additionally, fairly dense mixed-use commercial development is located along both sides of IH-35 just north of the subject property in the vicinity of Kyle. Development in this locale includes service stations, restaurants, fast-food restaurants, business service locations, an H-E-B. grocery store and other miscellaneous mixed-use commercial development.

Whisper Subdivision

The proposed Whisper PID 706.349-acre development is being developed by Whisper Master Community Limited Partnership, 135 Residential Development, LLC and Yarrington Partners Ltd. Including development of the 581 lot single-family residential development and partnering in other mixed use commercial and multi-family projects. They are also selling off some land to other developers and/or end users for commercial and multi-family development.. The PID will include construction of and expansion, addition and improvement of existing roadways, offsite sewerage system, drainage system and associated improvements. These improvements will be owned and operated by the city once completed. The estimated cost of improvements is $11,797,419.

Some development and improvements of the subdivision has already begun with additional work set to begin in the short-term future. For purposes of this report, it is assumed that the PID improvements and proposed subdivision lots and improvements will be complete within a one-year time frame. Currently all of the 581 of the proposed lots are under contract to area homebuilders.

The subject subdivision lots will have access to public streets within the development. The topography of the subject land is generally level with a suitable building area on each proposed lot. Per a topical investigation the appraised property shape, utility service, land use restrictions, nuisances and hazards do not appear to be restrictive to development of the property. Overall the proposed lots are judged to be functionally adequate for mixed use commercial and single-family development. The proposed residential lots are judged to comprise a good quality, middle end subdivision. The proposed lots will be 46-foot and

50-foot residential lots. A summary of the PID costs, reported as of the date of valuation, are outlined as follows. It is noted that as of later dates, these costs may be adjusted.

Whisper
Exhibit C

Description	IA 1	IA 2 (Business Park)	Total [a]
A. Allocation Determination:			
Estimated Buildout Value	$ 606,830,000	$ 51,094,800	$ 657,924,800
Eligible Cost Allocation	92.23%	7.77%	100.00%
B. PID Eligible Costs:			
Road A	$ 5,704,948	$ 480,354	$ 6,185,301
Road B	2,384,734	200,793	2,585,528
Lift Station and Waste Water Line D	263,555	22,191	285,746
Road C	2,499,880	210,489	2,710,369
Offsite Waste Water Line B Subtotal	291,229	24,521	315,750
- Hard Costs	$ 11,144,346	$ 938,349	$ 12,082,694
Construction Management Fee @ 4% [b] Total	445,774	37,534	483,308
- Hard Costs	$ 11,590,119	$ 975,883	$ 12,566,002
Soft Costs	760,099	64,000	824,099
Subtotal	$ 12,350,218	$ 1,039,883	$ 13,390,101
Less: Roadway Infrastructure Reimbursement from City [c]	$ (1,468,993)	$ (123,689)	$ (1,592,682)
Total Eligible Costs	**$ 10,881,225**	**$ 916,194**	**$ 11,797,419**
C. District Formation and Bond Issuance Costs: [d]			
Debt Service Reserve Fund	$ 940,875	$ -	$ 940,875
Capitalized Interest	618,688	-	618,688
Underwriter Discount	400,950	-	400,950
Cost of Issuance	935,550	-	935,550
PID Creation Costs	92,234	7,766	100,000
First Year Annual Collection Costs	32,282	2,718	35,000
Total Formation and Bond Issuance Costs	**$ 3,020,579**	**$ 10,484**	**$ 3,031,063**
Total	**$ 13,901,804**	**$ 926,678**	**$ 14,828,482**

Demographics

The immediate subject area is significantly faster growing than the metro area as well as the 3- and 5-mile radius. Average household income in the 1-, 3- and 5-mile radius is significantly higher than the metro area as a whole and median owner-occupied housing values are significantly higher in the immediate area than the metro area. Additionally, the percentage of owner-occupied units is higher in the immediate area than the metro area. We have relied on economists' projections from Nielsen in order to isolate potential housing demand at the subject property. The projected household growth in the 1-mile radius is projected to increase at a rate of 9.79% from 2020 through 2025. The chart on the following page is a summary of the demographics of the population within a 1-, 3- and 5-mile radius of the subject as well as the Austin-Round Rock Metropolitan area.

DEMOGRAPHIC ANALYSIS				
	1-Mile Radius	3-Mile Radius	5-Mile Radius	Austin-Round Rock CBSA
Population				
2025 Projection	1,525	17,072	68,676	2,425,567
2020 Estimate	1,389	15,680	63,488	2,235,584
2010 Census	998	10,734	46,668	1,716,289
2000 Census	597	6,358	30,994	1,249,777
Percent Change: 2020 to 2025	9.79%	8.88%	8.17%	8.50%
Percent Change: 2010 to 2020	39.18%	46.08%	36.04%	30.26%
Percent Change: 2000 to 2010	67.17%	68.83%	50.57%	37.33%
Households				
2025 Projection	521	5,758	23,015	928,368
2020 Estimate	471	5,242	21,155	852,710
2010 Census	327	3,464	15,331	650,459
2000 Census	181	1,931	9,757	471,863
Percent Change: 2020 to 2025	10.62%	9.84%	8.79%	8.87%
Percent Change: 2010 to 2020	44.04%	51.33%	37.99%	31.09%
Percent Change: 2000 to 2010	80.66%	79.39%	57.13%	37.85%
2020 Est. Average Household Income	$38,957	$66,855	$65,583	$113,467
2020 Est. Median Household Income	$32,055	$46,087	$47,561	$82,114
2020 Est. Average Household Size	2.73	2.78	2.66	2.57
Renter-Occupied	67.94%	47.02%	51.73%	40.25%
Owner-Occupied	32.06%	52.98%	48.27%	59.75%
2020 Est. HHs by HH Income	471	5,243	21,156	
CY HHs, Inc < $15,000	127	883	3,236	
CY HHs, Inc $15,000 - $24,999	53	448	1,826	
CY HHs, Inc $25,000 - $34,999	79	599	2,528	
CY HHs, Inc $35,000 - $49,999	98	911	3,502	
CY HHs, Inc $50,000 - $74,999	66	895	3,644	
CY HHs, Inc $75,000 - $99,999	21	526	2,604	
CY HHs, Inc $100,000 - $124,999	10	358	1,587	
CY HHs, Inc $125,000 - $149,999	7	194	798	
CY HHs, Inc $150,000 - $199,999	7	197	701	
CY HHs, Inc $200,000 - $249,999	3	103	320	
CY HHs, Inc $250,000 - $499,999	0	90	297	
CY HHs, Inc $500,000+	0	39	113	

Source: Environics Analytics

Subject Land Use

Subject property will include nine (9) tracts of mixed use vacant land including 581 proposed single-family residential lots to be developed on Tract 6. The residential lots will have one product type projected to be "Single-family Lots" with sizes of 46-front feet and 50-front feet. In our product analysis, the appraisers will analyze the market data and develop revenue estimates (base price) for the product type included. The appraisers have reviewed the competitive home pricing by submarket, lot size, and on a project-by-project basis. The appraisers formulated hypothetical product and pricing assumptions for the subject's detached product. The chart at the end of this section summarizes our findings and will be referenced in the following discussion.

Special Hazards or Adverse Influences

The appraisers observed no major detrimental influences in the local market area.

Land Use Changes

Development is expected to continue to convert vacant land into single-family subdivisions and mixed use commercial development in the vicinity over the foreseeable future.

Outlook and Conclusions

The subject areas of south-central Hays County and the Austin-San Marcos metropolitan area remain in a growth stage, with a strong demographic profile. In comparison to other areas in the region, the area is rated as follows:

SURROUNDING AREA ATTRIBUTE RATINGS

Highway Access	Good
Demand Generators	Good
Convenience to Supporting Land Uses	Good
Employment Stability	Good
Demographic Trends	Good
Property Compatibility	Good
General Appearance of Properties	Average
Appeal to Market	Good
Price/Value Trend	Average

The immediate subject area is in the growth stage of its life cycle. Population growth is above average and average household earnings are significantly higher than other surrounding market areas. The area benefits from good transportation linkages, and positive population and employment growth trends. The subject's trade area is suburban and comprised of generally newer single-family residential subdivisions with commercial uses along highway frontage parcels. The outlook for the subject's local market area is positive with strong growth trends forecast to continue into the foreseeable future.

RESIDENTIAL MARKET ANALYSIS

The strength of any market depends on supply and demand. Supply and demand in this submarket directly affect the subject's value, as well as its potential exposure time and marketing period. As the subject is situated within the Austin-San Marcos MSA, we have included an overview of the Austin-San Marcos Single-family market followed by an overview of the subject immediate market area in South-Central Hays County focusing on competing properties for the subject, Paramount Park Subdivision, proposed lots.

Over the past few decades, Austin grew substantially in all directions, bounded primarily by the limitations imposed by geography. San Marcos and Kyle have become satellite, suburban communities with many commuters living in the locale who work in Austin. Because of the tight housing market in Austin and the dramatically high cost of home ownership in that city, many Austin workers live in the surrounding suburban areas including Kyle/San Marcos and commute to Austin daily for work. This has led to a tremendous growth of average to good quality single-family residential development in the San Marcos and Kyle market area in recent years which is continuing now.

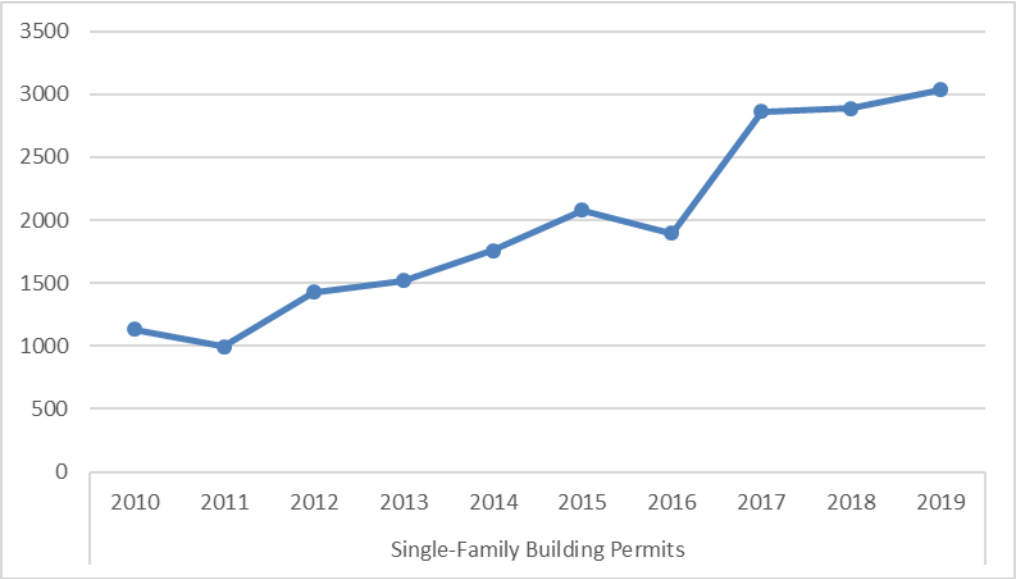
Single-family Market Overview – State

In 2019, Texas issued a total of 122,099 single-family building permits and increase of 2.4% over 2018. In 2018, Texas issued a total of 119,226 single-family building permits, an increase of 2.1% over 2017. In 2017, Texas issued a total of 116,766 single-family building permits, an increase of 9.6% over 2016. In 2016, Texas issued a total of 106,1051 single-family building permits and increase of approximately 1% over 2015. In 2015, Texas issued a total of 105,448 single-family building permits which was an increase of 2.3% over 2014. In 2014, Texas issued a total of 103,045 single-family building permits which was a 10.2% increase over the previous year. In 2013, Texas issued a total of 93,478 single-family building permits which was a 14.1% increase over 2012. In 2012, Texas issued a total of 81,926 single-family building permits which was a 21.8% increase over the previous year. In 2011, Texas issued a total of 67,254 single-family building permits; with no significant change from the 68,170 issued in 2010, or the 68,230 issued in 2009, but a decline of 16% from the 2008 total of 81,107 permits. The 2008 total represented a 33% decline from the 2007 total of 120,366 as reported by the TAMU Real Estate Center. The 2007 level was a 26% decline from the 163,032 permits issued in 2006, which was only 2% below the 166,203 issued in 2005. Between 1998 and 2005, permit activity increased every year, with 10% to 12% increases in 2002 through 2005 during the heated period leading up to the subprime crisis.

Single-family Market Overview – City of San Marcos and Hays County

Single-family permit activity in the MSA, which includes condominium units, from 2010 through 2019 is as follows. The source of all data in the charts in this section is the Real Estate Center at Texas A&M University.

	Single-Family Building Permits									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Hays County	1130	996	1426	1517	1757	2077	1895	2862	2890	3036



The number of single-family building permits in the county and city have increased at a fairly strong pace over the past seven years. There were 1130 new home permits in the County in 2010 which more than doubled to 3036 in 2019.

The Average Value per Dwelling Unit has also shown a strong growth rate over the past ten years for the County. The county average grew from $148,400 in 2009 to $206,400 in 2019. The chart and graph below show the rise in average value per dwelling.

	Average Value per Dwelling Unit										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hays County	$148,400	$145,700	$153,900	$177,400	$174,700	$182,700	$183,200	$196,400	$200,700	$206,400	$206,400
Source: U.S. Census Bureau and Real Estate Center at Texas A&M University											

Competitive Market Overview – Whisper Mixed Use Subdivision

We have analyzed the subject proposed lots in comparison with five others of the most comparable subdivisions in the subject target market area. These five are judged to be the most comparable to the subject featuring comparable sized lots for similar priced homes in the $200,000 to $400,000 price range. These five subdivisions include Paramount, Crosswinds, Blanco Vista, Cypress Forest and Cool Springs. The total number of available lots in these subdivisions' ranges from 37 vacant developed lots in Cool Springs to approximately 108 in Blanco Vista. The subject lots will all be 46' to 50' front foot lots and are proposed at the current time. Annual lot closings among the comparables range from 28 to 108. All of the 581 proposed subject lots are currently under contract to two area homebuilders.

In these five subdivisions there is currently a supply of 1,421 lots (including the 581 proposed lots in the subject property).

The proposed lots for the subject property, will include 581 single-family lots ranging in size from 46-front feet to 52-front feet with average of approximately 50-front feet, and an average depth of approximately 120' per lot. The concluded average lot pricing (outlined in Income Approach) is $48,250 based on the chart included below. The concluded retail market price per lot is analyzed in a later section of the report.

RETAIL LOT VALUE

Bulk Lot Value	Comparable Lots			
Adjusted Price		Per FF		
High	$	1,063		
Low	$	895		
Average	$	966		
Lot Type	Finished Lot Price		Conclude	
50'	$	48,250	$	965

It is judged that the marketing of these lots is likely to be successful based on the number of homes successfully developed in other comparable subdivisions in the area over the past several years through current date, and in the surrounding market area discussed above as well as the number of lot sales which occurred in the past 12 months. The success of these comparable subdivisions coupled with the proposed development, location and the favorable single-family residential market indicates that marketing of the subject proposed lots should occur at a relatively strong rate until sold out. All of the subject proposed lots are currently under contract to two local area homebuilders. The current contracts reflect a total absorption of approximately 10 lots per month or 30 lots per quarter as shown below. The developer and homebuilders have successfully developed other lots and homes in other subdivisions in the Austin and general Texas market area.

Qualifying Potential

Qualifying potential was also considered in ascertaining effective demand for the subject single-family development. Using the five most comparable subdivisions and the proposed lot contracts in the subject, as a basis to estimate the price range of homes in the proposed subject subdivision, it is estimated that the average home price will range from $200,000 to $300,000 with an average home price of $230,000. The required annual household income needed to qualify for a conventional 30-year 4.25% fixed mortgage was determined using a 90% loan-to-value ratio, a 1.873% factor for property taxes, 0.3% for insurance and a mortgage-debt ratio of 27.5% of annual income (assuming some level of consumer debt, on average). Per these assumptions, the annual household income required to qualify for the subject home is as follows:

Qualifying Purchasers			
Home Price	Mort. Amount	Int & Fees	Required Income
$200,000	$180,000	$11,535	$41,947
to			27.5%
$300,000	$270,000	$17,303	$62,920

The range of household income requirements is indicative of middle to upper middle-income level housing. For this analysis, the qualifying household income levels in the range of $35,000 to 150,000 per annum for the 5-mile radius were utilized as they are more similar to the income levels of the target market for the subject project and as most of the directly competing subdivisions are located in this area. As evidenced by

absorption of similar product in the submarket and the qualifying analysis, there are a reasonable number of prospective buyers having sufficient purchasing power for housing in this price range.

Target Market

Based on the anticipated home product and the appraisers' survey of competitive projects, the expected target market is for quality made, well designed middle to upper-middle end house home buyers. The following reflects the projected household demand within the 5-mile radius micro market (Hays County) using a base of 21,155 homes in 2020, growing to 23,082 homes in 2025 taken from the Environics Analytics Demographic report presented earlier. This household growth is then qualified to the income requirements for the specified housing type (approximately 57.36% of households within the subject area fall within the qualifying income category).

Projected Household Growth for Subject Area (5.0 mile radius) - Per Environics Analytics								
	2020	2021	2022	2023	2024	2025	2026	2027
Subject Area Percentage of Growth	1.758%	1.758%	1.758%	1.758%	1.758%	1.758%	1.758%	1.758%
Subject Area Households	21,155	21,527	21,906	22,291	22,683	23,082	23,487	23,900
Subject Area Annual Household Growth	372	379	385	392	399	406	413	420

Total Market by Income Strata - 5 mile radius								
	2020	2021	2022	2023	2024	2025	2026	2027
Household Growth *	372	379	385	392	399	406	413	420
% of Households in Income Strata **	57.36	57.36	57.36	57.36	57.36	57.36	57.36	57.36
Total Annual Market by Income Strata	213	217	221	225	229	233	237	241

Based on demographics for the 5-mile radius, it is shown that 90% of homeowners have a single-family ownership preference; the total submarket demand can be estimated at 192 homes per year for 2019 or 48 per quarter. There is a total of approximately 1,421 developed lots in the competing subdivisions analyzed above. The subject Whisper proposed lot inventory of 581 lots comprises approximately 40% of the total lots in this category. Additionally, the five primary competing subdivisions in this category outlined above experienced annual closings of 211 homes per year for the past 12 months which only reflects a small portion of the subject market area. According to the statistics for the county, there were a total of 3,036 new home starts in Hays County in 2019.

Based on the subject lot contracts and the successful historic sales history of comparable subdivisions in the subject market area, for the Whisper Subdivision proposed lots, a projected capture ratio for the subject proposed lot inventory, is estimated at approximately 60% to 65%, say 62.5% or 120 lots per annum and 30 lots sales per quarter. This reflects sellout of the subject proposed 581 lots within 4.75 years based on the existing lot contracts, which is equivalent to approximately 30 lot sales per quarter or 120 per annum for Year 1, increasing to 122 lots per year for Year 2, 124 lots per year for Year 3, 126 lots for Year 4 with the remaining 89 lots selling out in Year 5. The proposed lots in the subject subdivision have an estimated development period of approximately 12 months. The absorption projection is in-line with demographic indications and past home sales/starts in Hays County. When applied to the subject property, sell-out is projected to occur within 19 quarters or 4.75 years for the proposed subject lots.

Projected Annual Absorption						
Fiscal Start Period - 2020	**Year**	**1**	**2**	**3**	**4**	**5**
Total Market by Income Strata		213	217	221	225	229
Single Family Preference	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Total Market for Development		192	195	199	202	206
Estimated Capture Rate		62.5%	62.5%	62.5%	62.5%	43.2%
Annual Potential Sales for Subject		120	122	124	126	89
Phase 1 lot sales	581	120	242	366	492	581
Sub-total	581	120	242	366	492	581

Subject Land Use

The proposed lots in Whisper Subdivision based on the area, lot size and development characteristics have one primary product type, quality middle to upper middle-end lots with average sizes of 46-front feet to 52-feet, with an average of 50-front feet. In our product analysis, the appraisers will analyze the market data and develop revenue estimates (base price) for this product type. The appraisers have reviewed the competitive home pricing by submarket, lot size, and on a project-by-project basis. The appraisers formulated hypothetical product and pricing assumptions for the subject's detached product. The chart at the end of this section summarizes our findings and will be referenced in the following discussion.

Product Type –Single-family Lots

The subdivision lots, which are the subject of this appraisal builder lots ranging in sizes from 46-front feet to 52-front feet single-family residential home lots. We used similar sized lot comparables in our analysis. The estimated median home price in Whisper Subdivision is anticipated to be in the range of $200,000 to $300,000 with an average home price of approximately $230,000.

The lot values are discussed in the Valuation Section of this report. The concluded retail lot pricing for the subject lots based on the forthcoming analysis for the subject, is $48,250 per lot. This conclusion is aligned with the current builder contracts and an analysis of the comparable lot sales.

Product and Pricing Conclusion

The chart on the following page summarizes the current subdivision average home pricing and the appraisers' base home pricing for future built inventory as derived from the comparisons. As noted, the subdivision's average proposed home size and pricing is in-line with the market.

DETACHED HOME PRODUCT					LOT PRICING		
Project Subdivision / Comp No.	Total Lots	Lots Sold	Lots Available	Annual Sales Start/ Annual Closings	Lot Size (FF) Lot Pricing	Ave. Home Price	Ave. Base Price Lot % of Price
Subject-Whisper Subd.	581	0			46' to 52'	$200,000	$230,000
		Proposed		0		to	
All Proposed; none existing			581	0	$45,990-62,990	$300,000	21.0%
1. Paramount	330	0			40' to 65'	$220,000	$280,000
		Proposed		0		to	
All Proposed; none existing			330	0	$45,990-62,990	$335,000	19.4%
2. Crosswinds Subdivision	88	28			40' to 60'	229,000	$275,000
		2,019		25		to	
			60	28	$55,000	285,000	20.0%
3. Blanco Vista	403	108			45'	255,000	$275,000
		2,019		82	50'	to	
			295	108	$56,250-62,500	320,000	21.0%
4. Cypress Forest	159	41			65'	410,000	$525,000
		2,019		35		to	
			118	41	$72,500	575,000	13.8%
5. Cool Springs	71	34			60'	244,990	$265,000
		2,019		25		to	
			37	34	$55,000	325,000	20.8%
Minimum	**71**	**0**	**37**	**3**	**125**	**400,000**	
Average	**223**	**43**	**181**	**17**	**175**	**361,667**	
Maximum	**403**	**108**	**330**	**108**	**250**	**1,000,000**	

COMMERCIAL/INDUSTRIAL/MULTI-FAMILY LAND MARKET ANALYSIS

The subject includes eight tracts of commercial/mixed use/industrial land. It is judged that demand for development of these sites will increase as new homes are constructed in the neighborhood. Typically, the demand for multi-family housing and commercial development follows development of single-family housing as demand increases when the population grows.

Retail Market

It is judged that the most likely use of the IH-35 frontage tracts as well as select interior tracts is for retail-commercial development which typically follows residential development in order to provide support services for the new households in the market area. The subject market area has seen a limited amount of new commercial development to date although the number of households has increased dramatically in recent years.

According to a custom CoStar Retail Market Analysis, for San Marcos to Kyle (encompassing the subject area) indicates a retail inventory of 5.1 million square feet, at an average market rental of $23.48 per square foot per year, net, and a vacancy rate of 3.5%. The projected next 12 months absorption is projected at 162,000 square feet, compared to projects under construction of 19,900 square feet. The market appears strong and improving.

Search Analytics **Retail Analytics Summary**

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
5.1 M +1.0%	19.9 K -26.1%	162 K +196.5%	3.5% -0.6%	$23.48 +3.0%	$253 +4.0%	6.5% -0.1%
Prior Period 5.1 M	Prior Period 26.9 K	Prior Period 54.5 K	Prior Period 4.1%	Prior Period $22.79	Prior Period $243	Prior Period 6.6%

Key Metrics

Availability	
Vacant SF	180 K ↓
Sublet SF	25.1 K ↑
Availability Rate	4.4% ↑
Available SF	230 K ↑
Available Asking Rent/SF	$23.37 ↑
Occupancy Rate	96.5% ↑
Percent Leased Rate	97.1% ↑

Inventory	
Existing Buildings	529 ↑
Under Construction Avg SF	9.9 K ↓
12 Mo Demolished SF	26.2 K ↑
12 Mo Occupancy % at Delivery	89.5% ↑
12 Mo Construction Starts SF	67.5 K ↑
12 Mo Delivered SF	74.6 K ↑
12 Mo Avg Delivered SF	12.4 K ↓

Sales Past Year	
Asking Price Per SF	$230 ↑
Sale to Asking Price Differential	-2.3% ↓
Sales Volume	$8.5 M ↓
Properties Sold	22 ↓
Months to Sale	10.7 ↑
For Sale Listings	16 ↓
Total For Sale SF	148 K ↑

Demand	
12 Mo Net Absorp % of Inventory	1.5% ↑
12 Mo Leased SF	163 K ↓
Months on Market	8.1 ↑
Months to Lease	9.9 ↑
Months Vacant	11.2 ↑
24 Mo Lease Renewal Rate	75.6%
Population Growth 5 Yrs	21.0%

6780665 03/12/2020

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Office

An office market analysis prepared by CoStar custom analytics regarding the Kyle-San Marcos market indicates an inventory of 1.4 million square feet and an average vacancy of 11.6%. The 12 month absorption rate is -3,500 square feet, and 82,600 square feet is currently under construction. Average rental rates are $25.83 per square foot per year, on a full service basis. Overall, the office market is indicated to be generally strong with growth opportunities.

Search Analytics **Office Analytics Summary**

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
1.4 M +3.1%	82.6 K +74.3%	(3.5 K) -109.4%	11.6% -3.2%	$25.83 +4.2%	$204 +3.7%	6.7% 0%
Prior Period 1.3 M	Prior Period 47.4 K	Prior Period 37.1 K	Prior Period 8.4%	Prior Period $24.80	Prior Period $196	Prior Period 6.7%

Key Metrics

Availability	
Vacant SF	160 K ↑
Sublet SF	7.4 K ↑
Availability Rate	17.5% ↑
Available SF	256 K ↑
Available Asking Rent/SF	$27.28 ↑
Occupancy Rate	88.4% ↓
Percent Leased Rate	88.8% ↓

Inventory	
Existing Buildings	136 ↑
Under Construction Avg SF	6.9 K ↓
12 Mo Demolished SF	0 ↓
12 Mo Occupancy % at Delivery	45.8% ↓
12 Mo Construction Starts SF	76.9 K ↑
12 Mo Delivered SF	41.4 K ↓
12 Mo Avg Delivered SF	17.1 K ↓

Sales Past Year	
Asking Price Per SF	-
Sale to Asking Price Differential	-
Sales Volume	$0 ↓
Properties Sold	14 ↑
Months to Sale	1.0 ↓
For Sale Listings	17 ↑
Total For Sale SF	75.6 K ↑

Demand	
12 Mo Net Absorp % of Inventory	-0.4% ↓
12 Mo Leased SF	50.8 K ↓
Months on Market	10.8 ↑
Months to Lease	4.5 ↑
Months Vacant	4.5 ↑
24 Mo Lease Renewal Rate	50.4%
Population Growth 5 Yrs	21.1%

6780665 03/12/2020

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Industrial

An industrial market analysis prepared by CoStar custom analytics regarding the Kyle-San Marcos market indicates an inventory of 1.8 million square feet and an average vacancy of 9.5%. The 12 month absorption rate is -12,300 square feet, and 113,000 square feet is currently under construction. Average rental rates are $9.12 per square foot per year, net. Overall, the industrial market is indicated to be generally at equilibrium and stable with growth opportunities.

Search Analytics

Industrial Analytics Summary

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
1.8 M +0.2%	113 K +2,397.0%	(12.3 K) -141.7%	9.5% -2.3%	$9.12 +2.7%	$89 +5.9%	6.9% 0%
Prior Period 1.8 M	Prior Period 4.5 K	Prior Period 29.5 K	Prior Period 11.8%	Prior Period $8.88	Prior Period $84	Prior Period 6.9%

Key Metrics

Availability	
Vacant SF	175 K ↓
Sublet SF	0 ↓
Availability Rate	13.6% ↑
Available SF	268 K ↑
Available Asking Rent/SF	$10.70 ↑
Occupancy Rate	90.5% ↑
Percent Leased Rate	91.9% ↑

Inventory	
Existing Buildings	104 ↓
Under Construction Avg SF	56.3 K
12 Mo Demolished SF	0 ↓
12 Mo Occupancy % at Delivery	96.6% ↑
12 Mo Construction Starts SF	113 K ↑
12 Mo Delivered SF	4.3 K ↓
12 Mo Avg Delivered SF	10.3 K ↑

Sales Past Year	
Asking Price Per SF	-
Sale to Asking Price Differential	-
Sales Volume	$0 ↓
Properties Sold	5 ↓
Months to Sale	42.3 ↑
For Sale Listings	4 ↓
Total For Sale SF	113 K ↑

Demand	
12 Mo Net Absorp % of Inventory	2.5% ↑
12 Mo Leased SF	92.8 K ↓
Months on Market	9.3 ↑
Months to Lease	5.7 ↑
Months Vacant	5.5 ↑
24 Mo Lease Renewal Rate	52.1%
Population Growth 5 Yrs	21.4%

6780665 03/12/2020

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Multi-Family

A multi-family analysis prepared by CoStar custom analytics regarding the Kyle-San Marcos market indicates an inventory of 9,774 units and an average occupancy of 6.5%. The 12 month absorption rate is 205 units and 266 units are under construction. Average rental rates are $1,043 per unit. Overall, the multi-family market is indicated to be healthy.

Search Analytics

Multi-Family Analytics Summary

INVENTORY UNITS	UNDER CONSTRUCTION UNITS	12 MO ABSORPTION UNITS	VACANCY RATE	MARKET RENT/UNIT	MARKET SALE PRICE/UNIT	MARKET CAP RATE
9,774 0%	266 -	205 -50.6%	6.5% -2.1%	$1,043 +0.6%	$106 K +3.3%	5.7% 0%
Prior Period 9,774	Prior Period 0	Prior Period 415	Prior Period 8.6%	Prior Period $1,036	Prior Period $103 K	Prior Period 5.7%

Key Metrics

Availability	
Vacant Units	635 ↓
Asking Rent/SF	$1.15 ↑
Concession Rate	0.8% ↓
Studio Asking Rent	$772 ↑
1 Bedroom Asking Rent/Unit	$941 ↑
2 Bedroom Asking Rent/Unit	$1,068 ↓
3 Bedroom Asking Rent/Unit	$1,138 ↓

Inventory	
Existing Buildings	97 ↑
Average Units Per Bldg	-
12 Mo Demolished Units	0 ↑
12 Mo Occupancy % at Delivery	-
12 Mo Construction Starts Units	14 ↑
12 Mo Delivered Units	0 ↓
12 Mo Avg Delivered Units	-

Sales Past Year	
Asking Price Per Unit	-
Sale to Asking Price Differential	-
Sales Volume	$36.2 M ↑
Properties Sold	6 ↓
Months to Sale	-
For Sale Listings	3 ↑
Total For Sale Units	26 ↓

Demand	
12 Mo Absorp % of Inventory	2.1% ↓
Median Household Income	54.6 K
Population Growth 5 Yrs | 20-29	-16.3%
Population Growth 5 Yrs | 30-39	32.8%
Population Growth 5 Yrs | 40-54	61.6%
Population Growth 5 Yrs | 55+	26.0%
Population Growth 5 Yrs	20.7%

6780665 03/12/2020

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CoStar Page 1

LAND AND DEVELOPMENT ANALYSIS

The following description of the subject's characteristics is based on the proposed development plan and our physical property tour/visit. Please refer to the photographs for a visual perspective of the subject's physical characteristics. The subject subdivision located within the city limits of San Marcos includes approximately 706.349 acres of land area. This appraisal specifically addresses 581 proposed single-family lots. Additionally, there are eight (8) tracts of vacant land proposed for mixed use commercial, industrial and multi-family development. The property is valued "as complete" for the proposed single-family lots and "as is" for the to be developed vacant land (both commercial and single-family). The property is identified as follows:

VACANT LAND INVENTORY			
Unit #	**Location**	**Size (Ac)**	**Legal Description**
Tract 1	SEC Yarrington Rd & IH-35	69.393	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 2	SEC Suspro Pkwy & IH-35	46.293	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3A	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	121.280	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3B	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	16.560	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 4	SEC Opportunity Blvd. & IH-35	164.183	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 5	SES Opportunity Blvd.	33.370	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 6	SS Opportunity Blvd.	130.641	J. Miner Survey, Abstract 321
Tract 7A	SEC Yarrington Rd & Fortuna Blvd.	72.660	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 7B	NEC Opportunity Blvd. & Fortuna Blvd.	51.969	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

Lot Analysis

The subject Tract No. 6 is proposed to be improved with 581 single-family residential lots. The buildable lots are divided as follows:

Proposed SFR Lots - Whisper Subdivision							
Type	**Total Lots**	**FF**	**Avg Ac Size**	**Gross SF/Lots**	**Acreage**	**Condition**	**Proposed Use**
Single Family							
46' & 50' SFR Lots	581	46-50'	6,887	0.158	91.86	Developed	Custom Homes
Street R.O.W.					29.090	Developed	Streets
R.O.W. Harris Hill					1.186	Developed	Streets
Parks and Open space					8.509	Developed	Parkland
Total SF Development	**581**		**6,887**	**0.158**	**130.641**		

The proposed lots are all generally rectangular in shape with generally level topography and a buildable site area on each lot. The lots will have all utilities including water, sewer and electricity service extended to each site. All utilities are underground with asphalt paved streets and concrete curbs.

The developer has provided the proposed site plan and the lot count utilized in this analysis.

The physical characteristics of the undeveloped residential land is included as follows. A general description of the property follows a brief summary of the vacant land tract included below. Plats of the proposed development is included following this description.

The residential land (Tract 6) includes 130.641 acres of land area which will be developed with 581 46-foot to 50-foot single-family lots. The total land area for the actual lots is 91.86 acres with an average lot size of

6,887 square feet or 0.158 acre per lot. There is 29.09 acres of land utilized for roadways and an additional 1.186 for Harris Hill Road. The amount of acreage in parks and open space totals 8.468 acres.

8 tracts Mixed Use Commercial and Multi Family Land

Commercial/Mixed Use Tracts - Whisper PID			
Commercial/Mixed Use			
Tract No. 1	69.393	Developed	Commercial/MU
Tract No. 2	46.293	Developed	Commercial/MU
Tract No. 3A	121.280	Developed	Commercial/MU
Tract No. 3B	16.560	Developed	Commercial/MU
Tract No. 4	164.183	Developed	Commercial/MU
Tract No. 5	33.370	Developed	Commercial/MU
Tract No. 7A	51.969	Developed	Commercial/MU
Tract No. 7B	72.660	Developed	Commercial/MU
Total Commercial/mixed Use Land Area	**575.708**		

The mixed use parcels include a 69.393 acre tract of commercial land located at the southeast corner of Yarrington Road (C.R. 159 and IH-35); a 46.293 acre tract of commercial land located at the southeast corner of Suspro Parkway and IH-35; a 121.280 acre tract of mixed use land located along the southside of Suspro, the west side of Fortuna Road and the northside of Opportunity Blvd.; a 16.560 acre tract of mixed use land located also located along the southside of Suspro, the west side of Fortuna Road and the northside of Opportunity Blvd.; a 164.183 acre parcel located at the southeast corner of Opportunity Blvd. and IH-35; a 33.370 acre parcel (included four parcels) of mixed use land located along the southeast side of Opportunity Blvd.; a 51.969 acre parcel of mixed use land located at the northeast corner of Opportunity Blvd. & Fortuna Blvd.; and a 72.660 acre parcel of mixed use land located at the southeast corner of Yarrington Road and Fortuna Blvd.

Topography

The topography of the land is generally level to rolling and located at street grade with the existing and proposed streets. The residential tracts are generally irregular in configuration abut the Tract 5 multi-use parcels. The commercial and multi-family tracts are all irregular in configuration designed to maximize development of each tract. The land is well suited for future residential, commercial and multi-family development. All public utilities and roadways will be provided to each lot and each tract of land. New streets and utility capacity will be expanded by funding from the proposed Whisper PID.

Location

The Whisper PID is situated along the east side of IH-35 along the southside of Yarrington Road. The property is located just north of downtown San Marcos. The subject property includes proposed single-family lots, and vacant land within the Whisper PID with access via roadways which have been developed or are proposed to be developed within the parent project.

Physical Attributes

The subject site includes proposed single-family lots and mixed use commercial and multi-family land all located within Whisper PID It is surrounded by existing development to the north and west with mostly vacant undeveloped land to the east and south. Each site has street frontage on existing or proposed street with

good visibility, frontage and access. Proposed utilities include water, sewer, telephone and electricity which are or will be underground following the roadways bisecting the site.

Streets

The subject/parent Whisper PID includes numerous existing and proposed streets and cul-de-sacs providing frontage and access to each lot. The main entry street which extends in an easterly direction through the developed portion of Lagos is designated as Yarrington Road (C.R. 159) and a second primary entry street is Opportunity Blvd. Additional streets will be developed as part of the PID improvements.

The streets are 60-foot right-of ways with two-lanes of two-way traffic. All streets will be asphalt-paved roadways with concrete curbs. Traffic at the subject's street frontage is limited to local neighborhood traffic. Streets have been or will be (when complete) dedicated to the city of San Marcos and maintenance will be by the city once all roadways are complete according to guidelines outlined in the PID documents.

Accessibility

The development has excellent access via existing streets and the existing Lexington Street frontage and IH-35 frontage. IH-35 is an interstate highway with divided main lanes and one way access roads on each side. The east side access road fronts the subject property. Other streets in and surrounding the subject property are two-way, two-lane, 60' rights-of-way which are asphalt paved to be maintained by the city of San Marcos.

Topography/Vegetation

The land features generally level topography which is considered favorable to development. The majority of the vacant land site is basically open and cleared land.

Zoning and Restrictions

The appraised property lots are located within the City of San Marcos and are subject to the Planned Unit Development (PUD) for the Whisper PID which has been approved by the city of San Marcos. The zonings are for single-family residential, commercial, light industrial (business park) and multi-family use. The property is also subject to subdivision development restrictions of the City of San Marcos. It is reported that the existing and proposed development is in accordance with guidelines outlined in the PUD.

Utilities

The property is served by public utilities including water, sewer, electricity, and telephone. Additional utility capacity, drainage, roadway development and other related infrastructure will be provided via funding from the Whisper PID.

Surrounding Development

The Whisper PID is surrounded by larger tracts of vacant land to the south and east. There is some existing commercial development to the north and west of the subject and along IH-35.

Development Schedule

The subject property Proposed 581 lots are projected to be completed within the next 12 months. Lot sales projected to begin within 12 months shown as Year 1 in the DCF.

Easements/Encroachments

Based on our visit and available maps, no easements or encroachments were noted which would be detrimental to development of the subject site. There are several green spaces/parks and a drainage area located within the property with some parks and green space in the residential land plan which increases the ambience and outdoor amenity package of the subdivision. Our value conclusions are subject to revision should a current title policy reveal that any adverse easements or encroachments are present.

Soil and Sub-soil Conditions

No soil engineer's report was available to us and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement which may be constructed. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain engineering studies, which may be required to ascertain any structural integrity.

Environmental Conditions

No environmental report was available to us and no recent environmental tests are known to have been performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain status of the property with regard to asbestos and other hazardous materials.

Flood Zone

According to National Flood Insurance Rate Map Community Panel Number 48209C0385F, 48209C0392F and 48209C0415F, effective 9/02/2005, portions of the subject land is situated within the floodplain; however, each single-family lot and the vacant tracts of land are outside the 100 and 500-year flood plain.

Site Improvements

The subject residential lots are proposed in nature. Site improvements include asphalt paved streets with concrete curbs and drainage. Underground utilities (water, sewer and electric) are available to each lot and tract of vacant land. There are several greenbelts and a drainage lake for use by all of the residents in Whisper; additional amenities such as hiking trails will be developed in the future.

Site Summary

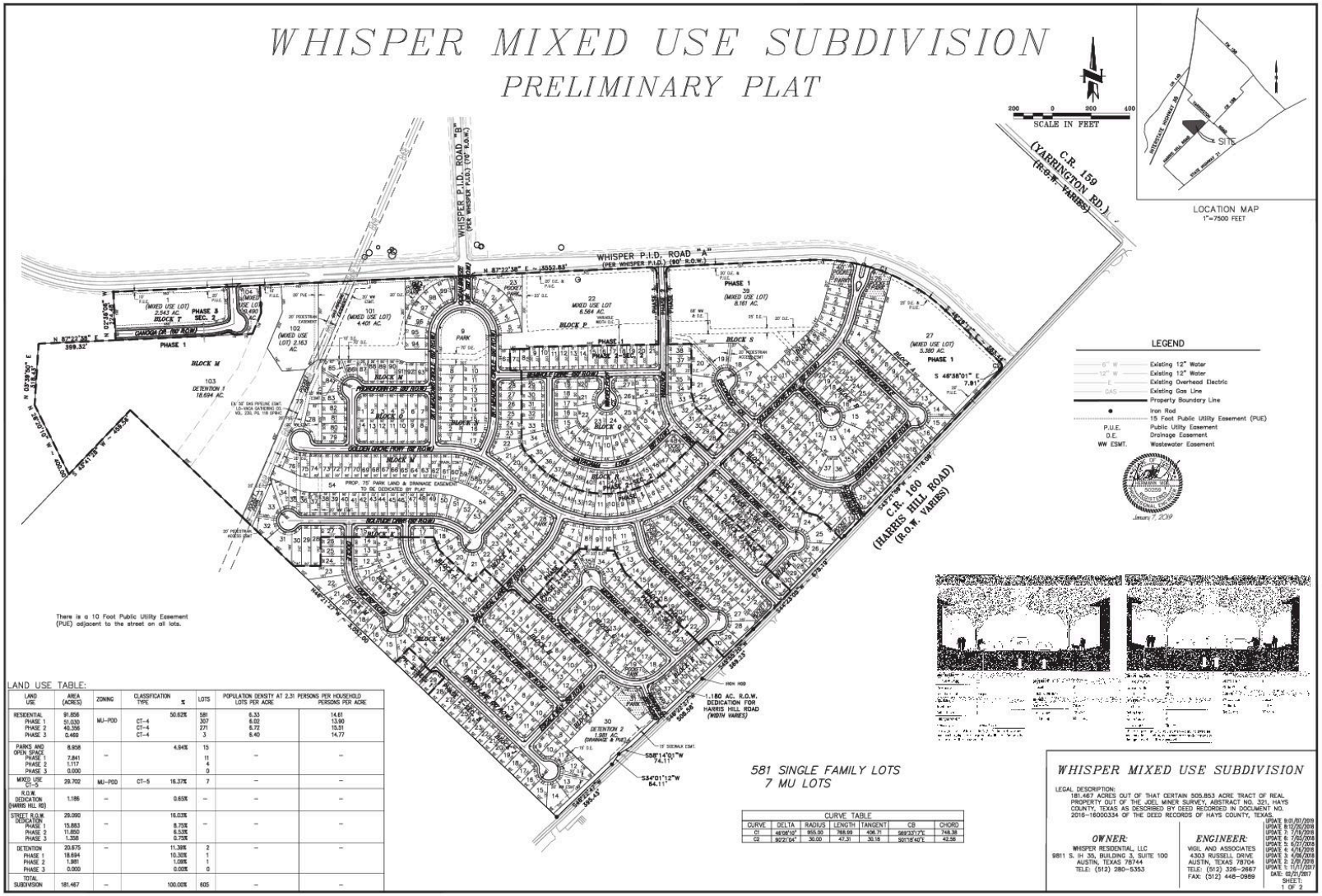
The subject subdivision lots and vacant land tracts have access to public streets which extend to surrounding major traffic arteries. The topography is generally level with a buildable area on each lot which is considered appropriate to accommodate the proposed single-family residential development or commercial/multi-family development. Per a topical investigation the appraised property shape, utility service, land use restrictions, nuisances and hazards do not appear to be restrictive to development of the property. Overall the subject lots are judged to be functionally adequate for residential single-family development.

The Whisper PID will be a good quality subdivision, with a high-end designer built residential development, multi-family and mixed use commercial development.

Land Use Plan

An overview map of the development is included on the following page, identifying the subject units and vacant land tracts, followed by a flood hazard map.

WHISPER LAND USE PLAN



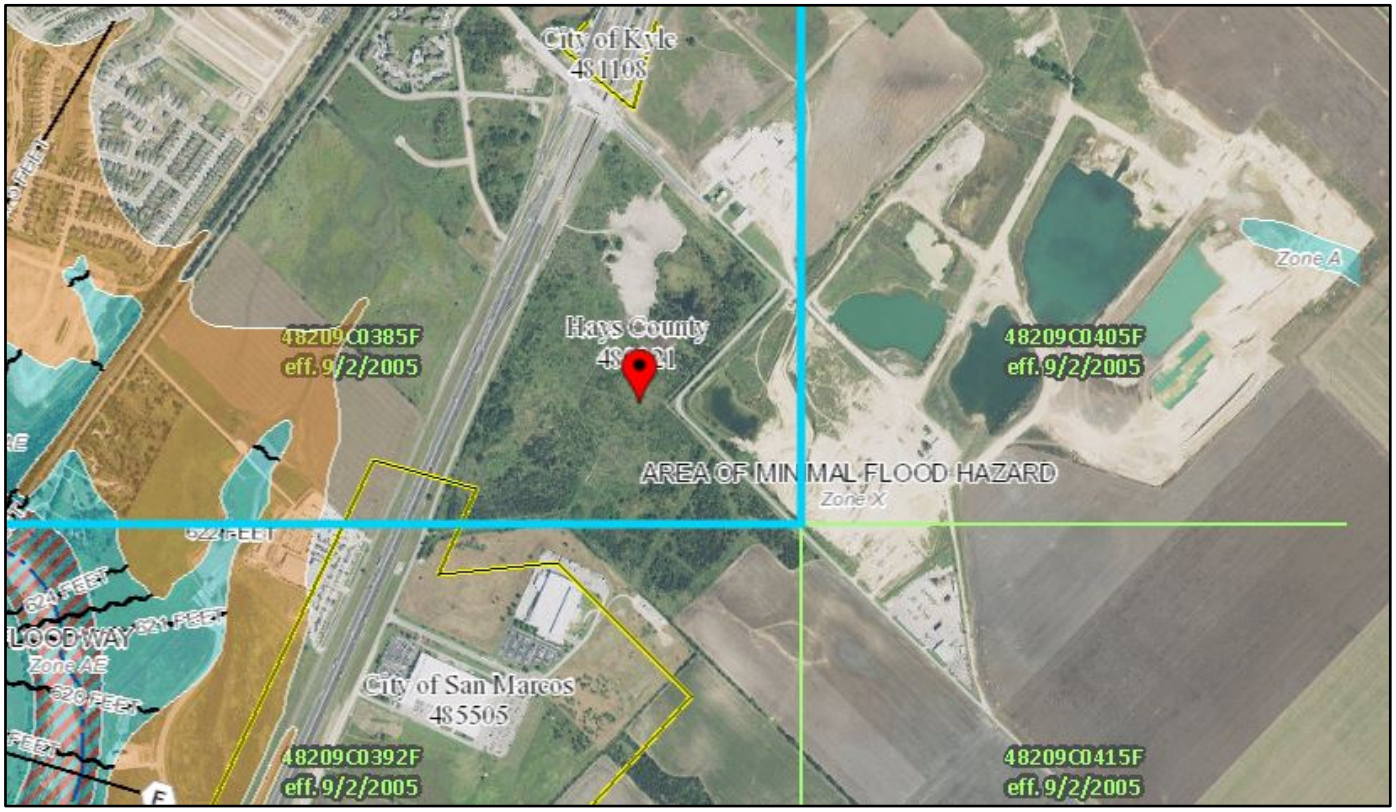
LAND USE TABLE:

LAND USE	AREA (ACRES)	ZONING	CLASSIFICATION TYPE	%	LOTS	POPULATION DENSITY AT 2.31 PERSONS PER HOUSEHOLD LOTS PER ACRE	PERSONS PER ACRE
RESIDENTIAL	91.856	MU-POD		50.62%	581	6.33	14.61
PHASE 1	51.030		CT-4		307	6.02	13.90
PHASE 2	40.356		CT-4		271	6.72	15.51
PHASE 3	0.469		CT-4		3	6.40	14.77
PARKS AND OPEN SPACE	8.958	–		4.94%	15	–	–
PHASE 1	7.841				11		
PHASE 2	1.117				4		
PHASE 3	0.000				0		
MIXED USE CT-5	29.702	MU-POD	CT-5	16.37%	7	–	–
R.O.W. DEDICATION (HARRIS HILL RD)	1.186	–		0.65%	–	–	–
STREET R.O.W. DEDICATION	29.090	–		16.03%	–	–	–
PHASE 1	15.863			8.75%			
PHASE 2	11.850			6.53%			
PHASE 3	1.358			0.75%			
DETENTION	20.675	–		11.39%	2	–	–
PHASE 1	18.694			10.30%	1		
PHASE 2	1.981			1.09%	1		
PHASE 3	0.000			0.00%	0		
TOTAL SUBDIVISION	181.467	–		100.00%	605	–	–

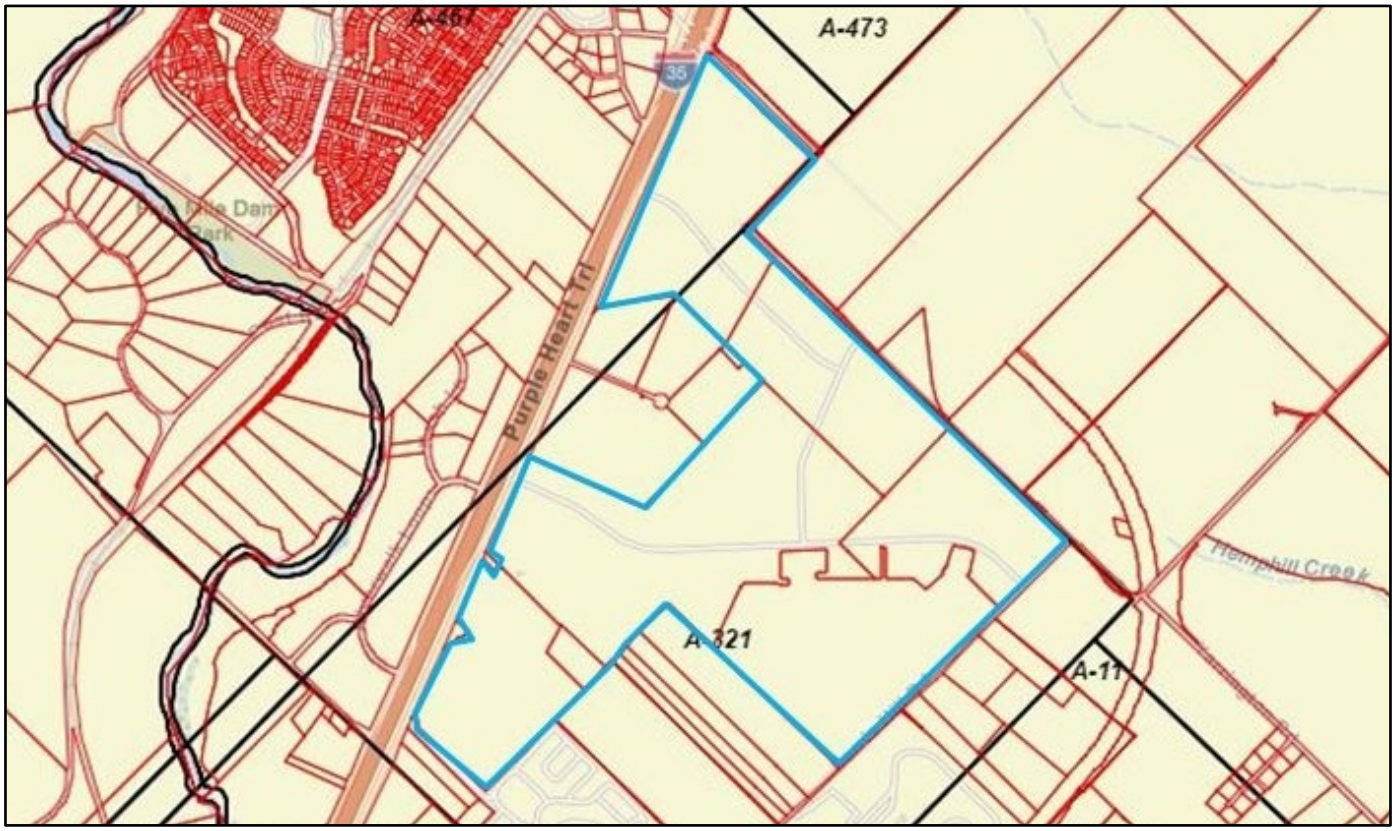
CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH	TANGENT	CB	CHORD
C1	46°06'10"	955.00	768.99	406.71	S69°33'17"E	748.38
C2	90°31'34"	30.00	47.31	30.18	S00°16'40"E	42.56

FLOOD HAZARD MAPS



TAX PLAT (PARENT TRACT)



ZONING

The appraised property is zoned Planned Unit Development. According to the PDD Ordinance for the subject property the property will include mixed use commercial, light industrial (business park), multi-family, and single-family.

The Whisper land plan includes commercial primarily along the IH-35 frontage and partially along Opportunity Blvd. and Yarrington Road. Multi-family and mixed light industrial and office uses are located east of IH-35 along Fortuna Road, Opportunity Blvd. and Yarrington Road.

The appraisers are not experts in the interpretation of complex zoning ordinances. The subject property appears to be a conforming use based on a review of public information. Please note that the determination of compliance is beyond the scope of a real estate appraisal. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

In addition, we know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or a title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

ASSESSMENT AND TAXES

The property is subject to the taxing jurisdiction of Hays County, Texas. The applicable tax rates for the taxing jurisdictions and the estimated tax liability for the subject parent tract, and as allocated for the subject vacant land, follows based on the 2019 tax rates are outlined in the chart below. The 2020 rates and assessments are not available as of the effective date of this report. There are no assessed values for the proposed lots. For purposes of the DCF analysis, projected tax assessments for the proposed lots are outlined below based on other comparable lots in the subject vicinity.

Subject Parent Account Assessed Values and Taxes				
Parcel #	Size (Ac)	Land Assessed Value	Tax Amount	Legal Description
R16592	99.800	$ 2,220,800	$447	Joel Miner Survey, Abstract 321
R16595	111.930	$ 2,010,580	$501	Joel Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
R16597	318.105	$ 7,078,650	$1,357	Joel Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
R16599	6.660	$ 290,110	$30	Joel Miner Survey, Abstract 321
R167775	130.600	N/A	N/A	Joel Miner Survey, Abstract 321
R116610	80.288	$ 2,408,970	$352	Joel Miner Survey, Abstract 321
R149611	85.810	$ 1,909,490	$384	Joel Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

A review of the County Assessor's records indicated there are no past due taxes; however, the client should conduct their own research to determine the existence of past due taxes. The existence of delinquent taxes could affect the proceeds from any sale of the property. A summary of the tax rates is shown as follows:

Real Estate Taxes Hays County	
	2019
Taxing Entity	**Tax Rate**
Hays County	$0.389900
Hays CISD	$1.467700
City of San Marcos	$0.613900
Special Road	$0.033800
Austin Comm. College	$0.104900
Total Tax Rate	**$2.610200**

For the proposed subdivision, several tax comparables of similar sized single-family residential lots in other comparable subdivisions have been utilized. The comparable lots have assessed values of $23,630 for an average size lot. These assessed lots are very similar to the subject proposed lots. Based on the comparable lot assessed values, we have utilized an average value in projecting the assessed value for the subject during the holding period of $23,630 per lot for the proposed subject lots.

Comparable Lots Assessed Values		
Block	**Lot Number**	**Assessed Value**
Blanco Vista Tr. P	3	$23,630
Blanco Vista Tr. P	9	$23,630
Blanco Vista Tr. P	22	$23,630
	Comparable Lots Avg.	**$23,630**
	Projected Ass. Value-Subject Lots	**$23,630**

HIGHEST AND BEST USE

According to The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, the highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."

Highest and Best Use Criteria

The appraisers have evaluated the site's highest and best use as vacant and as proposed. The property's highest and best use must meet four criteria. That use must be (1) legally permissible (2) physically possible, (3) financially feasible, and (4) maximally productive.

Legally Permissible

The first test concerns permitted uses. The appraised property is located within the corporate boundaries of the city of San Marcos. The subject is situated within the Whisper P.I.D. The P.I.D. includes proposed mixed-use commercial, light industrial (business park) multi-family and single-family residential zoning for the subject land tracts. The Whisper PID has been approved by the City of San Marcos. The subject property residential land will be deed-restricted to one single-family home per lot. Additional building restrictions concerning size of homes and exterior configuration must also be adhered to.

Physically Possible

The second test is as to physically possible uses. The appraised property includes nine (9) tracts of vacant land. The land tracts are irregular in configuration and is generally level with native brush, trees and grasses with good frontage on existing roadways. Tract Nos. 1 – 5 are designated for mixed use commercial and multi-family development. Tracts 7A and 7B are designated for commercial/industrial development. Tract No. 6 is a 130.6-acre tract of vacant land which is proposed for development with 581 proposed single-family lots in Phase 1, 2 and 3. The proposed lots will be generally rectangular in shape and range in size from 46-FF to 50-FF with generally level terrain. All public utilities including water, sewer, electricity, cable and telephone will be available to each lot.

Financial Feasibility and Maximal Productivity

The third and fourth tests are considered to be financial feasibility and maximally productive use. After analyzing the physically possible and legally permissible uses of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity.

Based on projected demographic trends in proximity to the subject demand for new housing should increase through 2025. Based on our site visit and observations of competitive subdivisions, it appears as though there is continued demand for mixed use commercial land and residential land with homes in the $200,000 to $300,000 range. Home Builders in the area indicate that home sales have been strong, and that demand remains steady. It is projected based on market trends and developer reported activity in the immediate area coupled with demographic projections that the appraised lots will be absorbed at a rate of 30 per quarter or 120 per annum for the first Year increasing to 122 per annum in Year 2, 124 per annum in Year 3, 126

per annum in Year 4 and the remaining 89 lots in Year 5 with all of the proposed lots being absorbed within 19 quarters or 4.75 years.

Conclusion of Highest and Best Use of Land as Vacant

Considering the success of other similar competing subdivisions in the immediate market area and considering the demand shown in the market analysis, coupled with the PUD restrictions for mixed use commercial, light industrial, multi-family and single-family development, the highest and best use of the appraised property tracts of land as vacant land are concluded to be for mixed use and single-family home lot development in accordance with the PUD.

Conclusion of Highest and Best Use of Development as Proposed

The proposed mixed use and single-family residential development are in accordance with the highest and best use as vacant. The property is gently rolling in terrain and features adequate road frontage from adjoining developed units. The proposed land sizes, utility availability and surrounding development are commensurate with the planned unit development. An analysis of the proposed development indicates that the project as planned is judged to be the highest and best use as proposed.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject land, the Sales Comparison Approach to market value is considered to be applicable in deriving the market value of the subject vacant land tracts and has been utilized. For the proposed single-family lots, the Cost Approach has been utilized to indicate the value of the vacant land plus development costs. The income approach has been utilized to indicate the value of the proposed lots to an investor based on sell-out of the developed lots at the projected achievable lot sales price deducting holding costs, sales expenses and other related expenses. The net cash flows have been discounted to present value using a market derived discount rate to reflect the value of the property to and investor based on the sellout of the proposed subject subdivision at completion of the development. The Sales Comparison Approach related to the proposed development as if complete has not been utilized due to the lack of sales of completed residential subdivisions in the area. In the process of this valuation analysis, Flato has contacted a number of real estate brokers and market participants in the local market.

The market has been researched using county deed records, interviewing active real estate brokers, available statistics and other contact sources. These sources have been contacted and interviewed extensively with reference to confirmation of market information, sales, rental data, absorption, and general perceptions and have been utilized in each of the valuation approaches to follow.

LAND VALUE "AS IS"

The appraised property "As Is" includes nine tracts of vacant land as shown in the chart below:

VACANT LAND INVENTORY			
Unit #	**Location**	**Size (Ac)**	**Legal Description**
Tract 1	SEC Yarrington Rd & IH-35	69.393	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 2	SEC Suspro Pkwy & IH-35	46.293	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3A	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	121.280	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3B	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	16.560	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 4	SEC Opportunity Blvd. & IH-35	164.183	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 5	SES Opportunity Blvd.	33.370	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 6	SS Opportunity Blvd.	130.641	J. Miner Survey, Abstract 321
Tract 7A	SEC Yarrington Rd & Fortuna Blvd.	72.660	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 7B	NEC Opportunity Blvd. & Fortuna Blvd.	51.969	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

The sales comparison approach is one of three traditional approaches to value whereby an opinion of value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. This approach is based primarily upon the principle of substitution, whereby a prudent purchaser will not pay more for any particular property than it would cost to acquire an equally desirable alternate property. Inherent to the applicability of this approach is that a market exists for the subject property type. It also presumes that there is sufficient data on recent market transactions for comparison purposes. In this sales comparison analysis, the price per unit is used as it mirrors that of most market participants when making residential investment decisions.

For purposes of this analysis, the land sales analysis is broken into two groups. The first group is the eight (8) tracts of vacant land proposed for mixed use commercial, light industrial, and multi-family use. One group of sales and individual sales grids for each of these tracts is included first. This analysis if followed by the analysis of Tract No. 6 which is designated for single-family residential development. A group of similar single-family land sales and an adjustment grid for this tract is also completed following the commercial land analysis which is included first.

MIXED USE LAND ANALYSIS

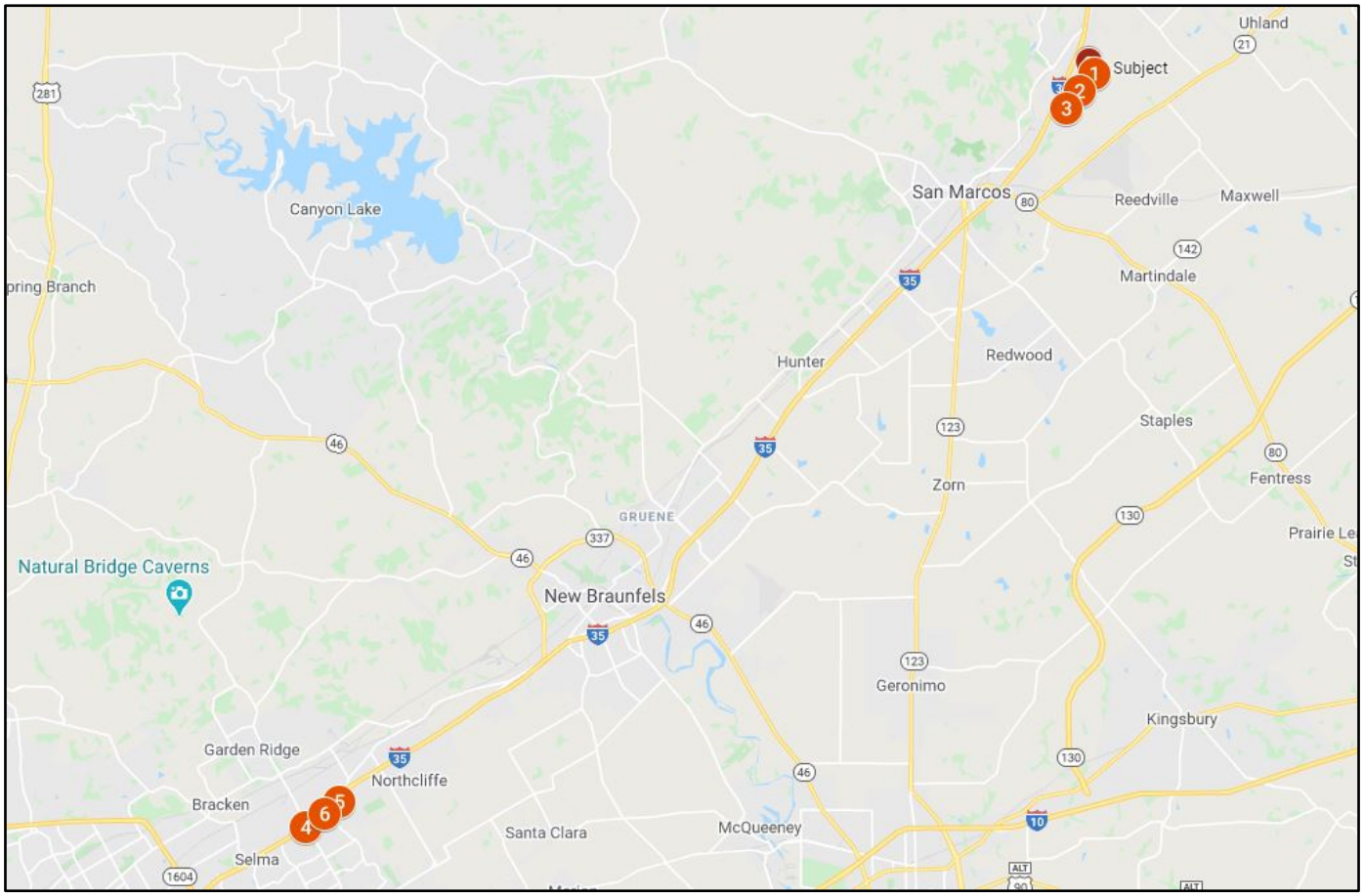
Flato Realty Advisors has researched sales of similar tracts of vacant land sales and listings located in the general subject market area. Although there have been limited recent sales of similar tracts, six acreage sales of tracts of vacant land purchased for mixed-use development have been confirmed in the general market area.

The sales utilized in the valuation of the subject land range in pricing from $2.38 to $6.61 per square foot and in total land area from 8.00 to 51.97 acres which took place from 2018 through current contracts. Although the sales differ widely in terms of size and pricing per acre, these sales are judged to be the most meaningful recent sales that we were able to confirm. The price variance is judged to be primarily due to differences in location, size and presence of available utilities and other existing surrounding development. These are judged to be the most comparable acreage land sales available for use in the valuation of the subject vacant land tracts.

LAND SALES SUMMARY

The land sales are summarized on the following page. Sale details are included in the Addenda. The locations of the land sales are outlined in the map following the land sales summary.

LAND SALES SUMMARY MIXED-USE LAND						
	Comp. No. 1	**Comp. No. 2**	**Comp. No. 3**	**Comp. No. 4**	**Comp. No. 5**	**Comp. No. 6**
Address	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Prop. Flustern Rd.	Prop. Flustern Road just south of Opportunity Blvd.	17730 IH-35	IH-35 North of Weiderstein	18124 IH-35 North
City	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Multi-family	Multi-family	Commercial	Multi-Family	Commercial
Transaction Type	Contract	Contract	Contract	Sale	Pending	Sale
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to seller	Cash to Seller	Cash to Seller
Topography	Generally Level	Generally Level	Generally Level	Gently rolling	Generally Level	Generally
Shape	Rectangular, Corner	Rectangular, Corner	Rectangular, Interior	Irregular	Irregular	Rectangular, Corner
Utilities	All available	All available	All available	Electric,Water, Tel.	Electric, Water, Tel.	Electric, Tel.
Zoning	PUD	PUD	PUD	Commercial	Commercial	Commercial
Grantor	Whisper Master Comm	Whisper Master Comm	Whisper Master Comm	RLDL Properties,	Five Star Properties	Babcock Road 165
Grantee	US Real Estate Ltd.	Whisper Apts. 1 LLC	Mission DG Ltd.	Babcok Road 165, Ltd.	1290 Entertainment	Santikos Cibolo Theatre
Sale Date	U/C	U/C	U/C	Mar-18	May-18	May-18
Adj. Sale Price*	$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Net Land Area	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price Per SF	**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Verification	Owner	Owner	Owner	Broker	Broker	Broker



LAND SALES DISCUSSION

The land sales are adjusted to indicate the value of the subject tracts of appraised property as follows.

Property Rights: The subject property includes the fee simple title to the land excluding mineral rights. All of the sales transferred on a similar basis with no or very little mineral rights conveyed and thus no adjustment was made for this factor.

Market Conditions: This category consists of financing, property rights conveyed, condition of sale and date of sale. The sales occurred from current contract through 2018. Upward adjustments are applied for market conditions to Sale Nos. 4, 5 and 6 due to the increase of pricing in the market over the time period covered. All the sales are indicated to be cash to seller or fee simple arm's length transactions. No further adjustments are applied for this category.

Location: The appraised property sites are generally located to the east side of IH-35 at the north edge of the City of San Marcos in Hays County. The sales are located in the general area or along IH-35 in nearby communities in areas of similar development. Sale No.1, 2 and 3 are the current contracts for portions of the subject property. Adjustments are applied for location within the subdivision and for IH-35 street frontage. Sale Nos. 4, 5 and 6 are judged generally similar due to locations just off IH-35 in an area of new development very similar in nature to the subject property in Guadalupe County just north of the City of San Antonio and south of New Braunfels. Upward adjustments are applied for the subject tracts which have superior IH-35 frontage and downward adjustments are made for the subject interior tracts which do not feature high profile IH-35 frontage.

Size: In the valuation of the subject property tracts which range in size from 16.56 to 146.37 acres, each sale is adjusted upward or downward in comparison to each of the subject tracts and individual adjustments are made to each. The comparable sales range in size from 8.0 to 51.97 acres. Smaller properties are observed to typically sell for a higher price per acre and are adjusted downward and larger tracts are adjusted upward. Each sale has been adjusted accordingly as shown in the adjustment grids included following this discussion.

Shape: The appraised property tracts are generally irregular in configuration; however, they are each well suited for proposed development. The shape of the site can affect the sales price based on the configuration and how it lends itself to use. All of the sales are judged similar in configuration to the subject tract and no adjustments are made.

Topography: The topography of a site can greatly affect the value. The subject property is generally level in terrain. It is judged to be a good candidate for mixed use commercial and single-family residential lot development. All of the sales are judged to be basically similar in topography gently rolling to level hill country tracts. No adjustments are applied to the sales.

Utilities/Infrastructure: The presence or lack of available utilities can be a key factor affecting sites. The subject properties are appraised under the hypothetical condition that all tracts have streets and utilities available and extended to each site due to the location within the proposed PID by the City of San Marcos; the adjustments are completed as if the PID improvements regarding utility service are complete. All of the

utilities will be extended to each site for the proposed development. As this will result in superior availability of utilities based on the terms of the PID upward adjustments are applied to Sale Nos. 1, 4, 5 and 6. Sale Nos. 2 and 3 are under contract subject to completion of the proposed PID and are judged to reflect the presence of those utility improvements. Sale No. 1 was placed under contract prior to the finalization of the PID and includes a clause that the purchaser will reimburse the City for the cost of the PID thus is was not placed under contract subject to completion of utilities since they are paying for them. Sale Nos. 4, 5 and 6 do not benefit from the presence of those utility improvements.

Site Improvements: The quality of site improvements/fencing, can affect the value of a tract in area. The subject does not have notable vertical improvements as of the date of this appraisal. All of the sales are judged similar and no adjustments are applied.

Zoning/Use: The zoning of a site can affect value when it restricts development of the site to particular uses. The subject is located within the City of San Marcos and according to the PUD which has been approved by the city, will be zoned for mixed use commercial, light industrial, multi-family and single-family residential development. The sales are considered comparable to the subject in this regard not requiring any adjustments.

Floodplain: Most sites of this size have some loss of usable land due to drainage and/or flood plain. The subject property is generally level with no significant flood hazard areas, similar to the sales. No adjustments are applied for this factor.

Summary of Adjustments: The sales utilized in the valuation of the subject range in price per acre from $2.38 to $6.61 with an average of $5.43 per square foot. It is noted that the subject is generally superior to the several of the sales in terms of utility availability and location; however the subject properties are generally larger than the sale properties. The concluded values are outlined as follows:

Tract No. 1: After adjustments, the sales indicate values ranging from $3.75 to $5.36 per square foot with a mean of $4.92 for the subject 69.393-acre tract. The concluded value for the 69.393-acre tract is $4.90 per square foot indicating a total “As Is” market value of the subject Tract No. 1 to be **$14,800,000**.

Tract No. 2: After adjustments, the sales indicate values ranging from $3.81 to $5.80 per square foot with a mean of $5.19 for the subject 46.293 acre tract. The concluded value for the 46.293-acre tract is $5.20 per square foot indicating a total “As Is” market value of the subject Tract No. 2 to be **$10,475,00**.

Tract No. 3A: After adjustments, the sales indicate values ranging from $3.04 to $3.80 per square foot with a mean of $3.32 for the subject 121.280 acre tract. The concluded value for the 121.280-acre tract is $3.35 per square foot indicating a total “As Is” market value of the subject Tract No. 3A to be **$17,700,000**.

Tract No. 3B: After adjustments, the sales indicate values ranging from $2.98 to $5.85 per square foot with a mean of $4.95 for the subject 16.560 acre tract. The concluded value for the 16.560-acre tract is $4.95 per square foot indicating a total “As Is” market value of the subject Tract No. 3B to be **$3,575,000**.

Tract No. 4: After adjustments, the sales indicate values ranging from $3.28 to $4.39 per square foot with a mean of $3.94 for the subject 164.183 acre tract. The concluded value for the 164.183-acre tract is $3.95 per square foot indicating a total "As Is" market value of the subject Tract No. 4 to be **$28,250,000**.

Tract No. 5: After adjustments, the sales indicate values ranging from $3.63 to $5.36 per square foot with a mean of $4.76 for the subject 33.370 acre tract. The concluded value for the 33.370 acre tract is $4.75 per square foot indicating a total "As Is" market value of the subject Tract No. 5 to be **$6,900,000**.

Tract No. 7A: After adjustments, the sales indicate values ranging from $3.22 to $4.31 per square foot with a mean of $3.77 for the subject 72.660 acre tract. The concluded value for the 72.660-acre tract is $3.80 per square foot indicating a total "As Is" market value of the subject Tract No. 7A to be **$12,025,000**.

Tract No. 7B: After adjustments, the sales indicate values ranging from $3.46 to $4.91 per square foot with a mean of $4.34 for the subject 51.969 acre tract. The concluded value for the 51.969 acre tract is $4.35 per square foot indicating a total "As Is" market value of the subject Tract No. 7A to be **$9,850,000**.

The adjustments made are summarized in the charts on the following page and the concluded land value is shown below.

LAND VALUE CONCLUSION - TRACT NO. 1 - 69.393 ACRES	
	Indicators
Subject No. of Acres	69.393
Reconciled Value / Square Foot	$4.90
Reconciled Market Value (Rd) As Is	$14,800,000

LAND VALUE CONCLUSION - TRACT NO. 2 - 46.293 ACRES	
	Indicators
Subject No. of Acres	46.293
Reconciled Value / Square Foot	$5.20
Reconciled Market Value (Rd) As Is	$10,475,000

LAND VALUE CONCLUSION - TRACT NO. 3A - 121.280 ACRES	
	Indicators
Subject No. of Acres	121.280
Reconciled Value / Square Foot	$3.35
Reconciled Market Value (Rd) As Is	$17,700,000

LAND VALUE CONCLUSION - TRACT NO. 3B - 16.560 ACRES	
	Indicators
Subject No. of Acres	16.560
Reconciled Value / Square Foot	$4.95
Reconciled Market Value (Rd) As Is	$3,575,000

LAND VALUE CONCLUSION - TRACT NO. 4 - 164.183 ACRES	
	Indicators
Subject No. of Acres	164.183
Reconciled Value / Square Foot	$3.95
Reconciled Market Value (Rd) As Is	$28,250,000

LAND VALUE CONCLUSION - TRACT NO. 5 - 33.370 ACRES	
	Indicators
Subject No. of Acres	33.370
Reconciled Value / Square Foot	$4.75
Reconciled Market Value (Rd) As Is	$6,900,000

LAND VALUE CONCLUSION - TRACT NO. 7B - 72.660 ACRES	
	Indicators
Subject No. of Acres	72.660
Reconciled Value / Square Foot	$3.80
Reconciled Market Value (Rd) As Is	$12,025,000

LAND VALUE CONCLUSION - TRACT NO. 7A - 51.969 ACRES	
	Indicators
Subject No. of Acres	51.969
Reconciled Value / Square Foot	$4.35
Reconciled Market Value (Rd) As Is	$9,850,000

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 1							
Comparable	**Subject**	**Comparable No. 1**	**Comparable No. 2**	**Comparable No. 3**	**Comparable No. 4**	**Comparable No. 5**	**Comparable No. 6**
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SEC Yarrington Road & IH-35	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	69.393 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Superior -2.5%	Superior -25%	Superior -35%	Superior -10%	Similar -20%	Similar -27.5%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Physical Adjustments		58%	-10%	-20%	0%	-25%	-33%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Similar**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.75**	**$5.36**	**$5.20**	**$5.24**	**$5.36**	**$4.62**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 2							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SEC Suspro Pkwy & IH-35	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	46.293 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Similar 0%	Superior -17.5%	Superior -27.5%	Superior -7.5%	Similar -17.5%	Similar -22.5%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Physical Adjustments		60.0%	-2.5%	-12.5%	2.5%	-22.5%	-27.5%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Inferior**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.81**	**$5.80**	**$5.69**	**$5.37**	**$5.54**	**$4.96**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 3A							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	121.280 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Superior -10%	Superior -30%	Superior -37.5%	Superior -15%	Similar -28%	Similar -35%
Shape		Superior -15%	Superior -15%	Superior -15%	Superior -15%	Superior -15%	Superior -15%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%
Total Physical Adjustments		28%	-38%	-45%	-28%	-55%	-63%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Superior**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.04**	**$3.72**	**$3.58**	**$3.80**	**$3.21**	**$2.56**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 3B							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	16.560 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Similar 0%	Superior -5%	Superior -5%	Superior -20%	Superior -35%	Superior -35%
Size		Inferior 15%	Similar 0%	Superior -5%	Inferior 10%	Similar 0%	Similar -7.5%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Physical Adjustments		25%	-5%	-10%	0%	-25%	-33%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Similar**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$2.98**	**$5.65**	**$5.85**	**$5.24**	**$5.36**	**$4.62**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 4							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	164.183 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Superior -15%	Superior -35%	Superior -40%	Superior -20%	Similar -30%	Similar -40%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%
Total Physical Adjustments		38%	-28%	-33%	-18%	-43%	-53%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Superior**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.28**	**$4.31**	**$4.39**	**$4.32**	**$4.11**	**$3.25**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 5							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	33.370 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 40%	Inferior 5%	Inferior 5%	Superior -10%	Superior -25%	Superior -25%
Size		Inferior 7.5%	Superior -10%	Superior -20%	Inferior 3%	Similar -8%	Similar -20%
Shape		Inferior 5%	Inferior 5%	Inferior 5%	Inferior 5%	Inferior 5%	Inferior 5%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%
Total Physical Adjustments		53%	-10%	-20.0%	-2.5%	-27.5%	-40%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Superior**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.63**	**$5.36**	**$5.20**	**$5.11**	**$5.18**	**$4.10**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 7A							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SEC Fortuna Road and CR 159	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	72.660 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 40%	Inferior 5%	Inferior 5%	Superior -10%	Superior -25%	Superior -25%
Size		Superior -5%	Superior -22.5%	Superior -33%	Superior -12.5%	Similar -23%	Similar -28%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%
Total Physical Adjustments		35%	-28%	-38%	-23%	-48%	-53%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Superior**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.22**	**$4.31**	**$4.06**	**$4.06**	**$3.75**	**$3.25**

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 7B							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		$5,395,350	$3,693,345	$2,265,120	$7,500,000	$5,024,410	$2,584,162
Gross Land Area (Acres)	51.969 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		**$2.38**	**$5.95**	**$6.50**	**$4.80**	**$6.61**	**$6.33**
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		**$2.38**	**$5.95**	**$6.50**	**$5.24**	**$7.14**	**$6.84**
Physical Adjustments							
Location/Access/Exposure		Inferior 40%	Inferior 5%	Inferior 5%	Superior -10%	Superior -25%	Superior -25%
Size		Similar 0%	Superior -17.5%	Superior -28%	Superior -7.5%	Similar -18%	Similar -23%
Shape		Superior -5%	Superior -5%	Superior -5%	Superior -5%	Superior -5%	Superior -5%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Physical Adjustments		45%	-17.5%	-28%	-12.5%	-38%	-43%
Overall Qualitative Adjustment		**Inferior**	**Superior**	**Superior**	**Superior**	**Superior**	**Superior**
Indicated Value per Sq. Ft.		**$3.46**	**$4.91**	**$4.71**	**$4.58**	**$4.46**	**$3.93**

SINGLE-FAMILY LAND ANALYSIS

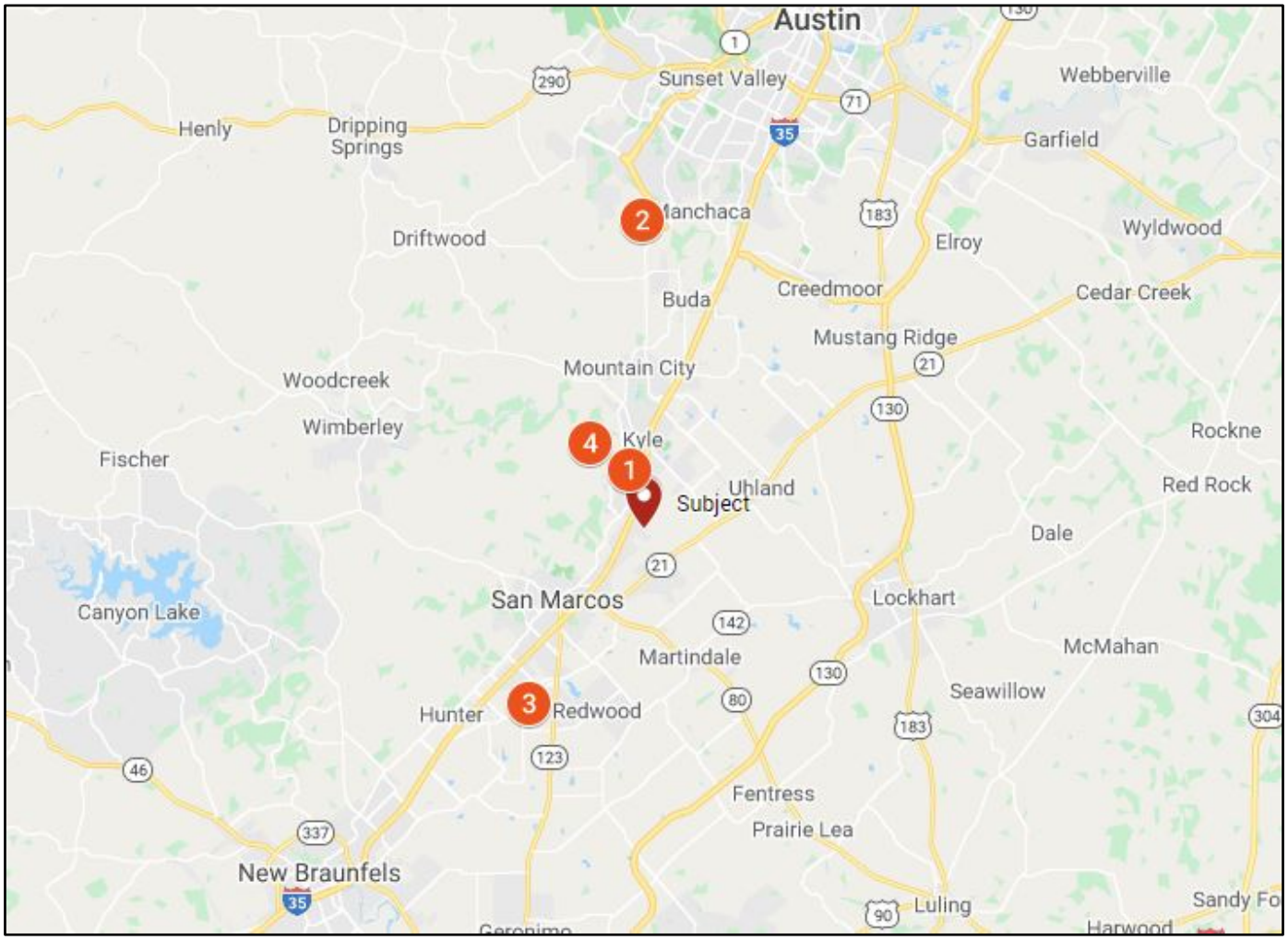
Flato Realty Advisors has researched sales of similar tracts of vacant residential land sales and listings located in the general subject market area. Although there have been limited recent sales of similar tracts, four acreage sales of tracts of vacant land purchased for single-family development have been confirmed in the general market area.

The sales utilized in the valuation of the subject land range in pricing from $16,000 to $28,513 per acre and in total land area from 72.85 to 275.00 acres which took place from 2017 to 2018. Although the sales differ widely in terms of size and pricing per acre, these sales are judged to be the most meaningful recent sales that we were able to confirm. The price variance is judged to be primarily due to differences in location, size and presence of available utilities and other existing surrounding development. These are judged to be the most comparable acreage land sales available for use in the valuation of the subject vacant land tracts.

LAND SALES SUMMARY

The land sales are summarized on the following page. Sale details are included in the Addenda. The locations of the land sales are outlined in the map following the land sales summary.

LAND SALES SUMMARY TRACT 6 - 130.641 ACRES RESIDENTIAL LAND					
	Comp. No. 1	**Comp. No. 2**	**Comp. No. 3**	**Comp. No. 4**	**Subject**
Address	Roland Lane	Carpenter Road	Old Bastrop Highway	Old Stagecoach Rd	Whisper Subd.
City	OCL-Kyle	OCL-Manchaca	OCL-Kyle	Kyle	Kyle
County	Hays	Hays	Hays	Hays	Hays
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Future Residential	Future Residential	Future Residential	Future Residential	Residential
Transaction Type	Sale	Sale	Sale	Sale	--
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to seller	--
Topography	Generally Level	Generally Level	Gently sloping	Generally level	Generally Level
Shape	Irregular	Irregular	Irregular	Irregular	Irregular
Utilities	Water, electric	Electric & Water	Water, Elec	Water, Elec.	All available
Zoning	None	None	None	None	Residential
Grantor	Wyatt Driskell Est.	John H. Rodgers	Sun Belt Lands	Karla & Elaine Pfennig	--
Grantee	Paramount Park Ltd.	Driftwood Land Co.	River Hills Custom Homes	1200 S Old Stagecoach Rd LLC	--
Sale Date	Apr-18	Aug-17	Jul-18	Sep-17	--
Adj. Sale Price*	$4,000,000	$4,400,000	$1,720,000	$2,200,000	--
Net Land Area	170.88 Ac.	275.00 Ac.	72.85 Ac.	77.16 Acres	130.641 Ac.
Sale Price Per SF	**$23,408**	**$16,000**	**$23,610**	**$28,513**	**--**
Verification	Broker	Broker	Broker	Broker	Inspection/Survey



LAND SALES DISCUSSION

The land sales are adjusted to indicate the value of the subject tracts of appraised property as follows.

Property Rights: The subject property includes the fee simple title to the land excluding mineral rights. All of the sales transferred on a similar basis with no or very little mineral rights conveyed and thus no adjustment was made for this factor.

Market Conditions: This category consists of financing, property rights conveyed, condition of sale and date of sale. The sales occurred from 2017 through 2018. Upward adjustments are applied for market conditions to all of the sales due to the increase of pricing in the market over the time period covered. All the sales are indicated to be cash to seller or fee simple arm's length transactions. No further adjustments are applied for this category.

Location: The appraised property site is generally located to the east side of IH-35 at the north edge of the City of San Marcos in Hays County. The sales are located in the general market area. Adjustments are applied for location primarily due to ease of access, amount of surrounding development and proximity to the city. Sale Nos. 1 and 4 are judged general similar due to locations just off IH-35 in areas of new development similar in nature to that of the subject property. Sale Nos. 2 and 3 are judged inferior due to more remote locations and are adjusted upward accordingly.

Size: In the valuation of the subject property site, each sale is adjusted upward or downward in comparison. The subject tract is 130.6 acres in size. The comparable sales range in size from 72.85 to 275 acres. Smaller properties are observed to typically sell for a higher price per acre and are adjusted downward and larger tracts are adjusted upward. Upward adjustments are applied to Sale Nos. 1 and 2 which are larger in size than the subject. Sale Nos. 3 and 4 are adjusted downward as they are smaller in size in comparison to the subject.

Shape: The appraised property tracts are generally irregular in configuration; however, they are each well suited for proposed development. The shape of the site can affect the sales price based on the configuration and how it lends itself to use. All of the sales are judged similar in configuration to the subject tract and no adjustments are made.

Topography: The topography of a site can greatly affect the value. The subject property is generally level in terrain and is judged to be a good candidate for single-family residential lot development. All of the sales are judged to be basically similar in topography gently rolling to level hill country tracts. No adjustments are applied to the sales.

Utilities: The presence or lack of available utilities can be a key factor affecting sites. The subject will have all utilities available and extended to each site due to the location within a proposed PID by the City of San Marcos which will include roadway and utility access improvements; the adjustments are completed as if the PID improvements regarding utility service are complete. All of the utilities will be extended to the subject site for the proposed development. As this will result in superior availability of utilities based on the terms of the PID upward adjustments are applied to each sale.

Improvements: The quality of site improvements/fencing, can affect the value of a tract in area. The subject does not have any significant improvements as of the date of this appraisal. All of the sales are judged similar and no adjustments are applied.

Zoning/Use: The zoning of a site can affect value when it restricts development of the site to particular uses. The subject is located within the City of San Marcos and according to the PUD which has been approved by the city, will be zoned for mixed use commercial, light industrial, multi-family and single-family residential development. The sales are considered comparable to the subject in this regard not requiring any adjustments.

Floodplain: Most sites of this size have some loss of usable land due to drainage and/or flood plain. The subject property is generally level with no significant flood hazard areas, similar to the sales. No adjustments are applied for this factor.

Summary of Adjustments: The sales utilized in the valuation of the subject range in price per acre from $16,000 to $28,513 with an average of $22,883 per acre. It is noted that the subject is generally superior to the several of the sales in terms of utility availability and location. After adjustments, the sales indicate values ranging from $26,680 to $33,054 per acre with a mean of $30,669 per acre for the subject 130.641 acre tract. The concluded value for the subject 130.641-acre tract is $30,500 per acre indicating a total "As Is" market value of the subject Tract No. 6 to be **$3,975,000**.

LAND VALUE CONCLUSION - TRACT 6 - 130.641 ACRES RESIDENTIAL LAND	
	Indicators
Subject No. of Acres	130.641
Reconciled Value / Square Foot	$30,500
Reconciled Market Value (Rd) As Is	$3,975,000

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT 6 - 130.641 ACRES RESIDENTIAL LAND					
Comparable	**Subject**	**Comparable No. 1**	**Comparable No. 2**	**Comparable No. 3**	**Comparable No. 4**
Property Name	Whisper Subd.	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SS Opportunity Blvd.	Roland Lane	Carpenter Road	Old Bastrop Highway	Old Stagecoach Road
City	Kyle	OCL-Kyle	OCL-Manchaca	OCL-Kyle	Kyle
County	Hays	Hays	Hays	Hays	Hays
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Proposed Residential	Future Residential	Future Residential	Future Residential	Future Residential
Transaction Type		Sale	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A
Sale Date		4/1/2018	8/16/2017	7/10/2018	9/18/2017
Adj. Sale Price*		$4,000,000	$4,400,000	$1,720,000	$2,200,000
Gross Land Area (Acres)	130.641 Ac.	170.88 Ac.	275.00 Ac.	72.85 Ac.	77.16 Ac.
Sale Price per Acre		**$23,408**	**$16,000**	**$23,610**	**$28,513**
Transaction Adjustments					
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Inferior 12.0%	Inferior 15.0%	Inferior 12.0%	Inferior 15.0%
Subtotal		**$26,217**	**$18,400**	**$26,443**	**$32,790**
Physical Adjustments					
Location/Access/Exposure		Similar 0%	Inferior 25%	Inferior 15%	Similar 0%
Size		Inferior 5%	Inferior 10.0%	Superior -10%	Superior -10.0%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities		Inferior 10%	Inferior 10%	Inferior 20%	Inferior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Zoning		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodplain		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Physical Adjustments		15%	45%	25%	0%
Overall Qualitative Adjustment		**Inferior**	**Inferior**	**Inferior**	**Similar**
Indicated Value per Acre		**$30,150**	**$26,680**	**$33,054**	**$32,790**

COST APPROACH – PROPOSED SUBDIVISION

Introduction

The Cost Approach is utilized to estimate value for the subject property development of 581 proposed single-family lots to be known as Whisper Subdivision. The Cost Approach reflects an analysis of the proposed development including the projected cost to develop the subdivision and the estimated market value of the site (as if undeveloped). This analysis also provides insight as to the feasibility of the development. In performing the Cost Approach, historical development costs of several subdivisions in the general region developed in recent years have been confirmed.

Direct Costs

Direct costs are estimated from the Marshall and Swift Cost Estimation Handbook and justified per the developer based on development costs the developer received from an engineering firm planning the development. For the 581 proposed single-family lots, the estimated costs are estimated to total $13,035,446 (or $22,436 per lot). Estimated costs are provided by the engineer/developer and substantiated by Marshall Valuation Service. These costs include labor and materials. Indirect costs consist of developer's profit, engineering, and contingency costs.

The overall estimated cost is judged to be in-line with competing developments in the area, as mitigated by surrounding complementing development. The comparable subdivisions are generally of similar quality to the subject.

Indirect Costs

Indirect costs, including taxes on land during development, engineering fees, tap fees, etc. at 10.0% of direct development costs. Also, developer's profit is considered. Developer's profit is typically required in the 7.5% to 20% of direct cost range. The projected developer's profit of 12.5% is judged reasonable due to the ongoing success of similar developments in the area. The total indirect costs for the initial 581 lots are estimated at $3,095,918.

Total Development Cost

After an analysis of each component of the project, the estimated total development cost (direct and indirect costs) of the proposed Whisper Subdivision (581 single-family lots) is $16,131,364. Copies of the developer's cost estimates are included in the Addenda to this report. The developers cost estimate including direct costs and land is $15,922,474.

Depreciation and Obsolescence

The proposed development will be new at completion. The proposed cost-plus land value is relatively close to the indicated net present value as indicated by the discounted cash flow analysis, which indicates that the project is financially feasible. No measurable depreciation or obsolescence is judged present.

COST APPROACH CONCLUSION

The subject property contains 130.641 acres of land area. The concluded market value of the subject residential land as shown in the previous section is $3,975,000. When the development cost of the 581 lots of $16,131,364 is added, the indicated value of the proposed 581 lots at lot completion is as follows:

COST APPROACH	
	"As Complete"
Depreciated Replacement Cost New	$16,131,364
Land Value	$3,975,000
"As Complete" Cost Approach Value (RD)	**$20,110,000**

A summary of the Cost Approach is included below.

COST APPROACH SUMMARY					
Replacement Cost New	**No. Lots**	**Total Cost**	**Price/Lot**	**Sub-Total**	**Total Cost**
Phase 1	581				
Street Improvements		$4,773,586	$8,216		
Water Improvements		$1,560,633	$2,686		
W W & E Improvements		$2,859,647	$4,922		
Drainage and Electrical		$3,841,580	$6,612		
Total			$22,436	**$13,035,446**	
Total Direct Costs			$22,436		**$13,035,446**
Plus: Other Indirect Costs (% of Direct Costs)		10.0%		$1,303,545	
Subtotal Replacement Cost New					**$14,338,991**
Plus: Entrepreneurial Profit (% of RCN)		12.5%		$1,792,374	
Total Replacement Cost New (RCN)			**$27,765**	$3,095,918	**$16,131,364**
Less Accrued Depreciation		as %			
Total Phsical Deterioration		0.0%	$0		
Functional Obsolescence		0.0%	$0		
External Obsolescence		0.0%	$0		
Total Depreciation		0.0%	$0		
Depreciated Replacement Cost New					**$16,131,364**
Plus Land Value					**$3,975,000**
Value Indication					
Indicated Value by Cost Approach					**$20,106,364**
Rounded					**$20,110,000**

INCOME APPROACH – SUBDIVISION ANALYSIS

581 PROPOSED SINGLE-FAMILY LOTS

For purposes of the Income Approach, the individual market value of the proposed lots must be estimated. In this initial analysis, the appraisers are estimating the market value of the individual lots using the Sales Comparison Approach.

In the Income Approach, the appraisers estimate the value of the proposed lots by comparing them to similar, recently sold lots in the competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arms-length transactions between willing and knowledgeable buyers and sellers, the appraisers can identify value and price trends. The properties must be comparable to the subject in physical, locational, and economic characteristics. The basic steps of this approach are:

1. Research recent, relevant property sales and current offerings throughout the competitive area;
2. Select and analyze properties that are similar to the subject;
3. Identify sales that include favorable financing and calculate the cash equivalent price;
4. Reduce the sale prices to a common unit of comparison;
5. Make appropriate adjustments to the prices of the comparable properties;
6. Interpret the adjusted sales data and provide an opinion of value.

The first objective of this approach is to value the subject residential lots in a finished condition. Finished lots are defined as having interior streets and utilities complete to the lot.

Subject Lot Sales

The subject lots are proposed to be sold on bulk takedown basis as builder lots to area homebuilders. There are two builder contracts for the entire subject subdivision of 581 lots. The contract to Lennar Homes is for 51 46-foot lots at $42,550 each and 193 50-foot lots at $46,250 each. The contract to D.R. Horton is for 337 lots with an average width of 52-feet at $48,187 per lot. The average price for all contracted lots is $44,747.

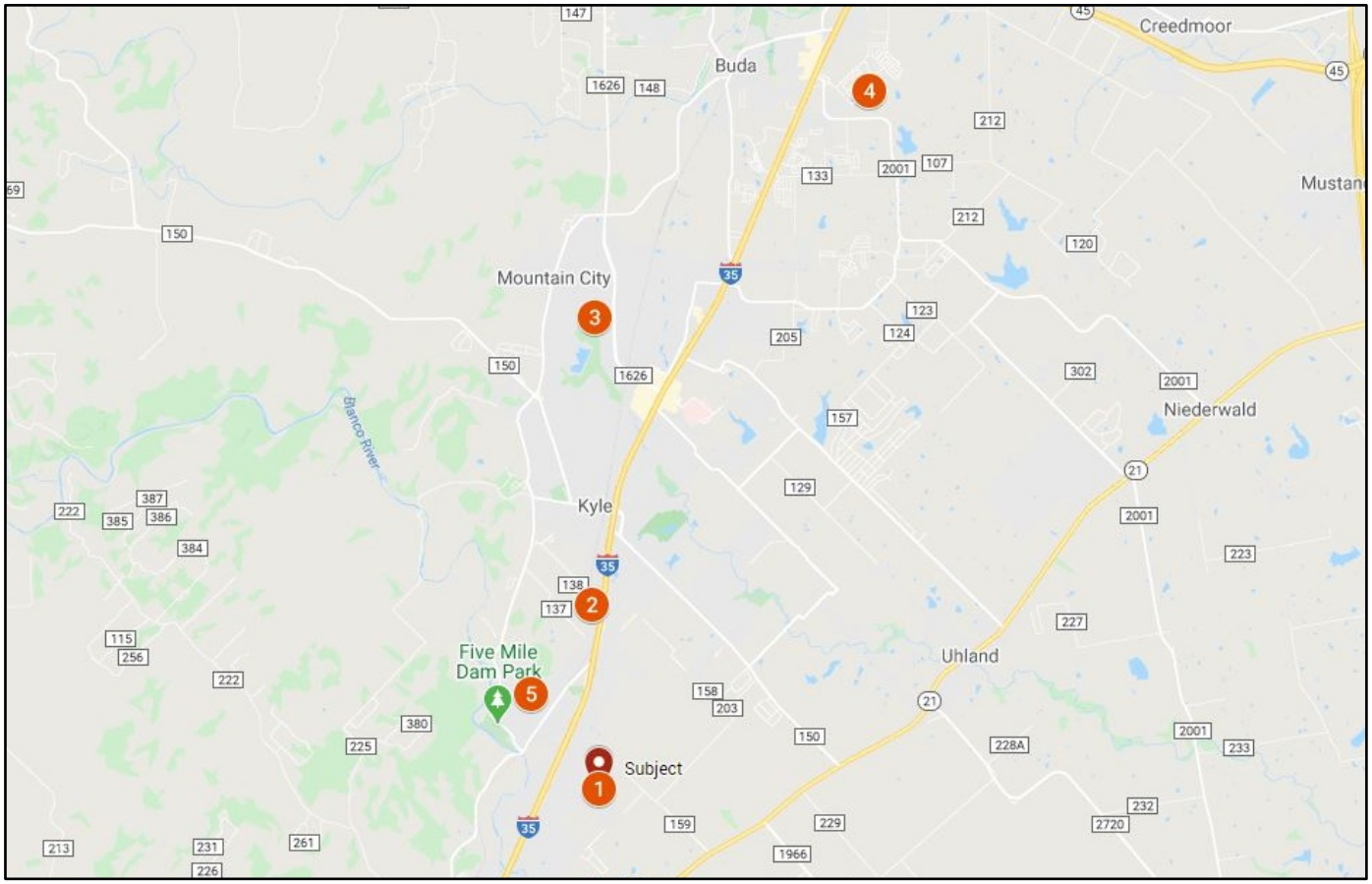
Discussion of Lot Sales

The data search focused on comparable bulk sales of lots to builder for similar sized lots in the subject market area. Several builders were contacted, and bulk lots sales were confirmed. The most comparable data were specifically analyzed and reported herein. The comparable sales utilized were the best available to the appraisers. It is noted that the comparable lot sales utilized in the estimation of the subject lot values are somewhat different than the comparable lot sales utilized in the market analysis due to specific available information regarding lot prices per different lot size, etc. The tables on the following pages summarize the sales data and the accompanying map shows the location of the comparable subdivisions in relation to the subject.

Overall, our investigation revealed that there have been several bulk lot sales to builders for use in the analysis of the subject proposed lots. The subject lots are being sold on a bulk basis; therefore, bulk lot sales to area builders have been utilized. We have utilized and reflected what information was found and/or reported to be the most recent purchase prices for similar bulk lot sales in competing subdivisions.

Proposed Lot Analysis

LOT SALE COMPARABLES - PROPOSED LOTS					
Sale No.	Project Address/Location	Lot Type Size	Sales Date	Lot Sale Price Purchase Type	$ per FF
1	Subject Whisper Subdivision	46 FF	Current	$42,550	$925
		50 FF		$46,250	$925
	Builder Lot Contracts	52 FF		$48,187	$927
2	Paramount Subdivision	40 FF	2019/2020	$45,000	$1,125
		50 FF		$55,000	$1,100
	Builder Lot Contracts	65 FF		$62,990	$969
3	Plum Creek	40 FF	2018/2019	$44,570	$1,114
		45 FF		$50,142	$1,114
	Builder Lot Takedown	50 FF		$55,713	$1,114
4	Sunfield	50 FF	2018/2019	$55,000	$1,100
	Builder Lot Contracts				
5	Blanco Vista	45 FF	2018/2019	$56,250	$1,250
	Builder Lots	50 FF		$62,500	$1,250



In addition to the subject lot sales, we have chosen four additional bulk lot comparables for the adjustment process. All are located in nearby competing areas and are recent. These sales are analyzed on a price per finished lot.

Adjustments to the Comparables – Lot Sales

An adjustment grid has been utilized to estimate market value for the subject proposed lots. In order to value the subject lots, the comparable transactions were adjusted to reflect differences with the subject in regard to various categories that affect market value. If a comparable has an attribute that is considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories that are considered inferior to the subject and are adjusted upward. The adjustment process considered variations in property rights conveyed, financing terms, conditions of sale, change in market conditions, location, physical and economic characteristics.

Property Rights Conveyed
The subject and the comparables reflected fee simple transactions. No adjustments were warranted.

Financing
All of the transactions were “arms-length” bulk lot sales on a per lot basis and per lot pricing in the comparable analysis. No adjustments were warranted.

Conditions of Sale
Only comparables with typical conditions of sale were considered in the analysis and no adjustments for condition of sale were considered.

Market Conditions
Because current economic conditions reflect real estate market volatility, the appraisers have considered the difference in market conditions between the time of the comparable sale and the date of value. All of the comparable sales are fairly recent being 2018 through 2019 sale transactions and did not warrant adjustments for time.

Location
This category considers locational factors such as an area's reputation, the quality and desirability of surrounding improvements, proximity to employment centers or housing, and distance from local and regional transportation arteries. The following adjustments are made: Sale No. 1 includes existing lot contracts from the subject property which is not adjusted. Sale Nos. 2, 3, 4 and 5 are in existing, ongoing subdivisions, being located closer into the center of San Marcos and Kyle in well-established areas with higher overall land values. These four sales are judged somewhat superior in location and are adjusted downward.

Site Characteristics
The subject lots will be generally level with good street frontage and typical views and site characteristics. The subject lots are judged to be generally similar to those that are typical for the area. All of the sales are judged similar and not adjusted.

Utilities
Reportedly the impact fees have been paid for the subject and all of the comparables. The subject and several of the comparables are situated in PID’s and all utilities/road/ etc. will be available. All of the sales

are in existing single-family residential subdivisions and are judged similar in this regard and no adjustments are made for this factor.

Lot Size

The subject lots are proposed to average 50 FF in size. The comparables range from 40 FF to 65 FF in size being the closest comparable lots in the surrounding market area in in size. The sales are judged similar to the subject in size. Since the lot values are based on price per front foot, no size adjustments are made.

COMPARABLE LOT SALES ADJSTMENT SUMMARY

Based on the preceding discussion, adjustments to the lot sales are outlined in the chart below.

LOT ADJUSTMENT GRID															
Comparable No.	COMPARABLE SALE 1 (Subject)			COMPARABLE SALE 2			COMPARABLE SALE 3			COMPARABLE SALE 4			COMPARABLE SALE 5		
Project	Subject Lots			Paramount Subdivision			Plum Creek			Sunfield			Blanco Vista		
AVG FF	50 FF			50 FF			50 FF			50 FF			50 FF		
AVG Sale Price/Lot	$44,747			$55,000			$55,713			$55,000			$62,500		
Avg. Price/FF	$895			$1,100			$1,114			$1,100			$1,250		
Type of Sale	Take Down			Take Down			Take Down			Take Down			Take Down		
Verification Source	Developer			Developer			Developer			Developer			Developer		
VALUE ADJUSTMENTS	DESCRIPTION	+(-) $ Adjust		DESCRIPTION	+(-) $ Adjust		DESCRIPTION	+(-) $ Adjust		DESCRIPTION	+(-) $ Adjust		DESCRIPTION	+(-) $ Adjust	
Sale or Financing	Cash to seller	$	-	Cash to seller	$	-	Cash to seller	$	-	Cash to seller	$	-	Cash to seller	$	-
Concessions	None	$	-	None	$	-	None	$	-	None	$	-	None	$	-
Date of Sale/Time	Current	$	-	2019/2020	$	-	2018/2019	$	-	2018/2019	$	-	2018/2019	$	-
Adjusted to Market Price															
Location	Subject Lots	$	-	Superior	$	(165)	Superior	$	(167)	Superior	$	(110)	Superior	$	(188)
Property Rights	Fee simple	$	-	Fee simple	$	-	Fee simple	$	-	Fee Simple	$	-	Fee Simple	$	-
Builder Contracts	Bulk Purchase	$	-	Bulk Purchase	$	-	Bulk Purchase	$	-	Bulk Purchase	$	-	Bulk Purchase	$	-
Site Characteristics		$	-	Similar	$	-	Similar	$	-	Similar	$	-	Similar	$	-
Impact Fees/Private Sewer	Paid/Private	$	-	Similar	$	-	Similar	$	-	Similar	$	-	Similar	$	-
Size/FF	50'	$	-	50'	$	-	50'	$	-	50'	$	-	50'	$	-
Net Adjustment (Total)		**$**	**-**		**$**	**(165)**		**$**	**(167)**		**$**	**(110)**		**$**	**(188)**
Indicated Subject Value/FF		**$**	**895**		**$**	**935**		**$**	**947**		**$**	**990**		**$**	**1,063**

RECONCILIATION OF LOT PRICING – WHISPER PID

The adjusted price per lot ranges from $895 to $1,063 per front foot with an average of $966 per front foot per lot. Overall, the lot sales are judged to be comparable to the subject. The bulk lot prices for the subject lots based on the existing contract and letters of intent reflect an average price of $965 per front foot per lot. This pricing is within the range indicated by the adjusted sales and closely aligned. It is judged that the subject lot pricing based on the existing contracts is aligned with market value.

RETAIL LOT VALUE

Bulk Lot Value	Comparable Lots			
Adjusted Price		Per FF		
High	$	1,063		
Low	$	895		
Average	$	966		
Lot Type	Finished Lot Price		Conclude	
50'	$	48,250	$	965

Finished Lot Ratio Analysis

As a “check” on the indicated value by the comparable lot sales, a finished lot ratio analysis is also considered.

The finished lot ratio analysis provides a relationship between the finished lot prices and the average retail home price. The finished lot ratio analysis provides a check on “reasonableness” comparing the finished lot value with the retail home price. Based on our discussions with developers and local residential land brokers, the typical finished lot ratios within the subject market range from approximately 13.8% to 21.0% of the average retail home price (single-family residential subdivision). The low end is for more expensive homes. These general guidelines are useful in checking the overall reasonableness of the finished lot value within a particular market area.

The subject lot sale comparables supported the following finished lot to home ratios.

LOT TO HOME PRICE RATIO	
Sale No.	Lot to Home $ Ratio
Subject	21.0%
1	19.4%
2	20.0%
3	21.0%
4	13.8%
5	20.8%

CONCLUSION

Overall, the indicated subject ratio is within the range reflected by comparables and judged to be reasonable.

DISCOUNTED CASH FLOW ANALYSIS – INCOME APPROACH

In the appraisal of the subject property proposed 581 proposed single-family lots, the DCF analysis has been completed assuming completion of the proposed 581 lots, as of, February 4, 2021 (a one-year time frame). The Income Approach is used by developers to determine the price they can afford to pay for the property and assuming support of a development, utilizing discounted cash flow analysis considering the likely absorption, pricing and selling expenses associated with the development. The residual value conclusion results from taking into account anticipated sales revenues of the proposed lots, costs of infrastructure construction, administration and sales/closing, absorption timing and return expectations. The appraisers developed "market based" build-out models to conclude the following:

In order to derive sales revenue, the retail values of the finished lots have been estimated via the sales comparison approach. The resulting cash flows will be discounted into an as is market value estimate.

TIMING AND ABSORPTION

The absorption rates experienced by competing custom home residential subdivisions were discussed in the Residential Market Overview section of the report and a projection was made as to the subject lot sellout. Supported with the market study and previous lot sales history in Hays County as well as several competing subdivisions, the subject lots are projected to be absorbed within an 19-quarter time period at a rate 30 lots per quarter or 120 lots per annum in Year 1 increasing to 122 lots per annum in Year 2, 124 lots per annum in Year 3, 126 lots per annum in Year 4 with the remaining 89 lots selling in Year 5.

COSTS, REIMBURSEMENTS AND EXPENSES (SOFT COSTS)

These costs are attributable to the sellout of the proposed subject lots "as complete".

MUNICIPAL/DISTRICT REIMBURSEMENTS

The appraisers have not included any potential for reimbursement associated with previously spent infrastructure.

INFRASTRUCTURE COSTS

The 581 proposed lots "as complete" will be in a finished condition with no remaining infrastructure costs. No additional costs associated with the proposed development have been included.

HOA DUES

The builder will not pay any HOA dues during the holding period before the lots are sold.

SALES COMMISSIONS, TITLE AND CLOSING COSTS

It is necessary to include sales commissions in the pro forma plus additional title and closing costs. These costs are typical for a land broker to sell the property over the absorption period. However, finished lots are typically sold to merchant builders under rolling option agreements reducing the amount of sales commissions required. Because of the significant number of lots and the likelihood that multiple builders would be required over the sellout period, an above average cost is warranted. Stewart Title indicated that 2.5% of sales proceeds is appropriate for title and closing costs. Typically, a total 5.0% cost for sales

commissions, title and closing costs would be appropriate. However, since all sales are made "in-house", there are reduced or no sales commissions in the lot sales, we have utilized a 1.5% closing cost/miscellaneous cost in our projection.

MARKETING/ADVERTISING COSTS

An average sales and marketing allowance is warranted, and brokers suggest 1.5% to 2.5% of sale revenues is adequate. The appraisers have deducted 1.5% marketing/advertising costs to the developer on an annual basis over the projected holding period.

GENERAL ADMINISTRATIVE/OVERHEAD COSTS AND TAXES

Over the duration of the project, the developer's staff and/or hired consultants will have to oversee all aspects of acquisition and periodic site inspections, financial reporting, etc. Per a review of similar cost budgets from comparable developments, general and administrative expenses typically range from 2.0% to 4.0%, trending to lower expense ratios. The appraisers have estimated an allowance of 2.5% of gross sales for general and administration/overhead costs and/or equivalent management fee, due to the finished nature of the development and its "close-in" location.

We have calculated the tax burden based on a projected assessed value of $23,630 for the proposed subject lots. The assessed value per lot was calculated in the Tax Section of this report based on assessed values of similar inventory held lots in completed portions of other competing subdivisions. We have included a line item cost to reflect declining inventory as units are sold. Taxes are deducted on a quarterly basis per the lot sales projection. The tax payment for each quarter is based on an average of the number of lots held in inventory at the beginning of the quarter and the number of lots held at the end of the quarter. Taxes are based on quarterly projected sales and reduction in inventory. Tax calculations for the proposed lots are shown in the following charts.

REVENUE APPRECIATION

Based on trends in the market we believe prices to be stabilized and should follow normal inflationary trends in the near future; ad valorem tax increases of 6.0% per annum or 1.5% per quarter are projected for the subject lots.

Annual Tax Projections Proposed Lots						
Total Income Projections						
Annual Revenue Source	**No. of Lots**	**1**	**2**	**3**	**4**	**5**
Subtotal Finished Lots	581	581	461	339	215	89
Lot Sales		**120**	**122**	**124**	**126**	**89**
Lots Remaining		461	339	215	89	0
Lot Assessed Value	$23,630	$ 25,838	$ 26,226	$ 26,619	$ 27,018	$ 27,424
Total Assessed Value		$13,461,632	$10,490,254	$7,373,468	$4,106,782	$1,220,349
Tax Rate		0.026102	0.026102	0.026102	0.026102	0.026102
Taxes - per Annum		**$351,376**	**$273,817**	**$192,462**	**$107,195**	**$31,854**
Annual Inflation		1.5%	1.5%	1.5%	1.5%	1.5%

REVENUE APPRECIATION

Based on trends in the market we believe prices to be stabilized and should follow normal inflationary trends in the near future; price increases of 6.5% per annum or approximately 1.625% per quarter are projected. The lot purchase contracts also include an inflationary annual adjustment of 6.5%.

ABSORPTION PROJECTIONS AND GROSS REVENUE - PROPOSED LOTS							
QUARTERS		**1**	**2**	**3**	**4**	**5**	**Total**
Lot Size	**Lots**	**Absorp.**	**Absorp.**	**Absorp.**	**Absorp.**	**Absorp.**	
Absorption Ph 1	**581**	**120**	**122**	**124**	**126**	**89**	**581**
Total Absorption	**---**	**120**	**122**	**124**	**126**	**89**	**581**
Avg. Retail Price/Lot - Phase 1	$48,250	$48,250	$51,386	$54,726	$58,284	$62,072	
Aggregate Revenue - Phase 1		$5,790,000	$6,269,123	$6,786,068	$7,343,730	$5,524,408	**31,713,329**
Aggregate Revenue		**$5,790,000**	**$6,269,123**	**$6,786,068**	**$7,343,730**	**$5,524,408**	**31,713,329**

PROFIT

Developer profit is accounted for in the overall discount rate selection, which is typical market practice and similar to the Korpacz market rate reporting. however, for the client's information, we have also included a second scenario showing developer's profit as a line item expense and run a second scenario (for information purposes only) of the project value including developer's profit as a line item expense and discounting at a market derived discount rate. This is performed as a check on the first scenario in which developer profit is included in the discount rate. The discount rates referred to later as per most studies, includes developers profit as well as risk of capital.

DISCOUNT RATE

Based upon the projected sell-out period, the current status of the subject's entitlements and estimated risk in the remaining land development process, an appropriate discount rate must be selected in arriving at an "as complete" discounted value. We have projected a sell-out period for the bulk lots at an appropriate market supported absorption rate. A market supported discount rate would be applied to the net cash flows in arriving at an "as complete" value. Typically, an "all in" discount rate, which includes developer profit, would be utilized in discounting the net cash flows in arriving at an "as complete" value. In addition, the appraisers have reviewed Korpacz and Realty Rate surveys regarding discounts rates (free and clear) for subdivision and development properties. It should be noted the Korpacz is primarily focused on discount rates for residential land development, prior to development.

DISCOUNT RATES (IRRS)

Subdivision Discount Rates SFR
FREE and CLEAR

	Korpacz 2nd Quarter 2019	Realty Rates 4th Quarter 2019
Range	10.0% - 20.0%	13.73%-28.10%
Average	15.5%	20.45%

Note: Rate on unleveraged, all-cash transactions; including developer's profit

The most recent PWC Korpacz survey with subdivision rates (2ndQ 2019) listed free and clear discount rates for proposed subdivision developments (development land) warranting on site infrastructure, ranging from a low of 10% to a high of 20% with an average of 15.5%. The 4thQ 2019 RealtyRates Developer Survey indicates discount rates for proposed Site built residential subdivisions from 100 to 500 lots to be in the 13.73% to 28.10% range and average 20.45%. The Korpacz and the RealtyRates Surveys are for development land and include development risk (timing, financing, etc.). Discount rates for projects that have entitlements and lot contracts with proven builders, like the subject, are typically at the lower end of the range of the above noted rates. Discount rates for longer projections are typically slightly higher than those with very short sellout projections.

The greatest risk for development is when a property is in the raw land stage. As the development progresses through the different stages, the risk is reduced. New home growth in the Cities of San Marcos/Kyle/Hays County Metropolitan Area is currently projected to continue to grow over previous years according to home builders and developers, indicate continued and stable demand, for the good quality builder custom home product, and limited "on ground" available inventory, increasing demand for developed lots over the past several years. Therefore, we have considered a range of discount rates at the lower end to below the range of rates reflected by the above rates related to similar proposed developments (i.e. undeveloped land proposed for subdivision development) would be employed by potential investors.

The subject property represents 581 proposed single-family lots with a 19-quarter sell out projection. Whisper Subdivision will be a good-quality, custom builder home residential subdivision with 581 lots which is projected to have rather strong absorption rate for the initial years of development based on other development in the county and city and competing subdivisions. Due to the strong growth in the area plus the proposed PID and Development Agreement for the subject with the City of San Marcos, as well as the two contracts in place for the subject lots, the investment risk is judged to be somewhat below average. A discount rate of 14.0% to 16.0% say 15.0% (including both developers profit and cost of capital) has been selected).

DISCOUNT RATE AND RISK COMPARISONS		
Factor	**Characteristic**	**Risk Rating**
Property Location		
Regionally	San Marcos/Austin MSA	Low
Locally	City of San Marcos	Low
Property Type Supply/Demand		
Nationally	Stable at historical low levels	Medium
State	Year over year growth at historically low levels, but most areas exceed the national trend.	Medium
Local	New home construction	Low to Medium
Property Status	New phase of development	Medium
Build Out Timeline (Years)	1 year	Low
Pending Sales	Yes	Low
Household Income	Middle	Medium to High
Proposed Home Pricing	At the mid range of the competitive market	Medium
Overall Risk Rating		**Low**
Applicable Discount Rate Range (including developers profit and discount)		**14.00% to 16.00%**

INCOME APROACH AS COMPLETE VALUE CONCLUSION

The appraisers have employed the Excel spreadsheet program. It should be noted that the cash flow is discounted annually. A spreadsheet showing our assumptions and calculations are located below. Based on our discounted cash flow, utilizing an appropriate discount rate, the indicated "As Complete" value of the Whisper PID **proposed 581 lots**, as of the proposed completion date, February 4, 2021, is as follows:

"As Is" Market Value - Proposed SFR Lots by DCF			
Low to High Survey Rate Increments	**Net Present Value**	**NPVRounded**	**NPV Per Lot**
14.00%	**$19,840,439**	$19,850,000	$20,961
14.50%	**$19,599,102**	$19,600,000	$20,697
15.00%	**$19,362,409**	**$19,350,000**	**$20,433**
15.50%	**$19,130,246**	$19,125,000	$20,195
16.00%	**$18,902,500**	$18,900,000	$19,958

Sellout of Proposed Single Family Lots Discounted Cash Flow Analysis							
Revenue (Annum)		**1**	**2**	**3**	**4**	**5**	**Totals**
Revenue							
Existing SFR Lots Phase 1		$5,790,000	$6,269,123	$6,786,068	$7,343,730	$5,524,408	**$31,713,329**
Gross Revenue (Inflated)		**$5,790,000**	**$6,269,123**	**$6,786,068**	**$7,343,730**	**$5,524,408**	**$31,713,329**
Expenses, Cost of Sales							
Closing Costs	1.5%	$86,850	$94,037	$101,791	$110,156	$82,866	**$475,700**
Marketing	1.5%	$86,850	$94,037	$101,791	$110,156	$82,866	**$475,700**
Administrative	2.5%	$144,750	$156,728	$169,652	$183,593	$138,110	**$792,833**
Property Tax		$321,348	$250,417	$176,015	$98,035	$29,131	**$874,945**
Total Expenses		**$639,798**	**$595,219**	**$549,249**	**$501,940**	**$332,974**	**$2,619,178**
Net Cash Flow		**$5,150,202**	**$5,673,904**	**$6,236,820**	**$6,841,790**	**$5,191,434**	**$29,094,150**
Present Value Factor	**15.0%**	0.86957	0.75614	0.65752	0.57175	0.49718	
Present Value		**$4,478,437**	**$4,290,287**	**$4,100,810**	**$3,911,816**	**$2,581,060**	**$19,362,409**

CONCLUDED VALUE OF SUBJECT PROPOSED LOTS

The appraisers have employed both the Cost and Income Approaches in valuing the proposed lots. The value indication for Tract No. 6 subdivision including 581 proposed lots as if complete ranges from $20,110,000 by the Cost Approach to $19,350,000 by the Income Approach. The cost approach reflects the fact that the subdivision is new and will encompass large initial costs than later phases of an existing subdivision. The Income Approach incorporating the DCF projects sellout of the proposed lot based on estimated market value/contract lot pricing and absorption of those lots. Greatest emphasis is assigned the Income Approach, however, both approaches are well supported and meaningful. The concluded values of the subject Tract No. 6 proposed subdivision development "As Complete" is as follows.

CONCLUDED VALUE - SUBJECT LOTS	
	"As Complete"
Cost Approach	$20,110,000
Income Approach	$19,350,000
Prospective "As Complete" Market Value (Rd)	**$19,500,000**

RECONCILIATION

The valuation of the subject property includes 8 commercial/mixed use tracts and 581 proposed lots (Tract No. 6). The Sales Comparison Approach is utilized in regard to the 8 vacant tracts on an “as is” basis. The Cost Approach (reflecting the cost of development plus land value) and the Income Capitalization Approach are used to reflect the value of the proposed 581 lots.

The vacant land tract values as concluded earlier in the report are also summarized in the chart below:

MARKET VALUE CONCLUSION - WHISPER PID						
Property Description		Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion	$/Unit
Tract 1	69.393 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	$14,800,000	$4.90/SF
Tract 2	46.293 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	$10,475,000	$5.19/SF
Tract 3A	121.280 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$17,700,000	$3.35/SF
Tract 3B	16.560 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$3,575,000	$4.96/SF
Tract 4	164.183 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$28,250,000	$3.95/SF
Tract 5	33.370 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$6,900,000	$4.75/SF
Tract 6	130.641 Acres/581 Single Family Lots	"As Complete"	Fee Simple Estate	February 4, 2021	$19,500,000	$33,563/Lot
Tract 7A	72.660 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$12,025,000	$3.80/SF
Tract 7B	51.969 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	$9,850,000	$4.35/SF

CERTIFICATION

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Franklin L. Flato, MAI and Ted A. Moore, MAI, have both made personal inspection of the property that is the subject of this report on February 4, 2020.
9. The appraisers have not performed previous valuation services with regard to this specific site within the three-year period immediately preceding the date of acceptance of this assignment.
10. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Franklin L. Flato, MAI and Ted A. Moore, MAI, have both completed the continuing education program of the Appraisal Institute.
13. Franklin L. Flato, MAI and Ted A. Moore MAI, both have extensive experience in the appraisal of similar properties and is licensed by the State of Texas.

Franklin L. Flato, MAI
President
Certified General Real Estate Appraiser
Texas – TX-1321148-G; Exp. June 30, 2021
E-Mail: franklin@flatorealtyadvisors.com

Ted A. Moore, MAI
Senior Appraiser
Certified General Real Estate Appraiser
Texas – TX-1320476-G; Exp. January 31, 2021
E-Mail: ted@flatorealtyadvisors.com

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Flato Realty Advisors, LLC is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. However, Flato Realty Advisors, LLC has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.

2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Flato Realty Advisors, LLC professionals are not engineers and are not competent to judge matters of an engineering nature. Flato Realty Advisors, LLC has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Flato Realty Advisors, LLC by ownership or management; Flato Realty Advisors, LLC inspected less than 100% of the entire interior and exterior portions of the improvements; and Flato Realty Advisors, LLC was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, Flato Realty Advisors, LLC reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. Flato Realty Advisors, LLC has no knowledge of the existence of such materials on or in the property. Flato Realty Advisors, LLC, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The Client is urged to retain an expert in this field, if desired.

   Flato Realty Advisors, LLC has inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Flato Realty Advisors, LLC. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. It is assumed that all factual data furnished by the Client, property owner, owner's representative, or persons designated by the Client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Flato Realty Advisors, LLC has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Flato Realty Advisors, LLC reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the Client should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Flato Realty Advisors, LLC of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Flato Realty Advisors, LLC will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. Flato Realty Advisors, LLC assumes no private deed restrictions, limiting the use of the subject in any way.

8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.

9. Flato Realty Advisors, LLC is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.

10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure time, promotional effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.

11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. Flato Realty Advisors, LLC does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Flato Realty Advisors, LLC.

12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Flato Realty Advisors, LLC to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

13. Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or

administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.

14. This study may not be duplicated in whole or in part without the specific written consent of Flato Realty Advisors, LLC nor may this report or copies hereof be transmitted to third parties without said consent, which consent Flato Realty Advisors, LLC reserves the right to deny. Exempt from this restriction is duplication for the internal use of the Client-addressee and/or transmission to attorneys, accountants, or advisors of the Client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Flato Realty Advisors, LLC which consent Flato Realty Advisors, LLC reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Flato Realty Advisors, LLC shall have no accountability or responsibility to any such third party.

15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Flato Realty Advisors, LLC unless otherwise stated within the body of this report. If the consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Flato Realty Advisors, LLC assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or Client’s designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Flato Realty Advisors, LLC assumes responsibility for any situation arising out of the Client’s failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. Flato Realty Advisors, LLC assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.

21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Flato Realty Advisors, LLC has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since Flato Realty Advisors, LLC has no specific information relating to this issue, nor is Flato Realty Advisors, LLC qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client’s failure or the failure of any of the Client’s agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.

25. The report is for the sole use of the Client; however, Client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Flato Realty Advisors, LLC or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.

DEFINITIONS

The following definitions are derived from The Dictionary of Real Estate Appraisal, Sixth Edition, published by the Appraisal Institute.

- **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- **Absorption Rate:** Broadly, the rate at which vacant space in a property or group of properties for sale of lease has been or is expected to be successfully sold or leased over a specified period of time.
- **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.
- **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- **Confidential Information:** Information that is either: identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.
- **Contract Rent:** The actual rental income specified in a lease.
- **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made during the exposure time; 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.
- **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- **Exposure Time:** 1) The time a property remains on the market; 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2020-2021 ed)
- **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP 2020-2021 ed.)
- **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- **Frictional Vacancy:** The amount of vacant space need in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- **Full Service Lease:** See gross lease.

- **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed *the market value of the going concern* or *market value of the total assets of the business*.
- **Gross Building Area (GBA):** 1) The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved; 2) Gross leasable area plus all common areas.
- **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- **Hypothetical Condition:** A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- **Investment Value:** The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
- **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider to be their best interests; 7) A normal marketing effort is not possible due to the brief exposure time; 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- **Market Rent**: The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- **Market Value:** See body of report for market value definition used in this appraisal.
- **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation addresses the application and determination of reasonable exposure and marketing time.)
- **Net Lease:** A lease in which the landlord passes on all expenses to the tenant.
- **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.
- **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied; 2) The ratio of occupied space to total rentable space in the building.

- **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or stabilized level of long-term occupancy.
- **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which rent is based; calculated according to local practice.
- **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion.
- **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically, these are long-term leases with tenants paying all or most property expenses.
- **Surplus Land:** Land that is not currently needed to support the existing improvements but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.
- **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to re-lease the space is considered.
- **Usable Area:** 1) For office buildings, the actual occupied area of a floor or an office space; computed by measuring from the finished surface or the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.
- **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of appraisal. Value in use may or may not be equal to market value but is different conceptually.

QUALIFICATIONS OF FRANKLIN L. FLATO, MAI

CAREER SUMMARY

Franklin L. Flato, MAI, founder and president of Flato Realty Advisors, LLC, a commercial real estate appraisal firm active in South Texas and Mexico, since 2012. Prior to founding Flato Realty Advisors, LLC, Mr. Flato served as Vice President – Senior Appraiser, directing the San Antonio office of Grubb & Ellis Landauer, from 2010 through 2012, Senior commercial appraiser at Dugger, Canaday, Grafe, Inc., a San Antonio based appraisal firm, from 1988 through 2010, and Leasing Director for Flato Realty Investments, Inc. from 1986 through 1988. Experience includes legal/court testimony, right-of-way valuation, investment counseling, traditional commercial real estate appraisal, etc.

Mr. Flato has analyzed properties including retail (single tenant, pad site, ground lease, retail centers to regional malls), office buildings (single tenant garden to high rise multi-tenant, call centers, corporate headquarters), industrial properties (warehouse, manufacturing plants, special purpose, maquiladora plants), vacant development tracts, mixed use developments, commercial sites, rural land, ranches, farms, apartment complexes, residential and commercial subdivisions, aircraft related buildings, automobile dealerships, hotels, recreational theme parks, golf courses and country clubs, marinas, etc. on an "as-is" and prospective "as-proposed" basis.

Assignments completed in Texas, Louisiana, Florida, Oklahoma, New Mexico, Colorado, New Jersey, Pennsylvania, Puerto Rico, Honduras and the Republic of Mexico (states of Tamaulipas, Jalisco, Nayarit, Sinaloa, Sonora, Baja California, Baja California Sur, Puebla, Guanajuato, Veracruz, Nuevo Leon, Guerrero, Morelia, Queretaro, Coahuila, San Luis Potosi, Chihuahua, Colima, Quintana Roo, Distrito Federal, and the State of Mexico). He has also qualified as an expert witness in Bexar, San Patricio, Webb, Live Oak, Travis, Goliad, Nueces, Reeves, Harris, Hidalgo and Cameron Counties of Texas and has lectured and been on speaker panels at national and local Appraisal Institute meetings and Right-of-Way functions in San Antonio, Texas, Chicago, Illinois, Cancun, Mexico and Madrid, Spain.

Mr. Flato is fluent in Spanish and has extensive contacts in Mexico and Latin America. Assignments in Mexico include complex retail and mixed use developments, industrial portfolios in most major cities, manufacturing plants including major automobile parts suppliers, resort properties, subdivisions, ranches and rural properties, etc., for international and local clients including major banks, investment firms, developers, etc. Over 100 properties appraised in 2013/2014 and typically 12 to 20 properties per year in Mexico.

PROFESSIONAL DESIGNATIONS/STATE & REGULATORY LICENSURE

- MAI Designation – Appraisal Institute, Certificate No. 11792
- Texas – State Certified General Real Estate Appraiser, License No. 1321148-G

PROFESSIONAL AFFILIATIONS

- Treasurer, Union of Pan American Valuation Associations (UPAV; 2010-2012)
- Chief Delegate to Mexico, Appraisal Institute (2009)
- Member, Free Trade Alliance (2009)
- President, South Texas Chapter of the Appraisal Institute (2008)
- Ambassador to Mexico, Appraisal Institute (2004-2008)
- Director to Past President, South Texas Chapter of the Appraisal Institute (2001-2009)

EDUCATION

Courses and seminars – Appraisal Institute, International Council of Shopping Centers (ICSC); BBA in Real Estate and Urban Land Development at the University of Texas at Austin; certified under the Appraisal Institute's voluntary program of continuing education for designated members of the Appraisal Institute.

QUALIFICATIONS OF TED A. MOORE, MAI

APPRAISAL EXPERIENCE

Worked on routine and complex assignments throughout the State of Texas with several firms. Extensive experience in land, subdivisions, multi-family, hotel, office, industrial warehouses/manufacturing, office, retail, special purpose, etc. Experience includes appraising under various categories including assistant, primary appraiser, supervisor and review appraiser. Clients have included financial institutions, city, county and state government, law firms, investors, etc.

STATE & REGULATORY LICENSURE

MAI Designation – Appraisal Institute, Certificate No. 7739
Texas – State Certified General Real Estate Appraiser, License No. 1320476-G

EDUCATION

1978 - 1979 **Baylor University: M.B.A.**
Focus on finance, business management and economics. Completed term project for degree on the projected startup and operation of a nursing home/retirement center.

1976 - 1978 **Baylor University: B.B.A.**
Completed double major in marketing and real estate.

EMPLOYMENT HISTORY

Since 07/12 **Flato Realty Advisors**
Commercial Real Estate Appraiser/Analyst

Since 04/07 **Heart To Heart Homecare**
Owner/CEO

06/97 - 04/07 **Long Term Care**
Administrator, served as Administrator in several communities

1995 - 1997 **Aegis Group**
Commercial Real Estate Appraiser

1987 - 1995 **Ted A. Moore & Associates**
Owner/Appraiser

1985 - 1987 **Cushman & Wakefield**
Commercial Real Estate Appraiser

1984 - 1985 **Love & Dugger**
Commercial Real Estate Appraiser

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Franklin Lockard Flato**
License #: **TX 1321148 G** License Expires: **06/30/2021**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Douglas E. Oldmixon
Commissioner

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Ted Alan Moore**
License #: **TX 1320476 G** License Expires: **01/31/2021**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Douglas E. Oldmixon
Commissioner

FLATO
REALTY ADVISORS, LLC
8918 Tesoro Drive, Suite 405 | San Antonio, Texas 78217
Phone: 210-446-3825 | Web: www.flatorealtyadvisors.com

December 11, 2019

Mr. Bert Lumbreras
City Manager, City of San Marcos
630 E. Hopkins Street
San Marcos, Texas 78666

RE: Whisper Public Improvement District "As Is" Market Value Appraisal, San Marcos, Hays County, Texas

Dear Mr. Lumbreras,

Thank you for the opportunity to provide a market value appraisal of the above noted property. Flato Realty Advisors, LLC., will complete a market value appraisal to include the market value of the existing Whisper PID mixed use development, in 7 tracts (Commercial, Industrial, Mixed-Use and Single Family) as individual (several tracts may include more than one component) and as a whole, incorporating the contributory value of entitlements including completed and proposed offsite improvements. The tracts include two (2) phases of residential lots (279 and 303 lots) including both platted, finished and partially engineered lots. Our firm has completed a significant number of appraisals of both "as-is" and "prospective" lots and developments in the region over the past number of years.

The analysis and report provided will meet the requirements of the Uniform Standards of Professional Practice of the Appraisal Foundation and Code of Ethics of the Appraisal Institute. The scope of work will consist of a physical property inspection, perusal of documents provided, confirmation of comparable improved and land sales and listings, research and confirmation, market analysis, valuation analysis, and preparation of the (1) value conclusions and (2) valuation report.

It is understood that the purpose of the appraisal is to be for inclusion in an offering document which will be distributed for the purpose of issuing municipal bonds. Flato Realty Advisors, LLC consents to execute necessary certificates in connection therewith (i.e. letter of representation). It is understood that the developer will provide evidence of sufficient funds to complete the improvements contemplated in the appraisal, on hand at the time of bond closing.

Our fee for the market value appraisal, presented as a real estate appraisal report, will be $14,000 payable as 50% upon engagement and the balance upon completion of the assignment and delivery of the report. Additional work after completion of the report for, but not limited to, research, preparation for court testimony, or court testimony, will be billed at the rate of $250 per hour. The report can be completed within four weeks of receipt of the executed engagement letter, retainer and subject property information to include (1) survey of each tract and (2) listing of planned and existing public improvements.

If this proposal is acceptable, please sign and date a copy of this letter and return it. Thank you for the opportunity to be considered for this assignment. We will begin work upon receipt of this executed engagement and retainer. Thank you for consideration of our firm in this important assignment.

Signed,

Franklin L. Flato, MAI
President
Flato Realty Advisors, LLC

Signed

Stephanie Reyes for Bert Lumbreras

Mr. Bert Lumbreras
City Manager
City of San Marcos

FLATO
REALTY ADVISORS, LLC
8918 Tesoro Drive, Suite 405 | San Antonio, Texas 78217
Phone: 210-446-3825 | Web: www.flatorealtyadvisors.com

***Mutual Limitation of Liability**: Appraiser and Client agree that the following mutual limitation of liability is agreed to in consideration of the fees to be charged and the nature of Appraiser's services under this Agreement. Appraiser and Client agree that to the fullest extent permitted by applicable law, each party's and its Personnel's maximum aggregate or joint liability to the other party for claims and causes of action relating to this Agreement or to appraisals or other services under this Agreement shall be limited to the total fees and costs charged by the Appraiser for the services that are subject of the claim(s) or cause(s) of action. This limitation of liability extends to all types of claims or causes of action, whether in breach of contract or tort, including without limitation claims/causes of action for negligence, professional negligence, or negligent misrepresentation on the part of either party or its Personnel, but excluding claims/causes of action for intentionally fraudulent conduct, criminal conduct or intentionally caused injury. The Personnel of each party are intended third-party beneficiaries of this limitation of liability. "Personnel," as used in this paragraph, means the respective party's staff, employees, contractors, members, partners and shareholders. Appraiser and Client agree that they each have been free to negotiate different terms than stated above or contract with other parties.*

WHISPER R PRO FORMA

TOTAL PROJECT COST BASIS			
Land Cost			
$ 2,800,000	Land Cost		
		$ 2,800,000	Subtotal
Soft Costs & Conditions			
$ 51,200	Mobilization		
$ 2,400	Construction Entrance		
$ 9,792	SWPPP		
$ 46,074	Silt Fencing		
$ 11,520	OSHA Safety Caps		
$ 1,320	Concrete Washout		
$ 14,240	Inlet Protection		
$ 30,388	Rock Berming		
$ 45,115	Revegetation		
$ 462,500	Developer Fee		
$ 10,000	Appraisal Fee		
$ 110,000	Loan Origination Fee		
$ 230,000	Interest Reserve		
$ 5,000	Bank Inspection Fees		
$ 75,000	Rollback Tax		
$ 37,500	Property Tax Reserve		
$ 375,000	Amenity Center Contribution		
$ 125,000	Mailbox Station		
$ 280,000	PID Fencing		
$ 335,000	Landscaping		
$ 162,500	Civil Engineer		
$ 110,000	Surveyor		
$ 94,500	Title Company Fees		
$ 195,000	Signage		
$ 63,000	Platting / Impact Fees		
$ 5,000	Water Report		
		$ 2,587,049	Subtotal
Street Improvements			
$ 63,140	Clear and Grub		
$ 156,281	Topsoil Strip and Stockpile		
$ 131,577	Topsoil Replace		
$ 61,984	Stret Excavation		
$ 181,308	Lot and Drainage Excavation		
$ 324,760	Borrow Excavation		
$ 62,776	Street Embankment		
$ 561,311	Lot and Drainage Embankment		
$ 786,405	8" Lime Stabilization		
$ 444,729	8" Base		
$ 279,622	10" Base		
$ 462,853	2" Type D HMAC		
$ 294,609	2.5" Type D HMAC		
$ 532,360	Curb / Gutter		
$ 81,480	6" Concrete Valley Gutter		
$ 2,800	Fire Hydrant Markers		
$ 19,100	Street Signage		
$ 12,640	End of Road Barricades		
$ 136,756	4' Sidewalk		
$ 128,160.00	ADA Ramps		
$ 48,936	Construction Surveying		
		$ 4,773,586	Subtotal
Water Improvements			
$ 13,622	Connect to Existing		
$ 652,507	8" C900		
$ 14,956	18" Steel Casing		
$ 52,864	Ductile Fittings and Restraints		
$ 180,956	8' Gate Valve		
$ 174,420	Fire Hydrant Assembly		
$ 90,100	Single Service		
$ 294,000	Double Service		
$ 13,200	Harris Hill Traffic Control		
$ 11,084	Harris Hill HMAC Repair		
$ 14,420	Trench Safety		
$ 17,480	Testing		
$ 31,024	Construction Survey		
		$ 1,560,633	Subtotal
WW & F Improvements			
$ 329,926	Connect to Existing		
$ 526,650	8" WW Line		
$ 306,764	4' MH		
$ 103,260	4' MH Coating		
$ 12,957	WW Access Chamber		
$ 71,400	Concrete Diamonds - Manholes		
$ 388,500	Double Services		
$ 82,500	Single Services		
$ 22,640	Trench Safety		
$ 47,050	Testing		
$ 28,019	Construction Survey		
$ 610,000	PEC Cost		
$ 330,000	Material Cost		
		$ 2,959,647	Subtotal
Drainage & Electrical			
$ 329,559	18" RCP Culvert		
$ 356,969	24" RCP Culvert		
$ 231,176	30" RCP Culvert		
$ 576,155	36" RCP Culvert		
$ 232,452	42" RCP Culvert		
$ 479,755	48" RCP Culvert		
$ 637,917	10' Curb Inlet		
$ 26,925	15' Curb Inlet		
$ 3,105	4' Area Inlet		
$ 9,752	20'x4' Box Manhole		
$ 9,403	7' Manhole		
$ 132,351	6' Manhole		
$ 92,655	6'x6' Box Manhole		
$ 34,690	5' Manhole		
$ 45,200	Concrete Diamonds - Manholes		
$ 144,400	10' Area Inlet Transition		
$ 2,640	15' Area Inlet Transition		
$ 1,350	4' Area Inlet Apron		
$ 3,450	18" Headwall		
$ 16,700	30" Headwall		
$ 34,160	36" Headwall		
$ 1,440	24" Headwall		
$ 3,940	4-30" Sloped Headwall		
$ 5,250	36" Sloped Headwall		
$ 6,300	Sloped Headwall 30", 36", 42"		
$ 3,940	48" Sloped Headwall		
$ 6,940	3-48" Sloped Headwall		
$ 7,120	3-48" Headwall w/ DISS		
$ 32,600	Channel Drop Conc. Wall		
$ 29,120	2' Splash Pad Channel 3		
$ 37,724	2' Trickle Channel		
$ 49,800	Channel Drop Conc. Wall Channel 1		
$ 6,696	2' Splash Pad Channel 1		
$ 36,753	Trench Safety		
$ 9,450	Rock Rip Rap 12" Depth		
$ 136,136	Rock Rip Rap 24' Depth		
$ 33,404	Construction Survey		
		$ 3,841,580	Subtotal
		$ 18,722,494	Total Cost

PHASE 1 COST BASIS			
Land Cost			
$ 2,800,000	Land Cost		
		$ 2,800,000	Subtotal
Soft Costs & Conditions			
$ 23,700	Mobilization		
$ 1,200	Construction Entrance		
$ 4,896	SWPPP		
$ 26,074	Silt Fencing		
$ 5,760	OSHA Safety Caps		
$ 660	Concrete Washout		
$ 6,120	Inlet Protection		
$ 15,888	Rock Berming		
$ 27,115	Revegetation		
$ 270,000	Developer Fee		
$ 5,000	Appraisal Fee		
$ 65,000	Loan Origination Fee		
$ 150,000	Interest Reserve		
$ 2,500	Bank Inspection Fees		
$ 75,000	Rollback Tax		
$ 22,500	Property Tax Reserve		
$ 375,000	Amenity Center Contribution		
$ 80,000	Mailbox Station		
$ 145,000	PID Fencing		
$ 200,000	Landscaping		
$ 97,500	Civil Engineer		
$ 45,000	Surveyor		
$ 59,500	Title Company Fees		
$ 150,000	Signage		
$ 35,000	Platting / Impact Fees		
$ 5,000	Water Report		
		$ 1,893,413	Subtotal
Street Improvements			
$ 35,640	Clear and Grub		
$ 91,281	Topsoil Strip and Stockpile		
$ 73,577	Topsoil Replace		
$ 33,984	Stret Excavation		
$ 103,308	Lot and Drainage Excavation		
$ 239,760	Borrow Excavation		
$ 32,776	Street Embankment		
$ 331,311	Lot and Drainage Embankment		
$ 461,405	8" Lime Stabilization		
$ 239,729	8" Base		
$ 159,622	10" Base		
$ 277,853	2" Type D HMAC		
$ 169,609	2.5" Type D HMAC		
$ 309,360	Curb / Gutter		
$ 51,480	6" Concrete Valley Gutter		
$ 1,800	Fire Hydrant Markers		
$ 12,600	Street Signage		
$ 8,640	End of Road Barricades		
$ 81,756	4' Sidewalk		
$ 83,160.00	ADA Ramps		
$ 30,936	Construction Surveying		
		$ 2,329,596	Subtotal
Water Improvements			
$ 8,622	Connect to Existing		
$ 343,507	8" C900		
$ 14,956	18" Steel Casing		
$ 36,864	Ductile Fittings and Restraints		
$ 100,956	8' Gate Valve		
$ 99,420	Fire Hydrant Assembly		
$ 55,100	Single Service		
$ 169,000	Double Service		
$ 6,600	Harris Hill Traffic Control		
$ 7,584	Harris Hill HMAC Repair		
$ 7,210	Trench Safety		
$ 10,980	Testing		
$ 18,024	Construction Survey		
		$ 878,823	Subtotal
WW & F Improvements			
$ 8,926	Connect to Existing		
$ 286,650	8" WW Line		
$ 181,764	4' MH		
$ 67,260	4' MH Coating		
$ 8,357	WW Access Chamber		
$ 41,400	Concrete Diamonds - Manholes		
$ 208,500	Double Services		
$ 47,500	Single Services		
$ 12,015	Trench Safety		
$ 35,050	Testing		
$ 15,019	Construction Survey		
$ 320,000	PEC Cost		
$ 185,000	Material Cost		
		$ 1,413,422	Subtotal
Drainage			
$ 157,619	18" RCP Culvert		
$ 170,569	24" RCP Culvert		
$ 146,176	30" RCP Culvert		
$ 451,155	36" RCP Culvert		
$ 164,952	42" RCP Culvert		
$ 348,755	48" RCP Culvert		
$ 372,917	10' Curb Inlet		
$ 11,925	15' Curb Inlet		
$ 4,605	4' Area Inlet		
$ 9,752	20'x4' Box Manhole		
$ 4,703	7' Manhole		
$ 67,351	6' Manhole		
$ 62,635	6'x6' Box Manhole		
$ 28,990	5' Manhole		
$ 23,200	Concrete Diamonds - Manholes		
$ 51,900	10' Area Inlet Transition		
$ 2,640	15' Area Inlet Transition		
$ 1,350	4' Area Inlet Apron		
$ 3,450	18" Headwall		
$ 4,200	30" Headwall		
$ 3,160	36" Headwall		
$ 1,440	24" Headwall		
$ 3,940	4-30" Sloped Headwall		
$ 5,250	36" Sloped Headwall		
$ 6,300	Sloped Headwall 30", 36", 42"		
$ 3,940	48" Sloped Headwall		
$ 6,940	3-48" Sloped Headwall		
$ 7,120	3-48" Headwall w/ DISS		
$ 31,600	Channel Drop Conc. Wall		
$ 4,125	2' Splash Pad Channel 3		
$ 32,724	2' Trickle Channel		
$ 49,800	Channel Drop Conc. Wall Channel 1		
$ 6,696	2' Splash Pad Channel 1		
$ 17,255	Trench Safety		
$ 9,450	Rock Rip Rap 12" Depth		
$ 136,136	Rock Rip Rap 24' Depth		
$ 21,604	Construction Survey		
		$ 2,590,383	Subtotal
		$ 12,316,127	Total Cost

PHASE 2 COST BASIS			
Land Cost			
$ -	Land Cost		
		$ -	Subtotal
Soft Costs			
$ 27,500	Mobilization		
$ 1,200	Construction Entrance		
$ 4,896	SWPPP		
$ 20,000	Silt Fencing		
$ 5,760	OSHA Safety Caps		
$ 660	Concrete Washout		
$ 8,120	Inlet Protection		
$ 14,500	Rock Berming		
$ 18,000	Revegetation		
$ 192,500	Developer Fee		
$ 5,000	Appraisal Fee		
$ 45,000	Loan Origination Fee		
$ 80,000	Interest Reserve		
$ 2,500	Bank Inspection Fees		
$ -	Rollback Tax		
$ 15,000	Property Tax Reserve		
$ -	Amenity Center Contribution		
$ 45,000	Mailbox Station		
$ 135,000	PID Fencing		
$ 135,000	Landscaping		
$ 65,000	Civil Engineer		
$ 65,000	Surveyor		
$ 35,000	Title Company Fees		
$ 45,000	Signage		
$ 28,000	Platting / Impact Fees		
$ -	Water Report		
		$ 993,636	Subtotal
Street Improvements			
$ 27,500	Clear and Grub		
$ 65,000	Topsoil Strip and Stockpile		
$ 58,000	Topsoil Replace		
$ 28,000	Stret Excavation		
$ 78,000	Lot and Drainage Excavation		
$ 85,000	Borrow Excavation		
$ 30,000	Street Embankment		
$ 230,000	Lot and Drainage Embankment		
$ 325,000	8" Lime Stabilization		
$ 205,000	8" Base		
$ 120,000	10" Base		
$ 185,000	2" Type D HMAC		
$ 125,000	2.5" Type D HMAC		
$ 223,000	Curb / Gutter		
$ 30,000	6" Concrete Valley Gutter		
$ 1,000	Fire Hydrant Markers		
$ 6,500	Street Signage		
$ 4,000	End of Road Barricades		
$ 55,000	4' Sidewalk		
$ 45,000.00	ADA Ramps		
$ 18,000	Construction Surveying		
		$ 1,944,000	Subtotal
Water Improvements			
$ 5,000	Connect to Existing		
$ 309,000	8" C900		
$ -	18" Steel Casing		
$ 16,000	Ductile Fittings and Restraints		
$ 80,000	8' Gate Valve		
$ 75,000	Fire Hydrant Assembly		
$ 35,000	Single Service		
$ 125,000	Double Service		
$ 6,600	Harris Hill Traffic Control		
$ 3,500	Harris Hill HMAC Repair		
$ 7,210	Trench Safety		
$ 6,500	Testing		
$ 13,000	Construction Survey		
		$ 681,810	Subtotal
WW & F Improvements			
$ 325,000	Connect to Existing & Lift Station		
$ 240,000	8" WW Line		
$ 125,000	4' MH		
$ 36,000	4' MH Coating		
$ 4,600	WW Access Chamber		
$ 30,000	Concrete Diamonds - Manholes		
$ 180,000	Double Services		
$ 35,000	Single Services		
$ 10,625	Trench Safety		
$ 12,000	Testing		
$ 13,000	Construction Survey		
$ 290,000	PEC Cost		
$ 145,000	Material Cost		
		$ 1,446,225	Subtotal
Drainage			
$ 172,500.00	18" RCP Culvert		
$ 153,900.00	24" RCP Culvert		
$ 85,000.00	30" RCP Culvert		
$ 95,000.00	36" RCP Culvert		
$ 67,500.00	42" RCP Culvert		
$ 135,000.00	48" RCP Culvert		
$ 295,000.00	10' Curb Inlet		
$ 15,000.00	15' Curb Inlet		
$ 3,500.00	4' Area Inlet		
$ -	20'x4' Box Manhole		
$ 4,700.00	7' Manhole		
$ 65,000.00	6' Manhole		
$ 30,000.00	6'x6' Box Manhole		
$ 3,900.00	5' Manhole		
$ 20,000.00	Concrete Diamonds - Manholes		
$ 62,500.00	10' Area Inlet Transition		
$ -	15' Area Inlet Transition		
$ -	4' Area Inlet Apron		
$ -	18" Headwall		
$ 12,500.00	30" Headwall		
$ 29,000.00	36" Headwall		
$ -	24" Headwall		
$ -	4-30" Sloped Headwall		
$ -	36" Sloped Headwall		
$ -	Sloped Headwall 30", 36", 42"		
$ -	48" Sloped Headwall		
$ -	3-48" Sloped Headwall		
$ -	3-48" Headwall w/ DISS		
$ 19,000.00	Channel Drop Conc. Wall		
$ 25,000.00	2' Splash Pad Channel 3		
$ 25,000.00	2' Trickle Channel		
$ -	Channel Drop Conc. Wall Channel 1		
$ -	2' Splash Pad Channel 1		
$ 19,500.00	Trench Safety		
$ -	Rock Rip Rap 12" Depth		
$ 90,000.00	Detention Facility		
$ 16,900.00	Construction Survey		
		$ 1,469,100	Subtotal
		$ 6,534,771	Total Cost

Whisper
Exhibit A
Table of Contents
2/27/2020

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Exhibit	Description	Page
A	PID Equivalent Tax Rate and Bond Sizing Summary	2
B-1	Detailed Bond Sizing Analysis - IA 1	3
B-2	Detailed Bond Sizing Analysis - IA 2 (Business Park)	4
C	SAP Exhibit C - Authorized Improvements	5
D	SAP Exhibit D - Five Year Service Plan	6
E	SAP Exhibit E - Sources and Uses	7
F	SAP Exhibit F and Exhibit H Assessment Roll	8

Whisper
Exhibit A
PID Equivalent Tax Rate and Bond Sizing Summary - Katerra Prepay
2/27/2020

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Key Assumptions		
Bond Issue Date		5/1/2020
Capitalized Interest (Months) [b]		10
Weighted Avg. Bond Yield [c]		5.50%
Bond Term (Years)		30
First Year Admin [c]	$	35,000
Underwriter Discount [c]		3.00%
Cost of Issuance [c]		7.00%
Revenues Available for PID Infrastructure		
Katerra Prepayment [j]	$	915,516
Bond Improvement Fund	$	10,468,937
Total	**$**	**11,384,453**

Bond Sources & Uses of Funds		
Sources:		
Par Bond Amount	$	13,365,000
Uses:		
Capitalized Interest	$	618,688
Reserve Fund	$	940,875
Underwriter Discount	$	400,950
Cost of Issuance	$	935,550
Improvement Fund	**$**	**10,468,937**
Total Uses	$	13,365,000
Estimated Value to Lien		
Estimated Appraised Value	$	57,032,462
Estimated Value to Lien		4.3 to 1

PID Bond Metrics		
Existing Tax Rate [h]	$	2.61
Equivalent PID Rate		0.17
Total Equivalent Tax Rate	$	2.78
Avg. Annual PID Installment	$	1,024,372
Min DSC Ratio		1.0001
Estimated Appraised Value		
Estimated Existing Value	$	56,730,701
PID Funded Improvements [g]	$	5,974,831
Appraisal Discount @ 10%	$	(5,673,070)
Estimated Appraised Value	$	57,032,462

Land Use and Estimated Values							PID Assessments, Installments, and Equivalent Tax Rates				
				Estimated	Estimated						Avg.
			Units /	Existing	Buildout Value [a]		PID Assessment		Annual Installment		PID Equiv.
Parcel	Description [a]	Acres [i]	Sq.Ft. [a]	Value	Per Metric	Total	Total	per Metric	Total	per Metric	Tax Rate
A. IA 1 - PID Bond											
Yarrington Property											
1	Retail / Commercial	69.4	500,000	$ 3,626,370	$ 125	$ 62,500,000	$ 1,376,518	$ 2.75	$ 105,504	$ 0.21	$ 0.17
2	Retail / Commercial	46.3	375,000	2,417,580	100	37,500,000	825,911	2.20	63,303	0.17	0.17
	Subtotal/Wtd. Avg.	115.7	875,000	$ 6,043,950	$ 114	$ 100,000,000	$ 2,202,429		$ 168,807	$ 0.19	$ 0.17
Whisper Industrial Property											
3B	Business Park	16.6	180,000	2,246,034	90	16,200,000	356,794	1.98	27,347	0.15	$ 0.17
135 Residential Property											
6	Single Family	130.6	581	17,820,000 [d]	230,000	133,630,000	2,943,106	5,066	225,577	388	$ 0.17
Whisper Master Property											
3A	Business Park	121.2	950,000	11,854,066	90	85,500,000	1,883,077	1.98	144,330	0.15	$ 0.17
4A	Commercial	82.0	300,000	7,142,969 [e]	110	33,000,000	726,802	2.42	55,706	0.19	$ 0.17
4B	Office	49.2	375,000	4,285,433 [e]	120	45,000,000	991,093	2.64	75,963	0.20	$ 0.17
4C	Multifamily	32.8	1,300	2,857,536 [e]	85,000	110,500,000	2,433,684	1,872	186,532	143	$ 0.17
5	Mixed Use	33.3	110,000	1,320,000	100	11,000,000	242,267	2.20	18,569	0.17	$ 0.17
7A	Business Park	72.6	800,000	3,160,714 [f]	90	72,000,000	1,585,749	1.98	121,541	0.15	$ 0.17
	Subtotal/Wtd. Avg.	391.0		$ 30,620,718		$ 357,000,000	$ 7,862,672		$ 602,641		$ 0.17
Total / Weighted Average		653.9		$ 56,730,701		$ 606,830,000	$ 13,365,000		$ 1,024,372		$ 0.17
B. IA 2 - Business Park Prepayment											
7B	Business Park	52.0	638,685	2,263,770 [f]	80	51,094,800	926,000	1.45	63,658	0.10	$ 0.12
Total / Weighted Average		**705.9**		**$ 58,994,471**		**$ 657,924,800**	**$ 14,291,000**		**$ 1,088,029**		**$ 0.17**

Footnotes:

[a] Per information received from developer.
[b] Assumes capitalized interest through the March 2021 interest payment.
[c] For illustration purposes. Actual amounts subject to change.
[d] Assumes 303 finished lots at $45k per lot, and 279 paper lots at $15k per lot per discussion with client.
[e] Estimated at $2 per gross sq.ft. per discussion with client.
[f] Estimated at $1 per gross sq.ft. per discussion with client.
[g] Represents the estimated allocation of PID improvements for parcels 1-3, and 5.
[h] Per the 2019 property tax bill. Excludes parcel R16592, within Hays County Fire ESD #3.
[i] Per the legal descriptions of the respective property owners. Parcel acreages are estimates only.
[j] Assumes a portion of the first years admin, and PID creation costs are allocated to IA 2.

PID Analysis_2020-02-27

Whisper
Exhibit B-1
Detailed Bond Sizing Analysis - IA 1
2/27/2020

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Bond Issue Date 5/1/2020

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.50% Additional Interest	Subtotal	Capitalized Interest [c]	Reserve Fund	Annual PID Installment
0	2020	$ -	5.50%	$ 251,151	$ 251,151	$ -	$ -	$ 251,151	$ (251,151)		$ -
1	2021	$ -	5.50%	$ 735,075	$ 735,075	$ 35,700	$ 66,825	$ 837,600	$ (367,538)		$ 470,063
2	2022	$ 195,000	5.50%	$ 735,075	$ 930,075	$ 36,414	$ 66,825	$ 1,033,314	$ -		$ 1,033,314
3	2023	$ 210,000	5.50%	$ 724,350	$ 934,350	$ 37,142	$ 65,850	$ 1,037,342	$ -		$ 1,037,342
4	2024	$ 225,000	5.50%	$ 712,800	$ 937,800	$ 37,885	$ 64,800	$ 1,040,485	$ -		$ 1,040,485
5	2025	$ 240,000	5.50%	$ 700,425	$ 940,425	$ 38,643	$ 63,675	$ 1,042,743	$ -		$ 1,042,743
6	2026	$ 240,000	5.50%	$ 687,225	$ 927,225	$ 39,416	$ 62,475	$ 1,029,116	$ -		$ 1,029,116
7	2027	$ 255,000	5.50%	$ 674,025	$ 929,025	$ 40,204	$ 61,275	$ 1,030,504	$ -		$ 1,030,504
8	2028	$ 270,000	5.50%	$ 660,000	$ 930,000	$ 41,008	$ 60,000	$ 1,031,008	$ -		$ 1,031,008
9	2029	$ 285,000	5.50%	$ 645,150	$ 930,150	$ 41,828	$ 58,650	$ 1,030,628	$ -		$ 1,030,628
10	2030	$ 300,000	5.50%	$ 629,475	$ 929,475	$ 42,665	$ 57,225	$ 1,029,365	$ -		$ 1,029,365
11	2031	$ 315,000	5.50%	$ 612,975	$ 927,975	$ 43,518	$ 55,725	$ 1,027,218	$ -		$ 1,027,218
12	2032	$ 330,000	5.50%	$ 595,650	$ 925,650	$ 44,388	$ 54,150	$ 1,024,188	$ -		$ 1,024,188
13	2033	$ 360,000	5.50%	$ 577,500	$ 937,500	$ 45,276	$ 52,500	$ 1,035,276	$ -		$ 1,035,276
14	2034	$ 375,000	5.50%	$ 557,700	$ 932,700	$ 46,182	$ 50,700	$ 1,029,582	$ -		$ 1,029,582
15	2035	$ 390,000	5.50%	$ 537,075	$ 927,075	$ 47,105	$ 48,825	$ 1,023,005	$ -		$ 1,023,005
16	2036	$ 420,000	5.50%	$ 515,625	$ 935,625	$ 48,047	$ 46,875	$ 1,030,547	$ -		$ 1,030,547
17	2037	$ 435,000	5.50%	$ 492,525	$ 927,525	$ 49,008	$ 44,775	$ 1,021,308	$ -		$ 1,021,308
18	2038	$ 465,000	5.50%	$ 468,600	$ 933,600	$ 49,989	$ 42,600	$ 1,026,189	$ -		$ 1,026,189
19	2039	$ 495,000	5.50%	$ 443,025	$ 938,025	$ 50,988	$ 40,275	$ 1,029,288	$ -		$ 1,029,288
20	2040	$ 525,000	5.50%	$ 415,800	$ 940,800	$ 52,008	$ 37,800	$ 1,030,608	$ -		$ 1,030,608
21	2041	$ 540,000	5.50%	$ 386,925	$ 926,925	$ 53,048	$ 35,175	$ 1,015,148	$ -		$ 1,015,148
22	2042	$ 570,000	5.50%	$ 357,225	$ 927,225	$ 54,109	$ 32,475	$ 1,013,809	$ -		$ 1,013,809
23	2043	$ 615,000	5.50%	$ 325,875	$ 940,875	$ 55,191	$ 29,625	$ 1,025,691	$ -		$ 1,025,691
24	2044	$ 645,000	5.50%	$ 292,050	$ 937,050	$ 56,295	$ 26,550	$ 1,019,895	$ -		$ 1,019,895
25	2045	$ 675,000	5.50%	$ 256,575	$ 931,575	$ 57,421	$ 23,325	$ 1,012,321	$ -		$ 1,012,321
26	2046	$ 720,000	5.50%	$ 219,450	$ 939,450	$ 58,570	$ 19,950	$ 1,017,970	$ -		$ 1,017,970
27	2047	$ 750,000	5.50%	$ 179,850	$ 929,850	$ 59,741	$ 16,350	$ 1,005,941	$ -		$ 1,005,941
28	2048	$ 795,000	5.50%	$ 138,600	$ 933,600	$ 60,936	$ 12,600	$ 1,007,136	$ -		$ 1,007,136
29	2049	$ 840,000	5.50%	$ 94,875	$ 934,875	$ 62,155	$ 8,625	$ 1,005,655	$ -		$ 1,005,655
30	2050	$ 885,000	5.50%	$ 48,675	$ 933,675	$ 63,398	$ 4,425	$ 1,001,498	$ -		$ 1,001,498
	Total	$ 13,365,000	5.50%	$ 14,671,326	$ 28,036,326	$ 1,448,280	$ 1,310,925	$ 30,795,531	$ (618,688)	$ -	$ 30,176,843

Footnotes:

[a] For illustration purposes only. Actual amount to be determined at time bonds are issued.

[b] Assumes year 0 administrative expenses are included in the cost of issuance.

[c] Assumes capitalized interest through the March 2021 interest payment.

PID Analysis_2020-02-27

Whisper
Exhibit B-2
Detailed Bond Sizing Analysis - IA 2 (Business Park)
2/27/2020

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	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.00% Additional Interest	Subtotal	Capitalized Interest [c]	Reserve Fund	Annual PID Installment
1	2021	$ 13,000	5.50%	$ 50,930	$ 63,930	$ -	$ -	$ 63,930	$ -		$ 63,930
2	2022	$ 13,000	5.50%	$ 50,215	$ 63,215	$ -	$ -	$ 63,215	$ -		$ 63,215
3	2023	$ 14,000	5.50%	$ 49,500	$ 63,500	$ -	$ -	$ 63,500	$ -		$ 63,500
4	2024	$ 15,000	5.50%	$ 48,730	$ 63,730	$ -	$ -	$ 63,730	$ -		$ 63,730
5	2025	$ 16,000	5.50%	$ 47,905	$ 63,905	$ -	$ -	$ 63,905	$ -		$ 63,905
6	2026	$ 17,000	5.50%	$ 47,025	$ 64,025	$ -	$ -	$ 64,025	$ -		$ 64,025
7	2027	$ 18,000	5.50%	$ 46,090	$ 64,090	$ -	$ -	$ 64,090	$ -		$ 64,090
8	2028	$ 19,000	5.50%	$ 45,100	$ 64,100	$ -	$ -	$ 64,100	$ -		$ 64,100
9	2029	$ 20,000	5.50%	$ 44,055	$ 64,055	$ -	$ -	$ 64,055	$ -		$ 64,055
10	2030	$ 21,000	5.50%	$ 42,955	$ 63,955	$ -	$ -	$ 63,955	$ -		$ 63,955
11	2031	$ 22,000	5.50%	$ 41,800	$ 63,800	$ -	$ -	$ 63,800	$ -		$ 63,800
12	2032	$ 23,000	5.50%	$ 40,590	$ 63,590	$ -	$ -	$ 63,590	$ -		$ 63,590
13	2033	$ 24,000	5.50%	$ 39,325	$ 63,325	$ -	$ -	$ 63,325	$ -		$ 63,325
14	2034	$ 26,000	5.50%	$ 38,005	$ 64,005	$ -	$ -	$ 64,005	$ -		$ 64,005
15	2035	$ 27,000	5.50%	$ 36,575	$ 63,575	$ -	$ -	$ 63,575	$ -		$ 63,575
16	2036	$ 29,000	5.50%	$ 35,090	$ 64,090	$ -	$ -	$ 64,090	$ -		$ 64,090
17	2037	$ 30,000	5.50%	$ 33,495	$ 63,495	$ -	$ -	$ 63,495	$ -		$ 63,495
18	2038	$ 32,000	5.50%	$ 31,845	$ 63,845	$ -	$ -	$ 63,845	$ -		$ 63,845
19	2039	$ 34,000	5.50%	$ 30,085	$ 64,085	$ -	$ -	$ 64,085	$ -		$ 64,085
20	2040	$ 35,000	5.50%	$ 28,215	$ 63,215	$ -	$ -	$ 63,215	$ -		$ 63,215
21	2041	$ 37,000	5.50%	$ 26,290	$ 63,290	$ -	$ -	$ 63,290	$ -		$ 63,290
22	2042	$ 39,000	5.50%	$ 24,255	$ 63,255	$ -	$ -	$ 63,255	$ -		$ 63,255
23	2043	$ 41,000	5.50%	$ 22,110	$ 63,110	$ -	$ -	$ 63,110	$ -		$ 63,110
24	2044	$ 44,000	5.50%	$ 19,855	$ 63,855	$ -	$ -	$ 63,855	$ -		$ 63,855
25	2045	$ 46,000	5.50%	$ 17,435	$ 63,435	$ -	$ -	$ 63,435	$ -		$ 63,435
26	2046	$ 49,000	5.50%	$ 14,905	$ 63,905	$ -	$ -	$ 63,905	$ -		$ 63,905
27	2047	$ 51,000	5.50%	$ 12,210	$ 63,210	$ -	$ -	$ 63,210	$ -		$ 63,210
28	2048	$ 54,000	5.50%	$ 9,405	$ 63,405	$ -	$ -	$ 63,405	$ -		$ 63,405
29	2049	$ 57,000	5.50%	$ 6,435	$ 63,435	$ -	$ -	$ 63,435	$ -		$ 63,435
30	2050	$ 60,000	5.50%	$ 3,300	$ 63,300	$ -	$ -	$ 63,300	$ -		$ 63,300
Total		$ 926,000	5.50%	$ 983,730	$ 1,909,730	$ -	$ -	$ 1,909,730	$ -	$ -	$ 1,909,730

Footnotes:

[a] For illustration purposes only. Actual amount to be determined at time bonds are issued.

[b] Assumes year 0 administrative expenses are included in the cost of issuance.

[c] Assumes capitalized interest through the March 2021 interest payment.

PID Analysis_2020-02-27

Whisper
Exhibit C
SAP Exhibit C - Authorized Improvements
2/27/2020

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Description	IA 1	IA 2 (Business Park)	Total [a]
A. Allocation Determination:			
Estimated Buildout Value	$ 606,830,000	$ 51,094,800	$ 657,924,800
Eligible Cost Allocation	92.23%	7.77%	100.00%
B. PID Eligible Costs:			
Road A	$ 5,704,948	$ 480,354	$ 6,185,301
Road B	2,384,734	200,793	2,585,528
Lift Station and Waste Water Line D	263,555	22,191	285,746
Road C	2,499,880	210,489	2,710,369
Offsite Waste Water Line B	291,229	24,521	315,750
Subtotal - Hard Costs	$ 11,144,346	$ 938,349	$ 12,082,694
Construction Management Fee @ 4% [b]	445,774	37,534	483,308
Total - Hard Costs	$ 11,590,119	$ 975,883	$ 12,566,002
Soft Costs	760,099	64,000	824,099
Subtotal	$ 12,350,218	$ 1,039,883	$ 13,390,101
Less: Roadway Infrastructure Reimbursement from City [c]	$ (1,468,993)	$ (123,689)	$ (1,592,682)
Total Eligible Costs	**$ 10,881,225**	**$ 916,194**	**$ 11,797,419**
C. District Formation and Bond Issuance Costs: [d]			
Debt Service Reserve Fund	$ 940,875	$ -	$ 940,875
Capitalized Interest	618,688	-	618,688
Underwriter Discount	400,950	-	400,950
Cost of Issuance	935,550	-	935,550
PID Creation Costs	92,234	7,766	100,000
First Year Annual Collection Costs	32,282	2,718	35,000
Total Formation and Bond Issuance Costs	**$ 3,020,579**	**$ 10,484**	**$ 3,031,063**
Total	**$ 13,901,804**	**$ 926,678**	**$ 14,828,482**

Footnotes:

[a] Per cost information provided by developer.
[b] Per Exhibit A of the Financing Agreement.
[c] Per discussion with developer, represents roadway cost reimbursements from the City.
[d] For illustration purposes only. Actual amount to be determined. Assumes IA 2 prepays the assessments.

Whisper
Exhibit D
SAP Exhibit D - Five Year Service Plan
2/27/2020

DRAFT

Improvement Area #1					
Description	Installments Due [a]				
	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025
Principal	$ -	$ 195,000	$ 210,000	$ 225,000	$ 240,000
Interest	735,075	735,075	724,350	712,800	700,425
Capitalized Interest	(367,538)	-	-	-	-
Subtotal	$ 367,538	$ 930,075	$ 934,350	$ 937,800	$ 940,425
Annual Collection Costs	35,700	36,414	37,142	37,885	38,643
Additional Interest Reserve	66,825	66,825	65,850	64,800	63,675
Total Annual Installment	**$ 470,063**	**$ 1,033,314**	**$ 1,037,342**	**$ 1,040,485**	**$ 1,042,743**

Improvement Area #2 (Business Park)					
Description	Installments Due [b]				
	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025
Principal	$ 13,000	$ 13,000	$ 14,000	$ 15,000	$ 16,000
Interest	50,930	50,215	49,500	48,730	47,905
Capitalized Interest	-	-	-	-	-
Subtotal	$ 63,930	$ 63,215	$ 63,500	$ 63,730	$ 63,905
Annual Collection Costs	-	-	-	-	-
Additional Interest Reserve	-	-	-	-	-
Total Annual Installment	**$ 63,930**	**$ 63,215**	**$ 63,500**	**$ 63,730**	**$ 63,905**

Footnotes:

[a] Assumes the September 2020 interest payment will be funded at bond issuance through capitalized interest.

[b] It is anticipated the Improvement Area #2 assessments will be prepaid.

Whisper
Exhibit E
SAP Exhibit E - Sources and Uses
2/27/2020

DRAFT

Description	IA 1	IA 2 (Business Park)
A. Sources of Funds:		
Improvement Area #1 Bond Par	$ 13,365,000	
Improvement Area #2 Reimbursement Obligation		$ 926,000
Owner Contribution	536,804	678
Total Sources	**$ 13,901,804**	**$ 926,678**
B. Uses of Funds:		
Major Improvements	$ 10,881,225	$ 916,194
District Formation and Bond Issuance Costs:		
Debt Service Reserve Fund	$ 940,875	$ -
Capitalized Interest	618,688	-
Underwriter Discount	400,950	-
Cost of Issuance	935,550	-
PID Creation Costs	92,234	7,766
First Year Annual Collection Costs	32,282	2,718
Subtotal	$ 3,020,579	$ 10,484
Total Uses	**$ 13,901,804**	**$ 926,678**

Whisper
Exhibit F
SAP Exhibit F and Exhibit H Assessment Roll
2/27/2020

DRAFT

SAP Exhibit F: Improvement Area #1 Assessment Roll								
Owner	Map Parcel No.	Existing Property ID		Acreage		Outstanding Assessment [d]		Annual Installment Due 1/31/21 [d]
Yarrington Partners, Ltd.	1	R16595		115.686	[e]	$ 2,144,752	$	75,260
	2							
Whisper Industrial 2019 QOZB, LLC	3B	R16597	[a]	16.560	[f]	$ 347,450	$	12,192
135 Residential Development, LLC	6	R16597	[a]	130.641	[g]	$ 2,866,032	$	100,570
Whisper Master Community Limited Partnership	3A	R149611	[b]	390.997	[h]	$ 7,656,765	$	268,677
(Improvement Area # 1 Initial Parcel)	4A, 4B, 4C	R16592	[b]					
	5	R16597	[b]					
	7A	R16599	[b]					
		R11610	[b]					
		Total		653.884		**$ 13,015,000**	**$**	**456,699**

SAP Exhibit H: Improvement Area #2 Assessment Roll								
Owner	Map Parcel No.	Existing Property ID		Acreage		Outstanding Assessment		Annual Installment Due 1/31/21
Whisper Master Community Limited Partnership	7B	R149611	[c]	51.969	[i]	$ 1,260,000	$	84,300
(Improvement Area # 2 Initial Parcel)		R16592	[c]					
		Total		51.969		**$ 1,260,000**	**$**	**84,300**

Total	**705.853**	[j]	**$ 14,275,000**	**$**	**540,999**

Footnotes:
[a] Property sold to owner in 2019. Client to obtain a separate Property ID.
[b] Property to be defined as the Improvement Area #1 Initial Parcel in the SAP.
[c] Metes and Bounds has been prepared. Client to obtain a separate Property ID.
[d] Amounts subject to change based on actual bond pricing.
[e] Per the Warranty Deed recorded 4/12/2016. 85.81 acres of the 201.496 property was sold to Whisper Master Community. (201.496-85.81=115.686)
[f] Per the Special Warranty Deed recorded 12/31/2019.
[g] Per the Warranty Deed dated 4/29/2019.
[h] Calculated as the difference between the total PID acreage and the remaining acreage in IA 1 and IA 2.
[i] Per the Metes and Bounds prepared by Pape Dawson dated 11/27/2019.
[j] Per the PID creation resolution.

Res. Land Sale No. 1

Property Identification

Record ID	1749
Property Type	Raw Land, Residential
Property Name	Vacant Land - Opal Lane
Address	North of RR between Opal, Kyle, Hays County, Texas 78640
Tax ID	R18895
MSA	Austin-Round Rock

Sale Data

Grantor	Wyatt Driskell Estate
Grantee	Paramount Park Ltd.
Sale Date	April 17, 2018
Deed Book/Page	18013402
Property Rights	Fee Simple
Marketing Time	N/A
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	18013402
Verification	Broker
Sale Price	$4,000,000
Cash Equivalent	$4,000,000

Land Data

Topography	Generally Level
Utilities	Water, electric
Shape	Irregular
Landscaping	None

Res. Land Sale No. 1 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0385F; Zone X

Land Size Information

Gross Land Size	170.876 Acres or 7,443,359 SF
Front Footage	Roland Lane ; Opal Lane;

Indicators

Sale Price/Gross Acre	$23,409
Sale Price/Gross SF	$0.54

Legal Description

Abstract 473, Kyle, Hays County, Texas

Remarks

Res. Land Sale No. 2

Property Identification

Record ID	1750
Property Type	Raw Land, Residential
Property Name	Vacant Land - Carpenter Road
Address	Carpenter Road, Manchaca, Hays County, Texas 78652
Tax ID	R10169
MSA	Austin-Round Rock

Sale Data

Grantor	John H. Rodgers
Grantee	Driftwood Land Co.
Sale Date	August 16, 2017
Deed Book/Page	17029156
Property Rights	Fee Simple
Marketing Time	180 days
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	17029156
Verification	Broker
Sale Price	$4,400,000
Cash Equivalent	$4,400,000

Land Data

Topography	Gently rolling
Utilities	Water, electric
Shape	Irregular
Landscaping	None

Res. Land Sale No. 2 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0145F; Zone X

Land Size Information

Gross Land Size	275.000 Acres or 11,979,000 SF
Front Footage	Carpenter Road;

Indicators

Sale Price/Gross Acre	$16,000
Sale Price/Gross SF	$0.37

Legal Description

Out of Abs 1, 12 & 524, Manchaca, Hays County, Texas

Remarks

Res. Land Sale No. 3

Property Identification

Record ID	1751
Property Type	Vacant Land, Residential
Property Name	Vacant Land - Old Bastrop Highway
Address	Old Bastrop Highway, San Marcos, Hays County, Texas 78666
Tax ID	R16884
MSA	Austin-Round Rock

Sale Data

Grantor	Sun Belt Lands
Grantee	River Hills Custom Homes
Sale Date	July 10, 2018
Deed Book/Page	18024664
Property Rights	Fee Simple
Marketing Time	319 days
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	18024664
Verification	Broker
Sale Price	$1,720,000
Cash Equivalent	$1,720,000

Land Data

Topography	Generally level
Utilities	Electric & water
Shape	Rectangular
Landscaping	None

Res. Land Sale No. 3 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48055C0200E; Zone X

Land Size Information

Gross Land Size	72.850 Acres or 3,173,346 SF
Front Footage	2,185 ft Old Bastrop Highway;

Indicators

Sale Price/Gross Acre	$23,610
Sale Price/Gross SF	$0.54

Legal Description

Out of Abs. 356, Tr. 1, J. Owens Survey, San Marcos, Hays County, Texas

Remarks

Res. Land Sale No. 4

Property Identification

Record ID	1752
Property Type	Vacant Land, Residential
Property Name	Vacant Land - Old Stagecoach Road
Address	Old Stagecoach Road, Kyle, Hays County, Texas 78640
Tax ID	R16927
MSA	Austin-Round Rock

Sale Data

Grantor	Karla & Elaine Pfennig
Grantee	1200 S Old Stagecoach Rd LLC
Sale Date	September 18, 2017
Deed Book/Page	17032459
Property Rights	Fee Simple
Marketing Time	90 days
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	17032459
Verification	Broker
Sale Price	$2,200,000
Cash Equivalent	$2,200,000

Land Data

Topography	Generally level
Utilities	Electric, water
Shape	Irregular
Landscaping	None

Res. Land Sale No. 4 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0385F; Zone X

Land Size Information

Gross Land Size	77.16 Acres or 3,361,090 SF
Front Footage	Old Stagecoach Road

Indicators

Sale Price/Gross Acre	$28,512
Sale Price/Gross SF	$0.65

Legal Description

Out of Abs. 361, J. Pharass Survey, Kyle, Hays County, Texas

Remarks

Comm. Pending Land Sale No. 1

Property Identification

Record ID	1818
Property Type	Commercial Land, Mix-Use Land
Property Name	Vacant Land
Address	SEC Fortuna Blvd. & C.R. 159, San Marcos, Hays County, Texas 78666
Tax ID	R149611, R16592
MSA	Austin-San Marcos
Market Type	Commercial

Sale Data

Grantor	Whisper Master Community, Ltd.
Grantee	US Real Estate Ltd. Partnership
Property Rights	Fee Simple
Marketing Time	N/A
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker
Contract Price	$4,354,258
Cash Equivalent	$4,354,258
Upward Adjustment	$1,041,090 PID Assessment
Adjusted Price	$5,395,350

Land Data

Zoning	FD,ETJ, Planned Development District
Topography	Generally level

Comm. Pending Land Sale No. 1 (Cont.)

Utilities	All available
Shape	Rectangular
Landscaping	Row crops
Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0415F, 48209C0392F; Zone X

Land Size Information

Gross Land Size	51.969 Acres or 2,263,770 SF
Front Footage	1,300 ft Fortuna; 1,938 ft C.R. 159

Indicators

Sale Price/Gross Acre	$83,786 Actual or $103,819 Adjusted
Sale Price/Gross SF	$1.92 Actual or $2.38 Adjusted

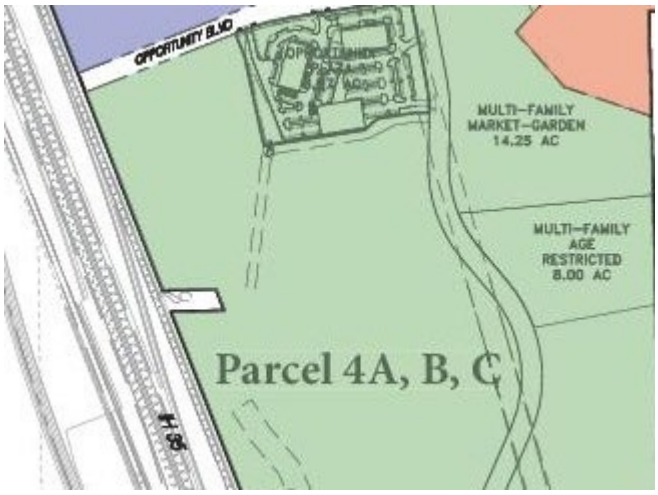
Legal Description

51.969 Acres out of portion 85.81and portion 99.80, City of San Marcos, Hays County, Texas

Remarks

Is situated in a Public Improvement District known as the Whisper PID, which will include street improvements as well as utility extensions and infrastructure. The tract has a PID assessment equal to $20,021 per acre.

Comm. Pending Land Sale No. 2



Property Identification

Record ID	1819
Property Type	Raw Land, Mix-Use Land
Property Name	Vacant Land
Address	SEC Opportunity Blvd. at Prop. Flustern Rd., San Marcos, Hays County, Texas 78666
Tax ID	R16597
MSA	Austin-San Marcos
Market Type	Commercial

Sale Data

Grantor	Whisper Master Community Ltd.
Grantee	Whisper Apartments 1 LLC
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	Broker
Contract Price	$2,638,104
Cash Equivalent	$2,638,104
Upward Adjustment	$1,055,240 PID Assessment
Adjusted Price	$3,693,345

Land Data

Zoning	FD, Planned Unit Development
Topography	Generally Level
Utilities	All available
Shape	Irregular
Landscaping	Mature trees, grass, dirt
Parking	None
Rail Service	None

Comm. Pending Land Sale No. 2 (Cont.)

Fencing	None
Flood Info	FEMA 48209C0392F; Zone X

Land Size Information

Gross Land Size	14.250 Acres or 620,730 SF
Front Footage	SS Opportunity Blvd; ES Proposed Roadway

Indicators

Sale Price/Gross Acre	$185,130 Actual or $259,182 Adjusted
Sale Price/Gross SF	$4.25 Actual or $5.95 Adjusted

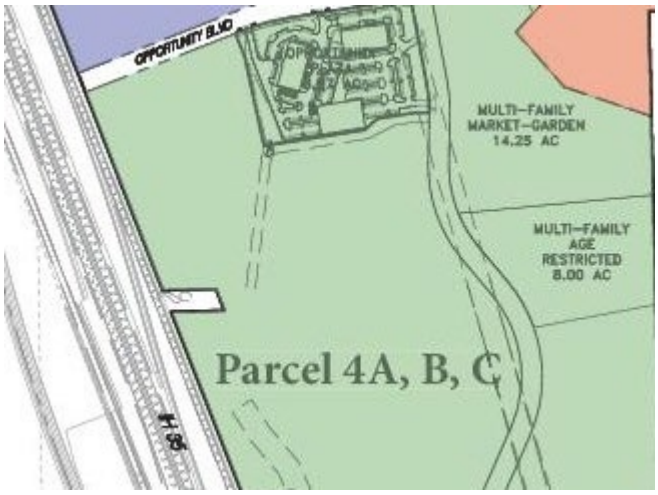
Legal Description

14.25 Acres out of portion 318.105, City of San Marcos, Hays County, Texas

Remarks

This site is part of the Whisper PID and will benefit from the Whisper P.I.D. The site includes a PID assessment equal to $1.70 per square foot of land area or a total amount of $1,055,241.

Comm. Pending Land Sale No. 3



Property Identification

Record ID	1820
Property Type	Raw Land, Mix-Use Land
Property Name	Vacant Land
Address	Prop. Flustern Road just south of Opportunity Blvd., San Marcos, Hays County, Texas 78666
Tax ID	R16597
MSA	Austin-San Marcos

Sale Data

Grantor	Whisper Master Community Ltd.
Grantee	Mission DG Ltd.
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	Broker
Contract Price	$1,672,704
Cash Equivalent	$1,672,704
Upward Adjustment	$592,416 PID Assessment

Land Data

Zoning	FD, Professional Office
Topography	Generally level
Utilities	All available
Shape	Rectangular
Landscaping	Grass, dirt
Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0392F; Zone X

Comm. Pending Land Sale No. 3 (Cont.)

Land Size Information

Gross Land Size	8.000 Acres or 348,480 SF
Front Footage	ES Proposed Flustern Road

Indicators

Sale Price/Gross Acre	$209,088
Sale Price/Gross SF	$4.80

Legal Description

See remarks

Remarks

This sale is located in the Whisper Public Improvement District. It is proposed for development with an age restricted multi-family apartment complex. All streets, infra-structure, utilities, etc. will be provided by the PID. This site has a PID assessment of $1.70 per square foot or $592,416.

Purchaser acknowledges, that in no event will the plat be recorded prior to closing, and that the legal description contained in the Deed shall be the metes and bounds description contained in the updated survey approved by seller.

Comm. Land Sale No. 4

Property Identification

Record ID	1821
Property Type	Vacant Land
Property Name	Vacant Land SE/S IH-35 south of Wiederstein Rd
Address	17730 IH 35, Cibolo, Guadalupe County, Texas 78108
Tax ID	70491
MSA	San Antonio-New Braunfels

Sale Data

Grantor	RLDL Properties, Ltd.
Grantee	Babcock Road 165, Ltd.
Sale Date	March 01, 2018
Deed Book/Page	2018-99004043
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker
Sale Price	$7,500,000
Cash Equivalent	$7,500

Land Data

Zoning	PUD
Topography	Gently rolling
Utilities	Electric, water, tel.
Shape	Irregular
Landscaping	Mature trees, grass

Comm. Land Sale No. 4 (Cont.)

Parking	None
Rail Service	None
Fencing	Partial
Flood Info	FEMA 48187C0210F; Zone X

Land Size Information

Gross Land Size	35.841 Acres or 1,561,234 SF
Front Footage	IH 35

Indicators

Sale Price/Gross Acre	$209,258
Sale Price/Gross SF	$4.80

Legal Description

John Saladin Survey, Abstract 299, Cibolo, Guadalupe County, Texas

Remarks

None

Comm. Land Sale No. 5

Property Identification

Record ID	1822
Property Type	Vacant Land, Mix-Use Land
Property Name	Vacant Land IH-35 north of Wiederstein
Address	IH-35 N, Schertz, Guadalupe County, Texas 78154
Tax ID	171720
MSA	San Antonio-New Braunfels

Sale Data

Grantor	Five Star Properties, LLC
Grantee	1290 Entertainment, LLC
Sale Date	May 02, 2018
Deed Book/Page	2018-99009535
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker
Sale Price	$5,024,410
Cash Equivalent	$5,024,410

Land Data

Zoning	GB, General Business
Topography	Generally level
Utilities	Electric, water, tel.
Shape	Irregular
Landscaping	General brush

Comm. Land Sale No. 5 (Cont.)

Parking	None
Rail Service	None
Fencing	Barbed wire
Flood Info	FEMA 48187C0210F; Zone X

Land Size Information

Gross Land Size	17.437 Acres or 759,556 SF
Front Footage	IH 35 North

Indicators

Sale Price/Gross Acre	$288,146
Sale Price/Gross SF	$6.61

Legal Description

Lot 1, Wiederstein Ranch, Schertz, Guadalupe County, Texas

Remarks

This site was developed with EVO Entertainment Complex.

Comm. Land Sale No. 6

Property Identification

Record ID	1823
Property Type	Vacant Land, Commercial
Property Name	Vacant Land - I-35 at Cibolo Crossing
Address	18124 IH-35 N, Cibolo, Guadalupe County, Texas 78108
Tax ID	171721
MSA	San Antonio-New Braunfels

Sale Data

Grantor	Babcock Road 165, Ltd.
Grantee	Santikos Cibolo Theater Realty, Ltd.
Sale Date	May 08, 2018
Deed Book/Page	2018-99009859
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker
Sale Price	$2,584,162
Cash Equivalent	$2,584,162

Land Data

Zoning	C1, Commercial
Topography	Gently sloping
Utilities	Electric, tel.
Shape	Irregular
Landscaping	Grass, dirt

Comm. Land Sale No. 6 (Cont.)

Parking	None
Rail Service	None
Fencing	Barbed wire
Flood Info	FEMA 48187C0210F; Zone X

Land Size Information

Gross Land Size	9.368 Acres or 408,070 SF
Front Footage	IH-35 N; Cibolo Crossing

Indicators

Sale Price/Gross Acre	$275,850
Sale Price/Gross SF	$6.33

Legal Description

Lot 1, Block 1, Cibolo Crossing Commercial Phase 1, Cibolo, Guadalupe County, Texas

Remarks

None

AMENDED AND RESTATED WHISPER PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT

BETWEEN

WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP, a Texas limited partnership

YARRINGTON PARTNERS, LTD., a Texas limited partnership

WHISPER INDUSTRIAL 2019 QOZB, LLC, a Texas limited liability company

135 RESIDENTIAL DEVELOPMENT, LLC, a Texas limited liability company

AND

CITY OF SAN MARCOS, TEXAS

AMENDED AND RESTATED
WHISPER PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT

This Amended and Restated Whisper Public Improvement District Financing Agreement (this "**Agreement**"), dated as of May 8, 2020, (the "**Effective Date**"), is entered into between Whisper Master Community Limited Partnership, a Texas limited partnership ("**Whisper MC**"), Yarrington Partners, Ltd., a Texas limited partnership ("**Yarrington Partners**"), Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company ("**Whisper Industrial**"), and 135 Residential Development, LLC, a Texas limited liability company ("**135 Residential**") (Whisper MC, Yarrington Partners, Whisper Industrial, and 135 Residential are collectively referred to herein as the "**Owners**"), and the City of San Marcos, Texas (the "**City**"), acting by and through its duly authorized representative.

Recitals:

WHEREAS, Whisper MC owns a total of approximately 443.462 acres of land located within the City which is more particularly described in Exhibit "B-1" attached hereto and made a part hereof (the "**Whisper MC Property**");

WHEREAS, Yarrington Partners owns a total of approximately 115.686 acres of land located within the City which is more particularly described in Exhibit "B-2" attached hereto and made a part hereof (the "**Yarrington Property**");

WHEREAS, Whisper Industrial owns a total of approximately 16.560 acres of land located within the City which is more particularly described in Exhibit "B-3" attached hereto and made a part hereof (the "**Whisper Industrial Property**");

WHEREAS, 135 Residential owns a total of approximately 130.641 acres of land located within the City which is more particularly described in Exhibit "B-4" attached hereto and made a part hereof (the "**135 Residential Property**");

WHEREAS, the Whisper MC Property, the Yarrington Property, the Whisper Industrial Property, and the 135 Residential Property are collectively referred to herein as the "**Property**," and it is intended that the Property will be developed as a mixed-use development (the "**Project**");

WHEREAS, the terms of annexation and zoning of the Property have been agreed to by the City and the Owners pursuant to the Whisper Planned Development District agreement (the "**PDD**") which was approved by the City on June 27, 2017;

WHEREAS, the City Council authorized the formation of the Whisper Public Improvement District (the "**District**") on October 6, 2014, pursuant to a City Resolution in accordance with the PID Act;

WHEREAS, pursuant to the terms of the original Whisper Public Improvement District

Financing Agreement dated September 5, 2017 (the "**Original Agreement**") and pursuant to the terms of this Agreement, the City has agreed to allow financing of certain public improvements conferring special benefits to the Property via a public improvement district;

WHEREAS, Whisper MC has caused the construction of certain public improvements, and proposes to construct certain other public improvements over time, to serve Property located in the District (or portions thereof) and transfer some or all of those improvements to the City or to a property owners association approved and authorized by the City pursuant to Section 372.023(a) of the PID Act (an "**Owners Association**") for the benefit of the City in accordance with the terms and provisions of this Agreement;

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

WHEREAS, the City has determined that it is in its best interests to contract with the Owners for the construction of the Authorized Improvements, which will result in the efficient and effective financing of the costs associated with the implementation of the Service and Assessment Plan.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree that the Original Agreement is hereby amended, superseded, and restated as set forth herein and further agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property (Article II), the construction of Authorized Improvements to be acquired by the City (Article III), funding of Authorized Improvements through the issuance of PID Bonds, acquisition and maintenance of Authorized Improvements within the District (Article IV), and the issuance of bonds for the financing of the Authorized Improvements (Article V). Definitions used herein are as set forth in the Service and Assessment Plan.

ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters

(a) On October 6, 2014, the City authorized the formation of the District by Resolution No. 2014-143R. The District includes all of the Property.

(b) A draft of the initial Service and Assessment Plan for the Property is attached hereto as Exhibit "C." The Owners acknowledge and agree that the Service and Assessment Plan must meet the requirements of Texas law; including, Texas Local Government Code Sections 372.013 and 372.014 and be presented to the City Council for review and approval prior to approval of the Assessment Ordinance(s) and PID Bonds being issued. The final Service and Assessment Plan approved pursuant to the Assessment Ordinance(s) shall be substantially similar to the draft attached hereto as Exhibit "C" and shall be substituted for and replace Exhibit "C", hereto. Thereafter, the Service and Assessment Plan will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council's review and approval. Notwithstanding the above, it is hereby understood and acknowledged by the Parties that the Service and Assessment Plan may need to be amended over time if there are any changes in the Authorized Improvements. Nevertheless, the basic terms and methodology described in the Service and Assessment Plan will generally apply to the PID Bonds, and other reimbursements due to Whisper MC.

(c) Assessments on any portion of the Property will bear a direct proportional relationship to, and be less than or equal to, the special benefit of the Authorized Improvements within the District.

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

(e) The Property may also be subject to one or more Owners Association assessment(s) if established by the Owners. The City hereby acknowledges and agrees that (i) the Authorized Improvements will be dedicated, conveyed, leased or otherwise provided to or for the benefit of the City or an Owners Association, and (ii) that any Authorized Improvements conveyed or dedicated to an Owners Association are provided "for the benefit of" the City in accordance with Section 372.023 (a) of the PID Act and such Owners Association will be an entity authorized and approved by the City Council and authorized by the City to own, operate and maintain such Authorized Improvements for the City in accordance with Section 372.023(a)(3) of the PID Act. Without limiting the generality of any of the foregoing, with respect to any Authorized Improvements that are dedicated, conveyed, leased or otherwise provided to an Owners Association as provided herein, the applicable Owners Association shall execute any necessary easements to the public with respect thereto in order to evidence that although such Authorized Improvements are owned and maintained by such Owners Association, the Authorized Improvements are provided for the use and benefit of the public.

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

orders required to effectuate the Service and Assessment Plan and Assessment Ordinance.

Section 2.02. Apportionment and Levy of Assessments

The City will levy Assessments on the Property in accordance herewith and with the Service and Assessment Plan (as such plan is amended from time to time) at such time as an Assessment Ordinance is approved by the City Council in accordance with Article IV hereof. The City's apportionment and levy of Assessments will be made in accordance with the PID Act.

Section 2.03. Collection of Assessments

(a) Subject to the terms and conditions of this Agreement, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Assessments levied pursuant to one or more Assessment Ordinances in accordance with the Service and Assessment Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Property until (i) any PID Bonds related to that particular portion of the Property are no longer considered outstanding, whether as a result of payment in full, defeasance, or otherwise, and (ii) any other reimbursements due to Whisper MC hereunder are paid. The City shall use best efforts to collect the Assessments consistent with the City's policies and standard practices applicable to the collection of City taxes and assessments.

(b) It is hereby acknowledged that Assessments can be used for the following purposes: (i) after completion of the applicable Authorized Improvements, but prior to the issuance of PID Bonds if a request for a PID Bond issuance (a "**Bond Issuance Request**") is submitted in accordance with Section 5.01(a) below, if any, for those Authorized Improvements, Whisper MC shall be reimbursed for some or all of the Actual Costs associated with those Authorized Improvements as requested by Whisper MC in its sole discretion incurred prior to the issuance of the PID Bonds from Assessments collected by the City and held by the City pursuant to one or more acquisition and reimbursement agreements between Whisper MC, any other applicable Owner and the City (each an "**Acquisition and Reimbursement Agreement**"); and (ii) after any PID Bonds are issued with respect to any given completed Authorized Improvements, the Assessments levied the Property will be used first to secure such PID Bonds and second, to the extent any such Assessments are remaining after payments are made on the PID Bonds, to reimburse Whisper MC for any Actual Costs not reimbursed by the PID Bonds The interest shall be calculated at (x) the maximum interest rate permitted by the PID Act prior to PID Bond issuance or (y) the interest rate of the PID Bonds after PID Bond issuance, calculated from the respective dates of the expenditures until the date of reimbursement therefore. Interest does not accrue until the applicable Authorized Improvement is accepted by the City.

(c) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, once PID Bonds have been issued, the Assessments collected annually from

the area of the Property for which PID Bonds were issued will be deposited in the Pledged Revenue Fund created pursuant to an Indenture and thereafter transferred in the priority as set forth in such Indenture.

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

Section 2.04. Approval and Recordation of Assessments through Landowner Agreement

Concurrently with the levy of the Assessments for any portion of the Property, the Owners shall execute (and shall cause any other owner of any of the Property that will be subject to the future special assessments to execute) a Landowner Agreement (herein so called) in which the Landowner shall approve and accept the apportionment of Assessments in the Service and Assessment Plan and the levy of the Assessments by the City. The Landowner Agreement further shall (a) evidence the Owners' intent that the Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (b) provide that the liens created by the levy of the Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State, County, City, or school district.

Section 2.05. Reimbursement of Owner-Expended Costs

(a) Whisper MC's right, title and interest in and to the payments of unreimbursed Actual Costs, as described herein, shall be the sole and exclusive property of Whisper MC (or its Transferee (as defined below)) and no other third party shall have any claim or right to such funds unless Whisper MC transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Subject to the terms of Section 8.03 hereof, Whisper MC has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Whisper MC's right, title, or interest under this Agreement including, but not limited to, any right, title or interest of Whisper MC in and to payment of its unreimbursed Actual Costs (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"). The foregoing notwithstanding, no Transfer of payments hereunder may be pledged to the payment of debt service on public securities issued by any state of the United States or any political subdivision thereof without the approval of the City Council. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by Whisper MC without any obligation to investigate or confirm the Transfer.

Section 2.06. Obligations Secured by Pledged Revenues

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

ARTICLE III. CONSTRUCTION AND ACQUISITION

Section 3.01. Acquisition of Authorized Improvements

(a) The Owners will dedicate, convey, lease or otherwise provide the applicable Authorized Improvements identified in Exhibit "D" to the City or to an Owners Association as described herein upon completion of Authorized Improvements, and the City will accept and/ or allow such dedication or conveyance of such Authorized Improvements after confirming that the Authorized Improvements have been completed in accordance with this Agreement and any applicable regulatory requirements. Some of the Authorized Improvements may be dedicated or conveyed to the City or Owners Association by grant of an easement for the benefit of the City or Owners Association.

Section 3.02. Designation of Construction Manager, Construction Engineers

(a) The City hereby designates Whisper MC, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this Article III and in accordance with any requirements of the City and, as applicable, City approved plans.

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

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

be paid as part of the Actual Costs.

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

(e) Whisper MC shall designate the consulting engineers for the Authorized Improvements for the compensation specified by Whisper MC.

Section 3.03. Designation of Construction Manager Subcontractor

The City acknowledges and agrees that Whisper MC may subcontract out all or some of the duties of Construction Manager to a third party. Whisper MC may designate an individual, company, or partnership or other entity as a subcontractor for construction management services for one or more Authorized Improvements or distinct portions thereof provided that such designee has the technical capacity, experience and expertise to perform such construction management duties or obligations. Whisper MC may make such designation under the same terms as set out in Section 8.03(a) of this Agreement.

Section 3.04. Maintenance of Project, Warranties

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

Section 3.05. Sales and Use Tax Exemptions

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

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

(c) The City and the Owners shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in

Texas Tax Code Section 151.309) for exemption from sales and use taxes.

Section 3.06. Exemption from Public Bidding

(a) It is agreed that the Authorized Improvements are currently exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9), which may change with future action by the Texas Legislature.

Section 3.07. Project Timetable

(a) Construction plans for the Authorized Improvements have been submitted to the City for review and approved by the City prior to the Effective Date.

ARTICLE IV. PAYMENT FOR AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements

(a) The City shall not be obligated to provide funds for any Authorized Improvement except from the proceeds of the PID Bonds or from Assessments as provided in Section 2.03(b) above; provided, however the City and the Owners have entered into an Oversize Participation Agreement dated December 19, 2017 under which the City has agreed to fund the costs of any public improvements or oversizing of Authorized Improvements above and beyond the infrastructure needed to serve the Project. The City makes no warranty, either express or implied, that the proceeds of the PID Bonds available for the payment of the Actual Cost of the Authorized Improvements to be constructed for or acquired by the City will be sufficient for the construction or acquisition of all of those particular Authorized Improvements. The Parties acknowledge that the Actual Cost to construct the Authorized Improvements may be greater than the proceeds of the PID Bonds and Assessments available for Authorized Improvements and any shortfalls will be funded by Whisper MC, subject to Section 2.03(b).

(b) Upon written acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period if a maintenance bond is required pursuant to applicable City regulations, the City or Owners Association as applicable shall be responsible for all operation and maintenance of such Authorized Improvements, including all costs thereof and relating thereto.

(c) The Authorized Improvements are intended to be constructed pursuant to one or more Acquisition and Reimbursement Agreements and paid for by Whisper MC prior to (i) the issuance of PID Bonds intended to fund such Authorized Improvements or (ii) the collection of Assessments if PID Bonds are not issued for an Authorized Improvement. Such funding of the Authorized Improvements will be governed by the applicable Acquisition and Reimbursement Agreement and Section 4.02 of this Agreement.

Section 4.02. Payments for Completed Authorized Improvements

The Actual Costs of all Authorized Improvements will be financed initially through Acquisition and Reimbursement Agreements. Pursuant to the terms of an Acquisition and Reimbursement Agreement entered into following letting the construction contract for an applicable Authorized Improvement, Whisper MC shall convey, and the City or Owners Association as applicable shall acquire, the given Authorized Improvement for the Actual Cost, after such Authorized Improvement is completed and has been accepted by the City. The general process for funding of Authorized Improvements is as follows:

(a) The following provisions apply with respect to the Authorized Improvements:

(1) The City and Owners will execute one or more Acquisition and Reimbursement Agreements which will provide for Assessments that will reimburse Whisper MC for Actual Costs incurred in connection with the Authorized Improvements until the PID Bonds, if any, are issued and as Assessments are collected in amount necessary to reimburse Whisper MC for the Actual Costs of the Authorized Improvements less any amounts already reimbursed to Whisper MC pursuant to the Acquisition and Reimbursement Agreements, as provided in Section 2.03(b).

(2) As soon as practical after the Effective Date and after the Appraisal required in Section 5.01(a) below, the City will approve one or more Assessment Ordinances which will include the Service and Assessment Plan. The City will thereby levy and collect the Assessment for the Authorized Improvements.

(3) After the Effective Date of the Original Agreement but prior to the Effective Date of this Agreement, Whisper MC has caused the construction of a portion of the Authorized Improvements. After the Effective Date of this Agreement Whisper MC will complete the construction of the remaining portion of the Authorized Improvements.

(4) After adoption of the Assessment Ordinance(s), the City will begin collecting the Assessments on the Property. Upon collection of such Assessments, the City will place such Assessments in a designated account separate from the City's other accounts. As set forth in Section 2.03(b), the funds within the account will be used to reimburse Whisper MC for the Actual Costs of the Authorized Improvements pursuant to the terms of the Acquisition and Reimbursement Agreements and to pay debt service on PID Bonds, if any, and to pay such other costs associated with the PID Bond issuance.

(5) Subject to Force Majeure and any delays in obtaining City approvals and/ or permits, within 360 days of City acceptance of the Authorized Improvements, Whisper MC agrees to obtain site development and building permits for, and commence construction of, at least a 50,000 square foot speculative commercial building that meets the following minimum standards:

a. The building shall have a minimum of 35% glazing on all primary street facing facades and 20% on all secondary street facing facades.

b. A maximum of one row of parking (defined to include two sides of parking) shall be permitted between the street and the front of the building.

c. Decorative awnings shall be provided over pedestrian entrances.

d. All street facing facades shall be a minimum of 50% decorative masonry.

e. A landscape area of 15% shall be required and shall follow Section 6.1.1.4 of the City's Land Development Code.

f. No freestanding pole signs shall be permitted.

g. All utilities shall be underground (there shall be no overhead utilities).

h. Within ninety (90) days of the Effective Date of this Agreement, Whisper MC shall cause fiscal surety in the amount of $250,000.00 and in the form of a letter of credit, performance bond or cash deposit (at Whisper MC's sole election) to be delivered to the City according to its usual Regulatory Requirements for such fiscal surety to secure completion of the commercial building. Such fiscal surety shall be released and returned to Whisper MC upon completion of the commercial building.

(6) Upon completion of the Authorized Improvements contemplated in the applicable Acquisition and Reimbursement Agreement and the City's receipt of a Bond Issuance Request from Whisper MC, the City will issue the PID Bonds, subject to meeting the requirements and conditions stated herein and State law, to reimburse Whisper MC for Actual Costs of the Authorized Improvements, less any amounts already reimbursed to Whisper MC pursuant to any Acquisition and Reimbursement Agreement. If Whisper MC does not make a Bond Issuance Request, the City shall, nevertheless collect Assessments and reimburse Whisper MC for Actual Costs of the Authorized Improvements pursuant to any Acquisition and Reimbursement Agreements.

(b) To receive funds from the proceeds of the PID Bonds, if any, to pay the Actual Cost of the Authorized Improvements, Whisper MC shall deliver to the City (i) documentation evidencing the Actual Costs, (ii) documentation evidencing the acceptance of the Authorized Improvement by the City or Owners' execution of an easement granting the City and the public the right of access to and use of such Authorized Improvement (as set forth in the PDD Ordinance), and (iii) an assignment of the warranties and guaranties, if applicable, for such Authorized Improvement, in form reasonably acceptable to the City. Nothing herein shall prohibit Whisper MC from being reimbursed for design costs associated with an Authorized Improvement.

(c) At the time of the closing of any PID Bonds, Whisper MC shall, concurrently with the initial draw from the proceeds of the PID Bonds submit to the City a closing

disbursement request to the City and the Trustee to be reimbursed for (i) the Unpaid Balance under the applicable Acquisition and Reimbursement Agreement (as such term is defined therein); and (ii) any other qualified and permitted costs approved by the City (collectively, the "**Owner Expended Funds**"). The total amount of Owner Expended Funds approved by the City pursuant to this Section shall be referred to herein as the "**Reimbursement Payment**." Prior to disbursement of proceeds of the PID Bonds, the City will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, Whisper MC shall be reimbursed an amount equal to the Reimbursement Payment and such amount shall be transferred to the Trustee for distribution to Whisper MC or Whisper MC's designee.

ARTICLE V. PID BONDS

Section 5.01. Issuance of PID Bonds

(a) Subject to the terms and conditions set forth in this Article V, the City intends to pay for the Authorized Improvements by either (i) reimbursing Whisper MC out of Assessments collected for Actual Costs of the applicable Authorized Improvements pursuant to an applicable Acquisition and Reimbursement Agreement, and/or (ii) by issuing PID Bonds. The City will use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue an initial series of PID Bonds for all or a portion of the Authorized Improvements on or before August 6, 2020, and the completion of the applicable Authorized Improvements contemplated to be paid for by the PID Bonds to be issued, provided that Whisper MC can reasonably demonstrate to the City and its financial advisors that there is sufficient security for the PID Bonds, based upon the bond market conditions existing at the time of such proposed sale. The planning and documentation of a PID Bond issuance shall begin upon delivery of a Bond Issuance Request. Prior to PID Bond issuance, Whisper MC shall provide an Appraisal to the City for the City's review and approval covering the portions of the Property that will be subject to the Assessments securing the PID Bonds, however such appraisal requirement may be waived by the City for any series of PID Bonds issued to refund an outstanding series of PID Bonds. The City shall select the appraiser, in consultation with Whisper MC and the Underwriter, and all reasonable fees of the Appraisal shall be paid by Whisper MC and shall be included in the Actual Costs.

(b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Authorized Improvements, (ii) required reserves and capitalized interest of not more than 12 months after the completion of construction of the applicable Authorized Improvements funded by the PID Bond issue in question; and (iii) any other District Formation and Bond Issuance Costs. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of any future PID Bond issuances.

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

(d) As stated in Section 2.03(b) above, it is the current intent of Whisper MC to request one PID Bond issuance, with such bond issue permitted to include more than one series of PID Bonds as allocated to separate components of the Project, to provide the agreed upon reimbursements. However, Whisper MC retains the right to request the agreed upon reimbursements through additional PID Bond issues subject to the condition that the maximum amount of total indebtedness shall not exceed $14,630,000.

(e) Subject to the annual permitted increases allowed in Section 5.01(g) below, the initial Annual Installment equivalent ad valorem tax rate shall not exceed (i) $0.17 per $100 of assessed valuation for any single-family detached residential Parcels, and (ii) $0.22 per $100 of assessed valuation with respect to any other individual Parcel. In the event that an initial Annual Installment equivalent tax rate on any individual Parcel is determined upon subdivision of such Parcel to exceed $0.22 (subject to the annual permitted increases allowed in Section 5.01(g) below), then the Owner of such Parcel shall make a mandatory partial prepayment of the assessment in an amount sufficient to bring the equivalent tax rate for such Parcel to $0.22 or less before any subsequent Assessments for such Parcel are levied and collected. Assessments on any given portion of the Property may be adjusted in connection with subsequent PID Bond issues, as long as the maximum Annual Installment equivalent tax rate, as described in the foregoing sentence, is not exceeded, and the Assessments are determined in accordance with the Service and Assessment Plan. Assessments on any portion of the Property shall bear a direct proportionate relationship to the special benefit of the Authorized Improvements to that portion of the Property.

(f) The minimum value to lien ratio at the issuance date of each series of PID Bonds shall be (i) 3 to 1 on an overall basis considering all Parcels, and (ii) 2.5 to 1 with respect to any individual Parcel.

(g) The maximum annual permitted increase in Annual Installments shall be 2%.

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

(i) The City will deliver a certificate relating to any PID Bonds authorized by the City Council (such certificate being referred to herein as the "**Tax Certificate**") containing covenants and agreements designed to satisfy the requirements of the Tax Code related to the issuance of debt whose interest is exempt from Federal Income Taxation and the income tax regulations issued thereunder relating to the use of the proceeds of the PID Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of

the Bonds within the meaning of the Tax Code (collectively, "**Bond Proceeds**").

(j) The foregoing requirements apply to each series of PID Bonds, if any.

Section 5.02. Project Fund

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

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

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

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

Section 5.04. Sale of PID Bonds

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

Section 5.05. Named Authorized Improvements

The Authorized Improvements to be constructed and funded in connection with the PID Bonds are more particularly described on Exhibit "D" attached hereto.

Section 5.06. Assessments from Two or More Series of PID Bonds

If the total Assessments levied on a particular Parcel within the Project consist of Assessments associated with two or more different series of PID Bonds and an owner of an Assessed Property pays only a portion of the total Annual Installment due for such aggregate Assessments, then such payment will be allocated pro-rata based on the portion of the Annual Installment for each series of PID Bonds outstanding. For example, assume that a Parcel has Assessments totaling $20,000, $12,000 of which is for the first series of PID Bonds and $8,000

of which is for a second series of PID Bonds. Further assume that the Annual Installment for such Parcel is $1,000 which consists of a $550 Annual Installment from the first series of PID Bonds and a $450 Annual Installment from a second series of PID Bonds and an owner of an Assessed Property pays $600, then the $600 will be allocated as follows:

$360 (60% of $600) will go towards the Assessment for the first series of PID Bonds; and

$240 (40% of $600) will go towards the Assessment for the second series of PID Bonds

Total: $600

Section 5.07. Acquisition and Reimbursement Agreements

The costs of all Authorized Improvements will be financed through Acquisition and Reimbursement Agreements. As provided in Section 4.02 above, Whisper MC and the City will enter into one or more Acquisition and Reimbursement Agreements, which will provide for either PID Bonds or Assessments that will reimburse Whisper MC for Actual Costs incurred in connection with the Authorized Improvements in amount necessary to reimburse Whisper MC for the Actual Costs of the Authorized Improvements less any amounts already reimbursed to Whisper MC pursuant to the Acquisition and Reimbursement Agreements.

Section 5.08. Dissolution Upon Non-Issuance

Whisper MC or its Designated Successor and Assign shall petition the City to dissolve the District if the Authorized Improvements have not been completed within five (5) years from the date that the City approves the first Assessment Ordinance for parcels within the District.

ARTICLE VI. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION

Section 6.01. Representations and Warranties of City

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

The City is a political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Covenants, Representation, and Warranties of Owners

The Owners make the following representations, warranties and covenants for the benefit of the City:

(a) The Owners represent and warrant that Whisper MC is a limited partnership duly organized and validly existing under the laws of the State of Texas, Yarrington Partners is a limited partnership duly organized and validly existing under the laws of the State of Texas, Whisper Industrial is a limited liability company duly organized and validly existing under the laws of the State of Texas, and 135 Residential is a limited liability company duly organized and validly existing under the laws of the State of Texas. The Owners further represent and warrant that the Owners are in compliance with the laws of the State of Texas, and have the power and authority to own their properties and assets and to carry on their business as now being conducted and as now contemplated.

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

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

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

(e) The Owners represent and warrant that (i) they will not request payment from the City for the acquisition of any public improvements that are not part of the Project, and (ii) they will diligently follow all procedures set forth in this Agreement with respect to Payment Requests.

(f) For a period of three (3) years after the final Acceptance Date of each applicable Authorized Improvement, the Owners covenant to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Owners covenant that such accounting books will be maintained in accordance with sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 24 hours' notice.

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

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

complete as of that date, and (ii) the Owners will make reasonable inquires to ensure such truth, correctness and completeness. The Owners covenant that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 6.03. Indemnification and Hold Harmless by Owners

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

ARTICLE VII. DEFAULT AND REMEDIES

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

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

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

(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a "force majeure" event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article; however in no event shall a change in law which prohibits a party from fulfilling its obligations hereunder be considered a breach of this Agreement or defaults hereunder.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices

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

If to City: City of San Marcos
Attn: City Manager
630 East Hopkins
San Marcos, TX 78666
Facsimile: 512-396-2683

If to Owners: Whisper Master Community
Limited Partnership
9811 South IH 35
Building 3, Suite 100
Austin, Texas 78744

With a copy to: McLean & Howard, L.L.P.
Attn: Jeffrey S. Howard
Barton Oaks Plaza, Building II
901 South MoPac Expressway, Suite 225
Austin, Texas 78746
Facsimile: 512-328-2409

Section 8.02. Fee Arrangement/Administration of District

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

(b) The City may enter into a separate agreement with an Administrator to administer the District upon adoption of the Service and Assessment Plan. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Service and Assessment Plan.

Section 8.03. Assignment

(a) Owners may, in their sole and absolute discretion, transfer or assign their respective rights or obligations under this Agreement with respect to all or part of the Project from time to time to an Affiliate without the consent of the City. Prior to the completion of the

Authorized Improvements, however, Owners shall not transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project to a non-affiliated entity without the prior consent of the City. After the completion of the Authorized Improvements, the Owners may transfer or assign their rights or obligations under this Agreement to any party without the City's consent. Owners shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Owners shall be fully released from any and all future obligations under this Agreement and shall have no liability for such obligations with respect to this Agreement for the part of the Project so assigned.

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

(c) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a "Designated Successor or Assign" (defined herein as (i) an entity to which an Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to this Section 8.03; (ii) any entity which is the successor by merger or otherwise to all or substantially all of such Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of such Owner) unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

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

Section 8.04. Construction of Certain Terms

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

(a) Words importing a gender include either gender.

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

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

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

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

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

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

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

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

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

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

Section 8.05. Table of Contents; Titles and Headings

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

Section 8.06. Amendments

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

Section 8.07. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the

next day that is not a Saturday, Sunday, or legal holiday.

Section 8.08. Counterparts

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

Section 8.09. Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 8.10. Severability; Waiver

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

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

Section 8.11. Owners as Independent Contractors

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

Section 8.12. Supplemental Agreements

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

Section 8.13. City's Acceptance of Authorized Improvements

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

Section 8.14. Anti-Boycott Verification

Pursuant to Section 2271.002, Texas Government Code, the Owners hereby verify that

the Owners, and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of any of the Owners, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owners understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with any of the Owners and exists to make a profit.

Section 8.15. Iran, Sudan and Foreign Terrorist Organizations

Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Owners represent that none of the Owners, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of any of the Owners is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan- list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Owners, and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Owners, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owners understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with any of the Owners and exists to make a profit.

Section 8.16. Exhibits

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

Exhibit A	-	Definitions
Exhibit B	-	Property
Exhibit B-1	-	Whisper MC Property
Exhibit B-2	-	Yarrington Property
Exhibit B-3	-	Whisper Industrial Property
Exhibit B-4	-	135 Residential Property
Exhibit C	-	Draft of Service and Assessment Plan

Exhibit D - Authorized Improvements

[Signature Pages to Follow]

City of San Marcos, Texas

By: _____

Name: _____

Title: _____

[Signatures Continue on Next Page]

WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP, a Texas limited partnership

By: Whisper M.C., LLC, a Texas limited liability company, Its General Partner

By: _____

Name: _____

Title: _____

YARRINGTON PARTNERS, LTD., a Texas limited partnership

By: Texas Realty/Retail Partners, Inc., a Texas corporation, Its General Partner

By: _____

Name: _____

Title: _____

By: 501 W. 15th, Inc., a Texas corporation, Its General Partner

By: _____

Name: _____

Title: _____

WHISPER INDUSTRIAL 2019 QOZB, LLC, a Texas limited liability company

By:_____
Name:_____
Title:_____

135 RESIDENTIAL DEVELOPMENT, LLC, a Texas limited liability company

By:_____
Name:_____
Title:_____

Exhibit "A"

[intentionally deleted]

Exhibit "B"

The Property

The "Property" as defined in the Agreement consists of four tracts:

(1) That certain approximately 443.462 acre tract, referred to as the "Whisper MC Property" in the Agreement, which is more particularly described in Exhibit "B-1" attached hereto;
(2) That certain approximately 115.686 acre tract, referred to as the "Yarrington Property" in the Agreement, which is more particularly described in Exhibit "B-2" attached hereto;
(3) That certain approximately 16.560 acre tract, referred to as the "Whisper Industrial Property" in the Agreement, which is more particularly described in Exhibit "B-3" attached hereto; and
(4) That certain approximately 130.641 acre tract, referred to as the "135 Residential Property" in the Agreement, which is more particularly described in Exhibit "B-4" attached hereto.

Exhibit "B-1"

The Whisper MC Property

The "Whisper MC Property" as defined in the Agreement consists of approximately 443.462 acres of land described as follows:

TRACT #1:

Being approximately 706.349 acres of land as more particularly described in Exhibit "B-1(a)"; SAVE AND EXCEPT the approximately 115.686-acre tract of land comprising the Yarrington Property as more particularly described in Exhibit "B-2"**;** SAVE AND EXCEPT the approximately 16.560-acre tract of land comprising the Whisper Industrial Property as more particularly described in Exhibit "B-3"**;** SAVE AND EXCEPT the approximately 130.641-acre tract of land comprising the 135 Residential Property as more particularly described in Exhibit "B-4"; SAVE AND EXCEPT the approximately 51.969-acre tract of land comprising Tract #2 of the Whisper MC Property as more particularly described in Exhibit "B-1(b)".

Exhibit "B-1(a)"

Including that certain approximately 86.948 acre tract, as described below.

S. CRAIG HOLLMIG, INC.
CONSULTING ENGINEERS · SURVEYORS
410 N SEGUIN STREET
NEW BRAUNFELS, TEXAS 78130-5085

TEXAS SOCIETY OF PROFESSIONAL ENGINEERS
AMERICAN SOCIETY OF CIVIL ENGINEERS

TEXAS SURVEYORS ASSOCIATION
TELEPHONE (830) 625-8538 • FAX: (830) 885-8556

WATER SYSTEMS • SEWER SYSTEMS • SUBDIVISIONS • LAND PLANNING • STREETS • SURVEYING

FIELD NOTES
FOR
AN 86.948 ACRE TRACT

Being an 86.948 acre tract of land situated in the Joel Miner Survey, Abstract No. 321, Hays County, Texas, being a portion of that certain tract of land called 97.84 acres conveyed to Albert M. Walker, Trustee, by instrument recorded in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are referenced to a bearing of N 24° 08' 30" E between monumentation found along the Easterly right-of-way line of Interstate Highway 35 (basis is taken from Texas State Highway Department Right-of-Way Map), said 86.948 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a ½" iron pin set on the Northeasterly line of the above referenced 97.84 acre tract, same being a Southwesterly line of that certain tract now being a remainder of a 328.824 acre tract described in Volume 720, Page 152 of the Official Public Records of Hays County, Texas, said ½" iron pin set S 45° 57' 20" E 232.0 feet from a ¾" iron pipe found on the Easterly right-of-way line of Interstate Highway 35, for the North corner of the above referenced 97.84 acre tract, for a Northerly corner of this tract;

THENCE: Generally along an old meandering cedar post and wire fence (falling down), with a Southwesterly line of said 328.824 acre tract, the Northeasterly line of the above referenced 97.84 acre tract, S 45° 57' 20" E 1,913.50 feet to a ½" iron pin found for a Southwesterly corner of said 328.824 acre tract, situated on the Northwesterly line of a tract called 72.85 acres (Popham Tract), recorded in Volume 895, Page 450 of the Official Public Records of Hays County, Texas, for the East corner of the above referenced 97.84 acre tract, for the East corner of this tract;

THENCE: Generally with fence, along a Southeast line of the above referenced 97.84 acre tract, the Northwest line of said 72.85 acre tract, S 44° 19' 36" W 390.40 feet to a ½" iron pin found and S 44° 37' 31" W 551.28 feet to a ¾" iron pin found for the West corner of said 72.85 acre tract, same being the North corner of Saddle Brook Subdivision, a plat recorded in Volume 9, Pages 107-109 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Continuing along the Southeast line of the above referenced 97.84 acre tract, a Northwest line of said Saddle Brook Subdivision, generally along a wood fence, S 44°

16' 53" W 1,278.72 feet to a ½" iron pin set for an interior corner of Saddle Brook Subdivision, for the South corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, with a Northeasterly line of Saddle Brook Subdivision, N 46° 04' 27" W 1,232.19 feet to a ½" iron pin set on said Northeast line, for a Southwesterly corner of this tract;

THENCE: Leaving the Northeasterly line of Saddle Brook Subdivision, N 24° 08' 30" E 52.37 feet to a ½" iron pin set and N 59° 31' 04" W 90.55 feet to a ½" iron pin set on the Easterly right-of-way line of Interstate Highway 35, for a Southwest corner of this tract, being located N 24° 08' 30" E 30.0 feet from a ½" iron pin found for a corner of Saddle Brook Subdivision;

THENCE: Continuing with the Easterly right-of-way line of Interstate Highway 35, N 24° 08' 30" E 959.44 feet to a ½" iron pin set in the curving Southeast line of that certain 10.67 acre tract described in Deed from Kitty Page Yarrington to State of Texas, dated February 7, 1935, recorded in Volume 110, Page 219 of the Deed Records of Hays County, Texas, for a corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract (which is in conflict with the 10.67 acre tract), with the Southeast line of said 10.67 acre tract, in a curve to the right, having a radius of 2,925.00 feet, an arc length of 415.32 feet, a central angle of 08° 08' 07", and a chord bearing and distance of N 55° 56' 05" E 414.97 feet to a ½" iron pin set for an interior corner of this tract;

THENCE: Continuing with the remainder of said 10.67 acre tract, N 47° 55' 30" W 229.79 feet to a ½" iron pin found on the Easterly right-of-way line of Interstate Highway 35, for a corner of this tract;

THENCE: Continuing with said Easterly right-of-way line, N 24° 08' 30" E 851.42 feet to a ½" iron pin set in same, for the most Northwesterly corner of this tract;

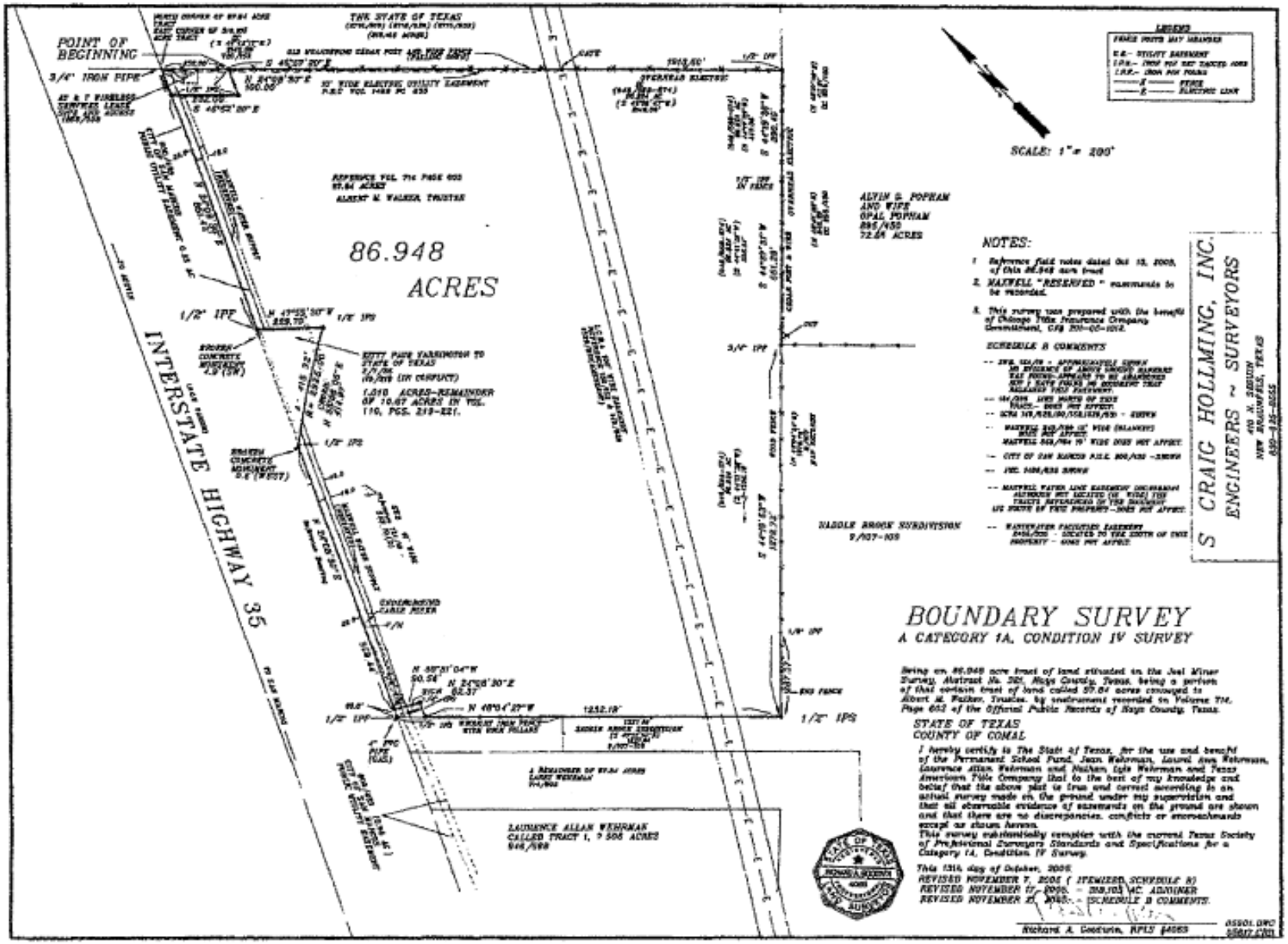
THENCE: Entering the above referenced 97.84 acre tract, S 45° 57' 20" E 232.00 feet to a ½" iron pin set for an interior corner of this tract and N 24° 08' 30" E 100.00 feet to the Point of Beginning and containing 86.948 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, October 13, 2005. Reference plat prepared this same date of this 86.948 acre tract.

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Job #05-901


POINT OF BEGINNING
3/4" IRON PIPE
THE STATE OF TEXAS
86.948 ACRES
INTERSTATE HIGHWAY 35
SCALE: 1" = 200'
NOTES:
S. CRAIG HOLLING, INC.
ENGINEERS ~ SURVEYORS
BOUNDARY SURVEY
A CATEGORY 1A, CONDITION IV SURVEY
STATE OF TEXAS
COUNTY OF COMAL

Including that certain approximately 99.8 acre tract, as described below.

VICKREY & ASSOCIATES, Inc.
CONSULTING ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS

Being a 99.80 acre tract of land situated in the Joel Miner Survey, Abstract No. 321 in Hays County, Texas, being the same property called two 50 acre tracts of land conveyed to Jane Richmond Benasutti, Trustee of Thomas R. Richmond Testamentary Family Trust by Deed recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, and individually one-half interest to Victoria Elizabeth Richmond a/k/a Elizabeth L. Richmond by Deed recorded in Volume 850, Page 595 of the Deed Records of Hays County, Texas, said 99.80 acre tract being more particularly described by metes and bounds with all bearings being referenced to the North American Datum 1983, Texas Coordinate System, South Central Zone; Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a ½-inch iron rod found at the intersection of the Southwest line of County Road No. 159, known as Yarrington Road and the Northwest line of County Road No. 160, known as Harris Hill Road for the East corner of the herein described tract, said Beginning point having Texas South Central Grid Coordinates of (N=13,886,570.38, E= 2,327,818.81);

Thence: S 43°21'39" W, along the Northwest line of said County Road No. 160, a distance of 2086.12 feet to a found ½ inch iron rod with yellow cap, for a Northeast corner of a 318.105 acre tract of land recorded in Volume 2715, Page 533 of the Official Public Records of Hays County, Texas, being the South corner of the herein described tract;

Thence: N 46°11'01" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2092.35 feet to a found ½ inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract;

Thence: N 43°31'53" E, along a Southeasterly line of said 318.105 acre tract, passing the common corner of said 318.105 acre tract and a 201.496 acre tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas, at a distance of 818.94 feet, and continuing along the Southeast line of said 201.496 acre tract, for a total distance of 2075.38 feet, to a found ½" iron rod on the Southwest line of said County Road No. 159 and being the North corner of the herein described tract;

Thence: S 46°28'39" E, along said Southwest line of County Road No. 159, a distance of 2086.11 feet to the POINT OF BEGINNING and containing 99.80 acres of land, more or less.

Note: Survey Plat of even date accompanies this legal description.

Hal B. Lane 4/11/06

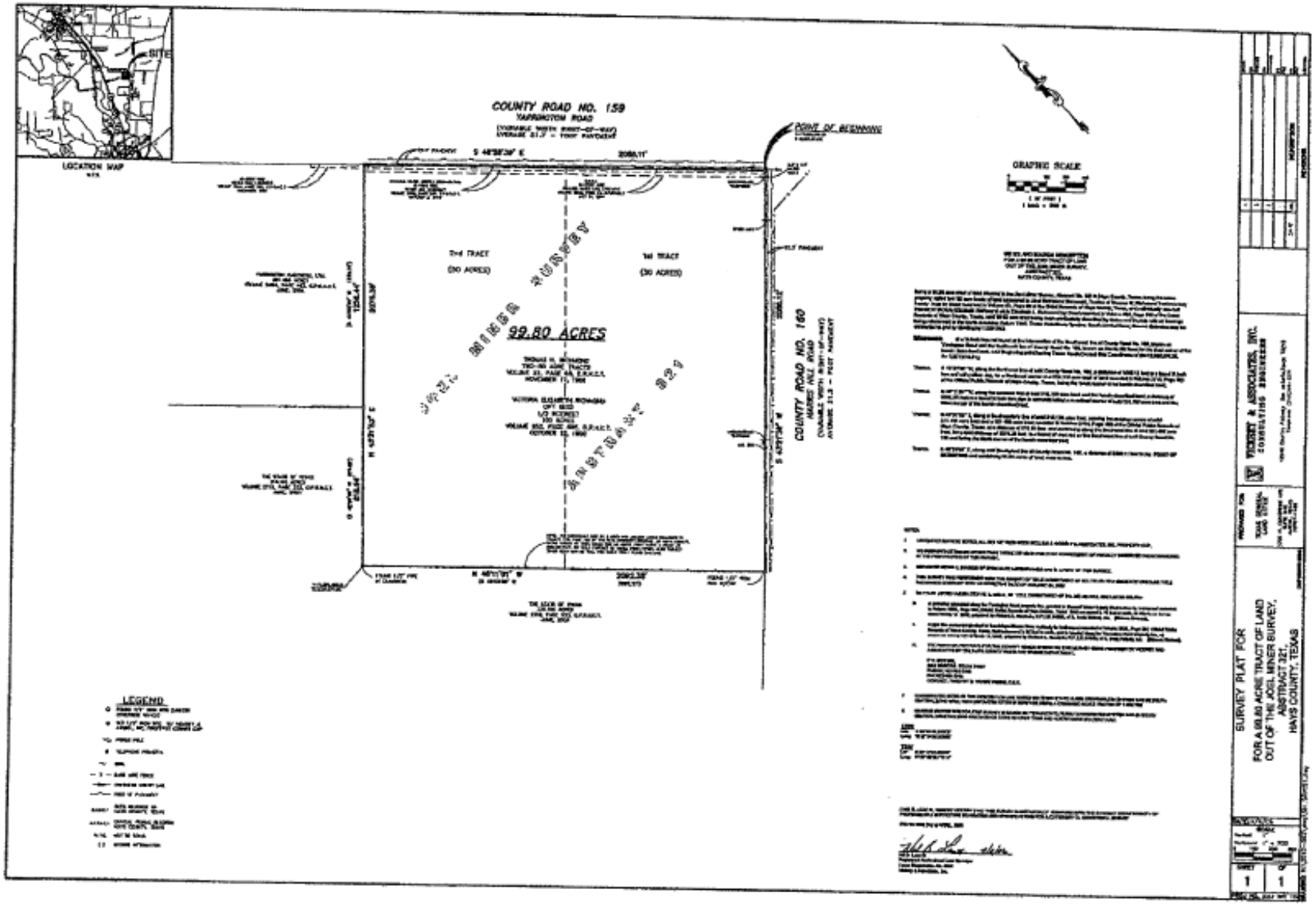
Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.

STATE OF TEXAS REGISTERED HAL B. LANE III 4690 PROFESSIONAL LAND SURVEYOR

Job No. 2042-002-104
Hlgm 99.80 Acres 041106
April 6, 2006
April 11, 2006

N:\2042-002\M&B\99.80 Acres (FINAL) 041106.rtf

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271 • FAX 210-349-2561


COUNTY ROAD NO. 159
TARRINGTON ROAD
POINT OF BEGINNING
LOCATION MAP
SITE
GRAPHIC SCALE
7nd TRACT
(30 ACRES)
1st TRACT
(30 ACRES)
99.80 ACRES
COUNTY ROAD NO. 160
MARBLE HILL ROAD
LEGEND
SURVEY PLAT FOR
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS
SHEET
1
OF
1

Including that certain approximately 318.105 acre tract, as described below.

Chaparral

Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-441-6987

2807 Manchaca Road
Building One
Austin, Texas 78704

318.105 ACRES
JOEL MINER SURVEY

A DESCRIPTION OF 318.105 ACRES IN THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN TRUSTEE'S DEED TO JIM McCROCKLIN, TRUSTEE, DATED MARCH 1, 1988, OF RECORD IN VOLUME 720, PAGE 152 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS; SAID 318.105 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" rebar found in the east right-of-way line of Interstate Highway 35 (right-of-way width varies) for the west corner of said 328.824 acre tract and the north corner of a 97.84 acre tract of land described in Volume 714, Page 603 of the Real Property Records of Hays County, Texas;

THENCE North 22°55'27" East, with the east right-of-way line of said IH-35 and the northwest line of the 328.824 acre tract, a distance of 1366.86 feet to a ½" rebar with cap set for the southwest corner of Lot 1, San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Plat Records of Hays County, Texas, from which a concrete highway monument found bears North 22°55'27" East, a distance of 2010.30 feet;

THENCE South 67°05'52" East, over and across the 328.824 acre tract with the southwest line of said San Marcos Technology Park, a distance of 1606.37 feet to a ½" rebar with cap set for an angle point in the north line of the 328.824 acre tract and the south corner of Lot 3, San Marcos Technology Park;

THENCE with the north line of the 328.824 acre tract and the southeast line of Lots 3 and 4, San Marcos Technology Park, the following three (3) courses:

1. North 43°06'54" East, a distance of 1113.31 feet to a ½" rebar found;
2. North 41°52'41" East, a distance of 231.92 feet to a ½" rebar found;
3. North 43°00'24" East, a distance of 894.26 feet to a ½" rebar found in the southwest line of a 214.40 acre tract of land described in Volume 773, Page 816 of the Real Property Records of Hays County, Texas, for the east corner of Lot 4, San Marcos Technology Park and the north corner of the 328.824 acre tract;

THENCE South 47°05'53" East, with the northeast line of the 328.824 acre tract

and the southwest line of said 214.40 acre tract, a distance of 2136.85 feet to a ½" rebar found for the south corner of the 214.40 acre tract and the northeast corner of the 328.824 acre tract and in the northwest line of a 100 acre tract of land described in Volume 52, Page 68 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 328.824 acre tract and the said 100 acres, the following two (2) courses:

1. South 42°49'26" West, a distance of 819.02 feet to a ½" iron pipe found for the west corner of the 100.00 acre tract;

2. South 46°53'58" East, a distance of 2092.27 feet to a ½" rebar with cap set in the northwest right-of-way line of County Road 160 (Harris Hill Road, right-of-way width varies) for the easternmost corner of the 328.824 acre tract;

THENCE with the northwest right-of-way line of said C.R. 160 and the southeast line of the 328.824 acre tract, the following six (6) courses:

1. South 43°41'13" West, a distance of 675.23 feet to a ½" rebar with cap set;

2. South 45°13'02" West, a distance of 369.18 feet to a ½" rebar with cap set;

3. South 45°38'13" West, a distance of 508.86 feet to a ½" rebar with cap set;

4. South 57°29'20" West, a distance of 74.15 feet to a ½" rebar with cap set;

5. South 33°18'43" West, a distance of 64.34 feet to a ½" rebar with cap set;

6. South 45°42'28" West, a distance of 395.47 feet to a ½" rebar found for the south corner of the 328.824 acre tract and the east corner of a 36.40 acre tract of land described in Volume 1435, Page 407 of the Official Public Records of Hays County, Texas;

THENCE North 47°04'03" West, with a southwest line of the 328.824 acre tract and the northeast line of said 36.40 acre tract, a distance of 3052.04 feet to a ½" rebar found for the north corner of the 36.40 acre tract;

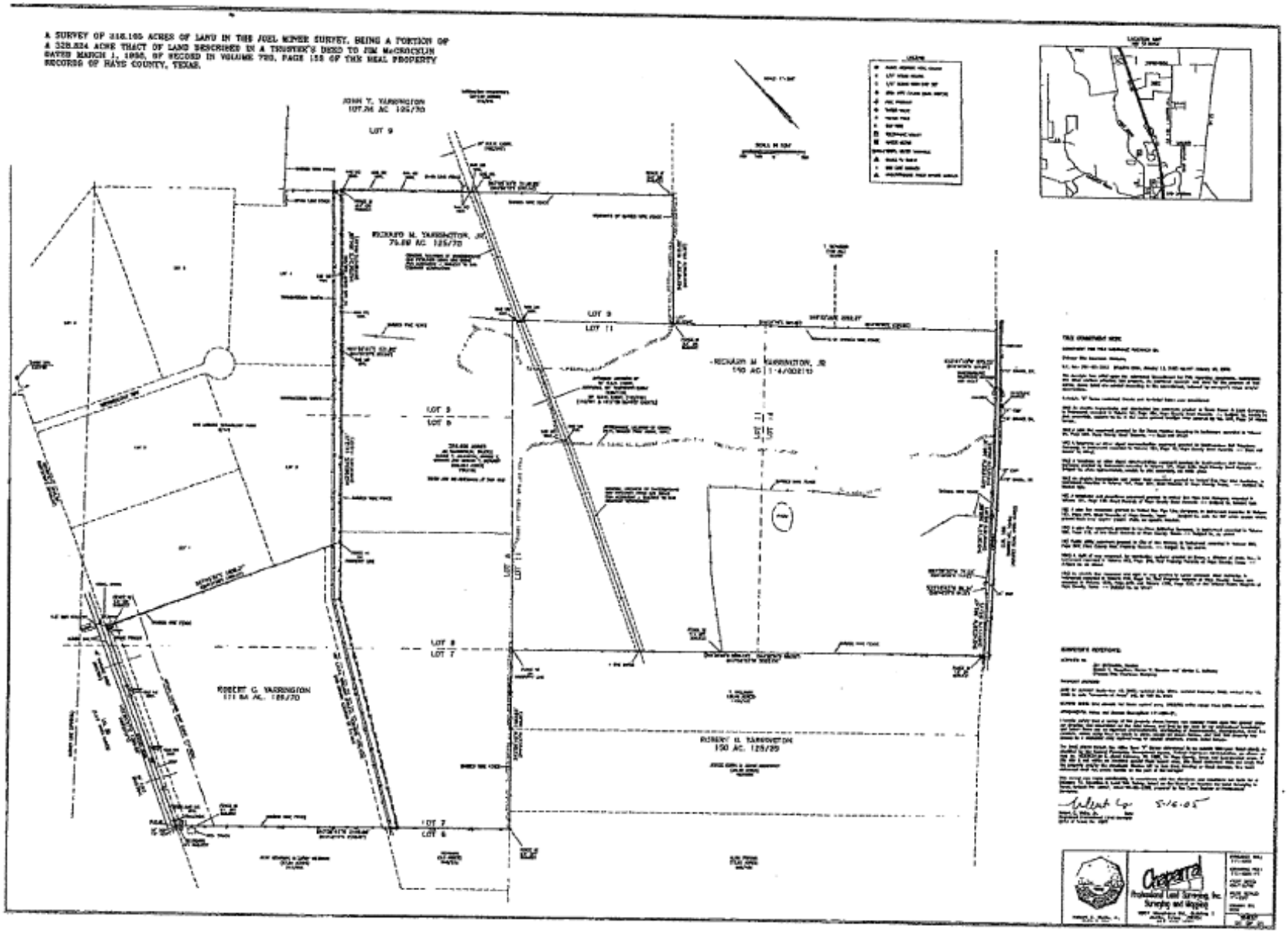
THENCE South 42°56'45" West, with a southwest line of the 328.824 acre tract and the northwest line of the 36.40 acre tract, passing at a distance of 521.59 feet a ½" rebar found for the west corner of the 36.40 acre tract and the north corner of a 36.40 acre tract described in Document No. 9924088 of the Official Public Records of Hays County, Texas, for a total distance of 1163.93 feet to a ½" rebar found for the east corner of a 6.6 acre tract described in Volume 946, Page 575 of the Official Public Records of Hays County, Texas, being in the northwest line of a 72.85 acre tract described in Volume 895, Page 450 of the Official Public Records of Hays County, Texas;

THENCE North 47°09'41" West, with a southwest line of the 328.824 acre tract and the northeast lines of said 6.6 acre tract and said 97.84 acre tract, a distance of 2145.66 feet to the **POINT OF BEGINNING**, containing 318.105 acres of land, more or less.

Surveyed on the ground September 12, 2003. Attachments: survey drawing 111-005-T1. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN Values from LCRA Control Network.

Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995

3-11-05


A SURVEY OF 318.105 ACRES OF LAND IN THE JOEL MINER SURVEY, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO JIM McCROCKLIN DATED MARCH 1, 1990, OF RECORD IN VOLUME 720, PAGE 158 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS.
JOHN T. YARRINGTON
107.24 AC 125/70
LOT 9
RICHARD M. YARRINGTON, JR
76.88 AC 125/70
LOT 9
LOT 11
RICHARD M. YARRINGTON, JR
140 AC 11-4/002110
LOT 8
LOT 9
LOT 8
LOT 7
ROBERT G. YARRINGTON
111.84 AC. 125/70
ROBERT G. YARRINGTON
150 AC. 125/70
LOT 7
LOT 6
Chapparal
Professional Land Surveying, Inc.
Surveying and Mapping

Including that certain approximately 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Federnales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

Including that certain approximately 201.496 acre tract, save and except, that certain 85.81 acre tract, as described below.

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract herein;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

Exhibit "B-1(b)"

TRACT #2:

PAPE-DAWSON ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR

A 51.969 acre, or 2,263,776 square feet more or less, tract of land out of a portion of that 85.81 acre tract described in Special Warranty Deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16011214 of the Official Public Records of Hays County, Texas, and out of a portion of that 99.80 acre tract described in Deed Without Warranty to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, situate in the Joel Miner Survey, Abstract 321, partially in the City of San Marcos, Hays County, Texas. Said 51.969 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found 1/2" iron rod marked "Spot On" on the southwest right-of-way line of County Road No. 159, variable width right-of-way (aka Yarrington Road), at the north corner of said WMCLP 85.81 acre tract, at an east corner of the Yarrington Partners, LTD tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas;

THENCE: S 46°29'26" E, along the southwest right-of-way line of said County Road No. 159, a distance of 1614.02 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", at the northeast corner of Fortuna Road, 70-foot wide public right-of-way, dedicated in Whisper PID Infrastructure Improvements Plat recorded in Document Number 19030333 of the Plat Records of Hays County, Texas, on the northeast line of said WMCLP 85.81 acre tract, for a northerly corner of the herein described tract, same being the POINT OF BEGINNING;

THENCE: S 46°29'26" E, continuing along the southwest right-of-way line of said County Road No. 159, at a distance of 1531.09 feet pass a found 1/2" iron rod for a northwest corner of said WMCLP 99.80 acre tract, for the southeast corner of said WMCLP 85.81 acre tract, and continuing for a total distance of 1938.27 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", on the northeast line of said WMCLP 99.80 acre tract, for the southeast corner of the herein described tract;

THENCE: S 43°30'22" W, departing the southwest line of said County Road No. 159, over and across said WMCLP 99.80 acre tract, a distance of 1256.46 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" for the south corner of the herein described tract;

Page 1 of 2

TBPE Firm Registration #470 | TBPLS Firm Registration #10028800
San Antonio | Austin | Houston | Fort Worth | Dallas
Transportation | Water Resources | Land Development | Surveying | Environmental
2000 NW Loop 410, San Antonio, TX 78213 T: 210.375.9000 www.Pape-Dawson.com

THENCE: N 46°26'18" W, continuing over and across said WMCLP 99.80 acre tract, at a distance of 407.57 feet pass a found 1/2" iron rod at the southeast corner of a 318.105 acre tract described by deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, at the south corner of said WMCLP 85.81 acre tract, continuing for a total distance of 1579.85 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" on the southeast right-of-way line of said Fortuna Road, for the west corner of the herein described tract;

THENCE: Along and with the southeast right-of-way line of said Fortuna Road, the following bearings and distances:

N 23°17'58" E, a distance of 1012.74 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 465.00 feet, a central angle of 20°12'33", a chord bearing and distance of N 33°24'15" E, 163.16 feet, for an arc length of 164.01 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

N 43°30'31" E, a distance of 123.99 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Northeasterly, along a tangent curve to the right, said curve having a radius of 20.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 88°30'31" E, 28.28 feet, for an arc length of 31.42 feet to the POINT OF BEGINNING and containing 51.969 acres partially in the City of San Marcos, Hays County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 11152-04 by Pape-Dawson Engineers, Inc.

PREPARED BY:	Pape-Dawson Engineers, Inc.
DATE:	November 27, 2019
JOB NO.	11152-04
DOC. ID.	N:\CIVIL\11152-04\Word\11152-04 FN 51.969 AC.docx

STATE OF TEXAS
REGISTERED
G. E. BUCHANAN
4999
PROFESSIONAL
LAND SURVEYOR

12/02/2019

PAPE-DAWSON ENGINEERS

Exhibit "B-2"

The Yarrington Property

The "Yarrington Property" as defined in the Agreement consists of approximately 115.686 acres of land described as follows:

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Save and except, that certain 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

Exhibit "B-3"

The Whisper Industrial Property

The "Whisper Industrial Property" as defined in the Agreement consists of approximately 16.560 acres of land described as follows:

FIELD NOTE DESCRIPTION
16.56 ACRES
JOEL MINOR SURVEY
HAYS COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 16.56 ACRES OF LAND OUT OF THE JOEL MINOR SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 318.05 ACRE TRACT DESCRIBED IN A DEED TO WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP RECORDED IN DOCUMENT NUMBER 2016-16000334 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THE SAID 16.56 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

NOTE: All steel pins set cited herein are ½ inch diameter with cap marked Lenz & Assoc. All nails set cited herein are 60d with washer marked Lenz & Assoc. Bearings cited herein are based on the Texas Coordinate System of 1983 (NAD83), South Central Zone.

COMMENCING, at a ½ inch diameter steel pin found with cap marked DOUCET in the interior of the said 318.05 acre tract at the north end of a 25.00 foot radius curve on the west line of Fortuna Road, as dedicated by the plat of Whisper PID Improvements Plat, of record in Document Number 19030333 of the Plat Records of Hays County, Texas, from which a ½ inch diameter steel pin found with cap marked DOUCET on the north line of Opportunity Boulevard at the west end of said curve bears a chord bearing and distance of S 42°22'38" W, 35.36 feet;

THENCE, N 02°37'22" W, a distance of 841.73 feet, through the interior of the said 318.05 acre tract, along the west line of Fortuna Road, to a ½ inch diameter steel pin steel pin found with cap marked DOUCET;

THENCE, continuing with the west line of Fortuna Road with a curve to the right, having a central angle of 15°56'47", a radius of 535.00 feet, an arc of 148.90 feet and a chord bearing and distance of N 05°21'01" E, 148.42 feet to a steel pin set for the **PLACE OF BEGINNING** of the herein described tract;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, the following eight (8) courses and distances:

1) N 76°42'40" W, 39.59 feet to a steel pin set;

2) S 23°17'22" W, 293.17 feet to a steel pin set;

3) S 87°59'58" W, 668.17 feet to a steel pin set;

4) N 02°00'02" W, 205.93 feet to a steel pin set;

5) With a curve to the right, having a central angle of 25°17'23", a radius of 385.00 feet, an arc of 169.94 feet and a chord bearing and distance of N 10°38'40" E, 168.56 feet to a steel pin set;

6) N 23°17'22" E, 759.80 feet to a steel pin set;

7) S 66°42'38" E, 667.95 feet to a steel pin set;

8) S 46°14'43" E, 98.21 feet to a steel pin set on the west line of Fortuna Road, from which a ½ inch diameter steel pin found with cap marked Doucet bears N 23°17'48" E, 986.89 feet;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, along the west line of Fortuna Road, the following two (2) courses and distances:

1) S 23°17'48" W, 397.99 feet to a steel pin found with cap marked Doucet;

2) With a curve to the left, having a central angle of 09°58'23", a radius of 535.00 feet, an arc of 93.13 feet and a chord bearing and distance of S 18°18'36" W, 93.01 feet to the **PLACE OF BEGINNING**, containing 16.56 acres of land, more or less.

This description prepared for the benefit of Whisper Industrial 2019 QOZB, LLC and Simmons Bank, an Arkansas State Charter Bank.

DECEMBER 30, 2019

Timothy A. Lenz
Lenz & Associates, Inc.
Firm Number 100290-00
4150 Freidrich Lane, Suite A-1
Austin, Texas 78744
(512) 443-1174

Whisper (16.56 ac).doc

STATE OF TEXAS
REGISTERED
TIMOTHY A. LENZ
4393
PROFESSIONAL
LAND SURVEYOR

Exhibit "B-4"

The 135 Residential Property

The "135 Residential Property" as defined in the Agreement consists of approximately 130.641 acres of land described as follows:

PROPERTY DESCRIPTION

FIELD NOTES FOR A 130.641 ACRE TRACT

Being a 130.641 acre tract of land, out of the Joel Miner Survey, Hays County, Texas, and being out of a 318.105 acre tract and a 99.800 tract, conveyed to Whisper Master Community Limited Partnership by a Deed Without Warranty recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, being more particularly described as follows:

COMMENCING at a point in the Northwesterly R.O.W. of County Road 160 (Harris Hill Road), being the intersection of the Southwesterly line of a 318.105 acre tract, conveyed to Whisper Master Community Limited Partnership by a Deed With Warranty recorded in Document No. 2016-16000334 in the Official Public Records of Hays County, Texas;

Thence **N 46°21'27" W**, a distance of **23.53** feet to the beginning point of said 318.105 acre tract;

Thence: Along the Southwesterly line of said 318.105 acre tract, **N 46°21'27" W**, a distance of **2,227.77** feet to the Southwesterly corner of said 318.105 acre tract;

Thence: Leaving said 318.105 acre tract and traversing thru the interior of the said 318.105 tract, **N 23°17'22" E**, a distance of **830.41** feet to an interior corner;

Thence: **N 50°54'24" E**, a distance of **84.97** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **408.50** feet to an interior corner;

Thence: **S 71°04'04" E**, a distance of **52.81** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **111.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **70.50** feet to an interior corner;

Thence: **N 89°50'45" W**, a distance of **121.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **365.15** feet to a corner point on the south right-of-way of Whisper Hills Blvd;

Thence: With the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **606.71** feet to a corner point on said south right-of-way;

Thence: Leaving said south right-of-way, **S 00°09'15" W**, a distance of **306.12** feet to an interior corner;

Thence: **S 87°13'46" W**, a distance of **121.90 feet** to an interior corner;

Thence: Along a curve to the right, an arc length of **9.27** feet, a radius of **181.50** feet, a chord bearing of **S 01°18'29" E** and a chord distance of **9.26** feet to an interior corner;

Thence: **S 00°09'15" W**, a distance of **73.16** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **160.33** feet to an interior corner;

Thence: **N 01°04'24" W**, a distance of **10.00** feet to an interior corner;

Thence: **N 88°55'36" E**, crossing the said 318.105 acre tract and said 99.800 acre tract boundary line a distance of 601.21 feet, thence continuing thru the said 99.800 acre tract for a total distance of **669.07** feet to an interior corner;

Thence: **N 00°09'15"** E, a distance of **65.73** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **144.19** feet, a radius of **2975.00** feet, a chord bearing of **N 01°14'03" W** and a chord distance of **144.18** feet to an interior corner;

Thence: **N 02°37'22" W**, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **N 47°37'24" W** and a chord distance of **35.36** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **100.00** feet to a corner point;

Thence: Leaving said right-of-way along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **S 42°22'37" W** and a chord distance of **35.36** feet to an interior corner;

Thence: **S 02°37'22"** E, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the right, an arc length of **146.62** feet, a radius of **3025.00** feet, a chord bearing of **S 01°14'03"** E and a chord distance of **146.60** feet to an interior corner

Thence: **S 00°09'15" W**, a distance of **64.66** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **361.77** feet to an interior corner ;

Thence: **S 46°21'27"** E, a distance of **214.73** feet to an interior corner;

Thence: **N 45°55'20"** E, a distance of **293.36** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **143.55** feet, a radius of **262.00** feet, a chord bearing of **N 30°13'34" E** and a chord distance of **141.76** feet to an interior corner;

Thence: **N 14°31'48" E**, a distance of **256.58** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along said south right-of-way a curve to the right, an arc length of **303.28** feet, a radius of **955.00** feet, a chord bearing of **S 75°48'18" E** and a chord distance of **302.01** feet to a corner point;

Thence: Leaving said south right-of-way, **S 14°31'48" W**, a distance of **258.35** feet to an interior corner;

Thence: Along a curve to the right an arc length of **79.50** feet, a radius of **564.00** feet, a chord bearing of **S 18°34'05" W** and a chord distance of **79.43** feet to an interior corner;

Thence: **S 46°21'27" E**, a distance of **582.83** feet a Northeast corner point;

Thence: **S 43°51'51" W**, crossing the said 99.800 acre tract and said 318.105 acre tract boundary line a distance of 847.96 feet, thence continuing thru the said 318.105 acre tract for a total distance of **1507.06** feet to a point;

Thence: A curve to the right, an arc length of **31.57** feet, a radius of **619.00** feet, a chord bearing of **S 45°19'32" W** and a chord distance of **31.57** feet to a point;

Thence: **S 46°47'12" W**, a distance of **1393.50** feet to the Point of Beginning and containing 130.641 acres, more or less.

STATE OF TEXAS
THERMAN HIGH
50269
LICENSED
PROFESSIONAL ENGINEER

March 28, 2019

Exhibit "C"

Draft of Service and Assessment Plan

[Exhibit "C" follows on next page]

SERVICE AND ASSESSMENT PLAN
MAY 7, 2020

TABLE OF CONTENTS

Table of Contents 56
Introduction 58
Section I: Definitions 59
Section II: The District 64
Section III: Authorized Improvements 64
Section IV: Service Plan 66
Section V: Assessment Plan 66
Section VI: Terms of the Assessments 68
Section VII: Assessment Roll 73
Section VIII: Additional Provisions 73
List of Exhibits 75
Exhibit A-1 – District Legal Description 76
Exhibit A-2 – Tract #1 Legal Description 89
Exhibit A-3 – Tract #2 Legal Description 92
Exhibit A-4 – Tract #3 Legal Description 94
Exhibit A-5 – Tract #4 Legal Description 97
Exhibit A-6 – Tract #5 Legal Description 98
Exhibit B-1 – District Boundary Map 100
Exhibit B-2 – Tract #1 Boundary Map 101
Exhibit B-3 – Tract #2 Boundary Map 102
Exhibit B-4 – Tract #3 Boundary Map 103
Exhibit B-5 – Tract #4 Boundary Map 104
Exhibit B-6 – Tract #5 Boundary Map 105
Exhibit C – Authorized Improvements 106
Exhibit D – Service Plan – Five Year Plan 107
Exhibit E – Service Plan – Sources and Uses 108
Exhibit F – Assessment Roll 109
Exhibit G-1 – Annual Installments 110
Exhibit G-2 – Annual Installments for Tract #1 111

Exhibit G-3 – Annual Installments for Tract #2 112
Exhibit G-4 – Annual Installments for Tract #3 113
Exhibit G-5 – Annual Installments for Tract #4 114
Exhibit G-6 – Annual Installments for Tract #5 115
Exhibit H – Map of Major Improvements 116
Exhibit I – Land Use Matrix 117
Exhibit J – Notice of PID Assessment Termination 118

INTRODUCTION

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

On October 6, 2014 (the "**Creation Date**") the City passed and approved Resolution No. 2014-143R authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 706.1 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Since the Creation Date, the Developer and/ or one or more of the Owners has caused the conveyance or dedication of right-of-way and other Non-Benefitted Property for public improvements (including without limitation Authorized Improvements) so that the Assessed Property is less than the amount of the property within the District.

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

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

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

SECTION I: DEFINITIONS

"Actual Costs" means, with respect to the Authorized Improvements, (1) the costs incurred by or on behalf of the Developer for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, including a 4% construction management fee, (2) the costs incurred in preparing the construction plans for such Authorized Improvement, (3) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (4) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (5) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (6) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, (7) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (8) payment of expenses incurred in the establishment, administration, and operation of the district. Amounts expended for costs described in subsection (3), (4), (7) and (8) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

"Additional Interest Rate" means the 0.50% additional interest rate charged on an Assessment as authorized by Section 372.018 of the PID Act.

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

"Amended and Restated Financing Agreement" means that certain Amended and Restated Financing Agreement between the City and the Owners dated May 8, 2020 passed and approved by Resolution No. 2020-____, as amended.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the creation and operation of the District, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City and advisors; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; and (7) the paying agent/registrar and Trustee in connection with PID Bonds,

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

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

"Annual Service Plan Update" means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council, in accordance with the PID Act.

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

"Assessment" means the assessment levied against a Parcel, other than Non-Benefitted Property, and imposed pursuant to the Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means the ordinance adopted by the City Council in accordance with the PID Act that approves the Service and Assessment Plan and levies the Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

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

"Authorized Improvements" mean improvements authorized by Section 372.003 of the PID Act, as more specifically described in **Section III** and depicted on **Exhibit C**.

"City" means the City of San Marcos, Texas.

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

"County" means Hays County, Texas.

"Delinquent Collection Costs" mean, for an Assessed Property, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this SAP,

including costs and expenses to foreclose liens.

"Developer" means Whisper Master Community Limited Partnership, Ltd., a Texas limited partnership.

"Developer District Formation Costs" mean the costs incurred by the Developer and associated with forming the District, levying the Assessments and issuing the PID Bonds.

"District" means the Whisper Public Improvement District, consisting of approximately 706.349 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

"District Formation and Bond Issuance Costs" mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, first year's Annual Collection Costs, underwriter discount, fees charged by the Texas Attorney General, Developer District Formation Costs, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

"Estimated Buildout Value" means the estimated buildout value of an Assessed Property, based on information from the Developer, which shall be verified by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value. In the case of single-family residential Lots, there shall be only one Lot Type. The Estimated Buildout Value for any single-family residential Assessed Property shall be calculated by using the average Estimated Buildout Value of all single-family residential Lots within the single-family residential Assessed Property, as calculated by the Administrator based on information provided by the Developer, verified by the Administrator and confirmed and approved by the City Council.

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

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

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, business park, retail, office, multi-family, single-family residential, buildout value, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, there shall be only one Lot Type.

"Major Improvements" mean the Authorized Improvements that benefit the entire District and are fully allocated to the Assessed Property.

"Maximum Assessment" means, for each Lot Type, an Assessment equal to the lesser of: (1) the amount calculated pursuant to **Section VI.A**, and (2) an amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment shall be calculated at the time a final plat is recorded, issuance of a site development permit or units are created by a horizontal condominium regime, as applicable, or any other action that would cause the uses within a Parcel to differ from the uses shown on **Exhibit I**.

"Maximum Equivalent Tax Rate" means, for each Annual Installment, (i) $0.17 per $100 of Estimated Buildout Value for any single-family detached residential Parcels and (ii) $0.22 per $100 of Estimated Buildout Value with respect to any other individual Parcel.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from Authorized improvements as determined by the City Council.

"Owner(s)" means (i) Yarrington Partners, Ltd., a Texas limited partnership, (ii) 135 Residential Development, LLC, a Texas limited liability company, (iii) the Developer, (iv) Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company, and (v) any successor owner of the property within the District, or any portion thereof, including a merchant builder, that intends to develop such property for the ultimate purpose of transfer to end users.

"Owners Association" means one or more property owners associations formed with respect to all or a portion of the Assessed Properties that may own, operate and/ or maintain some of the Authorized Improvements and which the City acknowledges are approved and authorized by the City pursuant to Section 372.023(a)(3) of the PID Act.

"Parcel(s)" means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Hays 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 the County, or by any other means as determined by the City Council.

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

"PID Bonds" means those certain "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)", that are secured by Assessments.

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

"Prepayment Costs" mean interest, including Additional Interest if applicable, and Annual Collection

Costs incurred up to the date of Prepayment.

"Remaining Property" shall have the meaning assigned to such term in **Section VI.F**.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan, as it may be modified, amended, supplemented, and updated from time to time.

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

"Taken Property" shall have the meaning assigned to such term in **Section VI.F**.

"Taking" shall have the meaning assigned to such term in **Section VI.F**.

"Tract #1" means approximately 115.686 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

"Tract #2" means approximately 16.560 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

"Tract #3" means approximately 130.641 acres located within the District, as shown on **Exhibit B-4** and more specifically described in **Exhibit A-4**.

"Tract #4" means approximately 391.493 acres located within the District, as shown on **Exhibit B-5** and more specifically described in **Exhibit A-5**.

"Tract #5" means approximately 51.969 acres located within the District, as shown on **Exhibit B-6** and more specifically described in **Exhibit A-6**.

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

SECTION II: THE DISTRICT

The District includes approximately 706.349 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Development of the District will occur in phases and subject to market demand, is currently anticipated to include 581 single-family homes, approximately 1,300 multi-family units and approximately 4,228,685 square feet of commercial, retail, business park, office and mixed-use space, as well as associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage and utilities to the property within the District.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Major Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City once accepted unless specifically stated below. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

A. Major Improvements

- *Road A*

Opportunity Boulevard – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Road B*

Fortuna Road – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Lift Station & Wastewater Line D*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Road C*

Susurro Parkway – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Offsite Wastewater Line B*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

- *Detention Pond*

Improvements providing drainage, detention and water quality treatment of stormwater runoff serving the District and the other Major Improvements, including without limitation the detention basin, water quality facilities, and related drainage inlets, swales, storm sewers, culverts and outfall structures located in the area shown on **Exhibit H**. All related earthwork, excavation, erosion control, retaining walls, drainage infrastructure, landscaping, irrigation and re-vegetation of all disturbed areas within the detention pond area are included. The detention pond will provide a benefit to each Lot within the District.

- *Soft Costs/Construction Management*

Includes engineering, geotechnical, permitting, inspection, surveying, design, and other professional fees and 4.0% construction management fee.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement*

Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

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

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

- *Cost of Issuance*

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

- Developer District Formation Costs

Expenses directly incurred by the Developer associated with forming the District, levying Assessments, and issuing the PID Bonds.

- *First Year Annual Collection Costs*

Expenses directly associated with forming the District including first year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the projected costs and annual indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct certain Authorized Improvements. **Exhibit E** will be updated to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

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

This section of this Service and Assessment Plan describes the special benefit received by each Assessed Property within the District as a result of the Authorized Improvements and provides the basis and

justification for the determination that this special benefit exceeds the amount of the Assessments levied on the Assessed Property for such Authorized Improvements.

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

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs of the Major Improvements shall be allocated to each Parcel in the District pro rata based on Estimated Buildout Value of all Parcels. The allocation of the Major Improvements is shown on **Exhibit C**. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

B. Assessments

Assessments will be levied on each Parcel within the Assessed Property according to the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments are shown on **Exhibit G-1**. The projected Annual Installments for Tract #1 are shown on **Exhibit G-2**. The projected Annual Installments for Tract #2 are shown on **Exhibit G-3**. The projected Annual Installments for Tract #3 are shown on **Exhibit G-4**. The projected Annual Installments for Tract #4 are shown on **Exhibit G-5**. The projected Annual Installments for Tract #5 are shown on **Exhibit G-6**. In no case will the Assessment exceed the Maximum Assessment.

C. Findings of Special Benefit

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

- The cost of the Authorized Improvements equal $14,869,722 as shown on **Exhibit C**; and
- The Assessed Property receives special benefit equal to or greater than the Authorized Improvements; and
- Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5 comprise 100% of the Assessed Property, and will be allocated 100% of the Assessments levied for the Authorized Improvements, which equals $14,075,000 as shown on the Assessment Roll, attached as **Exhibit F;** and
- The special benefit (≥ $14,869,722) received by the Assessed Property from the Authorized Improvements is greater than the amount of Assessments ($14,075,000) levied on the Assessed Property for the Authorized Improvements; and
- At the time the City Council approved this Service and Assessment Plan, the Owners owned 100% of Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5. In a Landowner Agreement with the City, the Owners acknowledged that the Authorized Improvements confer a special benefit on Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The

Owners ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Assessments on the Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:
A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type
D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
E= the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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

3. Upon Consolidation

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

The Assessment for any resulting Lot will not exceed the Maximum Assessment, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.B**.

B. True-up of Assessments if Maximum Assessment Exceeded

If, based on a final subdivision plat, the Assessment for any Lot Type exceeds the Maximum Assessment, the owner of the applicable Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment. If a Prepayment is required, the final subdivision plat of any Assessed Property shall not be recorded without a letter from the Administrator confirming that the Prepayment has been made. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

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

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund, relating to the PID Bonds, that are not expected to be used for purposes of the Project Fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments, as shown on **Exhibit F** and **Exhibit G-1 – Exhibit G-6**, to reflect the reduced Assessments.

E. Prepayment of Assessments

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

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

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

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

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

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

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

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

Notwithstanding the previous paragraphs in this subsection (F), if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the

compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

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

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G-1** shows the projected Annual Installments for the District. The projected Annual Installments for Tract #1 are shown on **Exhibit G-2**. The projected Annual Installments for Tract #2 are shown on **Exhibit G-3**. The projected Annual Installments for Tract #3 are shown on **Exhibit G-4**. The projected Annual Installments for Tract #4 are shown on **Exhibit G-5**. The projected Annual Installments for Tract #5 are shown on **Exhibit G-6**. In no case will the Assessment for a Lot Type exceed the Maximum Assessment. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the Annual Installments for the Assessed Property. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2021. Failure of an owner of Assessed Property to receive an invoice for an Annual Installment on the property tax bill or otherwise shall not relieve the owner of Assessed Property of the obligation to pay the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

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

B. Amendments

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

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the

City Council after providing an opportunity for all interested parties to be heard at a public meeting of the City Council. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

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

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Tract #1 Legal Description
Exhibit A-3	Tract #2 Legal Description
Exhibit A-4	Tract #3 Legal Description
Exhibit A-5	Tract #4 Legal Description
Exhibit A-6	Tract #5 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Tract #1 Boundary Map
Exhibit B-3	Tract #2 Boundary Map
Exhibit B-4	Tract #3 Boundary Map
Exhibit B-5	Tract #4 Boundary Map
Exhibit B-6	Tract #5 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan – Five Year Plan
Exhibit E	Service Plan – Sources and Uses
Exhibit F	Assessment Roll
Exhibit G-1	Annual Installments
Exhibit G-2	Annual Installments for Tract #1
Exhibit G-3	Annual Installments for Tract #2
Exhibit G-4	Annual Installments for Tract #3
Exhibit G-5	Annual Installments for Tract #4
Exhibit G-6	Annual Installments for Tract #5
Exhibit H	Map of Major Improvements
Exhibit I	Land Use Matrix
Exhibit J	Notice of PID Assessment Termination

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

Including that certain approximately 86.948 acre tract, as described below.

S. CRAIG HOLLMIG, INC.
CONSULTING ENGINEERS · SURVEYORS
410 N SEGUIN STREET
NEW BRAUNFELS, TEXAS 78130-6065

TEXAS SOCIETY OF PROFESSIONAL ENGINEERS
AMERICAN SOCIETY OF CIVIL ENGINEERS

TEXAS SURVEYORS ASSOCIATION
TELEPHONE (830) 625-8538 • FAX: (830) 885-8551

WATER SYSTEMS • SEWER SYSTEMS • SUBDIVISIONS • LAND PLANNING • STREETS • SURVEYING

FIELD NOTES
FOR
AN 86.948 ACRE TRACT

Being an 86.948 acre tract of land situated in the Joel Miner Survey, Abstract No. 321, Hays County, Texas, being a portion of that certain tract of land called 97.84 acres conveyed to Albert M. Walker, Trustee, by instrument recorded in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are referenced to a bearing of N 24° 08' 30" E between monumentation found along the Easterly right-of-way line of Interstate Highway 35 (basis is taken from Texas State Highway Department Right-of-Way Map), said 86.948 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a ½" iron pin set on the Northeasterly line of the above referenced 97.84 acre tract, same being a Southwesterly line of that certain tract now being a remainder of a 328.824 acre tract described in Volume 720, Page 152 of the Official Public Records of Hays County, Texas, said ½" iron pin set S 45° 57' 20" E 232.0 feet from a ¾" iron pipe found on the Easterly right-of-way line of Interstate Highway 35, for the North corner of the above referenced 97.84 acre tract, for a Northerly corner of this tract;

THENCE: Generally along an old meandering cedar post and wire fence (falling down), with a Southwesterly line of said 328.824 acre tract, the Northeasterly line of the above referenced 97.84 acre tract, S 45° 57' 20" E 1,913.50 feet to a ½" iron pin found for a Southwesterly corner of said 328.824 acre tract, situated on the Northwesterly line of a tract called 72.85 acres (Popham Tract), recorded in Volume 895, Page 450 of the Official Public Records of Hays County, Texas, for the East corner of the above referenced 97.84 acre tract, for the East corner of this tract;

THENCE: Generally with fence, along a Southeast line of the above referenced 97.84 acre tract, the Northwest line of said 72.85 acre tract, S 44° 19' 36" W 390.40 feet to a ½" iron pin found and S 44° 37' 31" W 551.28 feet to a ¾" iron pin found for the West corner of said 72.85 acre tract, same being the North corner of Saddle Brook Subdivision, a plat recorded in Volume 9, Pages 107-109 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Continuing along the Southeast line of the above referenced 97.84 acre tract, a Northwest line of said Saddle Brook Subdivision, generally along a wood fence, S 44°

16' 53" W 1,278.72 feet to a ½" iron pin set for an interior corner of Saddle Brook Subdivision, for the South corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, with a Northeasterly line of Saddle Brook Subdivision, N 46° 04' 27" W 1,232.19 feet to a ½" iron pin set on said Northeast line, for a Southwesterly corner of this tract;

THENCE: Leaving the Northeasterly line of Saddle Brook Subdivision, N 24° 08' 30" E 52.37 feet to a ½" iron pin set and N 59° 31' 04" W 90.55 feet to a ½" iron pin set on the Easterly right-of-way line of Interstate Highway 35, for a Southwest corner of this tract, being located N 24° 08' 30" E 30.0 feet from a ½" iron pin found for a corner of Saddle Brook Subdivision;

THENCE: Continuing with the Easterly right-of-way line of Interstate Highway 35, N 24° 08' 30" E 959.44 feet to a ½" iron pin set in the curving Southeast line of that certain 10.67 acre tract described in Deed from Kitty Page Yarrington to State of Texas, dated February 7, 1935, recorded in Volume 110, Page 219 of the Deed Records of Hays County, Texas, for a corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract (which is in conflict with the 10.67 acre tract), with the Southeast line of said 10.67 acre tract, in a curve to the right, having a radius of 2,925.00 feet, an arc length of 415.32 feet, a central angle of 08° 08' 07", and a chord bearing and distance of N 55° 56' 05" E 414.97 feet to a ½" iron pin set for an interior corner of this tract;

THENCE: Continuing with the remainder of said 10.67 acre tract, N 47° 55' 30" W 229.79 feet to a ½" iron pin found on the Easterly right-of-way line of Interstate Highway 35, for a corner of this tract;

THENCE: Continuing with said Easterly right-of-way line, N 24° 08' 30" E 851.42 feet to a ½" iron pin set in same, for the most Northwesterly corner of this tract;

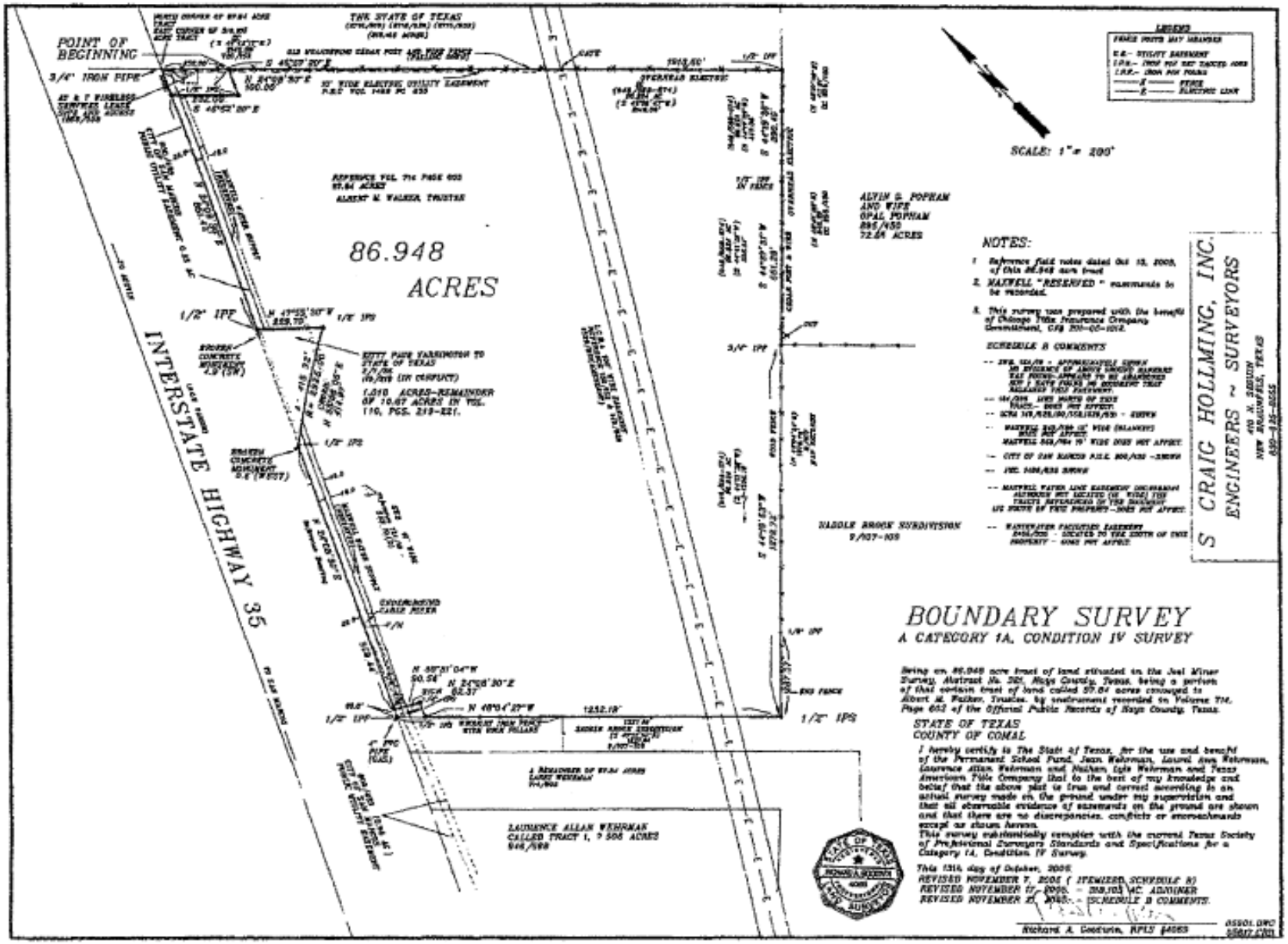
THENCE: Entering the above referenced 97.84 acre tract, S 45° 57' 20" E 232.00 feet to a ½" iron pin set for an interior corner of this tract and N 24° 08' 30" E 100.00 feet to the Point of Beginning and containing 86.948 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, October 13, 2005. Reference plat prepared this same date of this 86.948 acre tract.

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Job #05-901


POINT OF BEGINNING
3/4" IRON PIPE
THE STATE OF TEXAS
86.948 ACRES
INTERSTATE HIGHWAY 35
ALVIN G. POPHAM AND WIFE OPAL POPHAM
SCALE: 1" = 200'
NOTES:
S. CRAIG HOLLING, INC.
ENGINEERS ~ SURVEYORS
BOUNDARY SURVEY
A CATEGORY 1A, CONDITION IV SURVEY
STATE OF TEXAS
COUNTY OF COMAL

Including that certain approximately 99.8 acre tract, as described below.

VICKREY & ASSOCIATES, Inc.
CONSULTING ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS

Being a 99.80 acre tract of land situated in the Joel Miner Survey, Abstract No. 321 in Hays County, Texas, being the same property called two 50 acre tracts of land conveyed to Jane Richmond Benasutti, Trustee of Thomas R. Richmond Testamentary Family Trust by Deed recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, and individually one-half interest to Victoria Elizabeth Richmond a/k/a Elizabeth L. Richmond by Deed recorded in Volume 850, Page 595 of the Deed Records of Hays County, Texas, said 99.80 acre tract being more particularly described by metes and bounds with all bearings being referenced to the North American Datum 1983, Texas Coordinate System, South Central Zone; Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a ½-inch iron rod found at the intersection of the Southwest line of County Road No. 159, known as Yarrington Road and the Northwest line of County Road No. 160, known as Harris Hill Road for the East corner of the herein described tract, said Beginning point having Texas South Central Grid Coordinates of (N=13,886,570.38, E= 2,327,818.81);

Thence: S 43°21'39" W, along the Northwest line of said County Road No. 160, a distance of 2086.12 feet to a found ½ inch iron rod with yellow cap, for a Northeast corner of a 318.105 acre tract of land recorded in Volume 2715, Page 533 of the Official Public Records of Hays County, Texas, being the South corner of the herein described tract;

Thence: N 46°11'01" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2092.35 feet to a found ½ inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract;

Thence: N 43°31'53" E, along a Southeasterly line of said 318.105 acre tract, passing the common corner of said 318.105 acre tract and a 201.496 acre tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas, at a distance of 818.94 feet, and continuing along the Southeast line of said 201.496 acre tract, for a total distance of 2075.38 feet, to a found ½" iron rod on the Southwest line of said County Road No. 159 and being the North corner of the herein described tract;

Thence: S 46°28'39" E, along said Southwest line of County Road No. 159, a distance of 2086.11 feet to the POINT OF BEGINNING and containing 99.80 acres of land, more or less.

Note: Survey Plat of even date accompanies this legal description.

Hal B. Lane 4/11/06

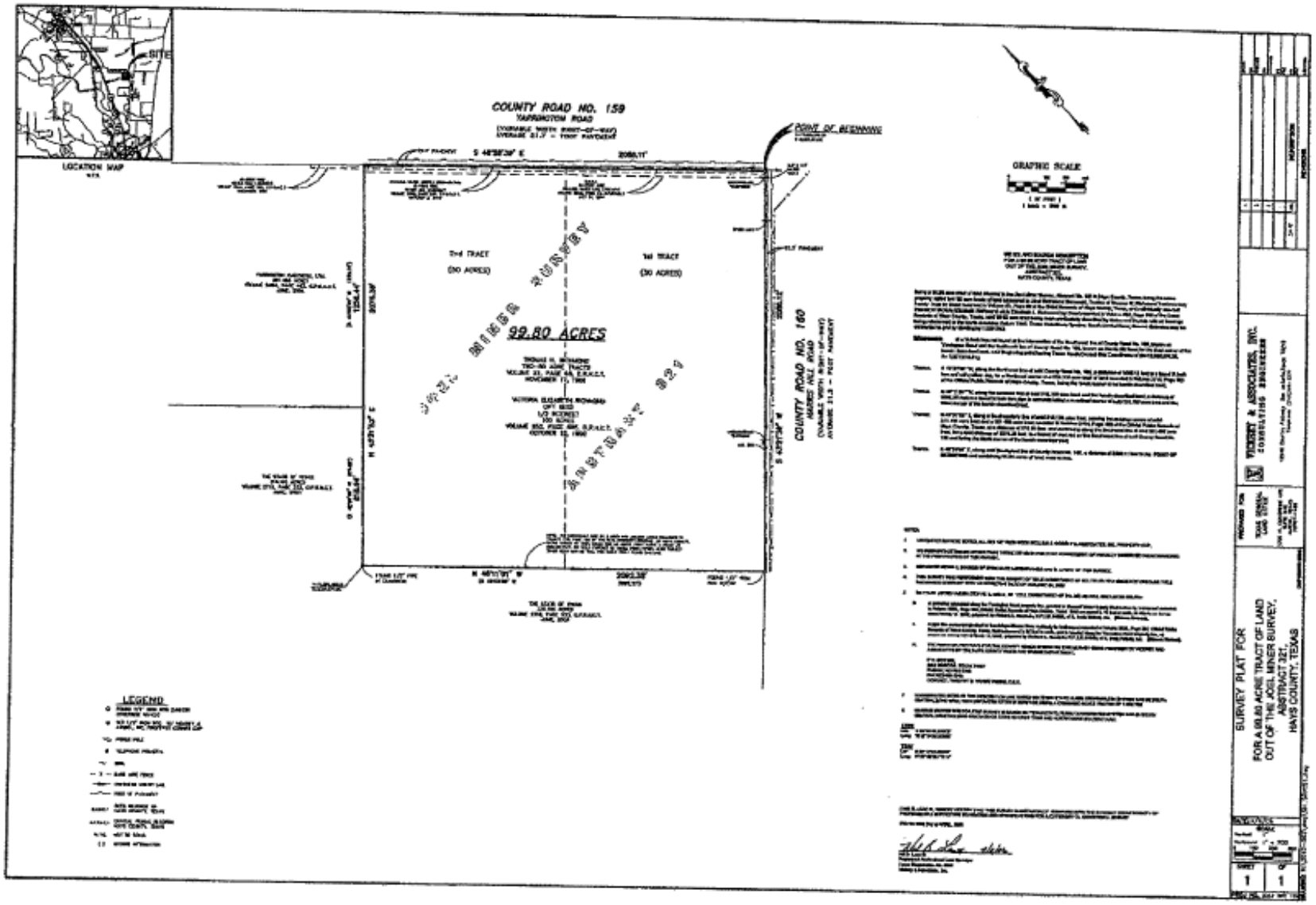
Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.

STATE OF TEXAS REGISTERED HAL B. LANE III 4690 PROFESSIONAL LAND SURVEYOR

Job No. 2042-002-104
Hlgm 99.80 Acres 041106
April 6, 2006
April 11, 2006

N:\2042-002\M&B\99.80 Acres (FINAL) 041106.rtf

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271 • FAX 210-349-2561


COUNTY ROAD NO. 159
TAFFINGTON ROAD
POINT OF BEGINNING
LOCATION MAP
SITE
GRAPHIC SCALE
1st TRACT
(30 ACRES)
2nd TRACT
(30 ACRES)
99.80 ACRES
COUNTY ROAD NO. 160
HARRIS HILL ROAD
LEGEND
SURVEY PLAT FOR
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS
WICKERT & ASSOCIATES, INC.
CONSULTING ENGINEERS
SHEET 1 OF 1

Including that certain approximately 318.105 acre tract, as described below.

Chaparral

Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-441-6987

2807 Manchaca Road
Building One
Austin, Texas 78704

318.105 ACRES
JOEL MINER SURVEY

A DESCRIPTION OF 318.105 ACRES IN THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN TRUSTEE'S DEED TO JIM McCROCKLIN, TRUSTEE, DATED MARCH 1, 1988, OF RECORD IN VOLUME 720, PAGE 152 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS; SAID 318.105 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" rebar found in the east right-of-way line of Interstate Highway 35 (right-of-way width varies) for the west corner of said 328.824 acre tract and the north corner of a 97.84 acre tract of land described in Volume 714, Page 603 of the Real Property Records of Hays County, Texas;

THENCE North 22°55'27" East, with the east right-of-way line of said IH-35 and the northwest line of the 328.824 acre tract, a distance of 1366.86 feet to a ½" rebar with cap set for the southwest corner of Lot 1, San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Plat Records of Hays County, Texas, from which a concrete highway monument found bears North 22°55'27" East, a distance of 2010.30 feet;

THENCE South 67°05'52" East, over and across the 328.824 acre tract with the southwest line of said San Marcos Technology Park, a distance of 1606.37 feet to a ½" rebar with cap set for an angle point in the north line of the 328.824 acre tract and the south corner of Lot 3, San Marcos Technology Park;

THENCE with the north line of the 328.824 acre tract and the southeast line of Lots 3 and 4, San Marcos Technology Park, the following three (3) courses:

1. North 43°06'54" East, a distance of 1113.31 feet to a ½" rebar found;
2. North 41°52'41" East, a distance of 231.92 feet to a ½" rebar found;
3. North 43°00'24" East, a distance of 894.26 feet to a ½" rebar found in the southwest line of a 214.40 acre tract of land described in Volume 773, Page 816 of the Real Property Records of Hays County, Texas, for the east corner of Lot 4, San Marcos Technology Park and the north corner of the 328.824 acre tract;

THENCE South 47°05'53" East, with the northeast line of the 328.824 acre tract

and the southwest line of said 214.40 acre tract, a distance of 2136.85 feet to a ½" rebar found for the south corner of the 214.40 acre tract and the northeast corner of the 328.824 acre tract and in the northwest line of a 100 acre tract of land described in Volume 52, Page 68 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 328.824 acre tract and the said 100 acres, the following two (2) courses:

1. South 42°49'26" West, a distance of 819.02 feet to a ½" iron pipe found for the west corner of the 100.00 acre tract;

2. South 46°53'58" East, a distance of 2092.27 feet to a ½" rebar with cap set in the northwest right-of-way line of County Road 160 (Harris Hill Road, right-of-way width varies) for the easternmost corner of the 328.824 acre tract;

THENCE with the northwest right-of-way line of said C.R. 160 and the southeast line of the 328.824 acre tract, the following six (6) courses:

1. South 43°41'13" West, a distance of 675.23 feet to a ½" rebar with cap set;

2. South 45°13'02" West, a distance of 369.18 feet to a ½" rebar with cap set;

3. South 45°38'13" West, a distance of 508.86 feet to a ½" rebar with cap set;

4. South 57°29'20" West, a distance of 74.15 feet to a ½" rebar with cap set;

5. South 33°18'43" West, a distance of 64.34 feet to a ½" rebar with cap set;

6. South 45°42'28" West, a distance of 395.47 feet to a ½" rebar found for the south corner of the 328.824 acre tract and the east corner of a 36.40 acre tract of land described in Volume 1435, Page 407 of the Official Public Records of Hays County, Texas;

THENCE North 47°04'03" West, with a southwest line of the 328.824 acre tract and the northeast line of said 36.40 acre tract, a distance of 3052.04 feet to a ½" rebar found for the north corner of the 36.40 acre tract;

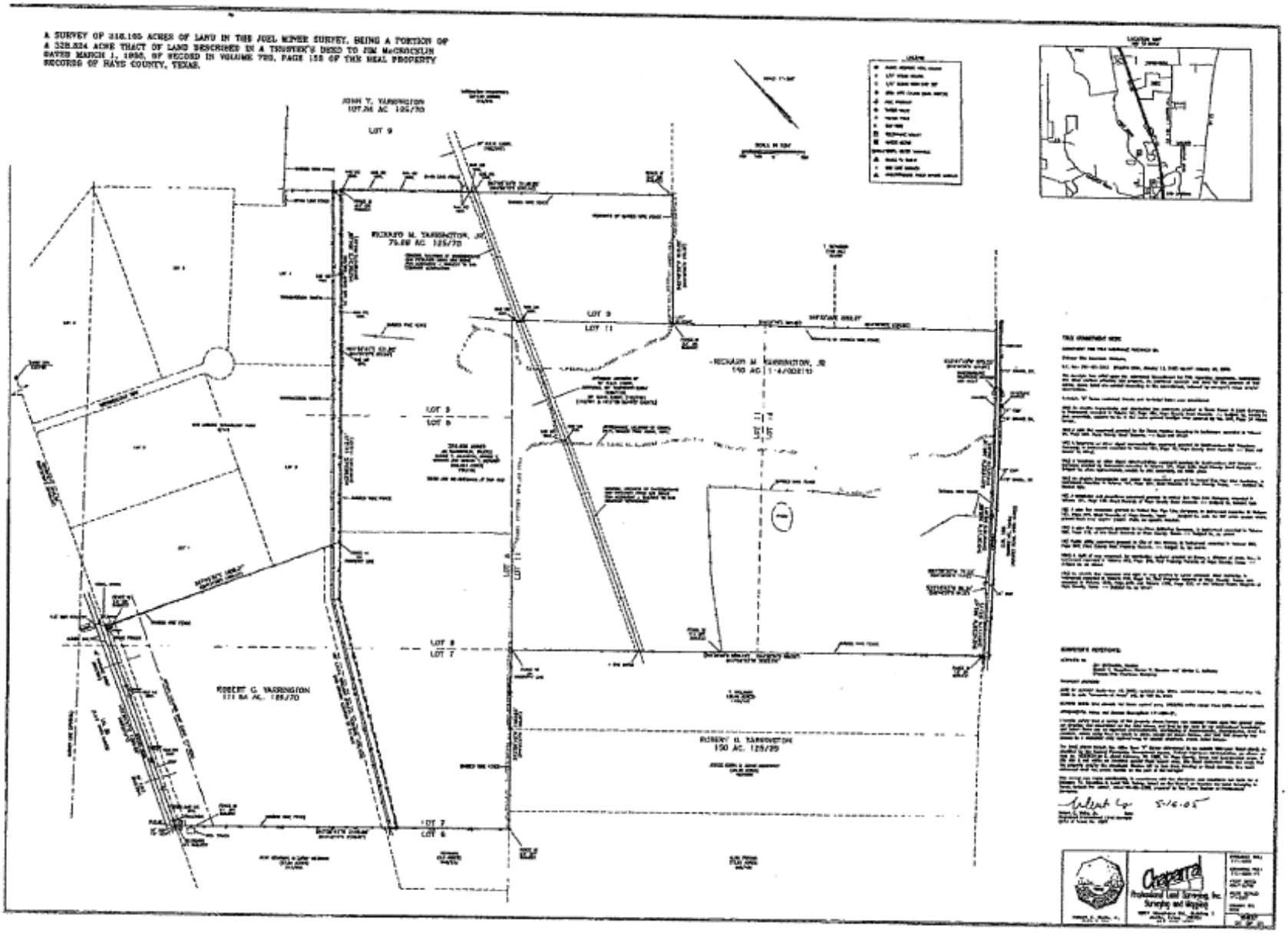
THENCE South 42°56'45" West, with a southwest line of the 328.824 acre tract and the northwest line of the 36.40 acre tract, passing at a distance of 521.59 feet a ½" rebar found for the west corner of the 36.40 acre tract and the north corner of a 36.40 acre tract described in Document No. 9924088 of the Official Public Records of Hays County, Texas, for a total distance of 1163.93 feet to a ½" rebar found for the east corner of a 6.6 acre tract described in Volume 946, Page 575 of the Official Public Records of Hays County, Texas, being in the northwest line of a 72.85 acre tract described in Volume 895, Page 450 of the Official Public Records of Hays County, Texas;

THENCE North 47°09'41" West, with a southwest line of the 328.824 acre tract and the northeast lines of said 6.6 acre tract and said 97.84 acre tract, a distance of 2145.66 feet to the **POINT OF BEGINNING**, containing 318.105 acres of land, more or less.

Surveyed on the ground September 12, 2003. Attachments: survey drawing 111-005-T1. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN Values from LCRA Control Network.

Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995

3-11-05


A SURVEY OF 318.195 ACRES OF LAND IN THE JOEL MINER SURVEY, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO JIM McCROCKLIN DATED MARCH 1, 1990, OF RECORD IN VOLUME 703, PAGE 158 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS.
JOHN T. YARRINGTON
LOT 9
RICHARD M. YARRINGTON, JR.
LOT 9
LOT 11
LOT 8
LOT 8
LOT 7
LOT 7
LOT 6
ROBERT G. YARRINGTON
ROBERT G. YARRINGTON
150 AC. 125/20
Professional Land Surveying, Inc.
Surveying and Mapping

Including that certain approximately 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Federnales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

Including that certain approximately 201.496 acre tract, save and except, that certain 85.81 acre tract, as described below.

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract herein;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

EXHIBIT A-2 – TRACT #1 LEGAL DESCRIPTION

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Save and except, that certain 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

EXHIBIT A-3 – TRACT #2 LEGAL DESCRIPTION

FIELD NOTE DESCRIPTION
16.56 ACRES
JOEL MINOR SURVEY
HAYS COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 16.56 ACRES OF LAND OUT OF THE JOEL MINOR SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 318.05 ACRE TRACT DESCRIBED IN A DEED TO WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP RECORDED IN DOCUMENT NUMBER 2016-16000334 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THE SAID 16.56 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

NOTE: All steel pins set cited herein are ½ inch diameter with cap marked Lenz & Assoc. All nails set cited herein are 60d with washer marked Lenz & Assoc. Bearings cited herein are based on the Texas Coordinate System of 1983 (NAD83), South Central Zone.

COMMENCING, at a ½ inch diameter steel pin found with cap marked DOUCET in the interior of the said 318.05 acre tract at the north end of a 25.00 foot radius curve on the west line of Fortuna Road, as dedicated by the plat of Whisper PID Improvements Plat, of record in Document Number 19030333 of the Plat Records of Hays County, Texas, from which a ½ inch diameter steel pin found with cap marked DOUCET on the north line of Opportunity Boulevard at the west end of said curve bears a chord bearing and distance of S 42°22'38" W, 35.36 feet;

THENCE, N 02°37'22" W, a distance of 841.73 feet, through the interior of the said 318.05 acre tract, along the west line of Fortuna Road, to a ½ inch diameter steel pin steel pin found with cap marked DOUCET;

THENCE, continuing with the west line of Fortuna Road with a curve to the right, having a central angle of 15°56'47", a radius of 535.00 feet, an arc of 148.90 feet and a chord bearing and distance of N 05°21'01" E, 148.42 feet to a steel pin set for the **PLACE OF BEGINNING** of the herein described tract;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, the following eight (8) courses and distances:

1) N 76°42'40" W, 39.59 feet to a steel pin set;

2) S 23°17'22" W, 293.17 feet to a steel pin set;

3) S 87°59'58" W, 668.17 feet to a steel pin set;

4) N 02°00'02" W, 205.93 feet to a steel pin set;

5) With a curve to the right, having a central angle of 25°17'23", a radius of 385.00 feet, an arc of 169.94 feet and a chord bearing and distance of N 10°38'40" E, 168.56 feet to a steel pin set;

6) N 23°17'22" E, 759.80 feet to a steel pin set;

7) S 66°42'38" E, 667.95 feet to a steel pin set;

8) S 46°14'43" E, 98.21 feet to a steel pin set on the west line of Fortuna Road, from which a ½ inch diameter steel pin found with cap marked Doucet bears N 23°17'48" E, 986.89 feet;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, along the west line of Fortuna Road, the following two (2) courses and distances:

1) S 23°17'48" W, 397.99 feet to a steel pin found with cap marked Doucet;

2) With a curve to the left, having a central angle of 09°58'23", a radius of 535.00 feet, an arc of 93.13 feet and a chord bearing and distance of S 18°18'36" W, 93.01 feet to the **PLACE OF BEGINNING**, containing 16.56 acres of land, more or less.

This description prepared for the benefit of Whisper Industrial 2019 QOZB, LLC and Simmons Bank, an Arkansas State Charter Bank.

DECEMBER 30, 2019

Timothy A. Lenz
Lenz & Associates, Inc.
Firm Number 100290-00
4150 Freidrich Lane, Suite A-1
Austin, Texas 78744
(512) 443-1174

Whisper (16.56 ac).doc

STATE OF TEXAS
REGISTERED
TIMOTHY A. LENZ
4393
PROFESSIONAL
LAND SURVEYOR

EXHIBIT A-4 – TRACT #3 LEGAL DESCRIPTION

PROPERTY DESCRIPTION

FIELD NOTES FOR A 130.641 ACRE TRACT

Being a 130.641 acre tract of land, out of the Joel Miner Survey, Hays County, Texas, and being out of a 318.105 acre tract and a 99.800 tract, conveyed to Whisper Master Community Limited Partnership by a Deed Without Warranty recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, being more particularly described as follows:

COMMENCING at a point in the Northwesterly R.O.W. of County Road 160 (Harris Hill Road), being the intersection of the Southwesterly line of a 318.105 acre tract, conveyed to Whisper Master Community Limited Partnership by a Deed With Warranty recorded in Document No. 2016-16000334 in the Official Public Records of Hays County, Texas;

Thence **N 46°21'27" W**, a distance of **23.53** feet to the beginning point of said 318.105 acre tract;

Thence: Along the Southwesterly line of said 318.105 acre tract, **N 46°21'27" W**, a distance of **2,227.77** feet to the Southwesterly corner of said 318.105 acre tract;

Thence: Leaving said 318.105 acre tract and traversing thru the interior of the said 318.105 tract, **N 23°17'22" E**, a distance of **830.41** feet to an interior corner;

Thence: **N 50°54'24" E**, a distance of **84.97** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **408.50** feet to an interior corner;

Thence: **S 71°04'04" E**, a distance of **52.81** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **111.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **70.50** feet to an interior corner;

Thence: **N 89°50'45" W**, a distance of **121.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **365.15** feet to a corner point on the south right-of-way of Whisper Hills Blvd;

Thence: With the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **606.71** feet to a corner point on said south right-of-way;

Thence: Leaving said south right-of-way, **S 00°09'15" W**, a distance of **306.12** feet to an interior corner;

Thence: **S 87°13'46" W**, a distance of **121.90 feet** to an interior corner;

Thence: Along a curve to the right, an arc length of **9.27** feet, a radius of **181.50** feet, a chord bearing of **S 01°18'29" E** and a chord distance of **9.26** feet to an interior corner;

Thence: **S 00°09'15" W**, a distance of **73.16** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **160.33** feet to an interior corner;

Thence: **N 01°04'24" W**, a distance of **10.00** feet to an interior corner;

Thence: **N 88°55'36" E**, crossing the said 318.105 acre tract and said 99.800 acre tract boundary line a distance of 601.21 feet, thence continuing thru the said 99.800 acre tract for a total distance of **669.07** feet to an interior corner;

Thence: **N 00°09'15"** E, a distance of **65.73** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **144.19** feet, a radius of **2975.00** feet, a chord bearing of **N 01°14'03" W** and a chord distance of **144.18** feet to an interior corner;

Thence: **N 02°37'22" W**, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **N 47°37'24" W** and a chord distance of **35.36** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **100.00** feet to a corner point;

Thence: Leaving said right-of-way along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **S 42°22'37" W** and a chord distance of **35.36** feet to an interior corner;

Thence: **S 02°37'22"** E, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the right, an arc length of **146.62** feet, a radius of **3025.00** feet, a chord bearing of **S 01°14'03"** E and a chord distance of **146.60** feet to an interior corner

Thence: **S 00°09'15" W**, a distance of **64.66** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **361.77** feet to an interior corner ;

Thence: **S 46°21'27"** E, a distance of **214.73** feet to an interior corner;

Thence: **N 45°55'20"** E, a distance of **293.36** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **143.55** feet, a radius of **262.00** feet, a chord bearing of **N 30°13'34" E** and a chord distance of **141.76** feet to an interior corner;

Thence: **N 14°31'48" E**, a distance of **256.58** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along said south right-of-way a curve to the right, an arc length of **303.28** feet, a radius of **955.00** feet, a chord bearing of **S 75°48'18" E** and a chord distance of **302.01** feet to a corner point;

Thence: Leaving said south right-of-way, **S 14°31'48" W**, a distance of **258.35** feet to an interior corner;

Thence: Along a curve to the right an arc length of **79.50** feet, a radius of **564.00** feet, a chord bearing of **S 18°34'05" W** and a chord distance of **79.43** feet to an interior corner;

Thence: **S 46°21'27" E**, a distance of **582.83** feet a Northeast corner point;

Thence: **S 43°51'51" W**, crossing the said 99.800 acre tract and said 318.105 acre tract boundary line a distance of 847.96 feet, thence continuing thru the said 318.105 acre tract for a total distance of **1507.06** feet to a point;

Thence: A curve to the right, an arc length of **31.57** feet, a radius of **619.00** feet, a chord bearing of **S 45°19'32" W** and a chord distance of **31.57** feet to a point;

Thence: **S 46°47'12" W**, a distance of **1393.50** feet to the Point of Beginning and containing 130.641 acres, more or less.

STATE OF TEXAS
THERMAN HIGH
50269
LICENSED
PROFESSIONAL ENGINEER

March 28, 2019

EXHIBIT A-5 – TRACT #4 LEGAL DESCRIPTION

Being approximately 706.349 acres of land within the District as more particularly described in **Exhibit A-1**; SAVE AND EXCEPT the approximately 115.686-acre tract of land comprising Tract #1 as more particularly described in **Exhibit A-2;** SAVE AND EXCEPT the approximately 16.560-acre tract of land comprising Tract #2 as more particularly described in **Exhibit A-3;** SAVE AND EXCEPT the approximately 130.641-acre tract of land comprising Tract #3 as more particularly described in **Exhibit A-4;** SAVE AND EXCEPT the approximately 51.969-acre tract of land comprising Tract #5 as more particularly described in **Exhibit A-6**.

EXHIBIT A-6 – TRACT #5 LEGAL DESCRIPTION

PAPE-DAWSON ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR

A 51.969 acre, or 2,263,776 square feet more or less, tract of land out of a portion of that 85.81 acre tract described in Special Warranty Deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16011214 of the Official Public Records of Hays County, Texas, and out of a portion of that 99.80 acre tract described in Deed Without Warranty to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, situate in the Joel Miner Survey, Abstract 321, partially in the City of San Marcos, Hays County, Texas. Said 51.969 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found 1/2" iron rod marked "Spot On" on the southwest right-of-way line of County Road No. 159, variable width right-of-way (aka Yarrington Road), at the north corner of said WMCLP 85.81 acre tract, at an east corner of the Yarrington Partners, LTD tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas;

THENCE: S 46°29'26" E, along the southwest right-of-way line of said County Road No. 159, a distance of 1614.02 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", at the northeast corner of Fortuna Road, 70-foot wide public right-of-way, dedicated in Whisper PID Infrastructure Improvements Plat recorded in Document Number 19030333 of the Plat Records of Hays County, Texas, on the northeast line of said WMCLP 85.81 acre tract, for a northerly corner of the herein described tract, same being the POINT OF BEGINNING;

THENCE: S 46°29'26" E, continuing along the southwest right-of-way line of said County Road No. 159, at a distance of 1531.09 feet pass a found 1/2" iron rod for a northwest corner of said WMCLP 99.80 acre tract, for the southeast corner of said WMCLP 85.81 acre tract, and continuing for a total distance of 1938.27 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", on the northeast line of said WMCLP 99.80 acre tract, for the southeast corner of the herein described tract;

THENCE: S 43°30'22" W, departing the southwest line of said County Road No. 159, over and across said WMCLP 99.80 acre tract, a distance of 1256.46 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" for the south corner of the herein described tract;

TBPE Firm Registration #470 | TBPLS Firm Registration #10028800
San Antonio | Austin | Houston | Fort Worth | Dallas
Transportation | Water Resources | Land Development | Surveying | Environmental
2000 NW Loop 410, San Antonio, TX 78213 T: 210.375.9000 www.Pape-Dawson.com

THENCE: N 46°26'18" W, continuing over and across said WMCLP 99.80 acre tract, at a distance of 407.57 feet pass a found 1/2" iron rod at the southeast corner of a 318.105 acre tract described by deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, at the south corner of said WMCLP 85.81 acre tract, continuing for a total distance of 1579.85 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" on the southeast right-of-way line of said Fortuna Road, for the west corner of the herein described tract;

THENCE: Along and with the southeast right-of-way line of said Fortuna Road, the following bearings and distances:

N 23°17'58" E, a distance of 1012.74 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 465.00 feet, a central angle of 20°12'33", a chord bearing and distance of N 33°24'15" E, 163.16 feet, for an arc length of 164.01 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

N 43°30'31" E, a distance of 123.99 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Northeasterly, along a tangent curve to the right, said curve having a radius of 20.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 88°30'31" E, 28.28 feet, for an arc length of 31.42 feet to the POINT OF BEGINNING and containing 51.969 acres partially in the City of San Marcos, Hays County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 11152-04 by Pape-Dawson Engineers, Inc.

PREPARED BY:	Pape-Dawson Engineers, Inc.
DATE:	November 27, 2019
JOB NO.	11152-04
DOC. ID.	N:\CIVIL\11152-04\Word\11152-04 FN 51.969 AC.docx

STATE OF TEXAS
REGISTERED
G. E. BUCHANAN
4999
PROFESSIONAL
LAND SURVEYOR

12/02/2019

PAPE-DAWSON ENGINEERS

EXHIBIT B-1 – DISTRICT BOUNDARY MAP

WHISPER LAND USE PLAN

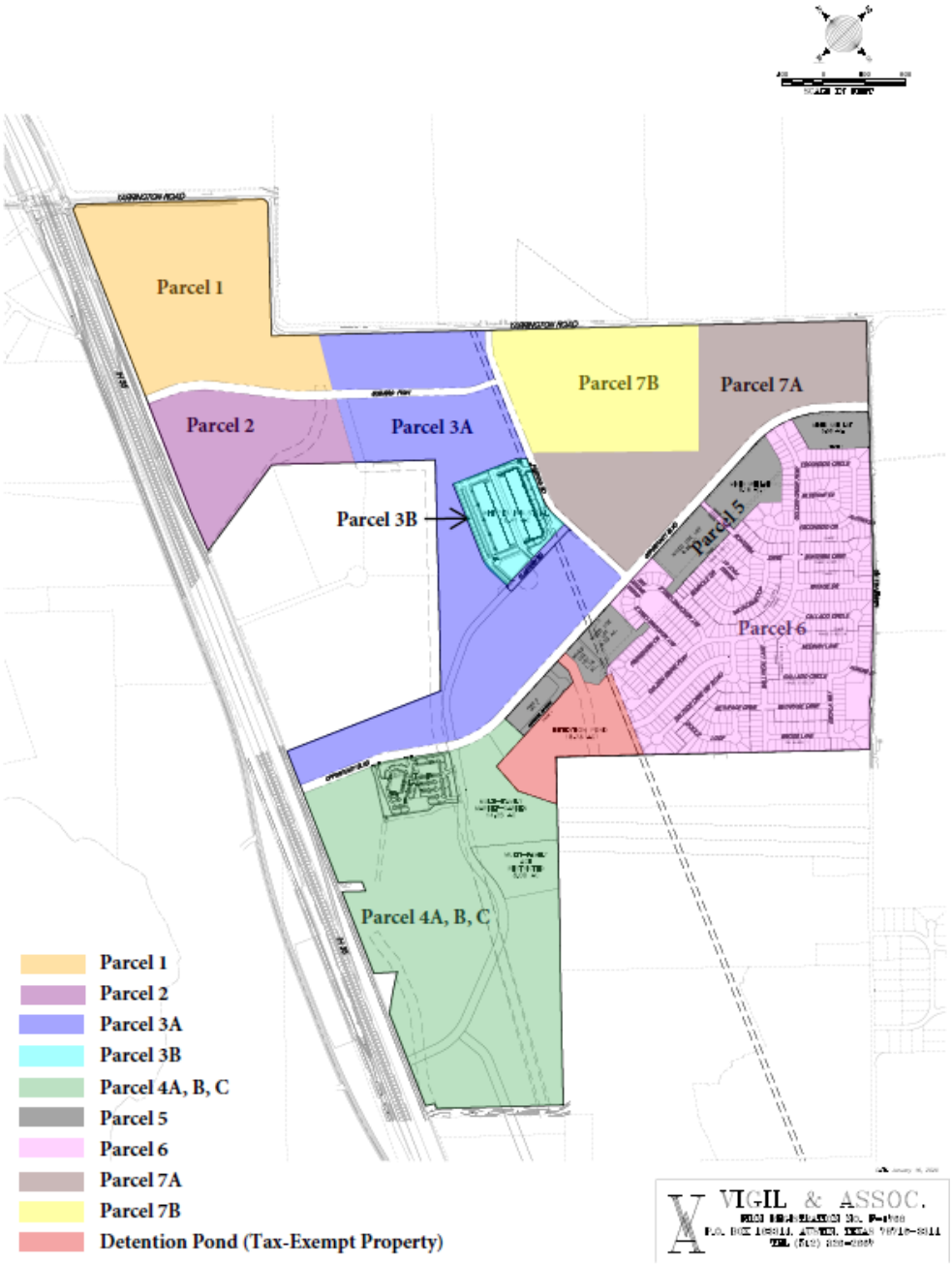


EXHIBIT B-2 – TRACT #1 BOUNDARY MAP

EXHIBIT B-3 – TRACT #2 BOUNDARY MAP

EXHIBIT B-4 – TRACT #3 BOUNDARY MAP

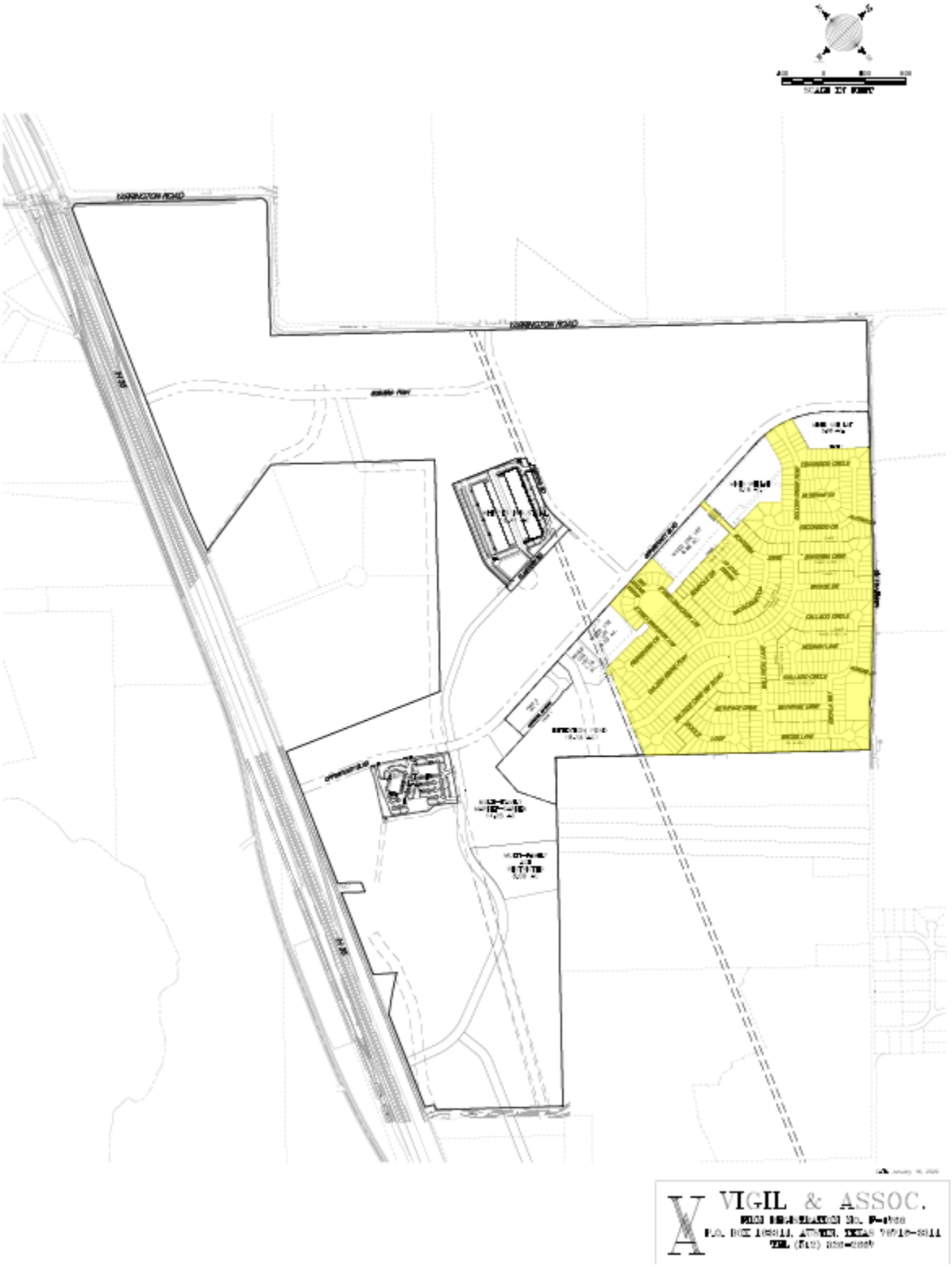


EXHIBIT B-5 – TRACT #4 BOUNDARY MAP

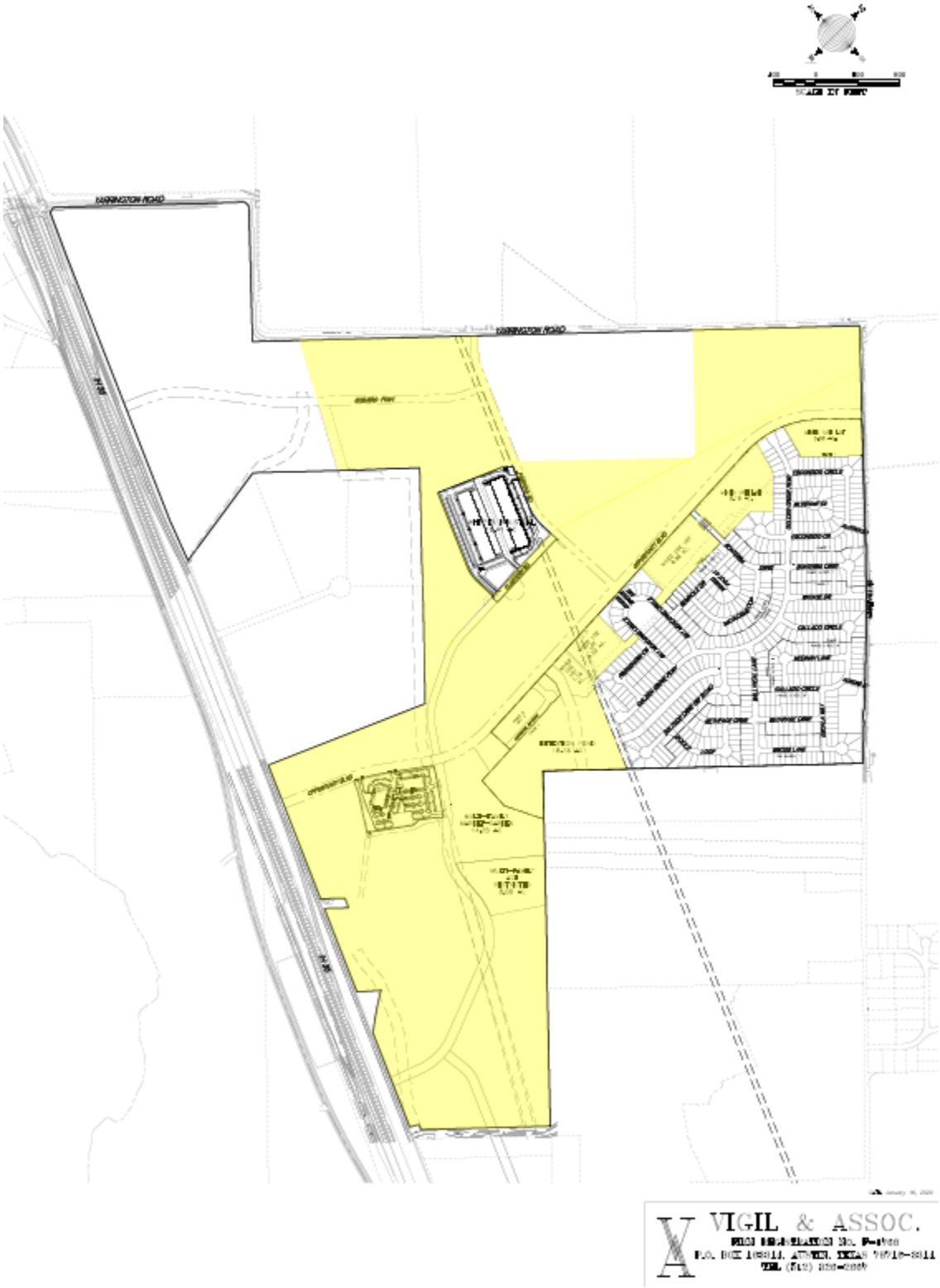


EXHIBIT B-6 – TRACT #5 BOUNDARY MAP

TRACT #5

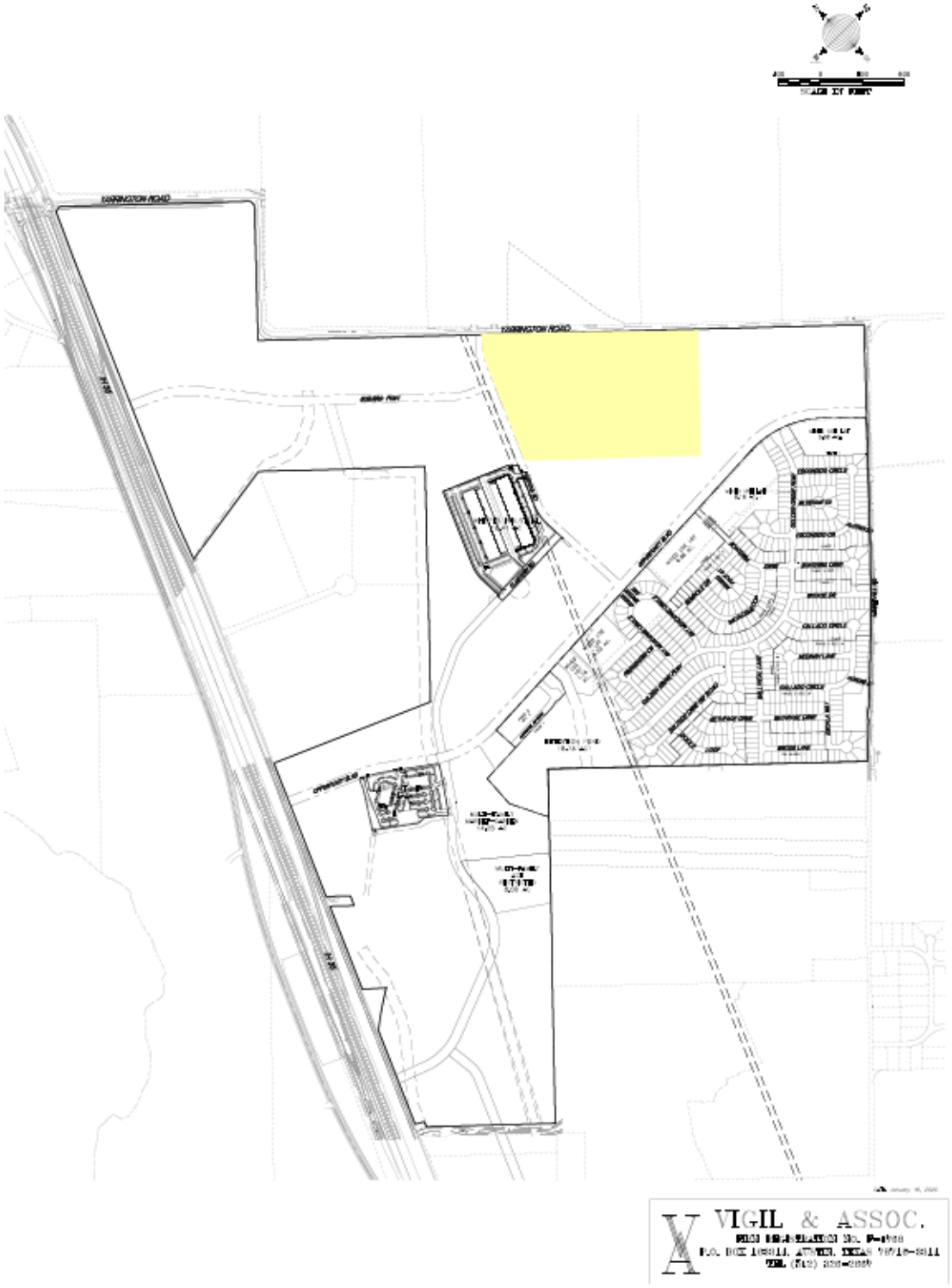


EXHIBIT C – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Whisper PID %	Whisper PID Cost
Major Improvements			
Road A [b]	$ 5,214,299	100.00%	$ 5,214,299
Road B [b]	2,179,637	100.00%	2,179,637
Lift Station & Wastewater Line D	285,746	100.00%	285,746
Road C [b]	2,284,880	100.00%	2,284,880
Offsite Wastewater Line B	315,750	100.00%	315,750
Detention Pond	209,699	100.00%	209,699
Construction Management (4%)	419,600	100.00%	419,600
Soft Costs	824,099	100.00%	824,099
	$ 11,733,710		$ 11,733,710
District Formation and Bond Issuance Costs			
Debt Service Reserve Fund	$ 1,066,556		$ 1,066,556
Capitalized Interest	562,706		562,706
Underwriter's Discount	281,500		281,500
Underwriter's Counsel	140,750		140,750
Cost of Issuance	844,500		844,500
Developer District Formation Costs	200,000		200,000
First Year Annual Collection Costs	40,000		40,000
	$ 3,136,012		$ 3,136,012
Total	**$ 14,869,722**		**$ 14,869,722**

Footnotes:

[a] Costs provided by Sundance Analytics dated April 27, 2020. Costs may not add due to rounding.

[b] Net of proportionate share of $1,592,682 in City cost participation.

EXHIBIT D – SERVICE PLAN – FIVE YEAR PLAN

Five Year Service Plan						
Installments Due		**1/31/2021**	**1/31/2022**	**1/31/2023**	**1/31/2024**	**1/31/2025**
Principal		$ -	$ 195,000	$ 205,000	$ 215,000	$ 225,000
Interest		840,556	840,556	830,075	819,056	807,500
Capitalized Interest		(420,278)	-	-	-	-
	(1)	$ 420,278	$ 1,035,556	$ 1,035,075	$ 1,034,056	$ 1,032,500
Annual Collection Costs	(2)	$ 40,800	$ 41,616	$ 42,448	$ 43,297	$ 44,163
Additional Interest Reserve	(3)	$ 70,375	$ 70,375	$ 69,400	$ 68,375	$ 67,300
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 531,453**	**$ 1,147,547**	**$ 1,146,923**	**$ 1,145,729**	**$ 1,143,963**

EXHIBIT E – SERVICE PLAN – SOURCES AND USES

Sources of Funds		
PID Bond Par	$	14,075,000
Developer Contribution [a]		794,722
Total Sources	**$**	**14,869,722**

Uses of Funds		
Major Improvements	$	11,733,710
District Formation and Bond Issuance Costs		
Debt Service Reserve Fund	$	1,066,556
Capitalized Interest		562,706
Underwriter's Discount		281,500
Underwriter's Counsel		140,750
Cost of Issuance		844,500
Developer District Formation Costs		200,000
First Year Annual Collection Costs		40,000
	$	**3,136,012**
Total Uses	**$**	**14,869,722**

Footnotes:

[a] Non-reimbursable to the Developer.

EXHIBIT F – ASSESSMENT ROLL

	Whisper PID	
Property ID	Outstanding Assessment	Annual Installment due 1/31/21
Tract #1	$ 2,083,452	$ 78,668
Tract #2	$ 337,519	$ 12,744
Tract #3	$ 2,784,116	$ 105,125
Tract #4	$ 7,672,311	$ 289,696
Tract #5	$ 1,197,602	$ 45,220
Total	**$ 14,075,000**	**$ 531,453**

Note: For billing purposes only, until a plat has been recorded within Tract #1, Tract #2, Tract #3, Tract #4 or Tract #5, the Annual Installment will be billed to each property ID within each Tract based on the Hays Central Appraisal District acreage.

EXHIBIT G-1 – ANNUAL INSTALLMENTS

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 142,428	$ (142,428)	$ -	$ -	$ -
2021	$ -	$ 840,556	$ (420,278)	$ 70,375	$ 40,800	$ 531,453
2022	$ 195,000	$ 840,556	$ -	$ 70,375	$ 41,616	$ 1,147,547
2023	$ 205,000	$ 830,075	$ -	$ 69,400	$ 42,448	$ 1,146,923
2024	$ 215,000	$ 819,056	$ -	$ 68,375	$ 43,297	$ 1,145,729
2025	$ 225,000	$ 807,500	$ -	$ 67,300	$ 44,163	$ 1,143,963
2026	$ 240,000	$ 795,406	$ -	$ 66,175	$ 45,046	$ 1,146,628
2027	$ 255,000	$ 782,506	$ -	$ 64,975	$ 45,947	$ 1,148,429
2028	$ 265,000	$ 768,800	$ -	$ 63,700	$ 46,866	$ 1,144,366
2029	$ 280,000	$ 754,556	$ -	$ 62,375	$ 47,804	$ 1,144,735
2030	$ 295,000	$ 739,506	$ -	$ 60,975	$ 48,760	$ 1,144,241
2031	$ 315,000	$ 723,650	$ -	$ 59,500	$ 49,735	$ 1,147,885
2032	$ 330,000	$ 704,750	$ -	$ 57,925	$ 50,730	$ 1,143,405
2033	$ 355,000	$ 684,950	$ -	$ 56,275	$ 51,744	$ 1,147,969
2034	$ 375,000	$ 663,650	$ -	$ 54,500	$ 52,779	$ 1,145,929
2035	$ 400,000	$ 641,150	$ -	$ 52,625	$ 53,835	$ 1,147,610
2036	$ 425,000	$ 617,150	$ -	$ 50,625	$ 54,911	$ 1,147,686
2037	$ 450,000	$ 591,650	$ -	$ 48,500	$ 56,010	$ 1,146,160
2038	$ 480,000	$ 564,650	$ -	$ 46,250	$ 57,130	$ 1,148,030
2039	$ 510,000	$ 535,850	$ -	$ 43,850	$ 58,272	$ 1,147,972
2040	$ 540,000	$ 505,250	$ -	$ 41,300	$ 59,438	$ 1,145,988
2041	$ 575,000	$ 472,850	$ -	$ 38,600	$ 60,627	$ 1,147,077
2042	$ 610,000	$ 437,631	$ -	$ 35,725	$ 61,839	$ 1,145,195
2043	$ 650,000	$ 400,269	$ -	$ 32,675	$ 63,076	$ 1,146,020
2044	$ 690,000	$ 360,456	$ -	$ 29,425	$ 64,337	$ 1,144,219
2045	$ 735,000	$ 318,194	$ -	$ 25,975	$ 65,624	$ 1,144,793
2046	$ 785,000	$ 273,175	$ -	$ 22,300	$ 66,937	$ 1,147,412
2047	$ 835,000	$ 225,094	$ -	$ 18,375	$ 68,275	$ 1,146,744
2048	$ 890,000	$ 173,950	$ -	$ 14,200	$ 69,641	$ 1,147,791
2049	$ 945,000	$ 119,438	$ -	$ 9,750	$ 71,034	$ 1,145,221
2050	$ 1,005,000	$ 61,556	$ -	$ 5,025	$ 72,454	$ 1,144,036
Total	**$ 14,075,000**	**$ 17,196,259**	**$ (562,706)**	**$ 1,407,425**	**$ 1,655,178**	**$ 33,771,156**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-2 – ANNUAL INSTALLMENTS FOR TRACT #1

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 21,082.84	$ (21,082.84)	$ -	$ -	$ -
2021	$ -	$ 124,423.32	$ (62,211.66)	$ 10,417.26	$ 6,039.42	$ 78,668.34
2022	$ 28,864.87	$ 124,423.32	$ -	$ 10,417.26	$ 6,160.21	$ 169,865.66
2023	$ 30,345.12	$ 122,871.84	$ -	$ 10,272.93	$ 6,283.41	$ 169,773.30
2024	$ 31,825.37	$ 121,240.79	$ -	$ 10,121.21	$ 6,409.08	$ 169,596.45
2025	$ 33,305.62	$ 119,530.17	$ -	$ 9,962.08	$ 6,537.26	$ 169,335.14
2026	$ 35,526.00	$ 117,740.00	$ -	$ 9,795.55	$ 6,668.01	$ 169,729.55
2027	$ 37,746.37	$ 115,830.47	$ -	$ 9,617.92	$ 6,801.37	$ 169,996.13
2028	$ 39,226.62	$ 113,801.60	$ -	$ 9,429.19	$ 6,937.39	$ 169,394.81
2029	$ 41,446.99	$ 111,693.18	$ -	$ 9,233.06	$ 7,076.14	$ 169,449.37
2030	$ 43,667.37	$ 109,465.40	$ -	$ 9,025.82	$ 7,217.67	$ 169,376.26
2031	$ 46,627.87	$ 107,118.28	$ -	$ 8,807.49	$ 7,362.02	$ 169,915.65
2032	$ 48,848.24	$ 104,320.60	$ -	$ 8,574.35	$ 7,509.26	$ 169,252.45
2033	$ 52,548.87	$ 101,389.71	$ -	$ 8,330.11	$ 7,659.44	$ 169,928.13
2034	$ 55,509.37	$ 98,236.78	$ -	$ 8,067.36	$ 7,812.63	$ 169,626.14
2035	$ 59,209.99	$ 94,906.22	$ -	$ 7,789.81	$ 7,968.89	$ 169,874.91
2036	$ 62,910.62	$ 91,353.62	$ -	$ 7,493.76	$ 8,128.26	$ 169,886.26
2037	$ 66,611.24	$ 87,578.98	$ -	$ 7,179.21	$ 8,290.83	$ 169,660.26
2038	$ 71,051.99	$ 83,582.31	$ -	$ 6,846.16	$ 8,456.64	$ 169,937.10
2039	$ 75,492.74	$ 79,319.19	$ -	$ 6,490.90	$ 8,625.78	$ 169,928.60
2040	$ 79,933.49	$ 74,789.62	$ -	$ 6,113.43	$ 8,798.29	$ 169,634.84
2041	$ 85,114.36	$ 69,993.61	$ -	$ 5,713.76	$ 8,974.26	$ 169,796.00
2042	$ 90,295.24	$ 64,780.36	$ -	$ 5,288.19	$ 9,153.74	$ 169,517.53
2043	$ 96,216.24	$ 59,249.78	$ -	$ 4,836.72	$ 9,336.82	$ 169,639.55
2044	$ 102,137.24	$ 53,356.53	$ -	$ 4,355.64	$ 9,523.56	$ 169,372.96
2045	$ 108,798.36	$ 47,100.63	$ -	$ 3,844.95	$ 9,714.03	$ 169,457.96
2046	$ 116,199.61	$ 40,436.72	$ -	$ 3,300.96	$ 9,908.31	$ 169,845.60
2047	$ 123,600.86	$ 33,319.50	$ -	$ 2,719.96	$ 10,106.47	$ 169,746.79
2048	$ 131,742.23	$ 25,748.95	$ -	$ 2,101.95	$ 10,308.60	$ 169,901.74
2049	$ 139,883.61	$ 17,679.73	$ -	$ 1,443.24	$ 10,514.78	$ 169,521.36
2050	$ 148,765.11	$ 9,111.86	$ -	$ 743.83	$ 10,725.07	$ 169,345.87
Total	**$ 2,083,451.60**	**$ 2,545,475.90**	**$ (83,294.50)**	**$ 208,334.06**	**$ 245,007.64**	**$ 4,998,974.69**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-3 – ANNUAL INSTALLMENTS FOR TRACT #2

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 3,415.42	$ (3,415.42)	$ -	$ -	$ -
2021	$ -	$ 20,156.58	$ (10,078.29)	$ 1,687.60	$ 978.39	$ 12,744.27
2022	$ 4,676.11	$ 20,156.58	$ -	$ 1,687.60	$ 997.95	$ 27,518.24
2023	$ 4,915.91	$ 19,905.24	$ -	$ 1,664.22	$ 1,017.91	$ 27,503.27
2024	$ 5,155.71	$ 19,641.01	$ -	$ 1,639.64	$ 1,038.27	$ 27,474.62
2025	$ 5,395.51	$ 19,363.89	$ -	$ 1,613.86	$ 1,059.04	$ 27,432.29
2026	$ 5,755.21	$ 19,073.88	$ -	$ 1,586.88	$ 1,080.22	$ 27,496.19
2027	$ 6,114.91	$ 18,764.54	$ -	$ 1,558.10	$ 1,101.82	$ 27,539.37
2028	$ 6,354.71	$ 18,435.86	$ -	$ 1,527.53	$ 1,123.86	$ 27,441.96
2029	$ 6,714.41	$ 18,094.29	$ -	$ 1,495.76	$ 1,146.34	$ 27,450.80
2030	$ 7,074.11	$ 17,733.39	$ -	$ 1,462.18	$ 1,169.26	$ 27,438.95
2031	$ 7,553.71	$ 17,353.16	$ -	$ 1,426.81	$ 1,192.65	$ 27,526.34
2032	$ 7,913.42	$ 16,899.94	$ -	$ 1,389.04	$ 1,216.50	$ 27,418.90
2033	$ 8,512.92	$ 16,425.13	$ -	$ 1,349.48	$ 1,240.83	$ 27,528.36
2034	$ 8,992.52	$ 15,914.36	$ -	$ 1,306.91	$ 1,265.65	$ 27,479.43
2035	$ 9,592.02	$ 15,374.81	$ -	$ 1,261.95	$ 1,290.96	$ 27,519.74
2036	$ 10,191.52	$ 14,799.29	$ -	$ 1,213.99	$ 1,316.78	$ 27,521.57
2037	$ 10,791.02	$ 14,187.79	$ -	$ 1,163.03	$ 1,343.11	$ 27,484.96
2038	$ 11,510.42	$ 13,540.33	$ -	$ 1,109.08	$ 1,369.98	$ 27,529.81
2039	$ 12,229.82	$ 12,849.71	$ -	$ 1,051.53	$ 1,397.38	$ 27,528.43
2040	$ 12,949.23	$ 12,115.92	$ -	$ 990.38	$ 1,425.32	$ 27,480.84
2041	$ 13,788.53	$ 11,338.97	$ -	$ 925.63	$ 1,453.83	$ 27,506.95
2042	$ 14,627.83	$ 10,494.42	$ -	$ 856.69	$ 1,482.91	$ 27,461.84
2043	$ 15,587.03	$ 9,598.46	$ -	$ 783.55	$ 1,512.56	$ 27,481.61
2044	$ 16,546.23	$ 8,643.76	$ -	$ 705.61	$ 1,542.82	$ 27,438.42
2045	$ 17,625.33	$ 7,630.30	$ -	$ 622.88	$ 1,573.67	$ 27,452.19
2046	$ 18,824.34	$ 6,550.75	$ -	$ 534.76	$ 1,605.15	$ 27,514.99
2047	$ 20,023.34	$ 5,397.76	$ -	$ 440.63	$ 1,637.25	$ 27,498.98
2048	$ 21,342.24	$ 4,171.33	$ -	$ 340.52	$ 1,669.99	$ 27,524.08
2049	$ 22,661.14	$ 2,864.12	$ -	$ 233.81	$ 1,703.39	$ 27,462.46
2050	$ 24,099.95	$ 1,476.12	$ -	$ 120.50	$ 1,737.46	$ 27,434.03
Total	**$ 337,519.16**	**$ 412,367.10**	**$ (13,493.71)**	**$ 33,750.12**	**$ 39,691.24**	**$ 809,833.90**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-4 – ANNUAL INSTALLMENTS FOR TRACT #3

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 28,173.00	$ (28,173.00)	$ -	$ -	$ -
2021	$ -	$ 166,266.89	$ (83,133.44)	$ 13,920.58	$ 8,070.48	$ 105,124.50
2022	$ 38,572.13	$ 166,266.89	$ -	$ 13,920.58	$ 8,231.89	$ 226,991.48
2023	$ 40,550.19	$ 164,193.63	$ -	$ 13,727.72	$ 8,396.52	$ 226,868.06
2024	$ 42,528.24	$ 162,014.06	$ -	$ 13,524.97	$ 8,564.45	$ 226,631.73
2025	$ 44,506.30	$ 159,728.17	$ -	$ 13,312.33	$ 8,735.74	$ 226,282.54
2026	$ 47,473.39	$ 157,335.96	$ -	$ 13,089.80	$ 8,910.46	$ 226,809.60
2027	$ 50,440.47	$ 154,784.26	$ -	$ 12,852.43	$ 9,088.67	$ 227,165.83
2028	$ 52,418.53	$ 152,073.08	$ -	$ 12,600.23	$ 9,270.44	$ 226,362.28
2029	$ 55,385.62	$ 149,255.59	$ -	$ 12,338.14	$ 9,455.85	$ 226,435.19
2030	$ 58,352.71	$ 146,278.61	$ -	$ 12,061.21	$ 9,644.97	$ 226,337.49
2031	$ 62,308.82	$ 143,142.15	$ -	$ 11,769.44	$ 9,837.87	$ 227,058.28
2032	$ 65,275.91	$ 139,403.62	$ -	$ 11,457.90	$ 10,034.62	$ 226,172.05
2033	$ 70,221.05	$ 135,487.07	$ -	$ 11,131.52	$ 10,235.31	$ 227,074.96
2034	$ 74,177.17	$ 131,273.81	$ -	$ 10,780.42	$ 10,440.02	$ 226,671.41
2035	$ 79,122.31	$ 126,823.18	$ -	$ 10,409.53	$ 10,648.82	$ 227,003.84
2036	$ 84,067.46	$ 122,075.84	$ -	$ 10,013.92	$ 10,861.80	$ 227,019.01
2037	$ 89,012.60	$ 117,031.79	$ -	$ 9,593.58	$ 11,079.03	$ 226,717.01
2038	$ 94,946.78	$ 111,691.03	$ -	$ 9,148.52	$ 11,300.61	$ 227,086.94
2039	$ 100,880.95	$ 105,994.23	$ -	$ 8,673.78	$ 11,526.63	$ 227,075.59
2040	$ 106,815.12	$ 99,941.37	$ -	$ 8,169.38	$ 11,757.16	$ 226,683.03
2041	$ 113,738.32	$ 93,532.46	$ -	$ 7,635.30	$ 11,992.30	$ 226,898.39
2042	$ 120,661.53	$ 86,565.99	$ -	$ 7,066.61	$ 12,232.15	$ 226,526.28
2043	$ 128,573.76	$ 79,175.47	$ -	$ 6,463.30	$ 12,476.79	$ 226,689.33
2044	$ 136,485.99	$ 71,300.33	$ -	$ 5,820.44	$ 12,726.33	$ 226,333.08
2045	$ 145,387.25	$ 62,940.57	$ -	$ 5,138.01	$ 12,980.85	$ 226,446.67
2046	$ 155,277.54	$ 54,035.59	$ -	$ 4,411.07	$ 13,240.47	$ 226,964.67
2047	$ 165,167.83	$ 44,524.85	$ -	$ 3,634.68	$ 13,505.28	$ 226,832.64
2048	$ 176,047.15	$ 34,408.32	$ -	$ 2,808.84	$ 13,775.39	$ 227,039.69
2049	$ 186,926.46	$ 23,625.43	$ -	$ 1,928.61	$ 14,050.89	$ 226,531.39
2050	$ 198,794.81	$ 12,176.18	$ -	$ 993.97	$ 14,331.91	$ 226,296.88
Total	**$ 2,784,116.37**	**$ 3,401,519.44**	**$ (111,306.44)**	**$ 278,396.80**	**$ 327,403.70**	**$ 6,680,129.87**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-5 – ANNUAL INSTALLMENTS FOR TRACT #4

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 77,637.56	$ (77,637.56)	$ -	$ -	$ -
2021	$ -	$ 458,188.89	$ (229,094.45)	$ 38,361.55	$ 22,240.16	$ 289,696.16
2022	$ 106,294.89	$ 458,188.89	$ -	$ 38,361.55	$ 22,684.96	$ 625,530.30
2023	$ 111,745.91	$ 452,475.53	$ -	$ 37,830.08	$ 23,138.66	$ 625,190.18
2024	$ 117,196.93	$ 446,469.20	$ -	$ 37,271.35	$ 23,601.44	$ 624,538.91
2025	$ 122,647.95	$ 440,169.86	$ -	$ 36,685.36	$ 24,073.47	$ 623,576.63
2026	$ 130,824.48	$ 433,577.54	$ -	$ 36,072.12	$ 24,554.94	$ 625,029.07
2027	$ 139,001.01	$ 426,545.72	$ -	$ 35,418.00	$ 25,046.03	$ 626,010.76
2028	$ 144,452.03	$ 419,074.41	$ -	$ 34,723.00	$ 25,546.95	$ 623,796.39
2029	$ 152,628.56	$ 411,310.12	$ -	$ 34,000.74	$ 26,057.89	$ 623,997.31
2030	$ 160,805.09	$ 403,106.33	$ -	$ 33,237.59	$ 26,579.05	$ 623,728.07
2031	$ 171,707.13	$ 394,463.06	$ -	$ 32,433.57	$ 27,110.63	$ 625,714.38
2032	$ 179,883.66	$ 384,160.63	$ -	$ 31,575.03	$ 27,652.85	$ 623,272.16
2033	$ 193,511.21	$ 373,367.61	$ -	$ 30,675.61	$ 28,205.90	$ 625,760.33
2034	$ 204,413.25	$ 361,756.94	$ -	$ 29,708.06	$ 28,770.02	$ 624,648.26
2035	$ 218,040.80	$ 349,492.14	$ -	$ 28,685.99	$ 29,345.42	$ 625,564.35
2036	$ 231,668.35	$ 336,409.69	$ -	$ 27,595.79	$ 29,932.33	$ 625,606.16
2037	$ 245,295.90	$ 322,509.59	$ -	$ 26,437.45	$ 30,530.98	$ 624,773.91
2038	$ 261,648.96	$ 307,791.84	$ -	$ 25,210.97	$ 31,141.59	$ 625,793.36
2039	$ 278,002.02	$ 292,092.90	$ -	$ 23,902.72	$ 31,764.43	$ 625,762.07
2040	$ 294,355.07	$ 275,412.78	$ -	$ 22,512.71	$ 32,399.72	$ 624,680.28
2041	$ 313,433.64	$ 257,751.48	$ -	$ 21,040.94	$ 33,047.71	$ 625,273.77
2042	$ 332,512.21	$ 238,553.67	$ -	$ 19,473.77	$ 33,708.66	$ 624,248.32
2043	$ 354,316.29	$ 218,187.30	$ -	$ 17,811.21	$ 34,382.84	$ 624,697.64
2044	$ 376,120.37	$ 196,485.42	$ -	$ 16,039.63	$ 35,070.49	$ 623,715.92
2045	$ 400,649.96	$ 173,448.05	$ -	$ 14,159.02	$ 35,771.90	$ 624,028.94
2046	$ 427,905.06	$ 148,908.24	$ -	$ 12,155.77	$ 36,487.34	$ 625,456.41
2047	$ 455,160.16	$ 122,699.06	$ -	$ 10,016.25	$ 37,217.09	$ 625,092.56
2048	$ 485,140.77	$ 94,820.49	$ -	$ 7,740.45	$ 37,961.43	$ 625,663.14
2049	$ 515,121.38	$ 65,105.62	$ -	$ 5,314.74	$ 38,720.66	$ 624,262.40
2050	$ 547,827.50	$ 33,554.44	$ -	$ 2,739.14	$ 39,495.07	$ 623,616.15
Total	**$ 7,672,310.51**	**$ 9,373,714.99**	**$ (306,732.01)**	**$ 767,190.17**	**$ 902,240.62**	**$ 18,408,724.29**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-6 – ANNUAL INSTALLMENTS FOR TRACT #5

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 12,118.76	$ (12,118.76)	$ -	$ -	$ -
2021	$ -	$ 71,520.58	$ (35,760.29)	$ 5,988.01	$ 3,471.56	$ 45,219.86
2022	$ 16,592.00	$ 71,520.58	$ -	$ 5,988.01	$ 3,540.99	$ 97,641.58
2023	$ 17,442.88	$ 70,628.76	$ -	$ 5,905.05	$ 3,611.81	$ 97,588.50
2024	$ 18,293.75	$ 69,691.20	$ -	$ 5,817.84	$ 3,684.04	$ 97,486.84
2025	$ 19,144.62	$ 68,707.91	$ -	$ 5,726.37	$ 3,757.73	$ 97,336.63
2026	$ 20,420.93	$ 67,678.89	$ -	$ 5,630.65	$ 3,832.88	$ 97,563.35
2027	$ 21,697.24	$ 66,581.27	$ -	$ 5,528.54	$ 3,909.54	$ 97,716.58
2028	$ 22,548.11	$ 65,415.04	$ -	$ 5,420.05	$ 3,987.73	$ 97,370.93
2029	$ 23,824.42	$ 64,203.08	$ -	$ 5,307.31	$ 4,067.48	$ 97,402.29
2030	$ 25,100.72	$ 62,922.52	$ -	$ 5,188.19	$ 4,148.83	$ 97,360.27
2031	$ 26,802.47	$ 61,573.35	$ -	$ 5,062.69	$ 4,231.81	$ 97,670.32
2032	$ 28,078.78	$ 59,965.21	$ -	$ 4,928.68	$ 4,316.45	$ 97,289.10
2033	$ 30,205.96	$ 58,280.48	$ -	$ 4,788.28	$ 4,402.77	$ 97,677.49
2034	$ 31,907.70	$ 56,468.12	$ -	$ 4,637.25	$ 4,490.83	$ 97,503.90
2035	$ 34,034.88	$ 54,553.66	$ -	$ 4,477.71	$ 4,580.65	$ 97,646.90
2036	$ 36,162.06	$ 52,511.57	$ -	$ 4,307.54	$ 4,672.26	$ 97,653.43
2037	$ 38,289.24	$ 50,341.84	$ -	$ 4,126.73	$ 4,765.70	$ 97,523.52
2038	$ 40,841.86	$ 48,044.49	$ -	$ 3,935.28	$ 4,861.02	$ 97,682.65
2039	$ 43,394.47	$ 45,593.98	$ -	$ 3,731.07	$ 4,958.24	$ 97,677.76
2040	$ 45,947.09	$ 42,990.31	$ -	$ 3,514.10	$ 5,057.40	$ 97,508.90
2041	$ 48,925.14	$ 40,233.48	$ -	$ 3,284.37	$ 5,158.55	$ 97,601.54
2042	$ 51,903.19	$ 37,236.82	$ -	$ 3,039.74	$ 5,261.72	$ 97,441.48
2043	$ 55,306.68	$ 34,057.75	$ -	$ 2,780.22	$ 5,366.96	$ 97,511.61
2044	$ 58,710.17	$ 30,670.21	$ -	$ 2,503.69	$ 5,474.30	$ 97,358.37
2045	$ 62,539.09	$ 27,074.22	$ -	$ 2,210.14	$ 5,583.78	$ 97,407.23
2046	$ 66,793.45	$ 23,243.70	$ -	$ 1,897.44	$ 5,695.46	$ 97,630.05
2047	$ 71,047.81	$ 19,152.60	$ -	$ 1,563.48	$ 5,809.37	$ 97,573.26
2048	$ 75,727.61	$ 14,800.92	$ -	$ 1,208.24	$ 5,925.56	$ 97,662.32
2049	$ 80,407.41	$ 10,162.60	$ -	$ 829.60	$ 6,044.07	$ 97,443.67
2050	$ 85,512.64	$ 5,237.65	$ -	$ 427.56	$ 6,164.95	$ 97,342.80
Total	**$ 1,197,602.36**	**$ 1,463,181.55**	**$ (47,879.05)**	**$ 119,753.85**	**$ 140,834.43**	**$ 2,873,493.13**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT H – MAP OF MAJOR IMPROVEMENTS

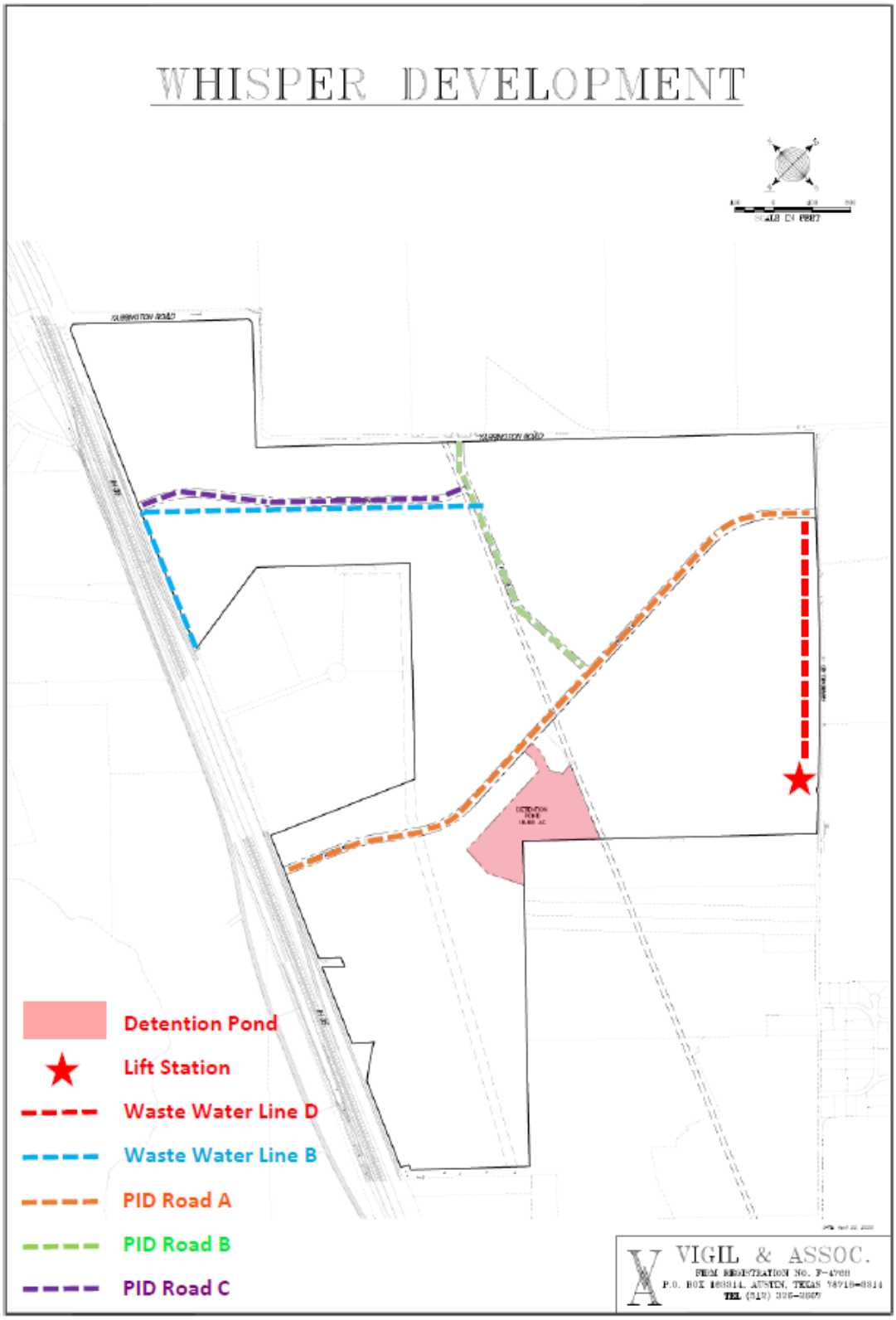


EXHIBIT I – LAND USE MATRIX

Parcel	Lot Description	Acreage [a]	Units/SF	AV Per Unit/SF	Total Assessed Value
TRACT #1					
1	Retail/Commercial	69.393	500,000	$ 125	$ 62,500,000
2	Retail/Commercial	46.293	375,000	$ 100	$ 37,500,000
TRACT #2					
3B	Business Park	16.560	180,000	$ 90	$ 16,200,000
TRACT #3					
6	Single Family	130.641	581	$ 230,000	$ 133,630,000
TRACT #4 [b]					
3A	Business Park	121.280	950,000	$ 90	$ 85,500,000
4A	Commercial	81.993	300,000	$ 110	$ 33,000,000
4B	Office	49.290	375,000	$ 150	$ 56,250,000
4C	Multi-Family	32.900	1,300	$ 85,000	$ 110,500,000
5	Mixed Use	33.370	110,000	$ 100	$ 11,000,000
7A	Business Park	72.660	800,000	$ 90	$ 72,000,000
TRACT #5					
7B	Business Park	51.969	638,685	$ 90	$ 57,481,650
	Total	**706.349**			**$ 675,561,650**

Footnotes:

[a] Acres shown are rounded. Actual acreages per Tract are shown in Exhibits A-2, A-3, A-4, A-5 and A-6.

[b] Approximately 20 acres within Parcel 4 of Tract #4 is planned to be used as a detention pond. Such 20 acres of land is Non-Benefitted Property and is not subject to an Assessment.

EXHIBIT J – NOTICE OF PID ASSESSMENT TERMINATION

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

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
Hays County
712 S. Stagecoach Trail
San Marcos, TX 78666

Re: City of San Marcos Lien Release documents for filing

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

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

City of San Marcos
Attn: [City Secretary]
630 E. Hopkins
San Marcos, TX 78666

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
630 E. Hopkins
San Marcos, TX 78666

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

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

RECITALS

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

WHEREAS, on or about October 6, 2014, the City Council for the City, approved Resolution No. 2014-143R, creating the Whisper Public Improvement District; and

WHEREAS, the Whisper Public Improvement District consists of approximately 706.1 contiguous acres located within the City; and

WHEREAS, on or about _____, 2020, the City Council, approved Ordinance No. ____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Whisper Public Improvement District; and

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

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

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

RELEASE

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

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

CITY OF SAN MARCOS, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF HAYS §

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

_____
Notary Public, State of Texas

Exhibit "D"

Authorized Improvements

A. Major Improvements

- *Road A:* Opportunity Boulevard – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H** attached to the Service and Assessment Plan, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Road B:* Fortuna Road – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H** attached to the Service and Assessment Plan, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Lift Station & Wastewater Line D:* Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Road C:* Susurro Parkway – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H** attached to the Service and Assessment Plan, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Offsite Wastewater Line B:* Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

- *Detention Pond:* Improvements providing drainage, detention and water quality treatment of stormwater runoff serving the District and the other Major Improvements, including without limitation the detention basin, water quality facilities, and related drainage inlets, swales, storm sewers, culverts and outfall structures located in the area shown on **Exhibit H** attached to the Service and Assessment Plan. All related earthwork, excavation, erosion control, retaining walls, drainage infrastructure, landscaping, irrigation and re-vegetation of all disturbed areas within the detention pond area are included. The detention pond will provide a benefit to each Lot within the District.

- *Soft Costs/Construction Management:* Includes engineering, geotechnical, permitting, inspection, surveying, design, and other professional fees and 4.0% construction management fee.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement:* Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest:* Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount:* Equals a percentage of the par amount of a particular series of PID Bonds.

- *Underwriter's Counsel:* Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

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

- *Developer District Formation Costs*: Expenses directly incurred by the Developer associated with forming the District, levying Assessments, and issuing the PID Bonds.

- *First Year Annual Collection Costs:* Expenses directly associated with forming the District including first year Annual Collection Costs.

WHISPER PUBLIC IMPROVEMENT DISTRICT
ACQUISITION AND REIMBURSEMENT AGREEMENT

This Whisper Public Improvement District Acquisition and Reimbursement Agreement (this "Reimbursement Agreement") is executed between San Marcos, Texas ("City"), and Whisper Master Community Limited Partnership, a Texas limited partnership ("Whisper MC"), Yarrington Partners, Ltd., a Texas limited partnership ("Yarrington Partners"), Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company ("Whisper Industrial"), and 135 Residential Development, LLC, a Texas limited liability company ("135 Residential") (Whisper MC, Yarrington Partners, Whisper Industrial, and 135 Residential, including their Designated Successors and Assigns, are individually referred to herein as an "Owner" and collectively referred to herein as the "Owners"), to be effective as of May 8, 2020 (each individually referred to as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, on October 6, 2014, the City Council of the City of San Marcos, Texas (the "City Council") passed and approved Resolution No. 2014-143R (the "Creation Resolution") authorizing the creation of the Whisper Public Improvement District (the "District") covering approximately 705.853 acres of land shown on a map thereof in the Creation Resolution (the "District Property"); and

WHEREAS, on September 5, 2017, the City Council approved that certain Whisper Public Improvement District Financing Agreement by and among Whisper MC, Yarrington Partners and the City, which was amended and restated to be effective as of May 8, 2020 pursuant to that certain Amended and Restated Whisper Public Improvement District Financing Agreement among the Owners and the City (as it may be amended from time to time, the "PID Financing Agreement"); and

WHEREAS, assessments in the approximate amount of $14,075,000.00 (the "Assessments") will be levied against the District Property for the construction of the Authorized Improvements by the City Council, in accordance with the Whisper Public Improvement District Service and Assessment Plan (as the same may be amended or updated from time to time, the "SAP");

WHEREAS, Whisper MC has completed a portion of the Authorized Improvements, and proposes to construct certain other of the Authorized Improvements over time, to serve the District Property (or portions thereof), and to transfer all of those Authorized Improvements to the City or to a property owners association for the benefit of the City and subject to public easement in accordance with the terms and provisions of the PID Financing Agreement;

WHEREAS, all revenue received and collected by the City from the Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding Annual Collection Costs and Delinquent Collection Costs, the "Assessment Revenue(s)") shall be deposited (1) as provided in the Indenture (as defined herein) if PID Bonds secured by such

Assessments are issued or (2) into an account established by the City under this Reimbursement Agreement, which is held by the City and is segregated from all other funds of the City (the "PID Reimbursement Fund"), if no such PID Bonds are issued or none of such PID Bonds remain outstanding. For the avoidance of doubt, the Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs) shall be included within the definition of Assessment Revenues; and

WHEREAS, proceeds derived from the issuance and sale of PID Bonds that are made available to pay Actual Costs (the "Bond Proceeds") shall be deposited into a fund, established by the City under an Indenture (and segregated from all other funds of the City) (the "Project Fund") as provided in the applicable trust indenture pursuant to which a series of PID Bonds are issued (the "Indenture");

WHEREAS, the Parties intend that the Repayment Amount (defined below) shall be reimbursed to Whisper MC from (i) the Bond Proceeds, if PID Bonds are issued, or (ii) the PID Reimbursement Fund, if no such PID Bonds are issued or none of such PID Bonds remain outstanding; and

WHEREAS, capitalized terms not defined herein shall have the meaning ascribed to them in the PID Financing Agreement.

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

1. Recitals. The recitals to this Reimbursement Agreement are true and correct, and are incorporated as part of this Reimbursement Agreement for all purposes.

2. Fund Deposits. Until PID Bonds are issued, the City shall bill, collect, and immediately deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding Annual Collection Costs and Delinquent Collection Costs); and (2) revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs). Once PID Bonds are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue in the manner set forth in the Indenture for such PID Bonds. The City shall also deposit Bond Proceeds and any other funds authorized or required by such Indenture in the manner set forth in such Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the Project Fund shall only be used in accordance with the Indenture for a series of PID Bonds. Funds in the PID Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Unpaid Balance (as defined herein) in accordance with this Reimbursement Agreement. Notwithstanding any other provision in this Reimbursement Agreement, the Actual Costs of the Authorized Improvements shall be paid from the Assessment Revenue collected solely from Assessments levied on the District Property benefitting from such Authorized Improvements.

3. Repayment Amount. Subject to the terms, conditions, and requirements contained herein, the City agrees to reimburse Whisper MC, and Whisper MC shall be entitled to receive from the City, the amount equal to the Actual Costs of the Authorized Improvements (the "Repayment Amount") plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 1, 2050 (the "Maturity Date"); provided, however, the Repayment Amount shall not exceed $11,733,710.00 plus Developer District Formation Costs. The Repayment Amount shall be payable to Whisper MC upon completion of the Authorized Improvements, solely from: (i) the Assessment Revenues deposited in the PID Reimbursement Fund; or (ii) Bond Proceeds, to the extent that PID Bonds are issued by the City with respect to the District Property; or (iii) a combination of items (i), and (ii). Payments made from Bond Proceeds shall be made in the manner set forth in the Indenture for a series of PID Bonds. Payments made from the PID Reimbursement Fund toward any outstanding Unpaid Balance, shall first be applied to unpaid interest on such Unpaid Balance owed to Whisper MC, and second to unpaid principal of the Unpaid Balance owed to Whisper MC.

The Repayment Amount is authorized by the PID Act, was approved by the City Council, and represents the total costs to be assessed against the District Property for the Authorized Improvements which, upon completion, will be (i) dedicated, conveyed, leased or otherwise provided to or for the benefit of the City or a homeowners' association or property owners' association formed by an owner of any portion of the District Property (each an "Owners Association"), and (ii) that in the case of any Authorized Improvements conveyed or dedicated to an Owners Association, such Authorized Improvements are nevertheless provided "for the benefit of" in accordance with Section 372.023 (a) of the PID Act and such Owners Association will be an entity approved by the City Council and authorized by the City to own, operate and maintain such Authorized Improvements for the City in accordance with Section 372.023(a)(3) of the PID Act. Each Owner acknowledges that the Authorized Improvements, together with the land, easements, or other rights-of-way needed for the Authorized Improvements, shall be dedicated, conveyed, leased or otherwise provided to or for the benefit of the City or an authorized Owners Association as provided in the PID Financing Agreement. Without limiting the generality of any of the foregoing, with respect to any Authorized Improvements that are dedicated, conveyed, leased or otherwise provided to an Owners Association as provided herein, the Owner of the applicable portion of the District Property shall execute any necessary easements to the public with respect thereto in order to evidence that although such Authorized Improvements are owned and maintained by such Owners Association, the Authorized Improvements are provided for the use and benefit of the public. Each Owner will execute such conveyances and/or dedications as may be reasonably required to evidence the same. The unpaid Repayment Amount shall bear simple interest per annum commencing upon the completion of the Authorized Improvements at the rate of (x) 6.00% for years one through five and (y) 5.5% for years six through the Maturity Date or unless and until PID Bonds are sold. If any portion of the Repayment Amount remains unpaid after the City issues its PID Bonds, the interest rate paid to Whisper MC shall be the same as the interest rate on the PID Bonds; provided, however, that such rate shall not exceed 5.5%. The interest rate has been approved by the City Council and complies with the Act.

4. Unpaid Balance. The Repayment Amount, plus interest as described above (collectively, the "Unpaid Balance"), is payable to Whisper MC and secured under this Reimbursement Agreement solely as described herein. No other City funds, revenue, taxes,

income, or property shall be used even if the Unpaid Balance is not paid in full at the Maturity Date. The City acknowledges and agrees that until the Unpaid Balance is paid in full, subject to the Repayment Amount authorized in Section 3, the obligation of the City to use the PID Reimbursement Fund or Bond Proceeds, as applicable, to pay the Unpaid Balance to Whisper MC is absolute and unconditional and the City does not have, and will not assert, any defenses to such obligation.

5. City Collection Efforts. The City will use all reasonable efforts to receive and collect, or cause to be received and collected, Assessment Revenues (including the foreclosure of liens resulting from the nonpayment of Assessments), the Assessments or other charges due and owing under the SAP), and upon receipt and collection, immediately deposit the same in accordance with Section 2 of this Reimbursement Agreement. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Assessments, such failure and inability shall not constitute default by the City under this Reimbursement Agreement. This Reimbursement Agreement and/or the PID Bonds shall never give rise to or create:

(a) a charge against the general credit or taxing powers of the City or any other taxing unit; or

(b) a debt or other obligation of the City payable from any source of revenue, taxes, income, or properties of the City other than from the Assessments or from Bond Proceeds.

6. Process for Payment of the Repayment Amount. Whisper MC may submit (but not more frequently than monthly) to the City a written request for payment from the PID Reimbursement Fund or the Project Fund, as applicable, in the form attached hereto as Schedule 1 (each a "Certification for Payment") to disburse a portion of the Repayment Amount to pay for the Actual Costs of constructing the applicable Authorized Improvements not previously reimbursed. Each Certification for Payment shall designate the Authorized Improvements (or portion thereof) to which the Certification for Payment pertains. This process will continue until the Unpaid Balance is paid in full, whether through the issuance of PID Bonds or not, subject to the Repayment Amount.

7. Issuance of PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying the Unpaid Balance; or (2) paying directly Actual Costs of Authorized Improvements. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the Indenture for such series of PID Bonds. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, Whisper MC's right to receive payments each year in accordance with Section 3 shall be subordinate to the deposits required under the Indenture related to any outstanding PID Bonds and Whisper MC shall be entitled to receive funds pursuant to the flow of funds provisions of such Indenture. If the outstanding PID Bonds are less than the outstanding Assessments, then, in addition to receiving the net proceeds of the PID Bonds, Whisper MC may continue to receive Assessment Revenue deposited into the PID Reimbursement Fund up to the Unpaid Balance, subject to the Repayment Amount.

8. Termination. Subject to the Repayment Amount, once all payments paid to Whisper MC under this Reimbursement Agreement (including net proceeds of the PID Bonds, if applicable) equal the Unpaid Balance, this Reimbursement Agreement shall terminate; provided, however that if on the Maturity Date, after application of Bond Proceeds, if any, any portion of the Unpaid Balance remains unpaid, such Unpaid Balance shall be canceled and for all purposes of this Reimbursement Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; provided further that if any Assessment Revenue remain due and payable and are uncollected on the Maturity Date, such Assessment Revenue, when, as, and if collected after the Maturity Date, shall be applied to any amounts due in connection with outstanding PID Bonds, and then paid to Whisper MC and applied to the Unpaid Balance.

9. Non-Recourse Obligation. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from (i) Assessments, or (ii) Bond Proceeds, if applicable; and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its employees shall incur any liability hereunder to Whisper MC or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omission under this Reimbursement Agreement.

10. No Defense. Following the City's inspection and approval of the Authorized Improvements, there will be no conditions or defenses to the obligation of the City to use Bond Proceeds to pay the Unpaid Balance and to pledge the Assessment Revenues as security for such PID Bonds, other than the City's right to pay costs of issuance of such PID Bonds and/or other costs incurred by the City relating to the Authorized Improvements. As applicable, the City hereby agrees to transfer such portion of the Assessment Revenues to the Trustee under the applicable Indenture.

11. No Waiver. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against any person or entity involved in the design, construction, or installation of the Authorized Improvements.

12. Governing Law, Venue. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in San Marcos, Texas.

13. Notice. Any notice required or contemplated by this Reimbursement Agreement shall be deemed given at the addresses shown below: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 24 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

If to City: City of San Marcos
Attn: Chief Financial Officer
630 East Hopkins
San Marcos, TX 78666
Facsimile: 512-396-2683

If to Owner: Whisper Master Community
Limited Partnership
9811 South IH 35
Building 3, Suite 100
Austin, Texas 78744

Yarrington Partners, Ltd.
9811 South IH 35
Building 3, Suite 100
Austin, Texas 78744

Whisper Industrial 2019 QOZB, LLC
9811 South IH 35
Building 3, Suite 100
Austin, Texas 78744

135 Residential Development, LLC
9811 South IH 35
Building 3, Suite 100
Austin, Texas 78744

With copy to: McLean & Howard, L.L.P.
Attn: Jeffrey S. Howard
Barton Oaks Plaza, Building II
901 South MoPac Expressway, Suite 225
Austin, Texas 78746
Facsimile: 512-328-2409

With a copy to: John C. Lewis Company
3839 Bee Cave Road, Suite 204
Austin, Texas 78746

14. Invalid Provisions. If any provision of this Reimbursement Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Reimbursement Agreement shall remain in full force and effect.

15. Exclusive Rights of Whisper MC. Whisper MC's right, title and interest into the payments of Repayment Amounts, as described herein, shall be the sole and exclusive property of Whisper MC (or its Transferee) and no other third party shall have any claim or right to such funds unless Whisper MC transfers its rights to its Unpaid Balance to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Subject to the terms of Section 16 hereof, Whisper MC has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Whisper MC's right, title, or interest under this Agreement including, but not limited to, any right, title or interest of Whisper MC in and to payment of its Unpaid Balance (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City by Whisper MC. The City may rely conclusively on any written notice of a Transfer provided to the City by Whisper MC without any obligation to investigate or confirm the Transfer.

16. Assignment.

(a) Subject to subparagraph (b) below, any Owner may, in its sole and absolute discretion, assign this Reimbursement Agreement with respect to all or part of the property within the District owned by such Owner from time to time to any third party. An Owner shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, such Owner shall be fully released from any and all obligations under this Reimbursement Agreement and shall have no further liability with respect to this Reimbursement Agreement relating to the property within the District so assigned.

(b) Any sale of a portion of the property within the District 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) Any sale of a portion of the property within the District 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.

(d) "Designated Successors and Assigns" shall mean (i) an entity to which an Owner assigns (in writing) its rights and obligations contained in this Reimbursement Agreement pursuant to this Section 16; (ii) any entity which is the successor by merger or otherwise to all or substantially all of such Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of such Owner.

(e) The Owner waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice from Whisper MC. The foregoing notwithstanding, no Transfer of payments hereunder may be pledged

to the payment of debt service on public securities issued by any state of the United States or any political subdivision thereof without the approval of the City Council.

17. Failure; Default; Remedies.

(a) If any Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a non-performing Party, any 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 Parties 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 an Owner is in Default, the City's sole and exclusive remedy shall be to seek specific enforcement of this Reimbursement Agreement. No Default by any Owner, however, shall: (1) affect the obligations of the City to use the Bond Proceeds as provided in Section 6 of this Reimbursement Agreement; or (2) entitle the City to terminate this Reimbursement 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, the Owner's sole and exclusive remedies shall be to:

(1) seek a writ of mandamus to compel performance by the City; or

(2) seek specific enforcement of this Reimbursement Agreement.

18. Miscellaneous.

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

(b) 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 an Owner to enforce its remedies under this Reimbursement Agreement.

(c) Nothing in this Reimbursement 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 Owner any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Owner.

(d) This Reimbursement Agreement may be amended only by written agreement of the Parties.

(e) This Reimbursement Agreement may be executed in counterparts, each of which shall be deemed an original.

19. Anti-Boycott Verification. Pursuant to Section 2271.002, Texas Government Code, the Owners hereby verify that the Owners, and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Owners, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owners understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owners and exists to make a profit.

20. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Owners represent that neither the Owners, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Owners are a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan- list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Owners, and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Owners, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owners understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Owners and exists to make a profit.

[Signature pages to follow]

IN WITNESS WHEREOF, the Parties have caused this Reimbursement Agreement to be executed as of May 8, 2020, to be effective as of the date written on the first page of this Reimbursement Agreement.

City of San Marcos, Texas

By:_____
Name:_____
Title:_____

[Signatures Continue on Next Page]

WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP, a Texas limited partnership

By: Whisper M.C., LLC, a Texas limited liability company, Its General Partner

By: _____

Name: _____

Title: _____

YARRINGTON PARTNERS, LTD., a Texas limited partnership

By: Texas Realty/Retail Partners, Inc., a Texas corporation, Its General Partner

By: _____

Name: _____

Title: _____

By: 501 W. 15th, Inc., a Texas corporation, Its General Partner

By: _____

Name: _____

Title: _____

WHISPER INDUSTRIAL 2019 QOZB, LLC, a Texas limited liability company

By:_____
Name:_____
Title:_____

135 RESIDENTIAL DEVELOPMENT, LLC, a Texas limited liability company

By:_____
Name:_____
Title:_____

EXHIBIT A

AUTHORIZED IMPROVEMENTS

A. Major Improvements

- *Road A:* Opportunity Boulevard – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H** attached to the SAP, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Road B:* Fortuna Road – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H** attached to the SAP, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Lift Station & Wastewater Line D:* Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Road C:* Susurro Parkway – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H** attached to the SAP, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Offsite Wastewater Line B:* Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

- *Detention Pond:* Improvements providing drainage, detention and water quality treatment of stormwater runoff serving the District and the other Major Improvements, including without limitation the detention basin, water quality facilities, and related drainage inlets, swales, storm sewers, culverts

and outfall structures located in the area shown on **Exhibit H** attached to the SAP. All related earthwork, excavation, erosion control, retaining walls, drainage infrastructure, landscaping, irrigation and re-vegetation of all disturbed areas within the detention pond area are included. The detention pond will provide a benefit to each Lot within the District.

- *Soft Costs/Construction Management:* Includes engineering, geotechnical, permitting, inspection, surveying, design, and other professional fees and 4.0% construction management fee.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement:* Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest:* Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount:* Equals a percentage of the par amount of a particular series of PID Bonds.

- *Underwriter's Counsel:* Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

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

- *Developer District Formation Costs*: Expenses directly incurred by the Developer associated with forming the District, levying Assessments, and issuing the PID Bonds.

- *First Year Annual Collection Costs:* Expenses directly associated with forming the District including first year Annual Collection Costs.

Schedule 1

Form of Certification for Payment

(Design – Whisper)

_____ ("**Construction Manager**") hereby requests payment for the percentage of design costs completed (the "**Design Costs**") described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Whisper Public Improvement District Financing Agreement between Whisper Master Community Limited Partnership, a Texas limited partnership ("**Whisper MC**"), Yarrington Partners, Ltd., a Texas limited partnership ("**Yarrington Partners**"), Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company ("**Whisper Industrial**"), and 135 Residential Development, LLC, a Texas limited liability company ("**135 Residential**"), and the City of San Marcos (the "**City**"), dated as of May 8, 2020 (as may be amended from time to time, the "**Financing Agreement**"). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this Certification for Payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The design work described in Attachment A has been completed in the percentages stated therein.

3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted Certification for Payment.

4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through a previous Certification for Payment.

5. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO

FORM OF CERTIFICATION FOR PAYMENT

Date :_____ [Construction Manager Signature Block to be added]

APPROVAL BY THE CITY

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

Date:_____

CITY OF SAN MARCOS, TEXAS

By:_____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT (DESIGN)

Description of Design Work	Percentage of Deign Work Completed under this Certification for Payment	Design Costs	Total Percentage of Design Work Completed

ATTACHMENT B TO CERTIFICATION FOR PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION FOR PAYMENT (DESIGN)

[attached – receipts]

FORM OF CERTIFICATION FOR PAYMENT
(Construction – Whisper)

_____ ("**Construction Manager**") hereby requests payment of the Actual Costs of the work described in Attachment A attached hereto (the "**Draw Actual Costs**"). Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Whisper Public Improvement District Financing Agreement between Whisper Master Community Limited Partnership, a Texas limited partnership ("**Whisper MC**"), Yarrington Partners, Ltd., a Texas limited partnership ("**Yarrington Partners**"), Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company ("**Whisper Industrial**"), and 135 Residential Development, LLC, a Texas limited liability company ("**135 Residential**"), and the City of San Marcos, Texas (the "**City**"), dated as of May 8, 2020 (as may be amended from time to time, the "**Financing Agreement**"). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this Certification for Payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted Certification for Payment.

3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on the portion(s) of the Authorized Improvements described in Attachment A has been paid in full for all work completed through a previous Certification for Payment.

4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of the portion(s) of the Authorized Improvements for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO

FORM OF CERTIFICATION FOR PAYMENT

Date :_____ [Construction Manager Signature Block to Be inserted]

JOINDER OF PROJECT ENGINEER

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

_____

Project Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of the portion(s) of the Authorized Improvements described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Draw Actual Costs of each such portion(s) of the Authorized Improvements is hereby approved.

Date:_____

CITY OF SAN MARCOS, TEXAS

By:_____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT (CONSTRUCTION)

Portion(s) of the Authorized Improvements	Description of Work Completed Under this Certification for Payment	Draw Actual Costs

ATTACHMENT B TO CERTIFICATION FOR PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION FOR PAYMENT (CONSTRUCTION)

[receipts – attached]

City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Legislation Text

File #: Res. 2020-104R, **Version:** 1

AGENDA CAPTION:
Consider approval of Resolution 2020-104R, approving an agreement with OpenGov, Inc. for software that allows multiple years of financial data to be accessible to citizens and staff through an online portal in the annual amount of $12,000.00 for a total contract price of $60,000.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: May 19, 2020

Department: Finance Department - V. Runkle, Interim Finance Director (By Lynda Williams, Purchasing Manager)

Amount & Source of Funding
Funds Required: $12,000
Account Number: 10001280.52095; 21006322.52095; 22006335.52095 (split evenly between accounts)
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☒ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City entered into a contract with OpenGov, Inc., in 2015 for Management Reporting software service for a five (5) one-year terms at the rate of $12,000 per year. The City periodically uploads data to the OpenGov site, and then a link to the site is referenced on the Transparency page of the City's website. The contract, however, was not previously taken to City Council for approval prior to the final year of the contract, at which point the contract would exceed $50,000. Staff is requesting approval of the final contract extension year of $12,000, which brings the total contract value to $60,000. The contract will expire December 15, 2020.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends approving the final contract extension year of the OpenGov contract in the amount of $12,000, which brings the total contract value to $60,000.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN AGREEMENT WITH OPENGOV, INC. FOR SOFTWARE THAT ALLOWS MULTIPLE YEARS OF FINANCIAL DATA TO BE ACCESSIBLE TO CITIZENS AND STAFF THROUGH AN ONLINE PORTAL IN THE ANNUAL AMOUNT OF $12,000.00 FOR A TOTAL CONTRACT PRICE OF $60,000.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The agreement with OpenGov, Inc. for software that allows multiple years of financial data to be accessible to citizens and staff through an online portal in the annual amount of $12,000.00 for a total contract price of $60,000.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the agreement on behalf of the City.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

OPENGOV, INC. SOFTWARE AGREEMENT

CUSTOMER INFORMATION

	ORGANIZATION CONTACT	BILLING CONTACT (If Different)
Customer Name:	City of San Marcos, TX	
Contact Name:	Heather Hurlbert	
Address:	630 E Hopkins	
	San Marcos, TX 78666	
Telephone:	512-393-8100	
Email:	hhurlbert@sanmarcostx.gov	

Effective Date: 12/15/2015

Software Services:

OpenGov Platform: A proprietary web application that visualizes the customer's general ledger, chart of accounts, current year spending, and balance sheet, making multiple years of financial data accessible to citizens and staff through an online portal. The customer will receive access to OpenGov's Intelligence platform.

Fees: In consideration of Customer using the Services identified above, Customer shall pay OpenGov, Inc. an annual fee of $12,000 and will be billed annually in advance for the period of the agreement, commencing on the Effective Date.

Welcome to OpenGov! Thanks for using our software. This Software Agreement ("**Agreement**") is entered into between OpenGov, Inc., with its principal place of business at 955 Charter Street, Redwood City, CA 94063 ("**OpenGov**"), and you, the entity identified above ("**Customer**"), as of the Effective Date. This Agreement includes and incorporates the OpenGov Terms and Conditions attached as Appendix A. By signing this Agreement, Customer acknowledges that it has reviewed, and agrees to be legally bound by, the OpenGov Terms and Conditions. Each party's acceptance of this Agreement is conditional upon the other's acceptance of the terms in the Agreement to the exclusion of all other terms.

SIGNATURES

Customer

Signature: _____

Printed Name: Jared Miller

Title: City Manager

Date: 12/15/2015

OpenGov Inc.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Appendix A

OpenGov Terms and Conditions

1. SOFTWARE SERVICES

1.1 Subject to the terms and conditions of these OpenGov Terms and Conditions (the "Agreement"), OpenGov will use commercially reasonable efforts to perform the software services (the "Software Services") identified in the applicable Software Agreement entered into by OpenGov and Customer ("Software Agreement").

1.2 Customer understands that OpenGov's performance depends on Customer timely providing OpenGov with a copy of the Customer's chart of accounts in .csv or .xls format. In addition, Customer agrees to provide OpenGov with five or more years of general ledger data, also in .csv or .xls format, including budget data for the current year and actual expense and revenue data for past years. Any dates or time periods relevant to OpenGov's performance will be extended appropriately and equitably to reflect any delays caused by Customer's failure to timely deliver any such materials. OpenGov shall not be liable for any delays in performance under this Agreement resulting from Customer's failure to meet these obligations.

2. RESTRICTIONS AND RESPONSIBILITIES

2.1 This is a contract for access to the Software Services and Customer agrees not to, directly or indirectly: reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code, object code, or underlying structure, ideas, or algorithms of the Software Services, documentation or data related to the Software Services, except to the extent such a restriction is limited by applicable law; modify, translate, or create derivative works based on the Software Services; or copy, rent, lease, distribute, assign, sell, or otherwise commercially exploit, transfer, or encumber rights to the Software Services; or remove any proprietary notices.

2.2 Customer will use the Software Services only in compliance with all applicable laws and regulations (including, but not limited to, any export restrictions).

2.3 Customer shall be responsible for obtaining and maintaining any equipment and other services needed to connect to, access or otherwise use the Software Services and Customer shall also be responsible for (a) ensuring that such equipment is compatible with the Software Services, (b) maintaining the security of such equipment, user accounts, passwords and files, and (c) for all uses of Customer user accounts with or without Customer's knowledge or consent.

3. OWNERSHIP. OpenGov retains all right, title, and interest in the Software Services and all intellectual property rights (including all past, present, and future rights associated with works of authorship, including exclusive exploitation rights, copyrights, and moral rights, trademark and trade name rights and similar rights, trade secret rights, patent rights, and any other proprietary rights in intellectual property of every kind and nature) therein.

4. CONFIDENTIALITY. Each party (the "Receiving Party") agrees not to disclose (except as permitted herein) any Confidential Information of the other party (the "Disclosing Party") without the Disclosing Party's prior written consent. "Confidential Information" means all confidential business, technical, and financial information of the disclosing party that is marked as "Confidential" or an equivalent designation or that should reasonably be understood to be confidential given the nature of the information and/or the circumstances surrounding the disclosure (including the terms of the applicable Software Agreement). OpenGov's Confidential Information includes, without limitation, the software underlying the Software Services and all documentation relating to the Software Services. "Confidential Information" does not include "Public Data," which is data that the Customer has previously released or would be required to release according to applicable federal, state, or local public records laws. The Receiving Party agrees: (i) to use and disclose the Confidential Information only in connection with this Agreement; and (ii) to protect such Confidential Information using the measures that Receiving Party employs with respect to its own Confidential Information of a similar nature, but in no event with less than reasonable care. Notwithstanding the foregoing, Confidential Information does not include information that: (i) has become publicly known through no breach by the receiving party; (ii) was rightfully received by the receiving party from a third party without restriction on use or disclosure; or (iii) is independently developed by the Receiving Party without access to such Confidential Information. Notwithstanding the above, the Receiving Party may disclose Confidential Information to the extent required by law or court order, provided that prior written notice of such required disclosure and an opportunity to oppose or limit disclosure is given to the Disclosing Party.

5. DATA LICENSE. Customer grants OpenGov a non-exclusive, transferable, perpetual, worldwide, and royalty-free license to use any data or information submitted by Customer to OpenGov for the development of new software or the provision of the Software Services.

6. PAYMENT OF FEES. The fees for the Software Services ("Fees") are set forth in the applicable Software Agreement. Customer shall pay all Fees within thirty (30) days after the date of OpenGov's invoice (which OpenGov typically sends 45 days after the Effective Date).

7. TERM & TERMINATION

7.1 Subject to compliance with all terms and conditions, the initial term of this Agreement shall be from the Effective Date and shall continue for a period of thirty-six (36) months. Unless either party declines to renew in writing no less than 30 days before the end of the applicable term, this Agreement shall renew for two (2) additional (1) year periods. The customer will be billed on an annual basis for each twelve (12) month term. If either party materially breaches any term of this Agreement and fails to cure such breach within thirty (30) days after notice by the non-breaching party (ten (10) days in the case of non-payment), the non-breaching party may terminate this Agreement immediately upon notice.

7.2 Upon termination, Customer will pay in full for all Software Services performed up to and including the effective date of termination. Upon any termination of this Agreement: (a) all Software Services provided to Customer hereunder shall immediately terminate; and (b) each party shall return to the other party or, at the other party's option, destroy all Confidential Information of the other party in its possession.

7.3 All sections of this Agreement which by their nature should survive termination will survive termination, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, and limitations of liability.

8. WARRANTY AND DISCLAIMER

8.1 OpenGov represents and warrants that: (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) the Software Services shall be performed in a professional and workmanlike manner in accordance with generally prevailing industry standards.

8.2 Customer represents and warrants that (i) it has all right and authority necessary to enter into and perform this Agreement; (ii) it owns all right, title, and interest in and to all data provided to OpenGov for use in and in connection with this Agreement, or possesses the necessary authorization thereto; and (iii) OpenGov's use of such materials in connection with the Software Services will not violate the rights of any third party.

8.3 OPENGOV DOES NOT WARRANT THAT THE SOFTWARE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SOFTWARE SERVICES. EXCEPT AS SET FORTH IN THIS SECTION 8, THE SOFTWARE SERVICES ARE PROVIDED "AS IS" AND OPENGOV DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

9. LIMITATION OF LIABILITY. NEITHER PARTY, NOR ITS SUPPLIERS, OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES, SHALL BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR RELATED TERMS AND CONDITIONS UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES; OR (C) FOR ANY MATTER BEYOND SUCH PARTY'S REASONABLE CONTROL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE, CUMULATIVE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE FEES PAID BY CUSTOMER TO OPENGOV (OR, IN THE CASE OF CUSTOMER, PAYABLE) FOR THE SOFTWARE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY.

10. MISCELLANEOUS. Capitalized terms not otherwise defined in these Terms and Conditions have the meaning set forth in the applicable Software Agreement. Neither party shall be held responsible or liable for any losses arising out of any delay or failure in performance of any part of this Agreement, other than payment obligations, due to any act of god, act of governmental authority, or due to war, riot, labor difficulty, failure of performance by any third party service, utilities, or equipment provider, or any other cause beyond the reasonable control of the party delayed or prevented from performing. OpenGov shall have the right to use and display Customer's logos and trade names for marketing and promotional purposes in connection with OpenGov's website and marketing materials, subject to Customer's trademark usage guidelines (as provided to OpenGov). If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. This Agreement is not assignable or transferable by either party without the other party's prior written consent, provided however that either party may assign this Agreement to a successor to all or substantially all of its business or assets. This Agreement (including the Software Agreement) is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications, and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both parties. No agency, partnership, joint venture, or employment is created as a result of this Agreement and neither party has any authority of any kind to bind the other party in any respect. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or e-mail; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions.

File #: Ord. 2020-31, **Version:** 1

AGENDA CAPTION:
Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-31, amending the official zoning map of the city by rezoning approximately 5.217 acres of land, generally located west of the intersection of Old Ranch Road 12 and Craddock Avenue, from “FD” Future Development, “CC” Community Commercial, and “P” Public and Institutional districts to “SF-6” Single Family District; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-31, on the first of two readings.

Meeting date: May 19, 2020

Department: Planning & Development Services

Amount & Source of Funding
Funds Required: N/A
Account Number: N/A
Funds Available: N/A

Fiscal Note:

Prior Council Action: N/A

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☒ Neighborhoods & Housing - Choose an item.

☒ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The request is associated with the Mystic Canyon development which includes 127 single-family lots. In 2018, the applicant was granted a zoning change from FD to SF-6 for 56.6 acres of the surrounding property. While the developer also had the subject property under contact, it was not included with the application materials for the original zoning change.

Council Committee, Board/Commission Action:

At their April 28 meeting, the Planning & Zoning Commission voted 6-0 in favor of this request.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends **approval** of the request for a zoning change from “FD” Future Development, “CC” Community Commercial, and “P” Public and Institutional to “SF-6” Single-Family.

powered by Legistar™

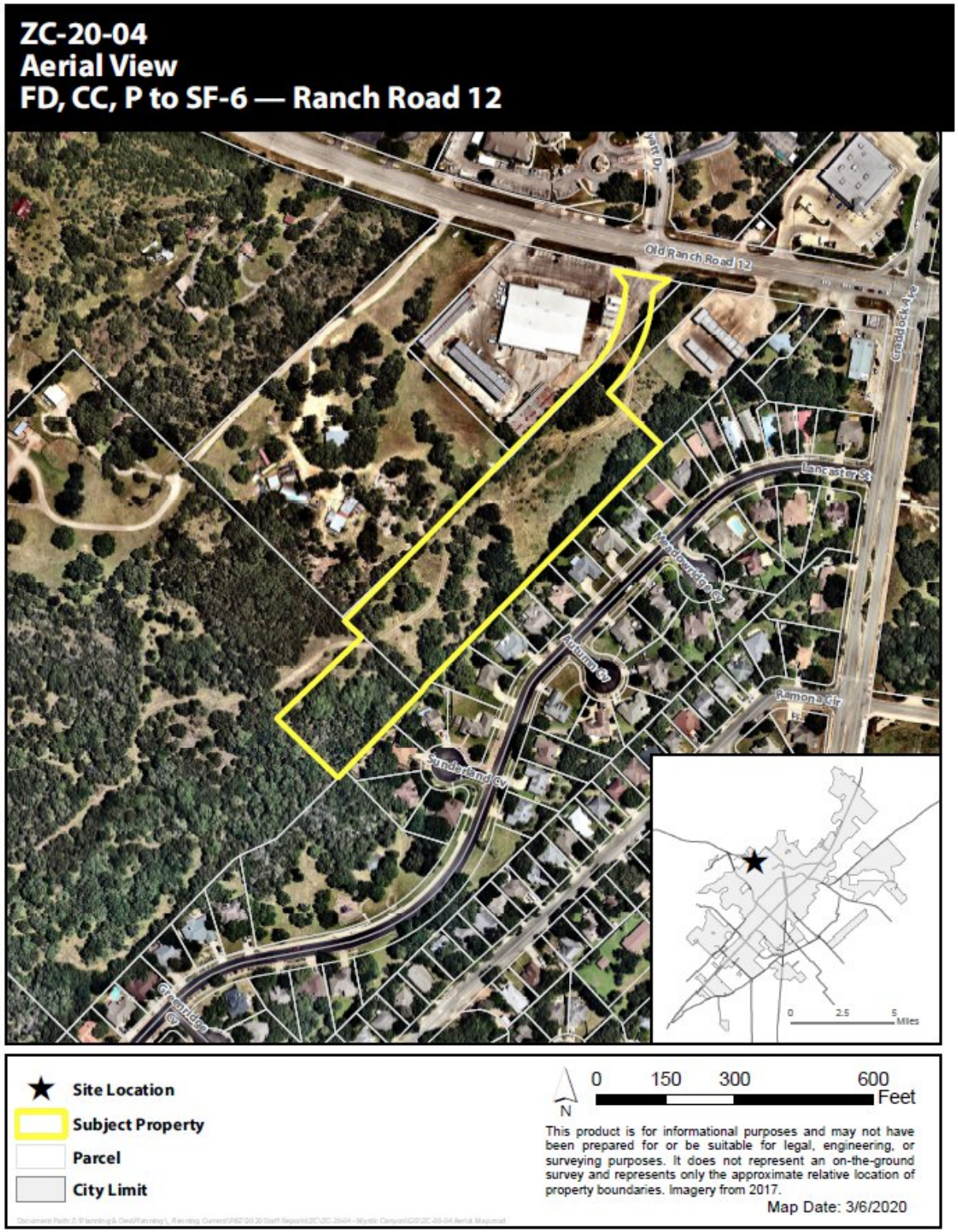
Ord. 2020-31 (Mystic Canyon)

Receive a Staff presentation and hold a Public Hearing to consider comments for or against Ordinance 2020-31, amending the official zoning map of the city by rezoning approximately 5.217 acres of land, generally located west of the intersection of Old Ranch Road 12 and Craddock Avenue, from “FD” Future Development, “CC” Community Commercial, and “P” Public and Institutional districts to “SF-6” Single Family District; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-31, on the first of two readings.

SAN MARCOS

Location:

- Approximately 5.217 acres
- **Current Configuration:** Vacant land
- Surrounding uses include:
  - Single-family residences
  - Multifamily
- Located within an Existing Neighborhood on the Preferred Scenario Map



SAN MARCOS

Context & History

- **Existing Zoning:**

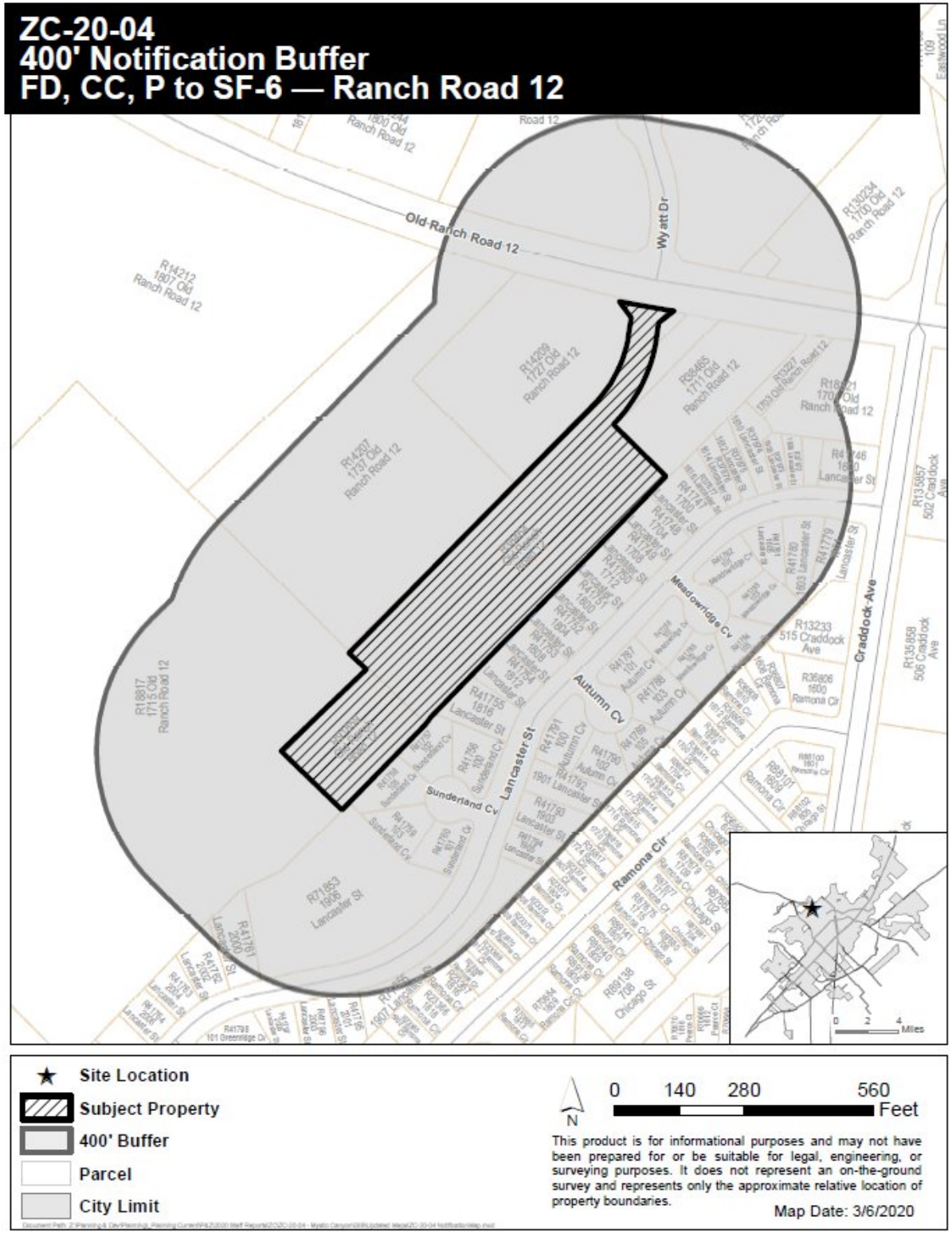
Future Development (FD)

- **Proposed Zoning:**

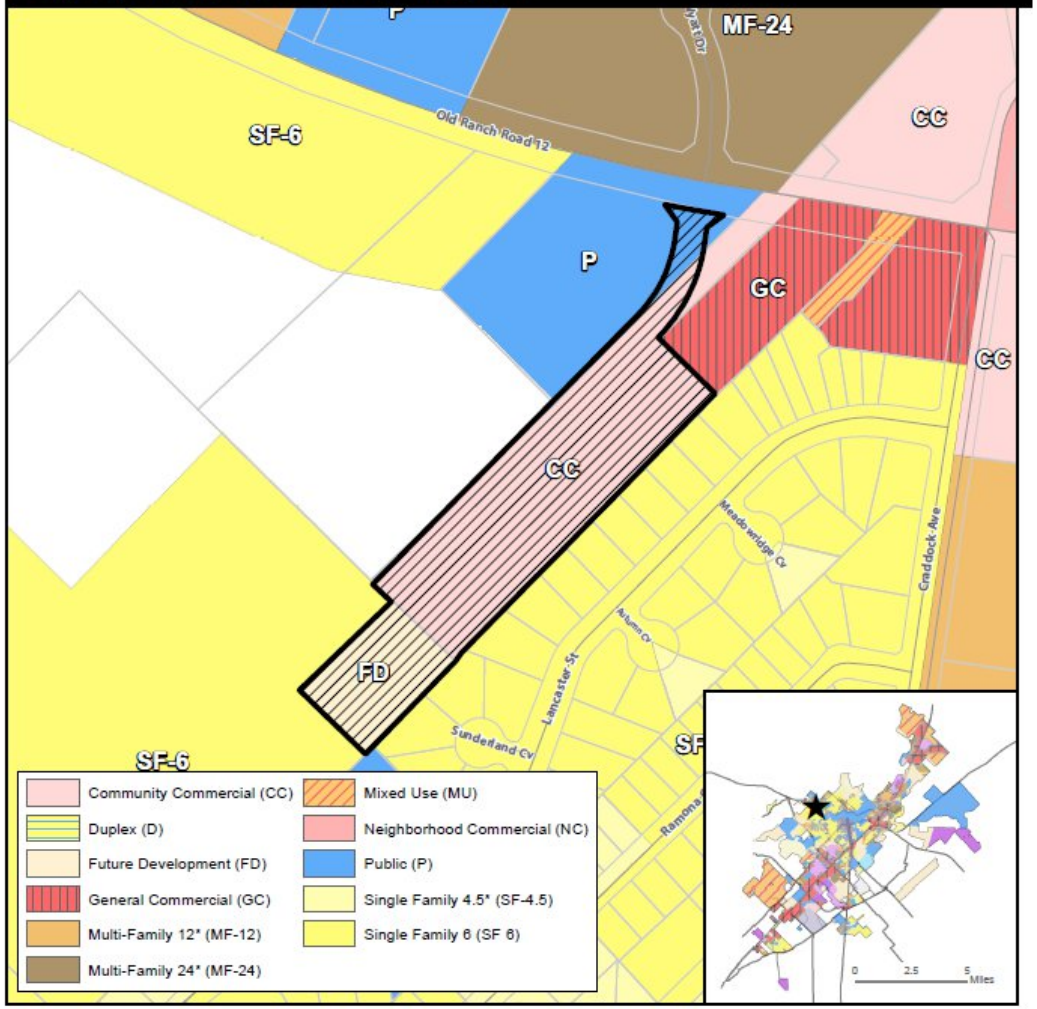
Single Family (SF-6)

- Proposed SF-6 zoning allows single-family detached units.

- Associated with Mystic Canyon zoning change which was approved in 2018.



ZC-20-04
Zoning Map
FD, CC, P to SF-6 — Ranch Road 12



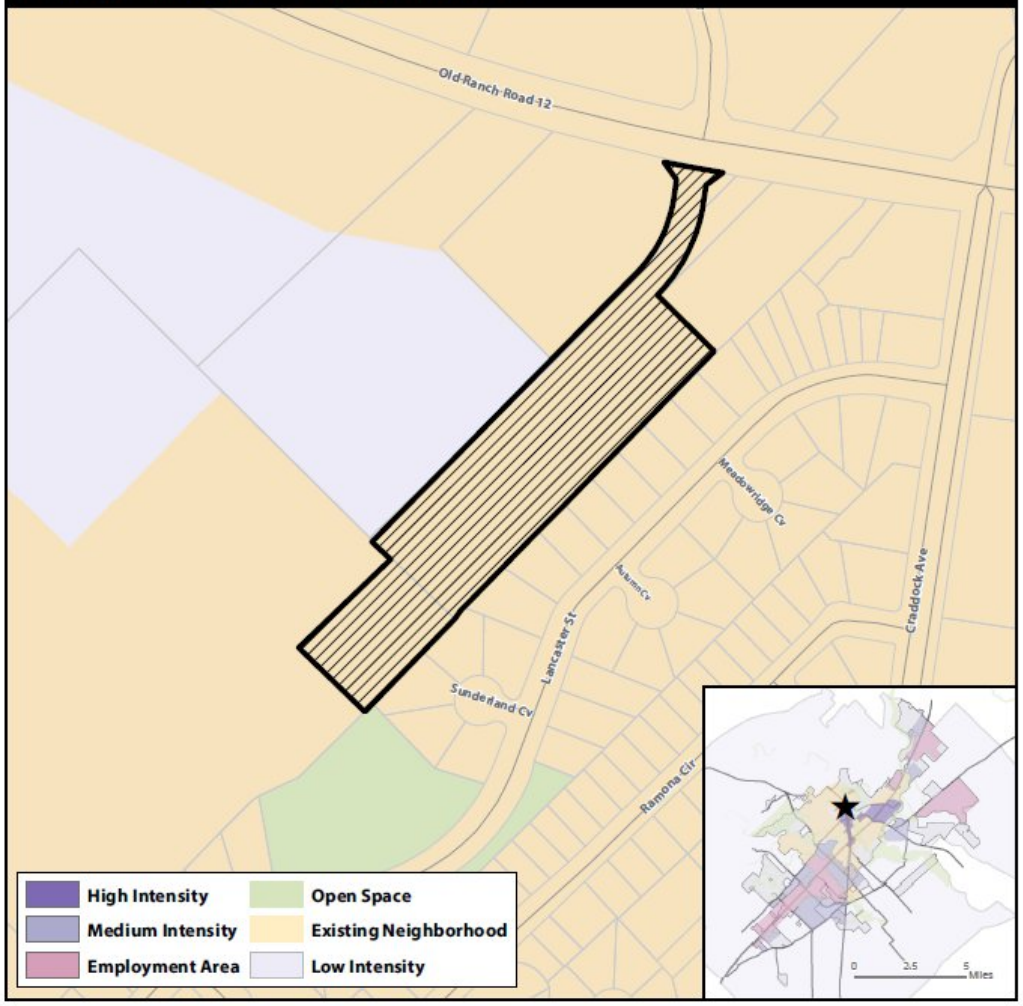
Site Location
Subject Property
Parcels
City Limit

N
0 150 300 600 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 3/6/2020

ZC-20-04
Preferred Scenario
FD, CC, P to SF-6 — Ranch Road 12

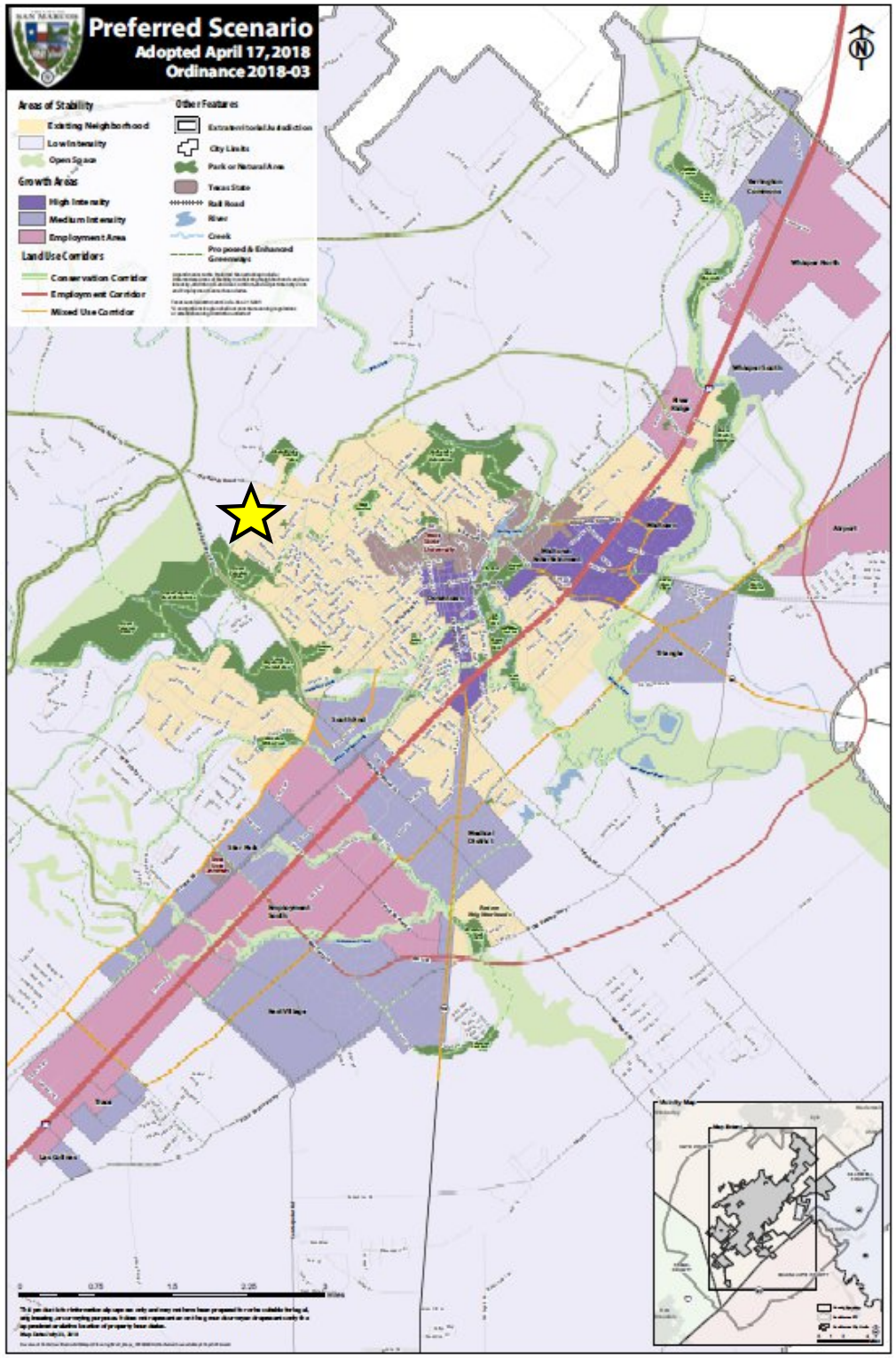


Site Location
Subject Property
Parcels
City Limit

N
0 150 300 600 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 3/6/2020



Comprehensive Plan Analysis

Step 1: Where is the property located on the Comprehensive Plan?

Existing Neighborhood Area

"Established, primarily residential areas intended to maintain their existing character and to follow development and redevelopment patterns that are compatible with the existing character." (4.1.1.6)

Comprehensive Plan Analysis

Step 2: Is the request consistent with the Comprehensive Plan / District Translation Table?

Applicant is requesting a Conventional residential District (SF-6) within an Existing Neighborhood Area. Zoning request is C – Considered, and is consistent with the San Marcos Development Code.

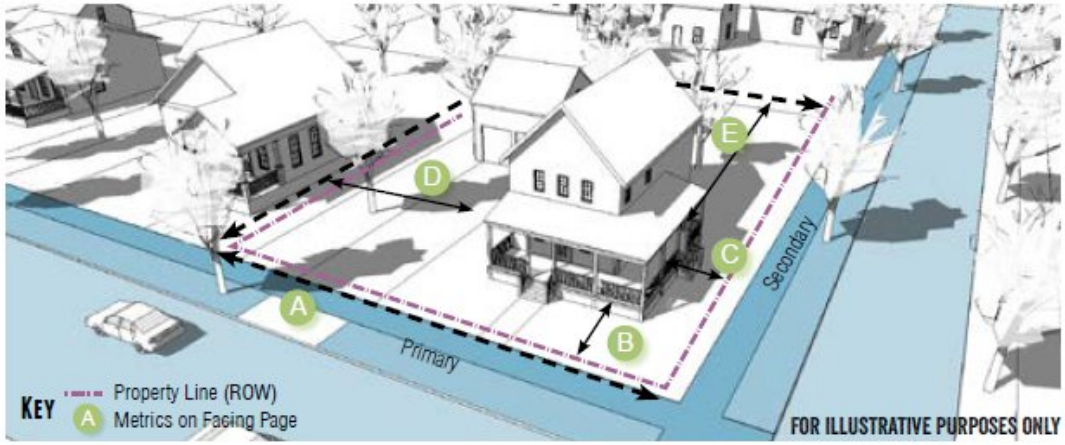
TABLE 4.1 COMPREHENSIVE PLAN / DISTRICT TRANSLATION

District Classification	Comprehensive Plan Designations					
	Open Space/ Agricultural	Low Intensity	Existing Neighborhood	Medium or High Intensity Zone	Employment Center	Corridor
Conventional Residential	NP	NP	C	--	--	--
Neighborhood Density Districts	NP	NP	See Section 4.1.2.4 - 4.1.2.5	NP	NP	C
Character Districts	NP	C	--	C	NP	C
Special Districts	--	NP	NP	NP	C	C
Legend	-- = Not Allowed (PSA Required)		NP=Not Preferred		C = Consider	

SF-6 Zoning Analysis:

- The SF-6 district is intended to accommodate single family detached houses with a minimum lot size of 6,000 square feet.
- **Allowable Building Types:** House**,** *Cottage, and Civic Building.*
- Proposed rezoning aligns with vision of the Comprehensive Plan.
- The property is vacant.

SF-6 SECTION 4.4.1.3 SINGLE FAMILY - 6



General Description

The SF-6 district is intended to accommodate single family detached houses with a minimum lot size of 6,000 square feet. Characterized by smaller landscaped areas with moderate setbacks and more frequent pedestrian use. Uses that would substantially interfere with the residential nature of the district are not allowed.

Density

Units Per Gross Acre	5.5 max.
Impervious Cover	50% max.
Occupancy Restrictions	Section 5.1.4.1

Transportation

Block Perimeter	3,000 ft. max	Section 3.6.2.1
Streetscape Type	Residential	Section 3.8.1.10
Sidewalks are not required for lots greater than 1 acre		

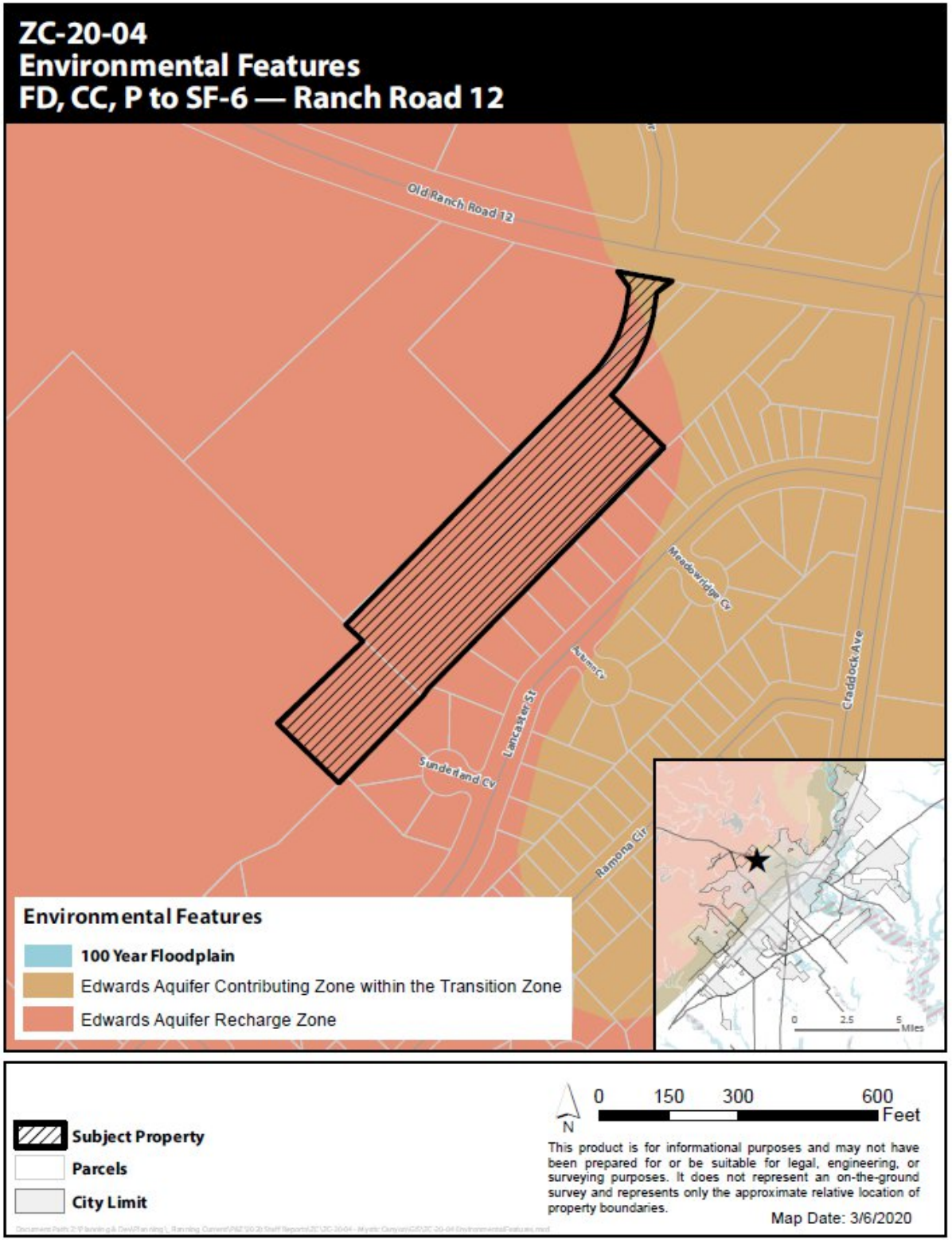
Building Types Allowed

Accessory Dwelling	Section 4.4.6.1
House	Section 4.4.6.2
Cottage	Section 4.4.6.3
Civic	Section 4.4.6.15

SAN MARCOS

Environmental Analysis

- Not located in floodplain.
- Located within Edwards Aquifer Recharge Zone.
- Not located on significant slopes.



Planning & Zoning Commission Recommendation:

At the April 28, 2020 Meeting the Planning and Zoning Commission recommended approval of the zoning change with a 7 - 0 vote.

Staff Recommendation:

Staff provides this request to the Commission for your consideration and recommends **approval** of the request for a zoning change from “FD” Future Development, “CC” Community Commercial, and “P” Public and Institutional to “SF-6” Single-Family.

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Existing Zoning:* **Community Commercial (CC)**	*Proposed Zoning:* **Single Family (SF-6)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	The CC, Community Commercial is established to provide areas for quality larger general retail establishments and services facilities for the retail sale of goods and services. The district should generally consist of retail nodes located along or at the intersection of major collectors or thoroughfares to accommodate high traffic volumes generated by general retail uses.	The SF-6 district is intended to accommodate single family detached houses with a minimum lot size of 6,000 square feet. Characterized by smaller landscaped areas with moderate setbacks and more frequent pedestrian use. Uses that would substantially interfere with the residential nature of the district are not allowed.
Uses	Residential *(See Land Use Matrix)*	Commercial. *(See Land Use Matrix)*	Single-family residential. *(See Land Use Matrix)*
Parking Location	No location standards	No location standards	No location standards
Parking Standards	2 spaces per dwelling unit (if single family detached)	Varies based on use.	1 space per dwelling unit.
Max Residential Units / acre	0.4 units per acre (max)	N/A	5.5 units per acre (max)
Occupancy Restrictions	N/A	N/A	N/A
Landscaping	Tree and shrub requirements	10% - 15%	Tree and shrub requirements
Building Height (max)	2 stories	N/A	2 stories
Setbacks	50' front setback, 20 ft side setback, . Rear setback: 20% of the lot depth	20' front setback, 5 ft side setback, 5 ft rear setback	25' front Setback, 5' side setback, 20' rear set back.
Impervious Cover (max)	30%	80% (20% for Mystic Canyon due to location within Edwards Aquifer Recharge Zone).	50% (20% for Mystic Canyon due to location within Edwards Aquifer Recharge Zone).
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area.	Conventional.	Residential, and Conventional.
Blocks	No Block Perimeter Required	3,000 ft. Block Perimeter max.	3,000 ft. Block Perimeter max.

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY REZONING APPROXIMATELY 5.217 ACRES OF LAND, GENERALLY LOCATED WEST OF THE INTERSECTION OF OLD RANCH ROAD 12 AND CRADDOCK AVENUE, FROM "FD" FUTURE DEVELOPMENT, "CC" COMMUNITY COMMERCIAL, AND "P" PUBLIC AND INSTITUTIONAL DISTRICTS TO "SF-6" SINGLE FAMILY DISTRICT; INCLUDING PROCEDURAL PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

1. On April 28, 2020, the Planning and Zoning Commission of the City of San Marcos held a public hearing regarding a request to change the zoning designation from "FD" Future Development, "CC" Community Commercial, and "P" Public and Institutional Districts to "SF-6" Single Family District for approximately 5.217 acres of land, generally located west of the intersection of Old Ranch Road 12 and Craddock Avenue.

2. The Planning and Zoning Commission voted to recommend that the request be approved by the City Council.

3. The City Council held a public hearing on May 19, 2020 regarding the request.

4. All requirements pertaining to Zoning Map amendments have been met.

5. The City Council hereby finds and determines that the adoption of the following ordinance is in the interest of the public health, morals, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The Official Zoning Map of the City is amended to rezone the tract of land described in Exhibit A, attached hereto and made a part hereof, from "FD" Future Development, "CC" Community Commercial, and "P" Public and Institutional Districts to "SF-6" Single Family District.

SECTION 2. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 3. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 4. This ordinance will take effect after its passage, approval and adoption on

second reading.

PASSED AND APPROVED on first reading on May 19, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 2, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

EXHIBIT A

0.999 ACRES (43,532 S.F.)
BENJAMIN J. WHITE SURVEY NO. 13, ABSTRACT NO. 469
ROBERT H. WILLIAMS SURVEY NO. 12, ABSTRACT NO. 470
HAYS COUNTY, TEXAS

FIELD NOTES

BEING ALL OF THAT CERTAIN 0.999 ACRE (43,532 S.F.) TRACT OF LAND, SITUTATED THE BENJAMIN J. WHITE SURVEY NUMBER 13, ABSTRACT NUMBER 469, & THE ROBERT H. WILLIAMS SURVEY NUMBER 12, ABSTRACT NUMBER 470, HAYS COUNTY, TEXAS, BEING ALL OF A CALLED 1.00 ACRE TRACT OF LAND CONVEYED TO THAD WHEELOCK IN VOLUME 1453, PAGE 542, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, SAID 0.999 ACRE (43,532 S.F.) TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found at the southernmost corner of said 1.00 acre tract, being in the northwest line of Lot 24, Sendera Subdivision, recorded in Volume 6, Page 77, Plat Records of Hays County, Texas, same being at an eastern corner of a called 46.54 acre tract of land conveyed to Debra and Michael Moffitt in Volume 4252, Page 477, Official Public Records of Hays County, Texas, for the southernmost corner and the **POINT OF BEGINNING** of the herein described tract of land,

THENCE, along the common line of said 1.00 acre tract and said 46.54 acre tract, the following two (2) courses and distances, numbered 1 and 2,

1) N47°25'01"W, a distance of 172.16 feet to a 1/2 inch iron rod found at the westernmost corner of said 1.00 acre tract, being an interior corner of said 46.54 acre tract, for the westernmost corner of the herein described tract of land, and
2) N45°30'03"E, a distance of 257.58 feet to a calculated point at the northernmost corner of said 1.00 acre tract, being at an easternmost corner of said 46.54 acre tract, same being in the southwest line of Lot 1, R12 Plaza Subdivision, recorded in Volume 4, Page 264, Plat Records of Hays County, Texas, for the northernmost corner of the herein described tract of land,

THENCE, S47°21'31"E, along the southwest line of said Lot 1 and the northeast line of said 1.00 acre tract, a distance of 166.39 feet to a 1/2 inch iron rod found at the easternmost corner of said 1.00 acre tract, being in the northwest line of Lot 20, of said Sendera Subdivision, for the easternmost corner of the herein described tract of land,

THENCE, S44°13'10"W, along the northwest line of said Sendera Subdivision and the southeast line of said 1.00 acre tract, a distance of 257.18 feet to the **POINT OF BEGINNING** and containing 0.999 acres (43,532 S.F.) of land.

Surveyed by: 05 DEC 2019

Aaron Thomason, R.P.L.S. NO. 6214
Carlson, Brigance and Doering, Inc.
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160 Fax: 512-280-5165
Aaron@cbdeng.com

STATE OF TEXAS
REGISTERED
AARON V. THOMASON
6214
PROFESSIONAL
LAND SURVEYOR

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

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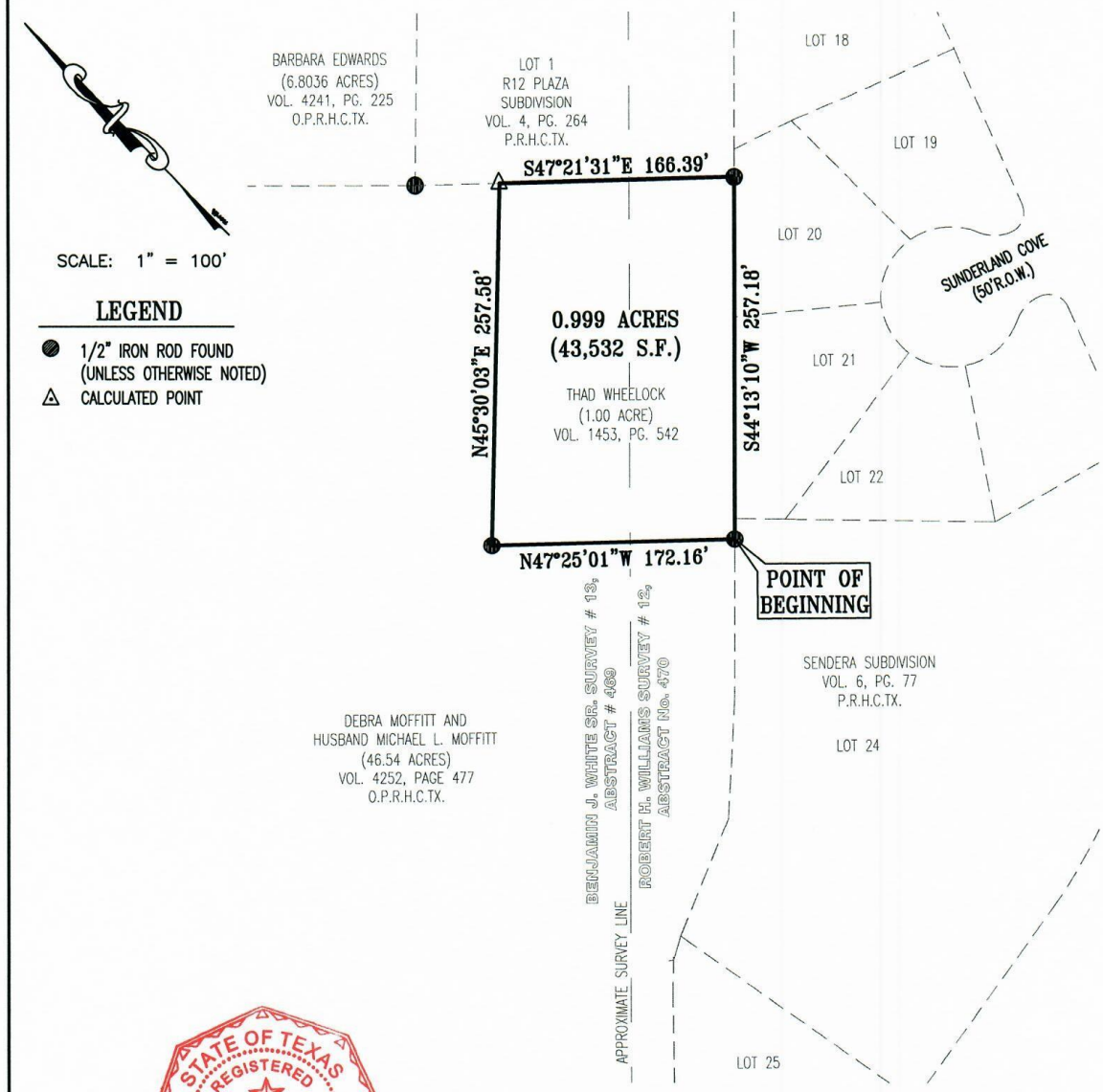
SKETCH TO ACCOMPANY FIELD NOTES



STATE OF TEXAS
REGISTERED
AARON V. THOMASOND
6214
PROFESSIONAL
LAND SURVEYOR

05Dec 2019

BEARING BASIS: TEXAS COORDINATE SYSTEM SOUTH CENTRAL ZONE (4204), NAD83

Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ◆ REG. # 10024900
Civil Engineering ◆ Surveying
5501 West William Cannon ◆ Austin, Texas 78749
Phone No. (512) 280-5160 ◆ Fax No. (512) 280-5165

PATH:– J:AC3D\5130\SURVEY\FN – ZONING & ANNEXATION.DWG

4.217 ACRES
BENJAMIN J. WHITE SURVEY NO. 13, ABSTRACT NO. 469
ROBERT H. WILLIAMS SURVEY NO. 12, ABSTRACT NO. 470
THOMAS H.W. FORSITH SURVEY, ABSTRACT NO. 173
ELIJAH CLARK SURVEY, ABSTRACT NO. 83
HAYS COUNTY, TEXAS

FIELD NOTES

BEING ALL OF THAT CERTAIN 4.217 ACRE TRACT OF LAND, SITUATED IN THE BENJAMIN J. WHITE SURVEY NUMBER 13, ABSTRACT NUMBER 469, THE ROBERT H. WILLIAMS SURVEY NUMBER 12, ABSTRACT NUMBER 470, THE THOMAS H. W. FORSITH SURVEY, ABSTRACT NO. 173, AND THE ELIJAH CLARK SURVEY, ABSTRACT NUMBER 83, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CALLED 0.224 ACRE TRACT OF LAND (TRACT 2) CONVEYED TO KALI KATE SERVICES, INC. IN DOCUMENT NUMBER 20000174, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND A PORTION OF LOT 1, R12 PLAZA SUBDIVISION, RECORDED IN VOLUME 4, PAGE 264, PLAT RECORDS OF HAYS COUNTY, TEXAS, SAID 4.217 ACRE TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found at the northwest corner of said 0.224 acre tract, being at a northeast corner of a called 2.768 acre tract of land conveyed to Texas State University at San Marcos in Volume 1019, Page 516, Official Public Records of Hays County, Texas, same being at a point of beginning of a curve to the left in the south right-of-way line of Old Ranch Road 12 (100' R.O.W.), for a northwest corner and the **POINT OF BEGINNING** of the herein described tract of land,

THENCE, with the common boundary line of said Old Ranch Road 12 and said 0.224 acre tract, the following two (2) courses and distance numbered 1 and 2,

1) Along said curve to the left, having a radius of 3869.99 feet, an arc length of 100.25 feet, and a chord that bears S80°10'37"E, a distance of 100.25 feet to a TXDOT concrete highway monument,
2) S81°15'08"E, a distance of 19.78 feet to a calculated point at the northeast corner of a called 0.031 acre tract of land conveyed to All J. Investments, Ltd. in Volume 1743, Page 223, Official Public Records of Hays County, Texas, being in the north line of said 0.224 acre tract, for a northeast corner of the herein described tract of land,

THENCE, with the west line of said 0.031 acre tract, the west line of a called 0.231 acre tract of land conveyed to All J. Investments, Ltd. in Volume 1743, Page 223, Official Public Records of Hays County, Texas, over and across said 0.224 acre tract of land, and over and across said Lot 1, the following three (3) courses and distances, numbered 1 through 3,

1) S53°43'33"W, a distance of 42.16 feet to a calculated point at a western corner of said 0.031 acre tract, and
2) S08°20'41"W, a distance of 34.76 feet to a calculated point at the beginning of a curve to the right, and
3) Along said curve to the right, having a radius of 330.00, an arc length of 207.85 feet, and a chord that bears S26°23'17"W, a distance of 204.43 feet to a 1/2 inch iron rod found at a south corner of said 0.231 acre tract of land, being in the northwest line of Lot 1A, Lot 1-A R 12 Plaza Subdivision, a subdivision recorded in Volume 6, Page 354, Plat Records of Hays County, Texas, for an interior corner of the herein described tract of land,

THENCE, S44°25'54"W, with the northwest line of said Lot 1-A, and over and across said Lot 1, a distance of 3.04 feet to a 1/2 inch iron rod found at the westernmost corner of said Lot 1-A, for an interior corner of the herein described tract of land,

THENCE, S45°36'28"E, with the southwest line of said Lot 1-A and over and across said Lot 1, a distance of 160.00 feet to a 1/2 inch iron rod found at the southernmost corner of said Lot 1-A, being in the southeast line of said Lot 1, same being in the northwest line of Lot 10, Sendera Subdivision, a subdivision recorded in Volume 6, Page 77, Plat Records of Hays County, Texas, for an eastern corner of the herein described tract of land,

THENCE, with the southeast line of said Lot 1 and the northwest line of said Sendera Subdivision, the following seven (7) courses and distances, numbered 1 through 7,

1) S44°19'24"W, a distance of 65.04 feet to a 1/2 inch iron rod found for corner,
2) S44°26'40"W, a distance of 224.88 feet to a 1/2 inch iron rod found for corner,
3) S44°09'10"W, a distance of 74.89 feet to a 1/2 inch iron rod found for corner,
4) S44°42'57"W, a distance of 74.98 feet to a 1/2 inch iron rod found for corner,
5) S45°16'00"W, a distance of 74.92 feet to a 1/2 inch iron rod found for corner,
6) S44°18'32"W, a distance of 211.90 feet to a 1/2 inch iron rod found for corner, and
7) S44°13'10"W, a distance of 20.05 feet to a 1/2 inch iron rod found at the southernmost corner of said Lot 1, being in the northwest line of Lot 20, said Sendera Subdivision, and being at the easternmost corner of a called 1.00 acre tract of land (Tract 3) conveyed to Kali Kate Services, Inc. in Document Number 20000174, Official Public Records of Hays County, Texas, for the southernmost corner of the herein described tract of land,

THENCE, N47°21'31"E, along the southwest line of said Lot 1, the northeast line of said 1.00 acre tract, and the northeast line of a called 56.6098 acre tract of land (Tract 1) conveyed to Kali Kate Services, Inc. in Document Number 20000174, Official Public Records of Hays County, Texas, a distance of 226.19 feet to a 1/2 inch iron rod in the northeast line of said 46.54 acre tract, being at the westernmost corner of said Lot 1, same being at the southernmost corner of a called 6.8036 acre tract of land conveyed to Barbara Edwards in Volume 4241, Page 225, Official Public Records of Hays County, Texas,

THENCE, N44°55'26"E, with the northwest line of said Lot 1 and the southeast line of said 6.8036 acre tract, passing the easternmost corner of said 6.8036 acre tract and the southernmost corner and continuing for a total distance of 756.72 feet to a 1/2 inch iron rod found at the beginning of a curve to the left, being at the westernmost corner of the aforementioned 0.224 acre tract of land, for a northwestern corner of the herein described tract of land,

THENCE, with the common line of said 2.768 acre tract and said 0.224 acre tract, the following three (3) courses and distances, numbered 1 through 3,

1) Along said curve to the left, having a radius of 270.00 feet, an arc length of 169.93 feet, and a chord that bears N26°24'25"E, a distance of 167.14 feet to a cotton spindle found in asphalt,
2) N08°21'13"E, a distance of 36.49 feet to a cotton spindle found in asphalt, and
3) N36°00'29"W, a distance of 42.88 feet to the **POINT OF BEGINNING**, and containing 4.217 acres of land.

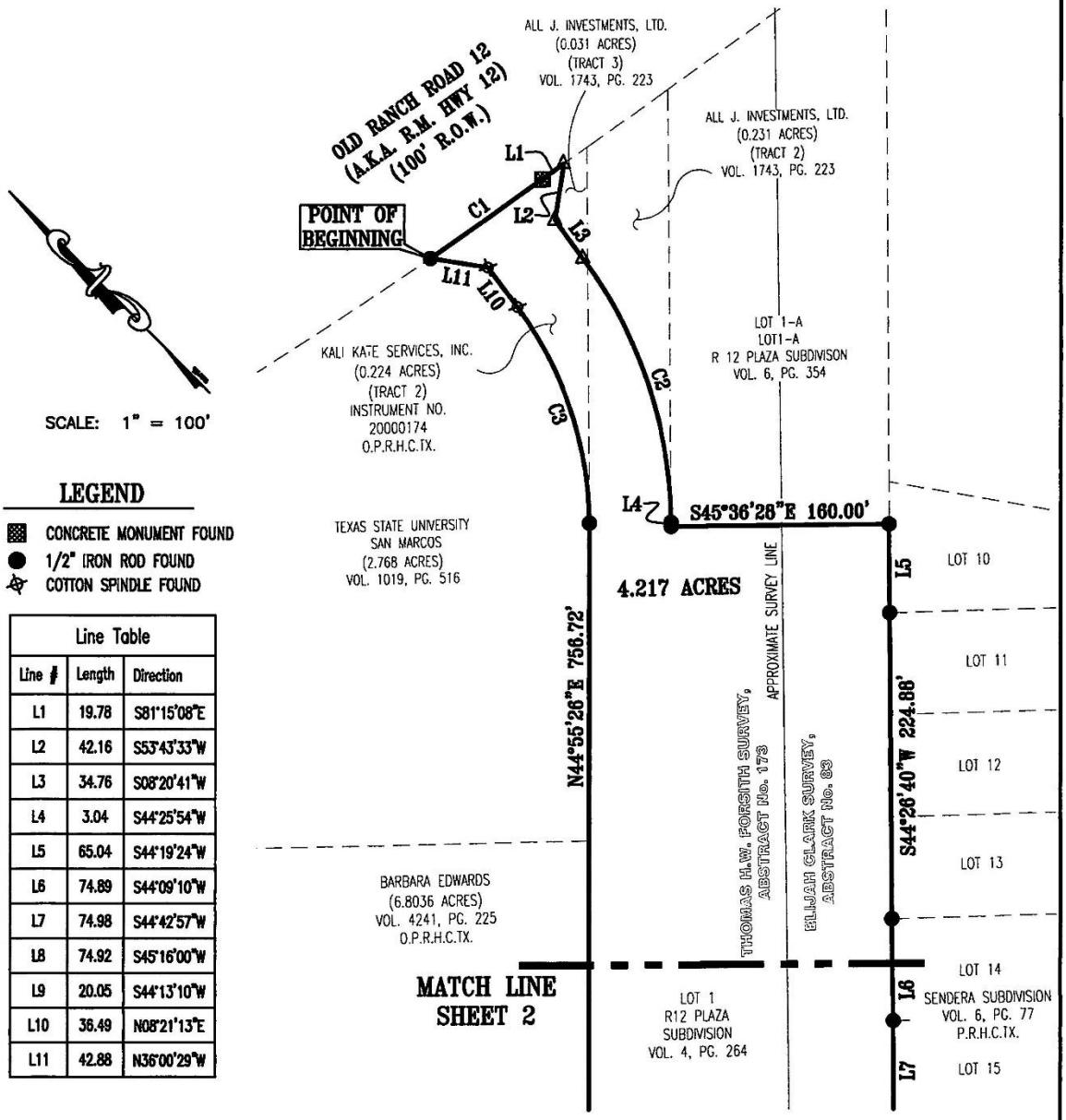
Surveyed by: _____

Derrick L. Mayfield, R.P.L.S. NO. 6456
Carlson, Brigance and Doering, Inc.
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160 Fax: 512-280-5165
dlmayfield@cbdeng.com

STATE OF TEXAS
REGISTERED
DERRICK L. MAYFIELD
6456
PROFESSIONAL
LAND SURVEYOR

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

SKETCH TO ACCOMPANY FIELD NOTES



LEGEND

- CONCRETE MONUMENT FOUND
- 1/2" IRON ROD FOUND
- COTTON SPINDLE FOUND

Line Table		
Line #	Length	Direction
L1	19.78	S81°15'08"E
L2	42.16	S53°43'33"W
L3	34.76	S08°20'41"W
L4	3.04	S44°25'54"W
L5	65.04	S44°19'24"W
L6	74.89	S44°09'10"W
L7	74.98	S44°42'57"W
L8	74.92	S45°16'00"W
L9	20.05	S44°13'10"W
L10	36.49	N08°21'13"E
L11	42.88	N36°00'29"W

Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C1	100.25	3869.99	S80°10'37"E	100.25	50.13	1°29'03"
C2	207.85	330.00	S26°23'17"W	204.43	107.50	36°05'13"
C3	169.93	270.00	N26°24'25"E	167.14	87.89	36°03'37"

SHEET 1 OF 2

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

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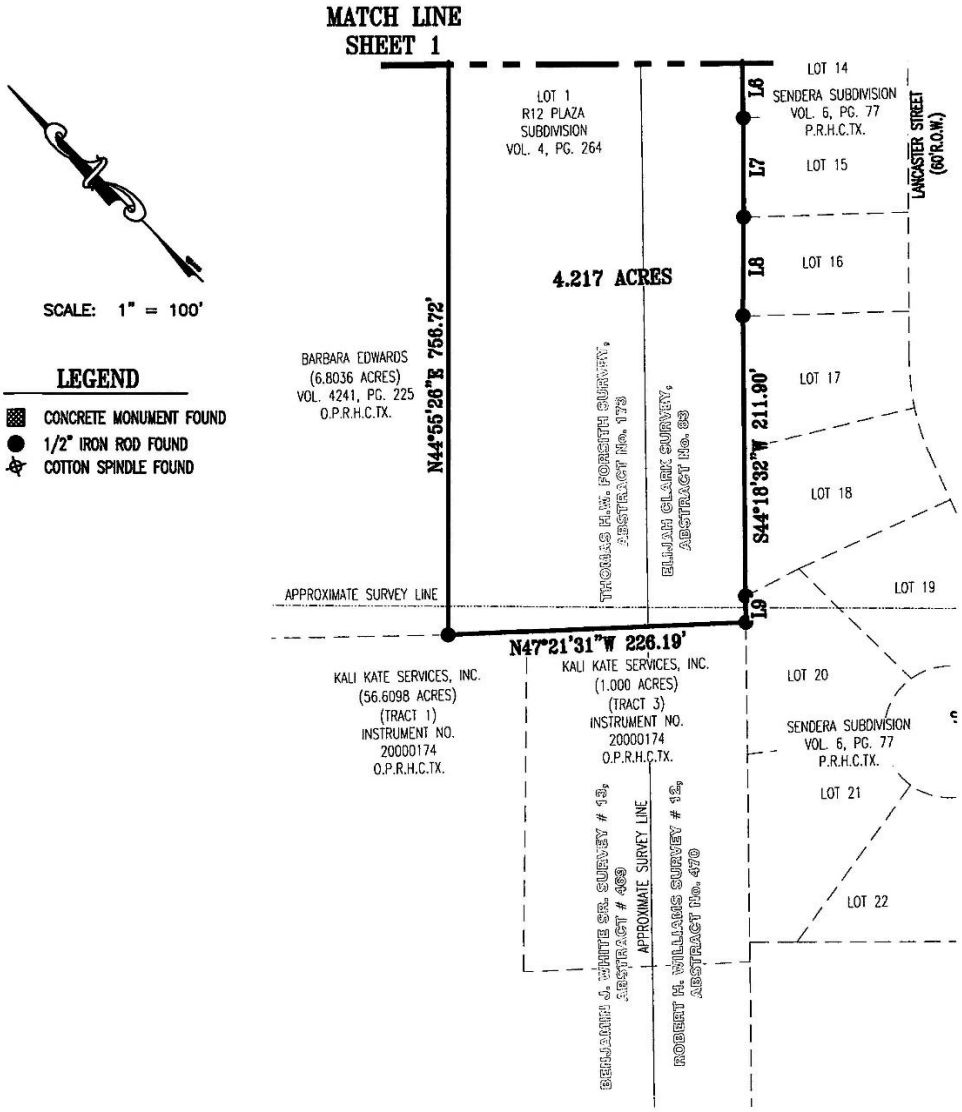

SHEET 2 OF 2

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

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Civil Engineering ◆ Surveying
5501 West William Cannon ◆ Austin, Texas 78749
Phone No. (512) 280-5160 ◆ Fax No. (512) 280-5165

PATH:– J:\AC3D\5130\SURVEY\FN– ZONING.DWG

Zoning Request	Mystic Canyon
ZC-20-04	

Summary

Request:	Zoning change from FD, CC, & P to SF-6		
Applicant:	Bill E. Couch Carson Brigance and Doering, Inc. 5501 W William Cannon Dr Austin, TX 78749	**Property Owner:**	Kali Kate Services, Inc. 4550 FM 967 Buda, TX 78610

Notification

Application:	January 7, 2020	**Neighborhood Meeting:**	April 7, 20202
Published:	March 8, 2020	**# of Participants**	1
Posted:	March 6, 2020	**Personal:**	March 6, 2020
Response:	General inquiries: 1 Opposition: 2 Support: 1		

Property Description

Legal Description:	5.217 out of the Benjamin J. White Survey		
Location:	East of Old Ranch Road 12 and Craddock		
Acreage:	5.217	**PDD/DA/Other:**	N/A
Existing Zoning:	FD, CC, P	**Proposed Zoning:**	SF-6
Existing Use:	Vacant	**Proposed Use:**	Single-family
Existing Occupancy:	Do not apply	**Occupancy:**	Apply
Preferred Scenario:	Existing Neighborhood	**Proposed Designation:**	Same
CONA Neighborhood:	Castle Forest	**Sector:**	2
Utility Capacity:	Adequate	**Floodplain:**	No
Historic Designation:	N/A	**My Historic SMTX Resources Survey**	No

Surrounding Area	Zoning	Existing Land Use	Preferred Scenario
North of Property:	MF-24	Multifamily	Existing Neighborhood
South of Property:	SF-6	Vacant	Existing Neighborhood
East of Property:	SF-6	Single Family	Existing Neighborhood
West of Property:	ETJ / SF6	Vacant	Existing Neighborhood

Zoning Request	Mystic Canyon
ZC-20-04	

Staff Recommendation

X	**Approval as Submitted**		Alternate Approval		Denial
Staff: Tory Carpenter, AICP, CNU-A		**Title :** Planner		**Date:** May 13, 2020	

Commission Recommendation

Approval as Submitted

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

None.

Recommendation from the Planning and Zoning Commission meeting held April 28, 2020:
A motion was made by Commissioner Dillon, seconded by Commissioner Rand, to approve ZC-20-04. The motion carried 6-0.

- **For:** (6) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Dillon, Commissioner Moore, Commissioner Agnew, Commissioner Spell.
- **Against:** 0

Recused: (1) Commissioner Haverland
Absent: (1) Vice Chairperson Kelsey

History

The request is associated with the Mystic Canyon development which includes 127 single-family lots. In 2018, the applicant was granted a zoning change from FD to SF-6 for 56.6 acres of the surrounding property. While the developer also had the subject property under contact, it was not included with the application materials for the original zoning change.

Additional Analysis

Comments from Other Departments

Police	No Comment
Fire	No Comment
Public Services	No Comment
Engineering	No Comment

Zoning Request	Mystic Canyon
ZC-20-04	

Evaluation			Compatibility of Uses & Density Criteria (Sec.4.1.2.5)
Consistent	Inconsistent	Neutral	
X			Helps prevent the impacts of high density uses on low density areas
		N/A	Limits changes in neighborhood density categories unless directed by a small area plan or neighborhood character study ***Studies were not complete at the time of this request.***
X			Encourages more opportunities for home ownership ***More single-family detached homes allows for more opportunities for home ownership.***
		X	Ensures a diversity of housing to serve citizens with varying needs and interests

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
X			Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan and preferred scenario map ***SF-6 is a "Considered" zoning district per table 4.1***
		N/A	Whether the proposed zoning map amendment is consistent with any adopted small area plan or neighborhood character study for the area ***Studies were not complete at the time of this request.***
		N/A	Whether the proposed zoning map amendment is consistent with any applicable development agreement in effect
X			Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses shall be appropriate in the immediate area of the land to be reclassified ***This use is consistent with surrounding development.***
X			Whether the proposed zoning will reinforce the existing or planned character of the area ***The predominant surrounding zoning is also SF-6. This zoning change should reinforce the existing character of the area as it is consistent.***

Zoning Request	Mystic Canyon
ZC-20-04	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
X			Whether the site is appropriate for the development allowed in the proposed district ***While this site is over the Edwards Aquifer Recharge Zone, it can be developed with no more than 20% impervious cover.***
X			Whether there are substantial reasons why the property cannot be used according to the existing zoning ***Since the property is currently zoned FD, it allows for two-acre single-family lots. These would be much larger than those of the surrounding area and would limit the ability to provide for a more compact development.***
X			Whether there is a need for the proposed use at the proposed location ***The rezoning would increase housing availability.***
X			Whether the City and other service providers will be able to provide sufficient public facilities and services including schools, roads, recreation facilities, wastewater treatment, water supply and stormwater facilities, public safety, and emergency services, while maintaining sufficient levels of service to existing development ***Roads and utility infrastructure will be required to extend into and through the development at the developer's cost.***
X			Whether the proposed rezoning will have a significant adverse impact on property in the vicinity of the subject property ***The proposed use is consistent with adjacent uses.***

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		N/A	For requests to a Neighborhood Density District, whether the proposed amendment complies with the compatibility of uses and density in Section 4.1.2.5 ***This is not a request for a Neighborhood Density District.***
X			The impact the proposed amendment has with regard to the natural environment, including the quality and quantity of water and other natural resources, flooding, and wildlife management ***While this site is over the Edwards Aquifer Recharge Zone, it can be developed with no more than 20% impervious cover.***
X			Any other factors which shall substantially affect the public health, safety, morals, or general welfare ***None noted.***

Future Development (FD) VS. Single Family (SF-6)

Section 5.1.1.2 Land Use Matrix

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Agricultural Uses																				
Barns or agricultural buildings	P	L	--	--	--	--	--	--	P	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.1
Stables	P	L	--	--	--	--	--	--	--	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.2
Community Garden	P	P	L	L	L	L	L	--	P	P	L	L	L	L	P	P	P	P	P	Section 5.1.2.3
Urban Farm	P	C	C	C	C	L	L	C	P	P	L	L	C	C	P	P	--	P	C	Section 5.1.2.4
Plant Nursery	L	--	--	--	--	--	--	P	--	L	--	--	P	P	P	P	P	--	P	Section 5.1.2.5
Accessory Uses and Structures																				
Accessory Building/Structure	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.1
Accessory Dwelling Unit	L	L	L	L	L	L	P	P	--	P	L	P	P	P	--	--	--	--	--	Section 5.1.3.1
Accessory Use, except as listed below:	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.2
Outdoor Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	L	P	--	L	Section 5.1.3.2
Outdoor Display	--	--	--	--	--	--	--	L	--	--	--	--	L	L	P	--	--	--	L	Section 5.1.3.2
Food Truck	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.3.1
Drive-thru or Drive-in	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.3.2
Home Occupation	L	L	L	L	L	L	L	--	--	L	L	L	--	--	--	--	--	--	--	Section 5.1.3.4
Family Home Care	P	P	P	P	P	P	P	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.3.5
Short Term Rental	L	L	L	L	L	L	L	P	--	L	L	P	P	P	--	--	--	L	P	Section 5.1.3.6
Residential Uses																				
Single Family Detached	P	L	L	L	L	L	L	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Cottage Court	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Two Family	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Single Family Attached	--	--	--	--	L	L	L	L	--	--	P	P	P	P	--	--	--	--	--	Section 5.1.4.1
Small Multi-Family (up to 9 units)	--	--	--	--	--	L	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Courtyard Housing (up to 24 units)	--	--	--	--	--	--	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Multi-family (10 or more units)	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Purpose Built Student Housing	--	--	--	--	--	--	--	--	--	--	--	--	C	C	--	--	--	--	--	Section 5.1.4.1
Manufactured Home	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1
Mobile Home Community	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Community Home	L	L	L	L	L	L	P	P	--	P	P	P	P	P	--	--	--	L	--	Section 5.1.4.12
Fraternity or Sorority Building	--	--	--	--	--	--	C	C	--	--	--	C	P	P	--	--	--	--	--	Section 5.1.4.12
Commercial Uses																				
Professional Office	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	--	--	P	Section 5.1.5.1
Medical, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.2
Urgent care, emergency clinic, or hospital	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	--	--	P	Section 5.1.5.2
Nursing/ retirement home	--	--	--	--	--	--	P	P	--	--	--	P	P	P	P	--	--	--	P	Section 5.1.5.2
Personal Services, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (indoor)	C	--	--	--	--	--	--	P	--	--	--	--	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (outdoor)	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.3
Funeral Home	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.3
Adult Oriented Businesses	See Section 18, Article 6 of the City Code																			
All Retail Sales, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.4
Gasoline Sales	--	--	--	--	--	--	--	L	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Truck stop	--	--	--	--	--	--	--	--	--	--	--	--	--	--	L	--	--	--	L	Section 5.1.5.4
Tattoo, body piercing	--	--	--	--	--	--	C	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Building material sales	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	P	P	--	P	Section 5.1.5.4
Vehicle Sales/ Rental	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Pawnshop	--	--	--	--	--	--	--	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Restaurant/ Bar, as listed below:																				
Eating Establishment	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.5
Bar	--	--	--	--	--	--	--	C	--	--	--	--	C	C	C	--	--	--	C	Section 5.1.5.5
Mobile Food Court	--	--	--	--	--	--	--	C	--	--	--	--	P	P	--	--	--	--	--	Section 5.1.5.5
Sale of Alcohol for on premise consumption	--	--	--	--	--	--	C	C	--	--	--	C	C	C	C	--	--	--	C	Section 5.1.5.5
Overnight Lodging, as listed below:																				Section 5.1.5.6
Bed and Breakfast (up to 8 rooms)	L	C	C	C	C	L	L	P	--	P	C	P	P	P	--	--	--	--	P	Section 5.1.5.6
Boutique Hotel (9 - 30 rooms)	--	--	--	--	--	--	C	P	--	--	--	P	P	P	--	--	--	--	P	Section 5.1.5.6

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Hotel/ Motel (more than 30 rooms)	--	--	--	--	--	--	--	P	--	--	--	--	P	P	--	--	--	--	P	Section 5.1.5.6
Outdoor Recreation, except as listed below:	--	--	--	--	--	--	--	C	--	--	--	--	P	C	P	--	--	--	P	Section 5.1.5.7
Golf Course	C	C	C	C	C	C	C	C	C	C	C	C	C	C	--	--	--	C	C	Section 5.1.5.7
Traveler Trailers/ RVs Short Term stays	P	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	P	--	Section 5.1.5.7
Shooting Range	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.7
Indoor Recreation, except as listed below:	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.5.8
Gym/ Health club	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	P	--	P	Section 5.1.5.8
Smoking Lounge	--	--	--	--	--	--	--	C	--	--	--	--	P	C	--	--	--	--	P	Section 5.1.5.8
Charitable Gaming Facility	--	--	--	--	--	--	--	--	--	--	--	--	C	--	C	--	--	--	C	Section 5.1.5.8
Public & Institutional																				
Civic, except as listed below:	P	L	L	L	L	L	P	P	L	L	L	P	P	P	P	P	P	P	P	Section 5.1.6.1
Day Care Center	C	--	--	--	C	C	L	P	--	C	C	L	P	P	P	--	--	--	P	Section 5.1.6.1
Parks, Open Space, and Greenways	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.2
Minor Utilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.3
Major Utilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	C	C	C	--	--	Section 5.1.6.3
Antenna	See Section 5.1.6.3D																			
Industrial																				
Light Industrial	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	P	P	--	C	Section 5.1.7.1
Light Manufacturing	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.7.2
Vehicle Service, as listed below:																				Section 5.1.7.3
Car Wash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (minor)	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (major)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	--	C	Section 5.1.7.3
Warehouse & Distribution	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	P	Section 5.1.7.4
Waste-Related service	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	--	Section 5.1.7.5
Wholesale trade	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	P	Section 5.1.7.6
Self Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.7
Research and Development	--	--	--	--	--	--	--	--	--	--	--	--	C	C	P	P	P	--	C	Section 5.1.7.8
Wrecking/Junk Yard	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	Section 5.1.7.9

Section 9.3.1.2 Land Use Matrix

TABLE 9.1 LAND USE MATRIX

TYPES OF LAND USES	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Agricultural Uses																	
Barns and Farm Equipment Storage	P																
Bulk Grain and/or Feed Storage/ Processing	P																
Farmers Market											P	P	P	C		C	C
Farms, General (Crops)	P										P	P					
Farms, General (Livestock/Ranch)	P																
Hay, Grain, and/or Feed Sales (Wholesale)	C																
Livestock Sales/Auction	C																
Plant Nursery (growing for commercial purposes but no retail sales on site)	P																
Stables	P																
Stables (Private, Accessory Use)	P	C										C					
Residential Uses																	
Accessory Building/Structure (No larger than 625 s.f. in size and 12' in height)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Accessory Building/Structure (Larger than 625 s.f. in size OR 12' in height)	P	C					P	P	P		C	C	P	C	C	P	P
Accessory Dwelling (One Accessory Dwelling Per Lot)	P	C									C	C	P	C	C	C	C
Bed and Breakfast Inn	C	C	C	C	C	C	P	P	P	P	P	P	C	P		P	P
Caretaker's/Guard's Residence											P	P	P	C	C	P	P
Community Home	P	P	P	P	P	P	P	P	P	P	P	P	P				
Residential Hall or Boarding House							P	P	P		C	C		C			
Duplex/Two-Family/Duplex Condominiums			P	P	P		P	P	P		C	C					
Family Home Child Care	P	P	P	P	P	P	P	P	P	P	P	P					
Four Family (Quadraplex) or Three Family (Tri-Plex)							P	P	P		C	C					
Fraternity or Sorority Building							C	C	C		C	C					
Home Occupation	See Section 5.1.3.4																
HUD code-Manufactured Home										P							
Loft Apartments							P	P	P		P	P		C	C	C	C
Multifamily (Apartments)							P	P	P		C	C	C				

TABLE 9.1 LAND USE MATRIX

TYPES OF LAND USES	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Purpose Built Student Housing							C	C	C		C	C					
Senior Housing Community							P	P	P							P	P
Single Family Detached House	P	P	P	P	P	P	P	P	P	P	P	P	C	C			
Single Family Industrialized Home	P	P	P	P	P	P	P	P	P	P	P	P	C	C			
Single Family Townhouse (Attached)				P	P		P	P	P		P	P					
Single Family Zero Lot Line/Patio Homes					C	P	P	P	P		C	C					
Office Service Type Uses																	
Armed Services Recruiting Center											P	P	P	P	P	P	P
Bank or Savings and Loan (w/o Drive-thru)											P	P		C	P	P	P
Band or Savings and Loan (w Drive-thru)											C	C		C	C	P	P
Check Cashing Service											C	C		P		P	P
Offices (Health Services)											P	P		P	P	P	P
Offices (Medical Office)											P	P		P	P	P	P
Offices (Professional)											P	P	C	P	P	P	P
Call Service Center																P	P
Personal and Business Service Uses																	
Appliance Repair											C	C		C		P	P
Artist or Artisans Studio	P										P	P	C	P		P	P
Ambulance Service (Private)													P	C		C	P
Automobile Driving School (including Defensive Driving)											P	P	P	C	C	P	P
Automatic Teller Machines (ATM's)											P	P	P	P		P	P
Barber/Beauty College (barber or cosmetology school or college)													P	C	C	P	P
Barber/Beauty Shop, Haircutting (non-college)											P	P		P	C	P	P
Bed and Breakfast (No Permanent Residence)	C						P	P	P	P	P	P		C		P	P
Communication Equipment (Installation and/or Repair - No outdoor sales or storage)																C	P
Dance/Drama/Music Schools (Performing Arts)											P	P	P	P	C	P	P
Extended Stay Hotels/Motels (Residence hotels)											C	C				C	P

TABLE 9.1 LAND USE MATRIX

TYPES OF LAND USES	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Exterminator Service (No outdoor sales or storage)											P	P					P
Funeral Home																	P
Hotel/Motel											P	P				C	P
Kiosk (Providing A Retail Service)											P			C		P	P
Laundry/Dry Cleaning (Drop Off/Pick Up)											P	P		C		P	P
Martial Arts School											P	P	P	C	C	P	P
Medical Supplies and Equipment											P	P		P		P	P
Mini-Warehouse/Self Storage Units											C						C
Off-Premises Freestanding Sign																P	P
Photocopying/Duplicating/Copy Shop											P	P		C		P	P
Sexually Oriented Business							(See San Marcos City Code)										
Studio for Radio or Television (without tower)											P	P	P			P	P
Tool Rental (Indoor Storage only)											P			C		C	P
Tool Rental (with Outdoor Storage)																	C
Washateria/Laundry (Self Serve)														C		P	P
Retail and Service Type Uses																	
All Terrain Vehicle (go-carts) Dealer/Sales																C	P
Antique Shop (with outside storage)											C	C		C		C	P
Auto Dealer (Primarily New/Used Auto Sales as accessory use only)																	P
Auto Dealer, Used Auto Sales																C	P
Auto Supply Store for New and Rebuilt Parts											C	C				P	P
Bike Sales and/or Repair											P	P				P	P
Building Material Sales																	P
Cabinet Shop (Manufacturing)																	P
Convenience Store Without Gas Sales											P	P		C		P	P
Convenience Store With Gas Sales											C			C		C	P
Department Store																P	P
Food or Grocery Store with Gasoline Sales											C			C		C	P
Food or Grocery Store without Gasoline Sales											P	P		C		P	P

Table 9.1 Land Use Matrix

Types of Land Uses	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Gravestone/Tombstone Sales																	C
Gun Smith																	C
Home Improvement Center (10,000 s.f. or more)											C	C				P	P
Lawnmower Sales and/or Repair											C	C				C	P
Liquor Sales (retail)																P	P
Market (Public, Flea)											C	C		C			C
Pharmacy											P	P		C		P	P
Plant Nursery (Retail Sales/Outdoor Storage)	P										C	C	C	C	C	P	P
Recycling Kiosk											P	P	P	C	C	P	P
Restaurant/Prepared Food Sales											P	P	C	C		P	P
Restaurant/Prepared Food Sales with beer/wine off-premises consumption																C	C
Restaurant/Prepared Food Sales with drive thru											C	C				P	P
Retail Store (Misc.) with Drive Thru Service											C	C				C	P
Retail Store (Misc.) without Drive Thru Service (Under 100,000 s.f. Bldg.)											C	C				P	P
Retail Store (100,000 s.f. or more Bldg.)																C	P
Retail Store (over 10,000 s.f. or more Bldg.) outside sales											C	C		C		C	P
Retail Store (under 10,000 s.f. or more Bldg.) outside sales											C	C		C		P	P
Retail Store (under 10,000 s.f. or more Bldg.) no outside sales											P	P		C		P	P
Security Systems Installation Company																	P
Shopping Center (Over 5 Acres)																P	P
Studio Tattoo or Body Piercing											C	C		C		P	P
Temporary Outdoor Retail Sales / Commercial Promotion (4 day time limit; Permit Required by Building Official)											P	P		C		P	P
Upholstery Shop (Non-Auto)																	P
Veterinarian (Indoor Kennels)											C	C				C	P
Woodworking Shop (Ornamental)											P	P		P		P	P
Transportation and Automotive Uses																	

TABLE 9.1 LAND USE MATRIX

TYPES OF LAND USES	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
General Vehicular Sales and Service											C	C				P	P
Auto Body Repair																	C
Auto Muffler Shop																P	P
Auto Paint Shop																	C
Auto Repair (General)											C	C				C	P
Auto Repair as an Accessory Use to Retail Sales											C	C				P	P
Auto Tire Repair/Sales (Indoor)											C	C				P	P
Auto Wrecker Service/Tow Yard																	
Car Wash (Self Service; Automated)											C	C				C	P
Full Service Car Wash (Detail Shop)											C	C				P	P
Heavy Load Vehicle Sales/Repair																	
Limousine/Taxi Service											C	C				P	P
Public Garage/Parking Structure											C	C	C		C	C	C
Tire Sales (Outdoors/Storage)																C	P
Transit Terminal																C	C
Truck Terminal																	C
Amusement and Recreational Uses																	
Amusement Services or Venues (Indoors)											C	C				C	P
Amusement Services or Venues (Outdoors)	C	C	C	C	C	C	C	C	C		C	C	C				P
Bar											C	C				C	C
Billiard/Pool Facility/Nightclub (Three or More Tables) No alcohol consumption																C	P
Smoking Lounge											C	C		C		C	P
Broadcast Station (with Tower)													P				
Charitable Gaming Facility																	C
Civic/Conference Center											P	P	P			C	P
Country Club (Private)	C	C	C	C	C	C	C	C	C		C	C		C		C	C
Dance Hall/Dancing Facility																C	P
Day Camp	C												C				P
Driving Range																	P
Fair Ground													P				

Table 9.1 Land Use Matrix

Types of Land Uses	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Health Club (Physical Fitness; Indoors Only)											P	P		P		P	P
Motion Picture Theater (Indoors)											C	C				C	P
Motion Picture Studio, Commercial Film																	P
Museum (Indoors Only)											P	P	P	P		P	P
On-Premises Consumption of Alcohol											C	C		C		C	C
Park and/or Playground	P	P	P	P	P	P	P	P	P	P	P	P	P	P		P	P
Travel Trailers/RVs (Short Term Stays)																	P
Rodeo Grounds													C				
RV/Travel Trailer Sales																	P
Tennis Court (Lighted)	C	C	C	C	P	C	P	P	P	P	C	C	P			C	C
Theater (Non-Motion Picture; Live Drama)											C	C	P			C	P
Institutional/Governmental Uses																	
Adult Day Care (No Overnight Stay)											P	P	P	C		P	P
Antenna (Non-Commercial)								See Section 5.1.6.3									
Antenna (Commercial)								See Section 5.1.6.3									
Assisted Living Facility/Hospice							P	P	P		P	P		C		P	P
Broadcast Towers (Commercial)								See Section 5.1.6.3									
Cellular Communications Tower/PSS								See Section 5.1.6.3									
Cemetery and/or Mausoleum	C												P				
Child Day Care (Business)											P	P	C	C		P	P
Meeting Place/Nonreligious			C	C	C	C					P	P		C		P	P
Place of Religious Assembly/Church	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Clinic (Medical)											P	P	P	C	P	P	P
Electrical Generating Plant													C				
Electrical Substation	C	C	C	C	C	C	C	C	C	C	C	C	C	C		C	C
Emergency Care Clinic											P	P		C		P	P
Franchised Private Utility (not listed)								See Section 5.1.6.3									
Fraternal Organization/Civic Club											P	P		C		P	P
Governmental Building or Use (Municipal, State or Federal)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Heliport											C	C	C				C

TABLE 9.1 LAND USE MATRIX

TYPES OF LAND USES	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Helistop (Non-Emergency)													C				
Household Care Facility	C	C	C	C	C	C	C	C	C	C	C	C	P				
Hospital (Acute Care/Chronic Care)							C	C	C		C	C	P	C	C	C	P
Nursing/Convalescent Home							P	P	P		P	P		C		P	P
Philanthropic organization											P	P		C	P	P	P
Post Office (Private)											P	P	P	P	P	P	P
Post Office (Governmental)	C	C	C	C	C	C	C	C	C	C	P	P	P	P	P	P	P
Radio/Television Tower (Commercial)								See Section 5.1.6.3									
Rectory/Parsonage with Place of Worship	P	P	P	P	P	P	P	P	P	P	P	P	P	P		P	P
Retirement Home/Home for the Aged							P	P	P		P	P				P	P
School, K through 12 (Private)	C	C	C	C	C	C	C	C	C	C	C	C	P	P		P	P
School, K through 12 (Public)	P	P	P	P	P	P	P	P	P	P	P	P	P	P		P	P
School, Vocational (Business/Commercial Trade)											C	C	P	C		P	P
University or College													P				
Commercial and Wholesale Trade Uses																	
Auction Sales (Non-Vehicle)																	P
Bio-Medical Facilities																	
Caterer											P	P		C		C	C
Extermination Service																	P
Feed and Grain Store																	P
Furniture Manufacture																	
Maintenance/Janitorial Service											C	C		C			P
Manufactured Home Sales																	
Metal Fabrication Shop																	C
Moving Storage Company																	C
Portable Building Sales																	P
Taxidermist																	P
Transfer Station (Refuse/Pick-up)																	
Veterinarian (Outdoor Kennels or Pens)	C																
Warehouse/Office and Storage																	C
Welding Shop																	

TABLE 9.1 LAND USE MATRIX

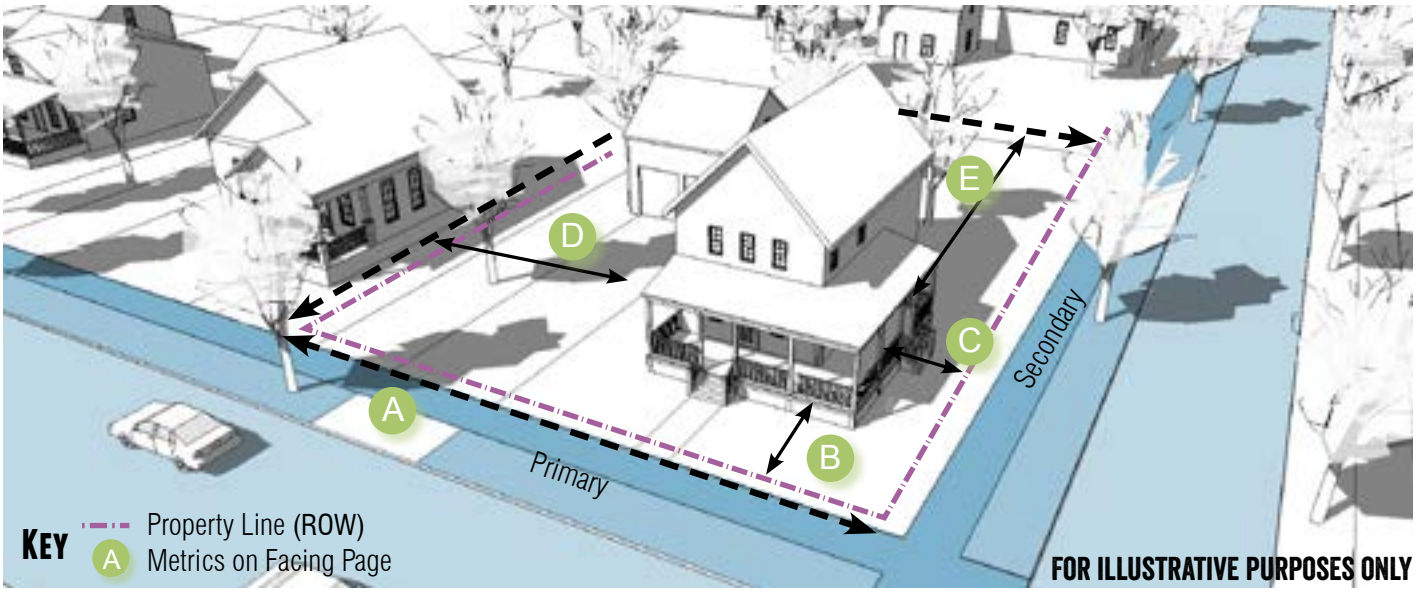
TYPES OF LAND USES	AR	SF-11	D	DR	TH	PHZL	MF12	MF18	MF24	MR	MU	VMU	P	NC	OP	CC	GC
Industrial/Manufacturing Uses																	
Aircraft Support and Related Services													P				
Airport													P				
Manufacturing																	
Contractor's Office/Sales, With Outside Storage including Vehicles																	
Contractor's Temporary On-Site Construction Office (only with permit)							Issued by Building Official										
Distribution Center																	
Electronic Assembly/High Tech Manufacturing																	P
Engine Repair/Motor Manufacturing Re-Manufacturing and/or Repair																	
Food Processing (no Outside Public Consumption)																	
Laboratory Equipment Manufacturing																	
Leather Products Manufacturing																	
Machine Shop																	
Manufacturing Processes not Listed																	
Marble or Stone Finishing																	
Micro Brewery (onsite mfg. and sales)											C	C				C	C
Motor Freight Terminal																	
Outside Storage (as primary use)																	C
Paint Manufacturing																	
Petroleum Bulk Storage																	
Plastic Products Molding/Reshaping																	
Research Lab (Non-Hazardous)															C		C
Sand/Gravel Sales (Storage or Sales)																	
Sign Manufacturing																	
Stone/Clay/Glass Manufacturing																	
Wrecking/Junk Yard																	

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Existing Zoning:* **Community Commercial (CC)**	*Proposed Zoning:* **Single Family (SF-6)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	The CC, Community Commercial is established to provide areas for quality larger general retail establishments and services facilities for the retail sale of goods and services. The district should generally consist of retail nodes located along or at the intersection of major collectors or thoroughfares to accommodate high traffic volumes generated by general retail uses.	The SF-6 district is intended to accommodate single family detached houses with a minimum lot size of 6,000 square feet. Characterized by smaller landscaped areas with moderate setbacks and more frequent pedestrian use. Uses that would substantially interfere with the residential nature of the district are not allowed.
Uses	Residential *(See Land Use Matrix)*	Commercial. *(See Land Use Matrix)*	Single-family residential. *(See Land Use Matrix)*
Parking Location	No location standards	No location standards	No location standards
Parking Standards	2 spaces per dwelling unit (if single family detached)	Varies based on use.	1 space per dwelling unit.
Max Residential Units / acre	0.4 units per acre (max)	N/A	5.5 units per acre (max)
Occupancy Restrictions	N/A	N/A	N/A
Landscaping	Tree and shrub requirements	10% - 15%	Tree and shrub requirements
Building Height (max)	2 stories	N/A	2 stories
Setbacks	50' front setback, 20 ft side setback, . Rear setback: 20% of the lot depth	20' front setback, 5 ft side setback, 5 ft rear setback	25' front Setback, 5' side setback, 20' rear set back.
Impervious Cover (max)	30%	80% (20% for Mystic Canyon due to location within Edwards Aquifer Recharge Zone).	50% (20% for Mystic Canyon due to location within Edwards Aquifer Recharge Zone).
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area.	Conventional.	Residential, and Conventional.
Blocks	No Block Perimeter Required	3,000 ft. Block Perimeter max.	3,000 ft. Block Perimeter max.

SF-6

SECTION 4.4.1.3 SINGLE FAMILY - 6



General Description

The SF-6 district is intended to accommodate single family detached houses with a minimum lot size of 6,000 square feet. Characterized by smaller landscaped areas with moderate setbacks and more frequent pedestrian use. Uses that would substantially interfere with the residential nature of the district are not allowed.

Density

Units Per Gross Acre	5.5 max.
Impervious Cover	50% max.
Occupancy Restrictions	Section 5.1.4.1

Transportation

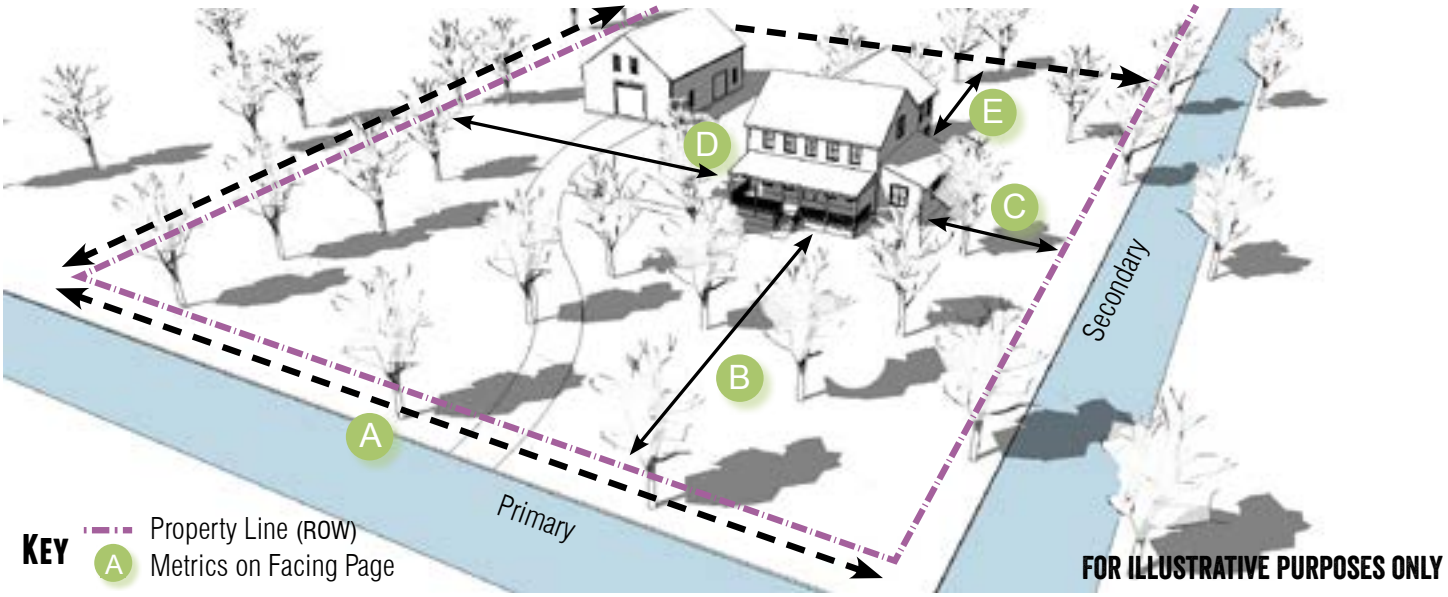
Block Perimeter	3,000 ft. max	Section 3.6.2.1
Streetscape Type	Residential	Section 3.8.1.10
Sidewalks are not required for lots greater than 1 acre		

Building Types Allowed

Accessory Dwelling	Section 4.4.6.1
House	Section 4.4.6.2
Cottage	Section 4.4.6.3
Civic	Section 4.4.6.15

FD

SECTION 4.4.1.1 FUTURE DEVELOPMENT DISTRICT



General Description

The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.

Density

Units Per Gross Acre	.4 max.
Impervious Cover	30% max.

Transportation

Streetscape Type	Residential	Section 3.8.1.10
Sidewalks are not required for lots greater than 1 acre		

Building Types Allowed

Accessory Dwelling	Section 4.4.6.1
House	Section 4.4.6.2
Civic	Section 4.4.6.15

ZC-20-04 (Mystic Canyon) Zoning Change Review **(By Comp Plan Element)**

LAND USE – Preferred Scenario Map / Land Use Intensity Matrix

	YES	NO (map amendment required)
Does the request meet the intent of the Preferred Scenario Map and the Land Use Intensity Matrix?	X	

ECONOMIC DEVELOPMENT – Furthering the goal of the Core 4 through the three strategies

STRATEGY	SUMMARY	Supports	Contradicts	Neutral
Preparing the 21st Century Workforce	Provides / Encourages educational opportunities			**Applicant has not indicated that educational facilities will be included.**
Competitive Infrastructure & Entrepreneurial Regulation	Provides / Encourages land, utilities and infrastructure for business			**Applicant will extend utilities to the site in order to develop.**
The Community of Choice	Provides / Encourages safe & stable neighborhoods, quality schools, fair wage jobs, community amenities, distinctive identity			**Applicant has not indicated that opportunities for jobs and services will be included.**

ENVIRONMENT & RESOURCE PROTECTION – Land Use Suitability & Development Constraints

	1 (least)	2	3 (moderate)	4	5 (most)
Level of Overall Constraint				X	X
Constraint by Class					
Cultural	X				
Edwards Aquifer					X
Endangered Species	X				
Floodplains	X				
Geological	X				
Slope		X			
Soils		X			
Vegetation	X				
Watersheds					
Water Quality Zone	X				

ENVIRONMENT & RESOURCE PROTECTION – Water Quality Model Results

Located in Subwatershed:	**Purgatory Creek**				
	0-25%	25-50%	50-75%	75-100%	100%+
Modeled Impervious Cover Increase Anticipated for watershed		**X**			
Notes: **The change in impervious cover under the Preferred Scenario is attributed to portions of the Paso Robles development, the Government Center, and downtown development. Purgatory Creek is a direct tributary of the San Marcos River, home of several endangered species. The Plan emphasizes the need to identify potential pollution from redevelopment as construction runoff and debris can wash into the creek during storm events.**					

NEIGHBORHOODS – Where is the property located

CONA Neighborhood(s):	**Castle Forest**
Neighborhood Commission Area(s):	**Sector 2**

PARKS, PUBLIC SPACES AND FACILITIES –Availability of parks and infrastructure

				YES	NO
Will Parks and / or Open Space be Provided?				**X**	
Will Trails and / or Green Space Connections be Provided?				**X**	
The developer intends to dedicate more parkland than required due to impervious cover restrictions in the area.					
Maintenance / Repair Density	Low (maintenance)		Medium		High (maintenance)
Wastewater Infrastructure	**X**				
Water Infrastructure	**X**				
Public Facility Availability					
				YES	NO
Parks / Open Space within ¼ mile (walking distance)? **Upper Purgatory is adjacent to this property.**				**X**	
Wastewater service available? **The developer will be required to extend wastewater service through the site.**				**X**	
Water service available? **The developer will be required to extend water service through the site.**				**X**	

TRANSPORTATION – Level of Service (LOS), Access to sidewalks, bicycle lanes and public transportation

		A	B	C	D	F
Existing Daily LOS	**Wonder World Drive** **Old Ranch Road 12**	**X**				 **X**
Existing Peak LOS	**Wonder World Drive** **Old Ranch Road 12**	**X**				 **X**
Preferred Scenario Daily LOS	**Wonder World Drive** **Old Ranch Road 12**	**X**				 **X**
Preferred Scenario Peak LOS	**Wonder World Drive** **Old Ranch Road 12**			**X**		 **X**
			N/A	Good	Fair	Poor
Sidewalk Availability			**X**			
Sidewalks are required to be built as part of the development.						
			YES		NO	
Adjacent to existing bicycle lane?					**X**	
Adjacent to existing public transportation route?					**X**	
Notes: **The closest CARTS bus route is Route 5 which is the Texas State/Outlet Malls route.**						

PLANNING AND DEVELOPMENT SERVICES

4/14/2020 **ZC-20-04**

UPDATE:
Virtual Meeting Information
Notice of Public Hearing
Zoning Change Request
Mystic Canyon Single Family

Hold a public hearing and consider a request by Bill E. Couch, on behalf of Kali Kate Services Inc., for an amendment to the City's Official Zoning Map rezoning 5.217 acres, more or less, Benjamin J. White, Thomas Forsith, Elijah Clark, and Robert H. Williams Surveys, generally located west of the intersection of Old Ranch Road 12 and Craddock Avenue, from "FD" Future Development, "CC" Community Commercial, and "P" Public and Institutional to "SF-6" Single Family or such other less intense zoning district classification as the City Council may approve.

The San Marcos Planning and Zoning Commission will consider the above request at an upcoming public hearing and will either approve or deny the request. This recommendation will be forwarded to the San Marcos City Council. Before making a decision, the Commission and Council will hold public hearings to obtain citizen comments. Because you are listed as the owner of property located within 400 feet of the subject property, we would like to notify you of the following public hearings and seek your opinion of the request:

- A public hearing will be conducted by the Planning and Zoning Commission via virtual meeting on **Tuesday, April 28, 2020** at **6:00 p.m.** You may join and participate in the public hearing using the following link: http://sanmarcostx.gov/541/PZ-Video-Archives

- A public hearing will be held at the City Council Meeting on **Tuesday, May 19, 2020** at **6:00 p.m.** If current orders related to COVID-19 are extended, virtual meeting information will be provided at the following website: https://sanmarcostx.gov/421/City-Council-Videos-Archives

All interested citizens are invited to attend and participate in the public hearing. If you cannot participate in the virtual public hearing of the Planning and Zoning Commission or the City Council meeting, but wish to comment, you may write to the below address. Your written comments will be given to the Planning & Zoning Commission and City Council if they are received before 5 PM on the day of the meeting.

Development Services-Planning
630 East Hopkins
San Marcos, TX 78666
planninginfo@sanmarcostx.gov

For more information regarding this request, contact the case manager, **Tory Carpenter,** at **512.393.8234**. When calling, please refer to case number **ZC-20-04.**

As of the date of this notice, there are no other means of participating in the public hearing. However, please check for updates on the City's website at: www.sanmarcostx.gov to see if other means of participating in the public hearing become available.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov

PLANNING AND DEVELOPMENT SERVICES
Enclosure: Map (See Reverse)

ZONING CHANGE, OVERLAY OR ESTABLISHMENT OF A HISTORIC DISTRICT/LANDMARK APPLICATION

Updated: October, 2019

CONTACT INFORMATION

Applicant's Name	BIll E. Couch	**Property Owner**	Kali Kate Services Inc.
Company	Carlson Brigance and Doering, Inc.	**Company**	Same
Applicant's Mailing Address	5501 W. William Cannon Dr. Austin, TX 78749	**Owner's Mailing Address**	4550 FM 967 Buda, TX 78610
Applicant's Phone #	512 280-5160	**Owner's Phone #**	512 939-4015
Applicant's Email	bill@cbdeng.com	**Owner's Email**	DTIDWELLAUSTIN@GMAIL.COM

PROPERTY INFORMATION

Subject Property Address(es): OFF RR 12 , SAN MARCOS, TX 78666

Legal Description: Lot A0469 BENJAMIN WHITE/ FORS **Block** _____ **Subdivision** Mystic Canyon

Total Acreage: 5.217 **Tax ID #: R**91859 & 93222

Preferred Scenario Designation: SF-6 **Existing Zoning:** FD and CS

Existing Land Use(s): Vacant

DESCRIPTION OF REQUEST

Proposed Zoning District(s): SF-6

Proposed Land Uses / Reason for Change: In order to develop site into 6000 minimum sq. ft. lots for single family residences requires a zoning change from FD and CS to SF-6 to match the balance of the preliminary plan in review.

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee* $1,057 plus $100 per acre **Technology Fee $13** ***MAXIMUM COST $3,013***

**Existing Neighborhood Regulating Plan Included.*

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, David Tidwell (owner name) on behalf of

Kali Kate Services, Inc (company, if applicable) acknowledge that I/we

am/are the rightful owner of the property located at

~~4505~~ Old Ranch Rd 12 San Marcos Tx (address).

I hereby authorize Bill E. Couch (agent name) on behalf of

Carlson, Brigance and Doering, Inc. (agent company) to file this application for

Zoning, Subdivision & PICP (application type), and, if necessary, to work with

the Responsible Official / Department on my behalf throughout the process.

Signature of Owner: [signature] Date: 1/6/20

Printed Name, Title: DAVID TIDWELL PRESIDENT
KALI KATE SERVICES INC.

Signature of Agent: [signature] Date: 1/6/2020

Printed Name, Title: Bill E. Couch, Senior Project Manager

Form Updated October, 2019

AGREEMENT TO THE PLACEMENT OF NOTIFICATION SIGNS AND ACKNOWLEDGEMENT OF NOTIFICATION REQUIREMENTS

The City of San Marcos Development Code requires public notification in the form of notification signs on the subject property, published notice, and / or personal notice based on the type of application presented to the Planning Commission and / or City Council.

- Notification Signs: if required by code, staff shall place notification signs on each street adjacent to the subject property and must be placed in a visible, unobstructed location near the property line. It is unlawful for a person to alter any notification sign, or to remove it while the request is pending. However, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements. ***It shall be the responsibility of the applicant to periodically check sign locations to verify that the signs remain in place had have not been vandalized or removed. The applicant shall immediately notify the responsible official of any missing or defective signs. It is unlawful for a person to alter any notification sign, or to remove it while the case is pending; however, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements.***

- Published Notice: if required by code, staff shall publish a notice in a newspaper of general circulation in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be published it may be at the expense of the applicant. The renotification fee shall be $91 plus a $13 technology fee.***

- Personal Notice: if required by code, staff shall mail personal notice in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be mailed it may be at the expense of the applicant. The renotification fee shall be $91 plus a $13 technology fee.***

I have read the above statements and agree to the required public notification, as required, based on the attached application. The City's Planning and Development Services Department staff has my permission to place signs, as required, on the property and I will notify City staff if the sign(s) is/are damaged, moved or removed. I understand the process of notification and public hearing and hereby submit the attached application for review by the City.

Signature: Bill E. Couch Date: 1-6-2020

Print Name: Bill E. Couch

Form Updated October, 2019

FIELD NOTES

BEING ALL OF THAT CERTAIN 0.999 ACRE (43,532 S.F.) TRACT OF LAND, SITUTATED THE BENJAMIN J. WHITE SURVEY NUMBER 13, ABSTRACT NUMBER 469, & THE ROBERT H. WILLIAMS SURVEY NUMBER 12, ABSTRACT NUMBER 470, HAYS COUNTY, TEXAS, BEING ALL OF A CALLED 1.00 ACRE TRACT OF LAND CONVEYED TO THAD WHEELOCK IN VOLUME 1453, PAGE 542, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, SAID 0.999 ACRE (43,532 S.F.) TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found at the southernmost corner of said 1.00 acre tract, being in the northwest line of Lot 24, Sendera Subdivision, recorded in Volume 6, Page 77, Plat Records of Hays County, Texas, same being at an eastern corner of a called 46.54 acre tract of land conveyed to Debra and Michael Moffitt in Volume 4252, Page 477, Official Public Records of Hays County, Texas, for the southernmost corner and the **POINT OF BEGINNING** of the herein described tract of land,

THENCE, along the common line of said 1.00 acre tract and said 46.54 acre tract, the following two (2) courses and distances, numbered 1 and 2,

1) N47°25'01"W, a distance of 172.16 feet to a 1/2 inch iron rod found at the westernmost corner of said 1.00 acre tract, being an interior corner of said 46.54 acre tract, for the westernmost corner of the herein described tract of land, and
2) N45°30'03"E, a distance of 257.58 feet to a calculated point at the northernmost corner of said 1.00 acre tract, being at an easternmost corner of said 46.54 acre tract, same being in the southwest line of Lot 1, R12 Plaza Subdivision, recorded in Volume 4, Page 264, Plat Records of Hays County, Texas, for the northernmost corner of the herein described tract of land,

THENCE, S47°21'31"E, along the southwest line of said Lot 1 and the northeast line of said 1.00 acre tract, a distance of 166.39 feet to a 1/2 inch iron rod found at the easternmost corner of said 1.00 acre tract, being in the northwest line of Lot 20, of said Sendera Subdivision, for the easternmost corner of the herein described tract of land,

THENCE, S44°13'10"W, along the northwest line of said Sendera Subdivision and the southeast line of said 1.00 acre tract, a distance of 257.18 feet to the **POINT OF BEGINNING** and containing 0.999 acres (43,532 S.F.) of land.

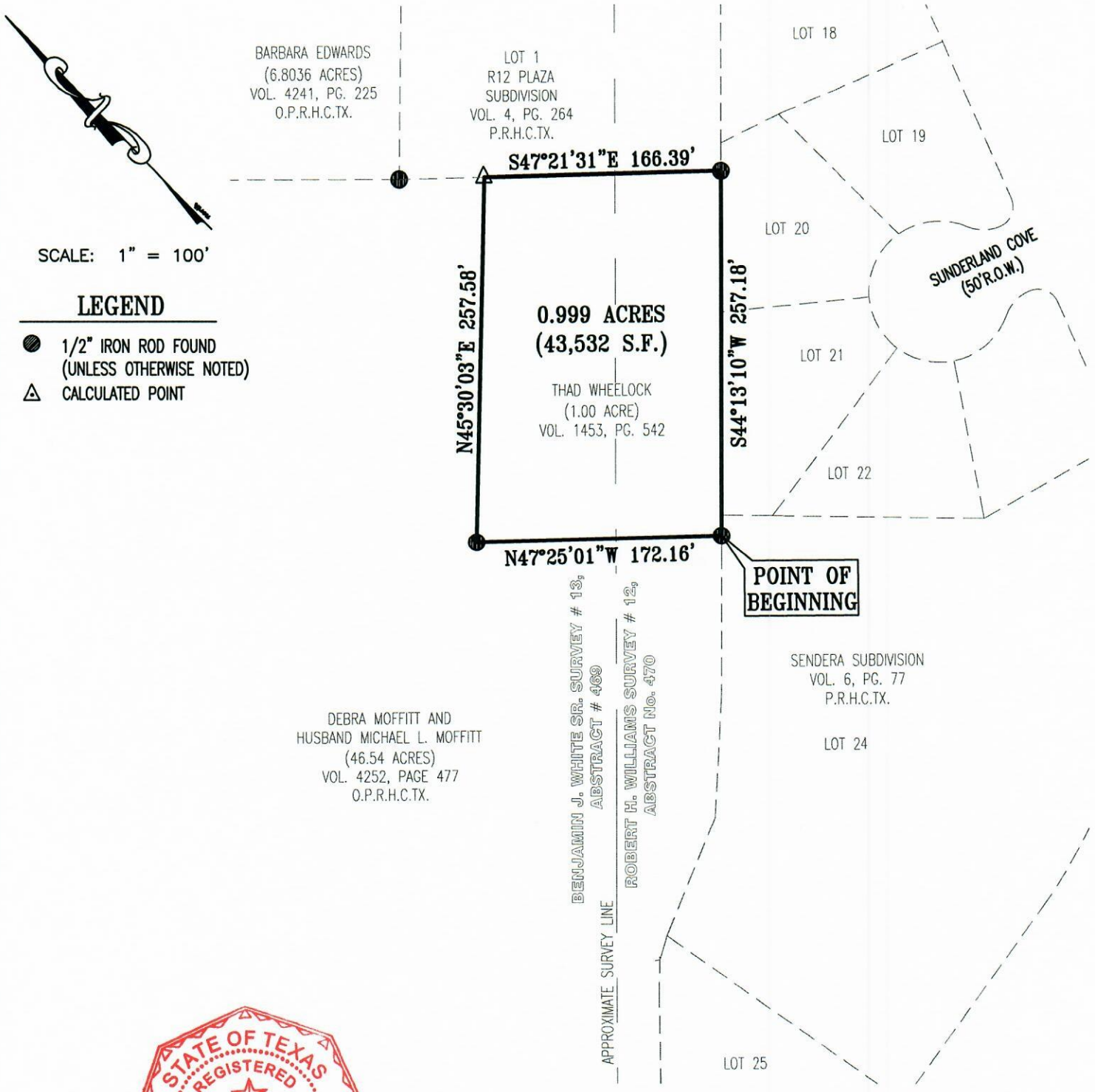
Surveyed by: 05 DEC 2019

Aaron Thomason, R.P.L.S. NO. 6214
Carlson, Brigance and Doering, Inc.
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160 Fax: 512-280-5165
Aaron@cbdeng.com

STATE OF TEXAS
REGISTERED
AARON V. THOMASON
6214
PROFESSIONAL
LAND SURVEYOR

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

SKETCH TO ACCOMPANY FIELD NOTES



STATE OF TEXAS
REGISTERED
AARON V. THOMASON
6214
PROFESSIONAL
LAND SURVEYOR

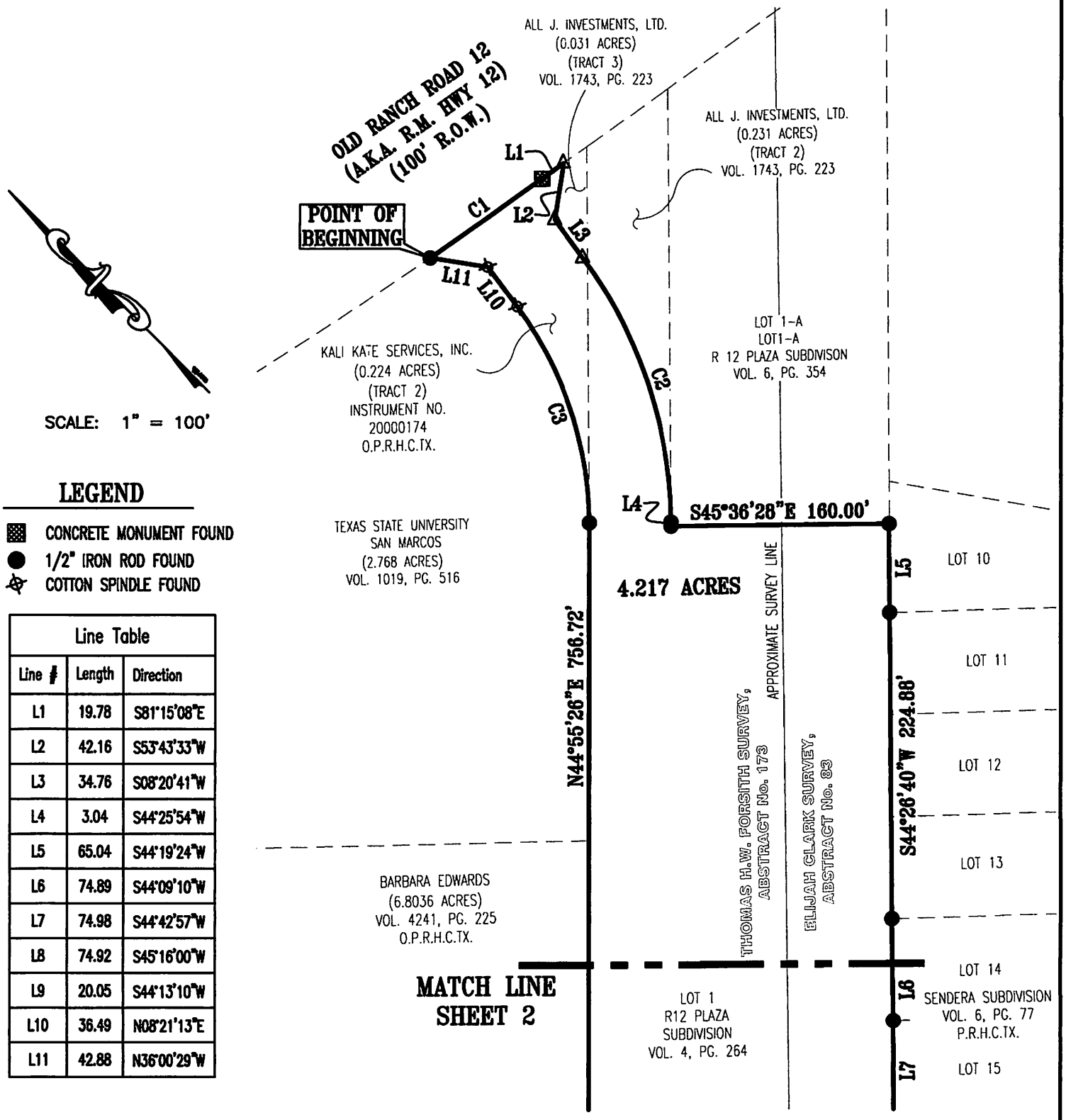
05 Dec 2019

BEARING BASIS: TEXAS COORDINATE SYSTEM SOUTH CENTRAL ZONE (4204), NAD83

Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ◆ REG. # 10024900
Civil Engineering ◆ Surveying
5501 West William Cannon ◆ Austin, Texas 78749
Phone No. (512) 280-5160 ◆ Fax No. (512) 280-5165

PATH:– J:AC3D\5130\SURVEY\FN – ZONING & ANNEXATION.DWG

SKETCH TO ACCOMPANY FIELD NOTES



LEGEND

- CONCRETE MONUMENT FOUND
- 1/2" IRON ROD FOUND
- COTTON SPINDLE FOUND

Line Table		
Line #	Length	Direction
L1	19.78	S81°15'08"E
L2	42.16	S53°43'33"W
L3	34.76	S08°20'41"W
L4	3.04	S44°25'54"W
L5	65.04	S44°19'24"W
L6	74.89	S44°09'10"W
L7	74.98	S44°42'57"W
L8	74.92	S45°16'00"W
L9	20.05	S44°13'10"W
L10	36.49	N08°21'13"E
L11	42.88	N36°00'29"W

Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C1	100.25	3869.99	S80°10'37"E	100.25	50.13	1°29'03"
C2	207.85	330.00	S26°23'17"W	204.43	107.50	36°05'13"
C3	169.93	270.00	N26°24'25"E	167.14	87.89	36°03'37"

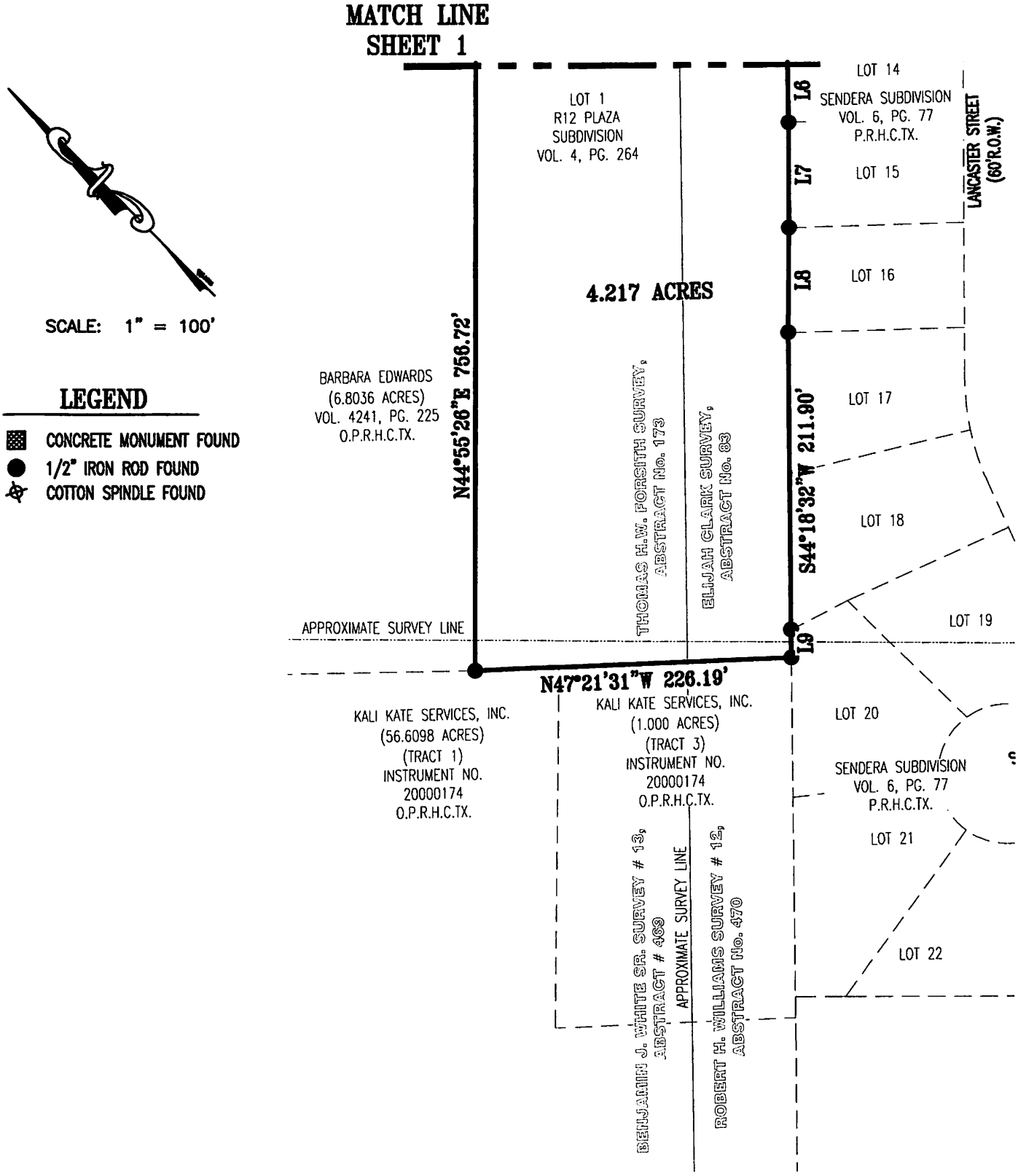
SHEET 1 OF 2

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ◆ REG. # 10024900
Civil Engineering ◆ Surveying
5501 West William Cannon ◆ Austin, Texas 78749
Phone No. (512) 280-5160 ◆ Fax No. (512) 280-5165

PATH:– J:AC3D\5130\SURVEY\FN– ZONING.DWG

SKETCH TO ACCOMPANY FIELD NOTES



SHEET 2 OF 2

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ◆ REG. # 10024900
Civil Engineering ◆ Surveying
5501 West William Cannon ◆ Austin, Texas 78749
Phone No. (512) 280-5160 ◆ Fax No. (512) 280-5165

PATH:– J:AC3D\5130\SURVEY\FN– ZONING.DWG

4.217 ACRES
BENJAMIN J. WHITE SURVEY NO. 13, ABSTRACT NO. 469
ROBERT H. WILLIAMS SURVEY NO. 12, ABSTRACT NO. 470
THOMAS H.W. FORSITH SURVEY, ABSTRACT NO. 173
ELIJAH CLARK SURVEY, ABSTRACT NO. 83
HAYS COUNTY, TEXAS

FIELD NOTES

BEING ALL OF THAT CERTAIN 4.217 ACRE TRACT OF LAND, SITUATED IN THE BENJAMIN J. WHITE SURVEY NUMBER 13, ABSTRACT NUMBER 469, THE ROBERT H. WILLIAMS SURVEY NUMBER 12, ABSTRACT NUMBER 470, THE THOMAS H. W. FORSITH SURVEY, ABSTRACT NO. 173, AND THE ELIJAH CLARK SURVEY, ABSTRACT NUMBER 83, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CALLED 0.224 ACRE TRACT OF LAND (TRACT 2) CONVEYED TO KALI KATE SERVICES, INC. IN DOCUMENT NUMBER 20000174, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, AND A PORTION OF LOT 1, R12 PLAZA SUBDIVISION, RECORDED IN VOLUME 4, PAGE 264, PLAT RECORDS OF HAYS COUNTY, TEXAS, SAID 4.217 ACRE TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found at the northwest corner of said 0.224 acre tract, being at a northeast corner of a called 2.768 acre tract of land conveyed to Texas State University at San Marcos in Volume 1019, Page 516, Official Public Records of Hays County, Texas, same being at a point of beginning of a curve to the left in the south right-of-way line of Old Ranch Road 12 (100' R.O.W.), for a northwest corner and the **POINT OF BEGINNING** of the herein described tract of land,

THENCE, with the common boundary line of said Old Ranch Road 12 and said 0.224 acre tract, the following two (2) courses and distance numbered 1 and 2,

1) Along said curve to the left, having a radius of 3869.99 feet, an arc length of 100.25 feet, and a chord that bears S80°10'37"E, a distance of 100.25 feet to a TXDOT concrete highway monument,
2) S81°15'08"E, a distance of 19.78 feet to a calculated point at the northeast corner of a called 0.031 acre tract of land conveyed to All J. Investments, Ltd. in Volume 1743, Page 223, Official Public Records of Hays County, Texas, being in the north line of said 0.224 acre tract, for a northeast corner of the herein described tract of land,

THENCE, with the west line of said 0.031 acre tract, the west line of a called 0.231 acre tract of land conveyed to All J. Investments, Ltd. in Volume 1743, Page 223, Official Public Records of Hays County, Texas, over and across said 0.224 acre tract of land, and over and across said Lot 1, the following three (3) courses and distances, numbered 1 through 3,

1) S53°43'33"W, a distance of 42.16 feet to a calculated point at a western corner of said 0.031 acre tract, and
2) S08°20'41"W, a distance of 34.76 feet to a calculated point at the beginning of a curve to the right, and
3) Along said curve to the right, having a radius of 330.00, an arc length of 207.85 feet, and a chord that bears S26°23'17"W, a distance of 204.43 feet to a 1/2 inch iron rod found at a south corner of said 0.231 acre tract of land, being in the northwest line of Lot 1A, Lot 1-A R 12 Plaza Subdivision, a subdivision recorded in Volume 6, Page 354, Plat Records of Hays County, Texas, for an interior corner of the herein described tract of land,

THENCE, S44°25'54"W, with the northwest line of said Lot 1-A, and over and across said Lot 1, a distance of 3.04 feet to a 1/2 inch iron rod found at the westernmost corner of said Lot 1-A, for an interior corner of the herein described tract of land,

THENCE, S45°36'28"E, with the southwest line of said Lot 1-A and over and across said Lot 1, a distance of 160.00 feet to a 1/2 inch iron rod found at the southernmost corner of said Lot 1-A, being in the southeast line of said Lot 1, same being in the northwest line of Lot 10, Sendera Subdivision, a subdivision recorded in Volume 6, Page 77, Plat Records of Hays County, Texas, for an eastern corner of the herein described tract of land,

THENCE, with the southeast line of said Lot 1 and the northwest line of said Sendera Subdivision, the following seven (7) courses and distances, numbered 1 through 7,

1) S44°19'24"W, a distance of 65.04 feet to a 1/2 inch iron rod found for corner,
2) S44°26'40"W, a distance of 224.88 feet to a 1/2 inch iron rod found for corner,
3) S44°09'10"W, a distance of 74.89 feet to a 1/2 inch iron rod found for corner,
4) S44°42'57"W, a distance of 74.98 feet to a 1/2 inch iron rod found for corner,
5) S45°16'00"W, a distance of 74.92 feet to a 1/2 inch iron rod found for corner,
6) S44°18'32"W, a distance of 211.90 feet to a 1/2 inch iron rod found for corner, and
7) S44°13'10"W, a distance of 20.05 feet to a 1/2 inch iron rod found at the southernmost corner of said Lot 1, being in the northwest line of Lot 20, said Sendera Subdivision, and being at the easternmost corner of a called 1.00 acre tract of land (Tract 3) conveyed to Kali Kate Services, Inc. in Document Number 20000174, Official Public Records of Hays County, Texas, for the southernmost corner of the herein described tract of land,

THENCE, N47°21'31"E, along the southwest line of said Lot 1, the northeast line of said 1.00 acre tract, and the northeast line of a called 56.6098 acre tract of land (Tract 1) conveyed to Kali Kate Services, Inc. in Document Number 20000174, Official Public Records of Hays County, Texas, a distance of 226.19 feet to a 1/2 inch iron rod in the northeast line of said 46.54 acre tract, being at the westernmost corner of said Lot 1, same being at the southernmost corner of a called 6.8036 acre tract of land conveyed to Barbara Edwards in Volume 4241, Page 225, Official Public Records of Hays County, Texas,

THENCE, N44°55'26"E, with the northwest line of said Lot 1 and the southeast line of said 6.8036 acre tract, passing the easternmost corner of said 6.8036 acre tract and the southernmost corner and continuing for a total distance of 756.72 feet to a 1/2 inch iron rod found at the beginning of a curve to the left, being at the westernmost corner of the aforementioned 0.224 acre tract of land, for a northwestern corner of the herein described tract of land,

THENCE, with the common line of said 2.768 acre tract and said 0.224 acre tract, the following three (3) courses and distances, numbered 1 through 3,

1) Along said curve to the left, having a radius of 270.00 feet, an arc length of 169.93 feet, and a chord that bears N26°24'25"E, a distance of 167.14 feet to a cotton spindle found in asphalt,
2) N08°21'13"E, a distance of 36.49 feet to a cotton spindle found in asphalt, and
3) N36°00'29"W, a distance of 42.88 feet to the **POINT OF BEGINNING**, and containing 4.217 acres of land.

Surveyed by: _____

Derrick L. Mayfield, R.P.L.S. NO. 6456
Carlson, Brigance and Doering, Inc.
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160 Fax: 512-280-5165
dlmayfield@cbdeng.com

STATE OF TEXAS
REGISTERED
DERRICK L. MAYFIELD
6456
PROFESSIONAL
LAND SURVEYOR

BEARING BASIS: TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD83

File #: Ord. 2020-32, **Version:** 1

AGENDA CAPTION:
Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-32, annexing into the City approximately 9.61 acres of land, generally located in the 400 Block of Centerpoint Road; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-32, on the first of two readings.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding
Funds Required: n/a
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative: n/a

Comprehensive Plan Element (s):

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☒ Land Use - Direct Growth, Compatible with Surrounding Uses

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: n/a

Choose an item.

Background Information:

This is a request for a voluntary annexation submitted by Benjamin Green on behalf of Outlet West Investors Limited for approximately 9.610 +/- acres of land out of the Edward Burleson Survey No. 18, Abstract No. 63, Hays County, generally located generally located in the 400 Block of Centerpoint Road.

The City of San Marcos will provide water and wastewater services at the site. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric will provide electric service for this development.

The City of San Marcos will provide Police, Fire, and EMS services to the site.

Below is a proposed schedule for this annexation, which complies with the Texas Local Government Code requirements:

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** April 21, 2020 (Approved)
- **City Council Ordinance 1st Reading (Public Hearing):** May 19, 2020 (Today)
- **City Council Ordinance 2nd Reading:** June 2, 2020

Council Committee, Board/Commission Action:

n/a

Alternatives:

n/a

Recommendation:

Staff recommends **approval** of the voluntary annexation request.

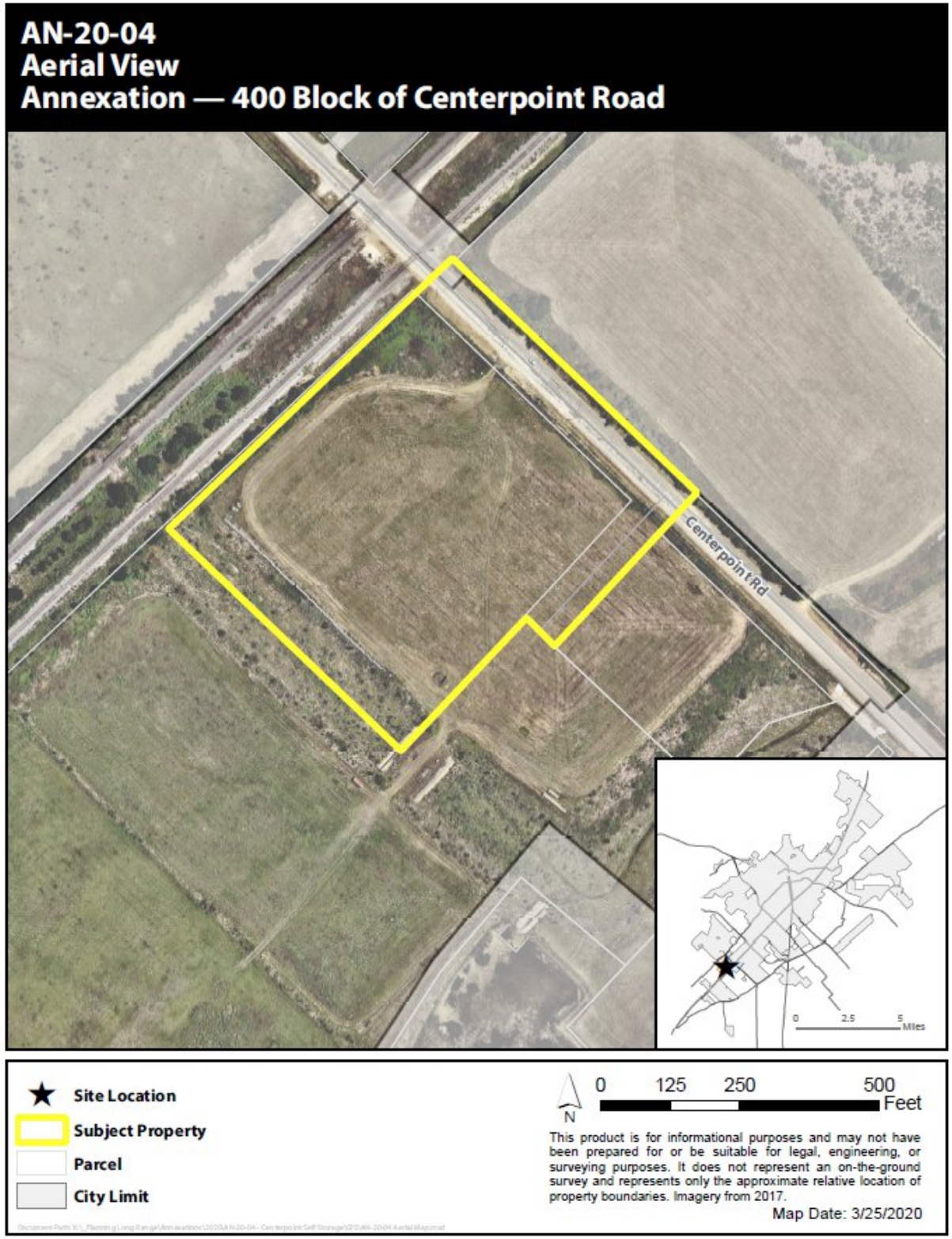
AN-20-04 (Centerpoint Annexation)

Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-XX, annexing into the City approximately 9.61 acres out of the Edward Burleson Survey No. 18, Abstract No. 63, Hays County, generally located in the 400 Block of Centerpoint Road; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-XX on the first of two readings.

SAN MARCOS

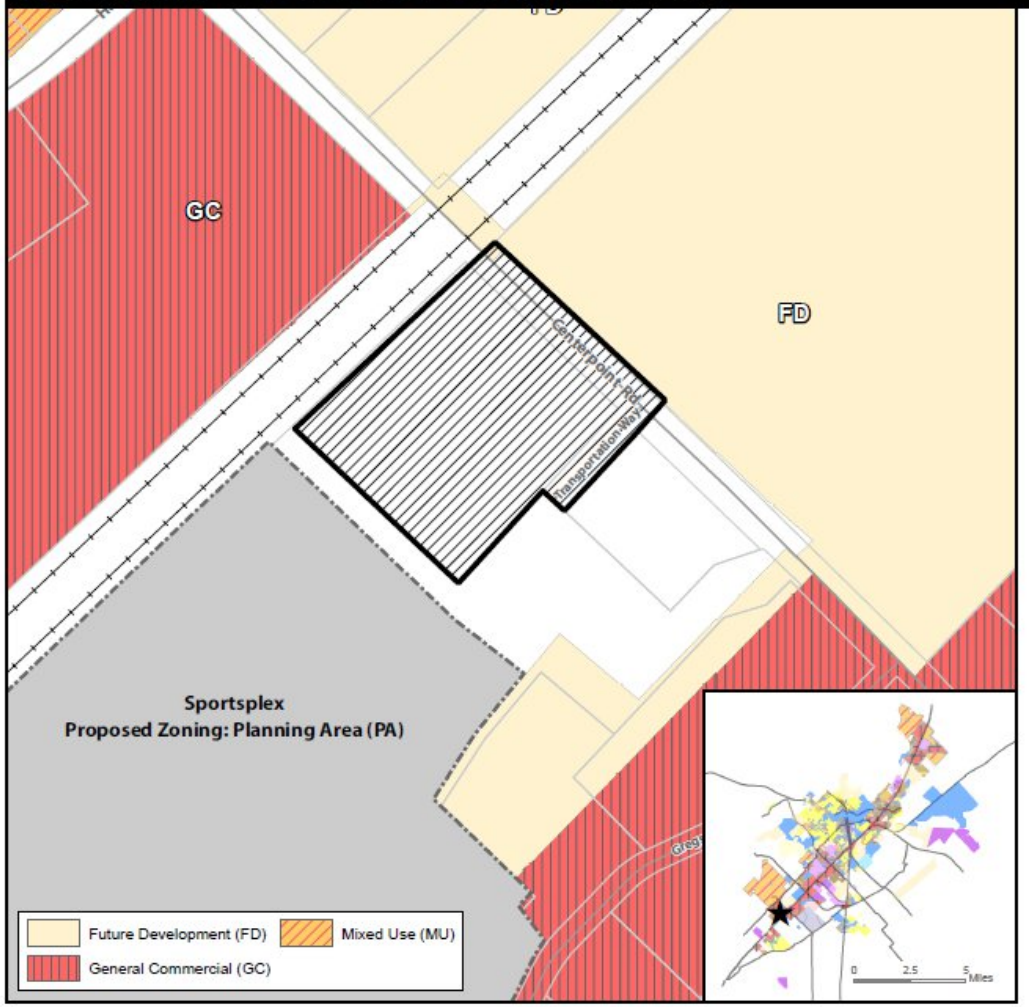
Context:

- 400 Block of Centerpoint Road
- 9.610 acres
- Applicant proposes to develop property as self-storage
- Requesting Heavy Commercial (HC) Zoning concurrently with annexation request
- Service Plan (Attachment)



SAN MARCOS

AN-20-04
Existing Zoning Map
Annexation — 400 Block of Centerpoint Road



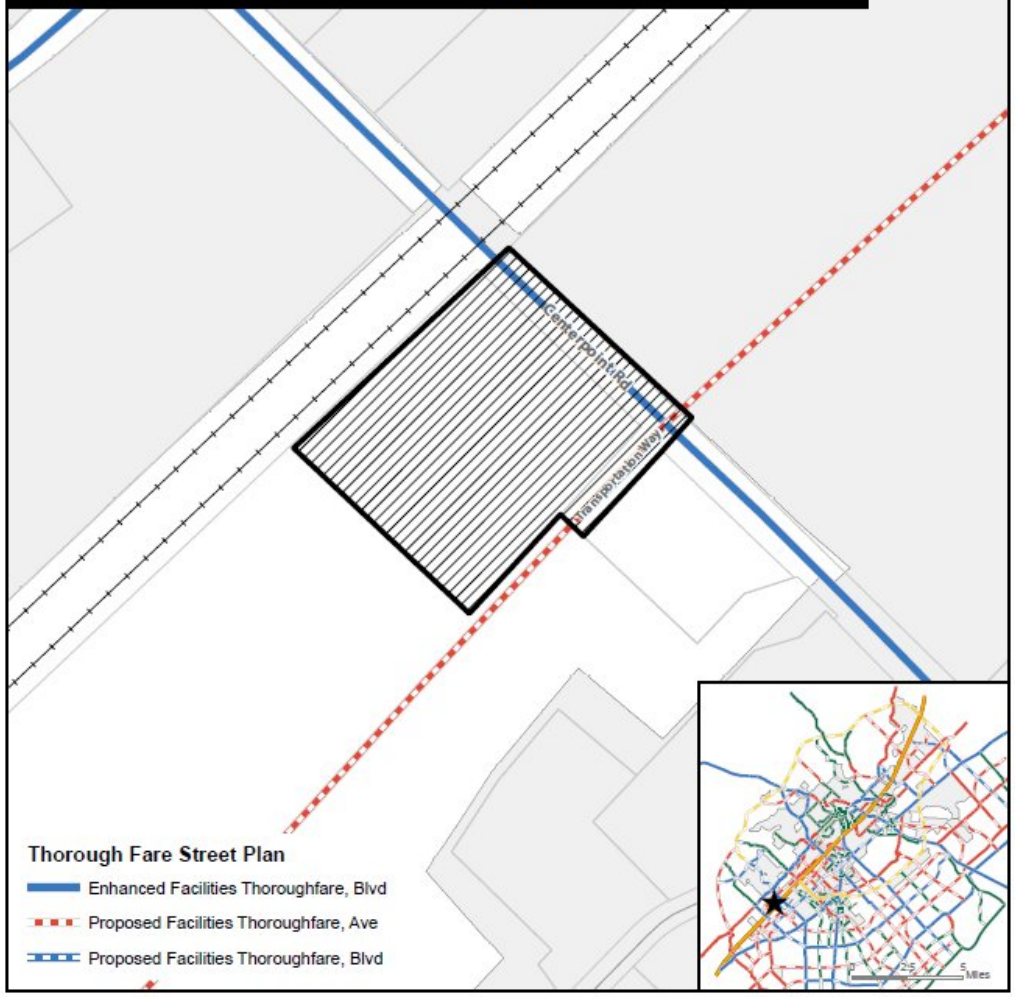
★ Site Location
Subject Property
Parcels
City Limit

N
0 190 380 760 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 3/25/2020

AN-20-04
Transportation Master Plan
Annexation - 400 Block of Centerpoint Road



Subject Property
Parcels
City Limit

N
0 175 350 700 Feet

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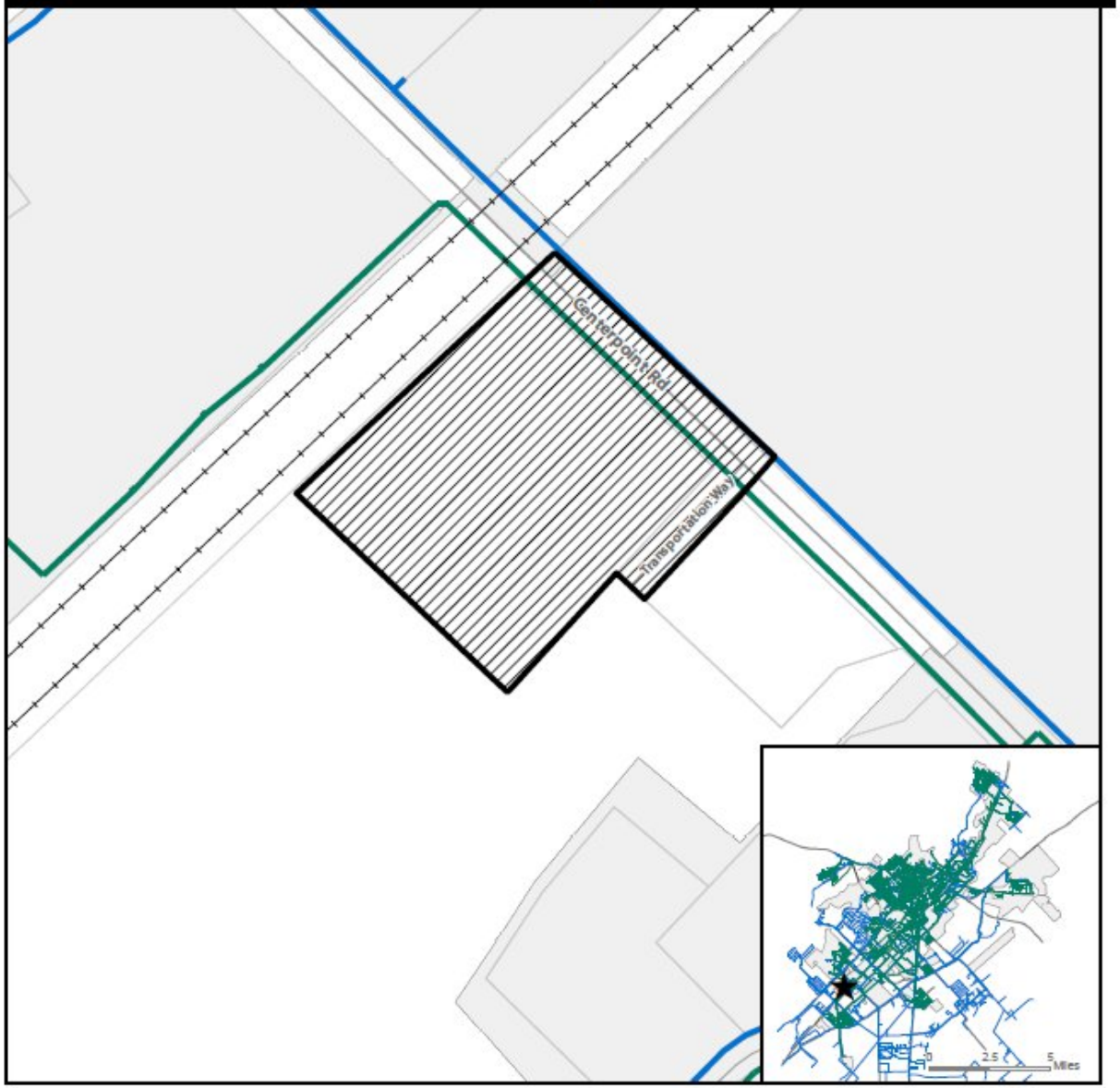
Map Date: 3/25/2020

SAN MARCOS

AN-20-04
Water/Wastewater Lines
Annexation — 400 Block of Centerpoint Road



Site Location
Subject Property
Parcels
City Limit
Sanitary Main
Water Main

N

0 160 320 640 Feet

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Map Date: 3/25/2020

Annexation & Zoning Schedules:

**This schedule reflects the new annexation schedule per Texas House Bill 347*

Annexation Schedule

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** April 21, 2020 *(Approved)*
- **City Council Ordinance 1st Reading (Public Hearing):** May 19, 2020 *(Today)*
- **City Council Ordinance 2nd Reading:** June 2, 2020

Zoning Schedule

- **Planning and Zoning Commission (Public Hearing):** April 28, 2020
- **City Council Ordinance 1st Reading (Public Hearing):** May 19, 2020 *(Today)*
- **City Council Ordinance 2nd Reading:** June 2, 2020

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS ANNEXING INTO THE CITY APPROXIMATELY 9.61 ACRES OF LAND, GENERALLY LOCATED IN THE 400 BLOCK OF CENTERPOINT ROAD; INCLUDING PROCEDURAL PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

1. The owner of approximately 9.61 acres of land generally located in the 400 Block of Centerpoint Road, as further described by metes and bounds in Exhibit "A," attached hereto and incorporated herein for all purposes (the "Property"), made a request for the City to annex the Property.

2. Said owner of the Property has declined the offer of a development agreement from the City concerning the Property.

3. Said owner and the City have entered into a written agreement for the provision of services to the Property.

4. The Property is contiguous and adjacent to the current boundaries of the City.

5. The City Council held a public hearing regarding the request.

6. The City Council hereby finds and determines that the adoption of the following ordinance is in the interest of the public health, morals, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The recitals of this ordinance are approved and adopted.

SECTION 2. The Property is annexed to and is a part of the City of San Marcos, Texas and subject to the acts, ordinances, resolutions and regulations of the City.

SECTION 3. Services to the Property will be provided under the terms of the written agreement for the provision of services entered into between the owner of the Property and the City as noted in Recital 3.

SECTION 4. The corporate limits of the City are extended to include the Property.

SECTION 5. The inhabitants of the Property are entitled to all the rights and privileges of other citizens of the City, and are bound by the acts, ordinances, resolutions and regulations of the City.

SECTION 6. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 7. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 8. This ordinance shall not be effective unless and until the date (the "Effective Date") that all of the following conditions (the "Conditions") have been satisfied: (i) this ordinance is finally passed, approved and adopted on second reading, and (ii) Outlet West Investors, Ltd. has conveyed fee title to the Property to CBTX Capital, LLC, or its permitted assigns, pursuant to that certain Commercial Contract – Unimproved Property between Outlet West Investors, Ltd. and CBTX Capital, LLC with an effective date of November 22, 2019, as such contract may be amended. In the event that all the Conditions have not been fully satisfied by April 2, 2021, then this ordinance shall be null and void and of no further force or effect.

PASSED AND APPROVED on first reading on May 19, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 2, 2020.

Jane Hughson
Mayor

Attest:

Approved:

Tammy K. Cook
Interim City Clerk

Michael Cosentino
City Attorney

EXHIBIT "A"
Property Description

ASH & ASSOCIATES
SURVEYING - PLANNING - ARCHITECTURE
"Serving the Community of Texas"
142 Jackson Lane
San Marcos, Texas 78666
Phone: 512-392-1719
ashandassociates.net

STATE OF TEXAS **9.610 ACRES**
COUNTY OF HAYS **EDWARD BURLESON SURVEY**
NO. 18 - ABSTRACT # 63

BEING 9.610 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A 7.959 ACRE PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 21, 1998 AND RECORDED IN VOLUME 1486, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND BEING A 1.153 ACRE PORTION OF CENTERPOINT ROAD, A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY, AND ALSO BEING ALL THAT 0.498 ACRE PORTION OF TRANSPORTATION WAY, A DEDICATED 76 FOOT PUBLIC RIGHT-OF-WAY AS SHOWN BY PLAT OF LOT 2, LOWMAN RANCH SUBDIVISION, SECTION TWO, AN ADDITION TO HAYS COUNTY, TEXAS ACCORDING TO THE MAP THEREOF RECORDED IN VOLUME 18, PAGE 17, HAYS COUNTY PLAT RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found with cap marked "BYRN" at the intersection of the southwest line of Centerpoint Road, a variable width public right-of-way, as widened and described in Exhibit 'A' in Lis Pendens Notice recorded in Volume 2571, Page 69, Official Public Records, Hays County, Texas, with the southeast line of said Transportation Way, for the east corner of the 9.611 acre herein described tract of land;

THENCE South 43°34'30" West (S 45°34'23" W Record), at a distance of 10.30 feet passing the north corner of said Lot 2, Lowman Ranch Section Two, and a common corner of the right-of-way of said Centerpoint Road, and continuing on for a total distance of **285.43 feet** (285.35' Record) to a 1/2" iron rod found with cap marked "BYRN" at the west corner of said Lot 2 and a common south corner of said Transportation Way, for a south corner of the herein described tract of land;

THENCE North 46°26'02" West (N 46°25'37" W Record), a distance of **75.99 feet** (76.00' Record) to a 1/2" iron rod found with cap marked "BYRN" at the west corner of said Transportation Way, for an interior corner of the herein described tract of land;

THENCE South 43°34'33" West (S 43°34'23" W Record), with the projection of the northwest line of said proposed Transportation Way, at a distance of 250.54 feet passing a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of said proposed Transportation Way with the northeast line of a drainage easement described in Exhibit 'A' of the Instrument recorded in Volume 4389, Page 592 of the Hays County Real Property Records, and continuing on in all a total distance of **330.51 feet** to the approximate centerline of said drainage easement, for the south corner of the herein described tract of land;

THENCE North 46°29'00" West (N 45°58'03" W Record), with the approximate centerline of said drainage easement, a distance of **577.62 feet** to the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, for the west corner of the herein described tract of land, and from which a 1/2" iron rod found with cap marked "BYRN" at a west corner of said drainage easement bears South 46°38'05" West (S 47°09'14" W Record), a distance of 80.09 feet (80.12' Record);

THENCE with the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, the following courses and distances numbered **(1)** and **(2)**:

1) North 46°38'05" East (N 47°09'14" E Record), a distance of **80.09 feet** (80.12' Record) to a 1/2" iron rod found with cap marked "BYRN" at a north corner of said drainage easement;

2) North 46°39'10" East (N 47°08'53" E Record), a distance of **540.99 feet** to a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract with the southwest line of aforesaid Centerpoint Road, as widened, and from which the north corner of said Outlet West Investors, Ltd. called 109.22 acre tract bears North 46°39'10" East (N 47°08'53" E Record), a distance of 27.30 feet;

THENCE North 46°39'10" East (N 47°08'53" E Record), with the projection of the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, at a distance of 27.30 feet passing the record north corner of said Outlet West Investors, Ltd. called 109.22 acre tract, crossing said Centerpoint Road, and continuing on for a total distance of **82.22 feet** to a wire fence in the northeast line of said roadway, for the north corner of the herein described tract of land, same being in the southwest line of that certain called 63.133 acre tract of land conveyed as "Tract 1" in a deed to San Marcos Land Associates recorded in Volume 1060, Page 848 of the Deed Records of Hays County, Texas, and from which a steel corner fence post at the west corner of said San Marcos Land Associates called 63.133 acre tract bears, North 45°52'41" West, a distance of 0.43 feet;

THENCE South 45°52'41" East (S 44°21'26" E Record), with the northeast line of said Centerpoint Road and the common southwest line of said San Marcos Land Associates called 63.133 acre tract, along the meanders of a wire fence, a distance of **615.92 feet** to the intersection of said common line with the projection of the southeast line of the aforementioned Transportation Way, dedicated 76 foot public right-of-way, for the east corner of the herein described tract of land;

THENCE South 43°34'33" West, along the projection of the of the northwest line of said Transportation Way, crossing said Centerpoint Road, at a distance of 53.16 feet passing the record northeast line of aforesaid Outlet West Investors, Ltd. called 109.22 acre tract, and continuing on for a total distance of **79.86 feet** to the **POINT OF BEGINNING** and **CONTAINING 9.610 ACRES OF LAND**.

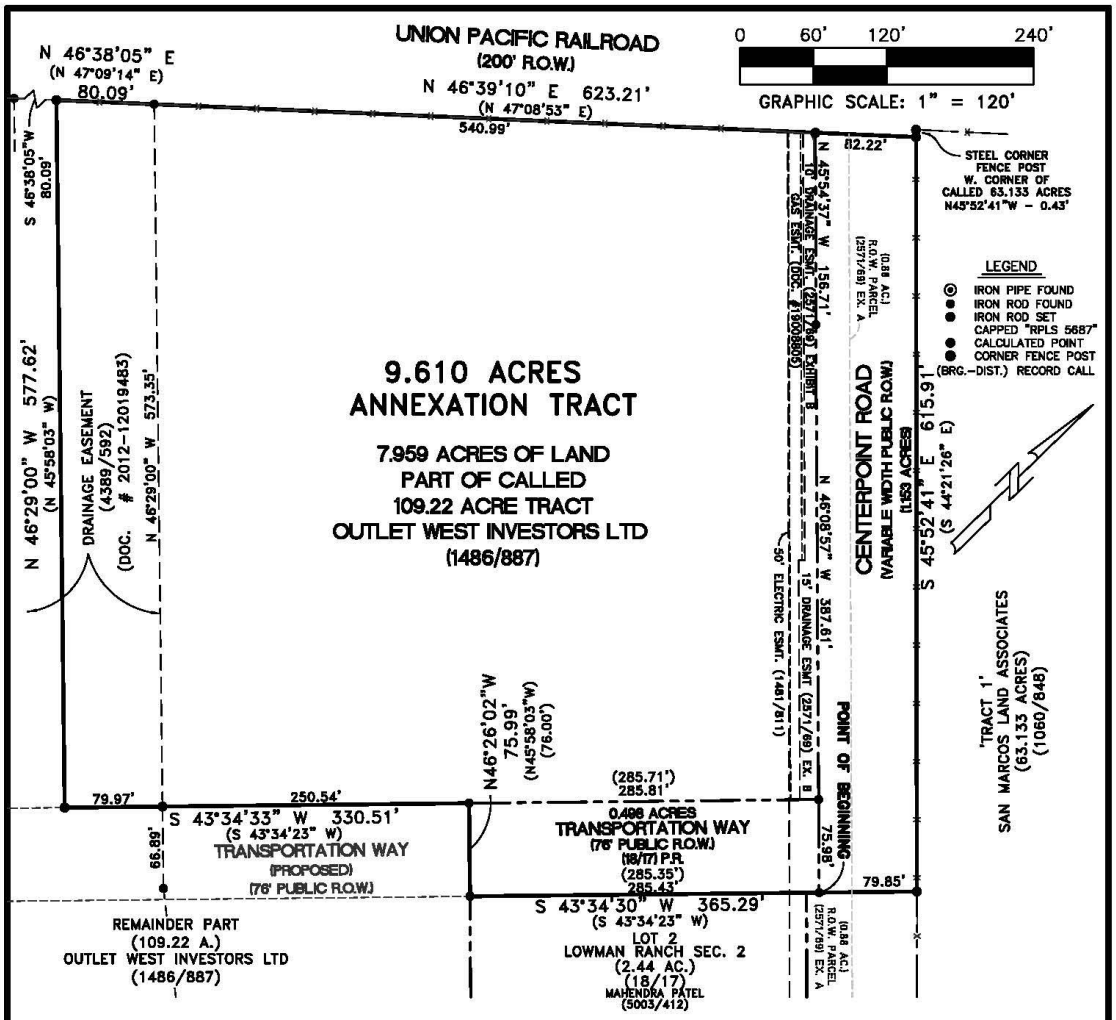
BEARING BASIS HEREIN DERIVED BY GPS MEASUREMENTS ADJUSTED BY HARN (HIGH ACCURACY REFERENCE NETWORK) & PROJECTED TO TEXAS STATE PLANE COORDINATES (TEXAS SOUTH CENTRAL ZONE) & NAD83.

I, Richard H. Taylor, do certify that this description and associated exhibit were prepared this date from a boundary survey performed under my direction during December 2019, and is true and correct to the best of my knowledge and belief.

Richard H. Taylor
Registered Professional Land Surveyor
No. 3986 State of Texas
Attachment: Drawing of 9.610 Acre Annexation Tract
Job: 19-7284

04/02/2020
Date

STATE OF TEXAS
REGISTERED
RICHARD TAYLOR
3986
PROFESSIONAL
LAND SURVEYOR



MAP TO ACCOMPANY DESCRIPTION OF:

9.610 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A 7.959 ACRE PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 21, 1998 AND RECORDED IN VOLUME 1486, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND BEING A 1.153 ACRE PORTION OF CENTERPOINT ROAD, A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY, AND ALSO BEING ALL THAT 0.498 ACRE PORTION OF TRANSPORTATION WAY, A DEDICATED 76 FOOT PUBLIC RIGHT-OF-WAY AS SHOWN BY PLAT OF LOT 2, LOWMAN RANCH SUBDIVISION, SECTION TWO, AN ADDITION TO HAYS COUNTY, TEXAS ACCORDING TO THE MAP THEREOF RECORDED IN VOLUME 18, PAGE 17, HAYS COUNTY PLAT RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS ATTACHED:

NOTES:

1) BEARING BASIS DERIVED BY GPS MEASUREMENTS ADJUSTED BY HARN (HIGH ACCURACY REFERENCE NETWORK) & PROJECTED TO TEXAS STATE PLANE COORDINATES & NAD83.

I, RICHARD H. TAYLOR, DO HEREBY CERTIFY THAT THIS PLAT OF THE PROPERTY SHOWN HEREON, WAS PREPARED THIS FROM A SURVEY PERFORMED UNDER MY DIRECTION AND SUPERVISION DURING DECEMBER, 2019, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

04/02/2020
DATE

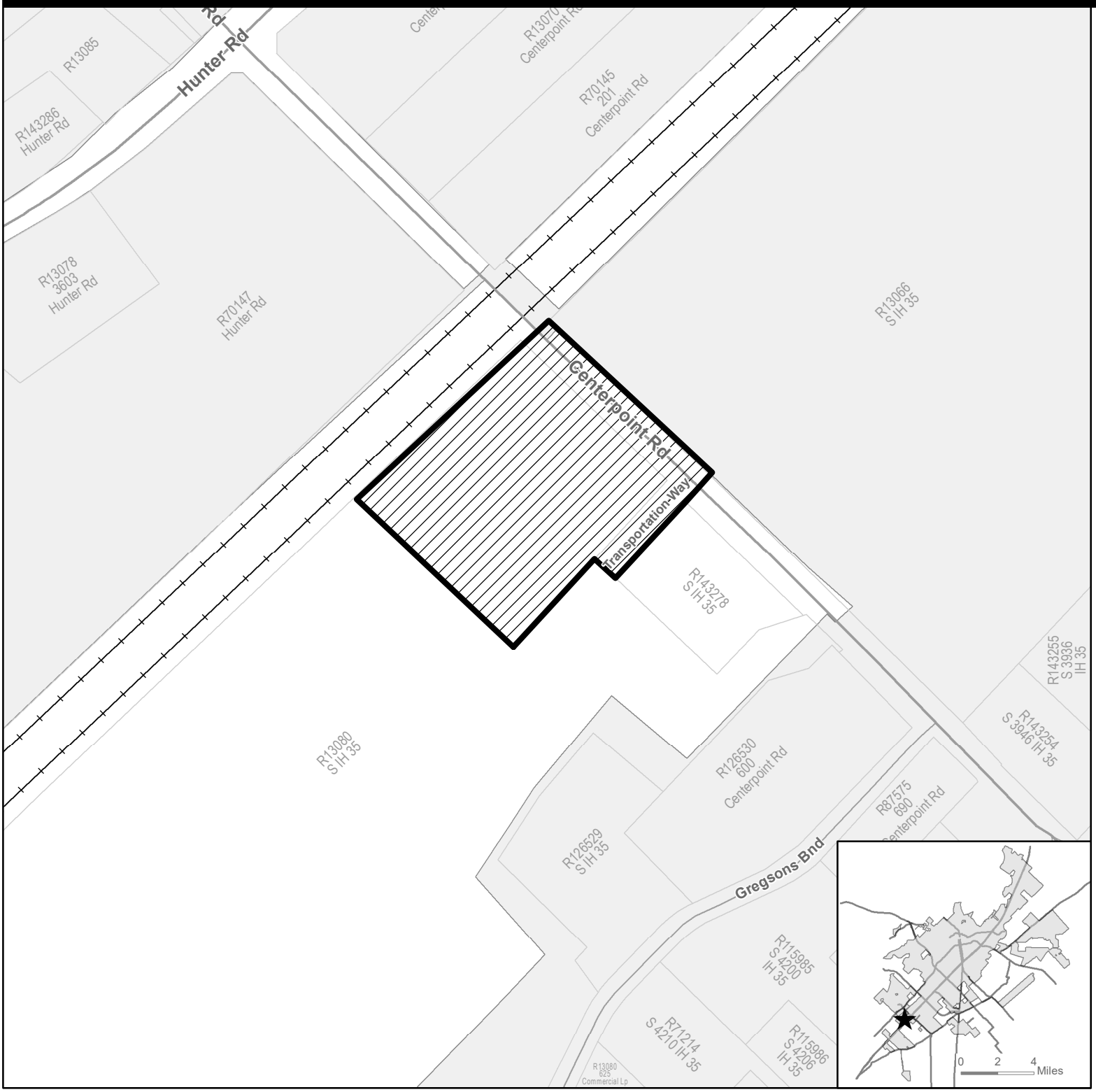
RICHARD H. TAYLOR, RPLS
REGISTERED PROFESSIONAL LAND SURVEYOR
NUMBER 3986 STATE OF TEXAS
©:ASH & ASSOCIATES, L.L.C.

STATE OF TEXAS REGISTERED RICHARD TAYLOR 3986 PROFESSIONAL LAND SURVEYOR

ASH & ASSOCIATES
SURVEYING - PLANNING - ARCHITECTURE
142 JACKSON LANE
SAN MARCOS, TEXAS 78666
(512) 392-1719
ashandassociates.net
Surveying: 100847-00
Architecture: TX20240
"SERVING THE COMMUNITY OF TEXAS"

JOB NO: 19-7284 DRAWN BY: RHT FB: FILE

AN-20-04
Location Map
Annexation — 400 Block of Centerpoint Road



★ **Site Location**

Subject Property

Parcel

City Limit

N

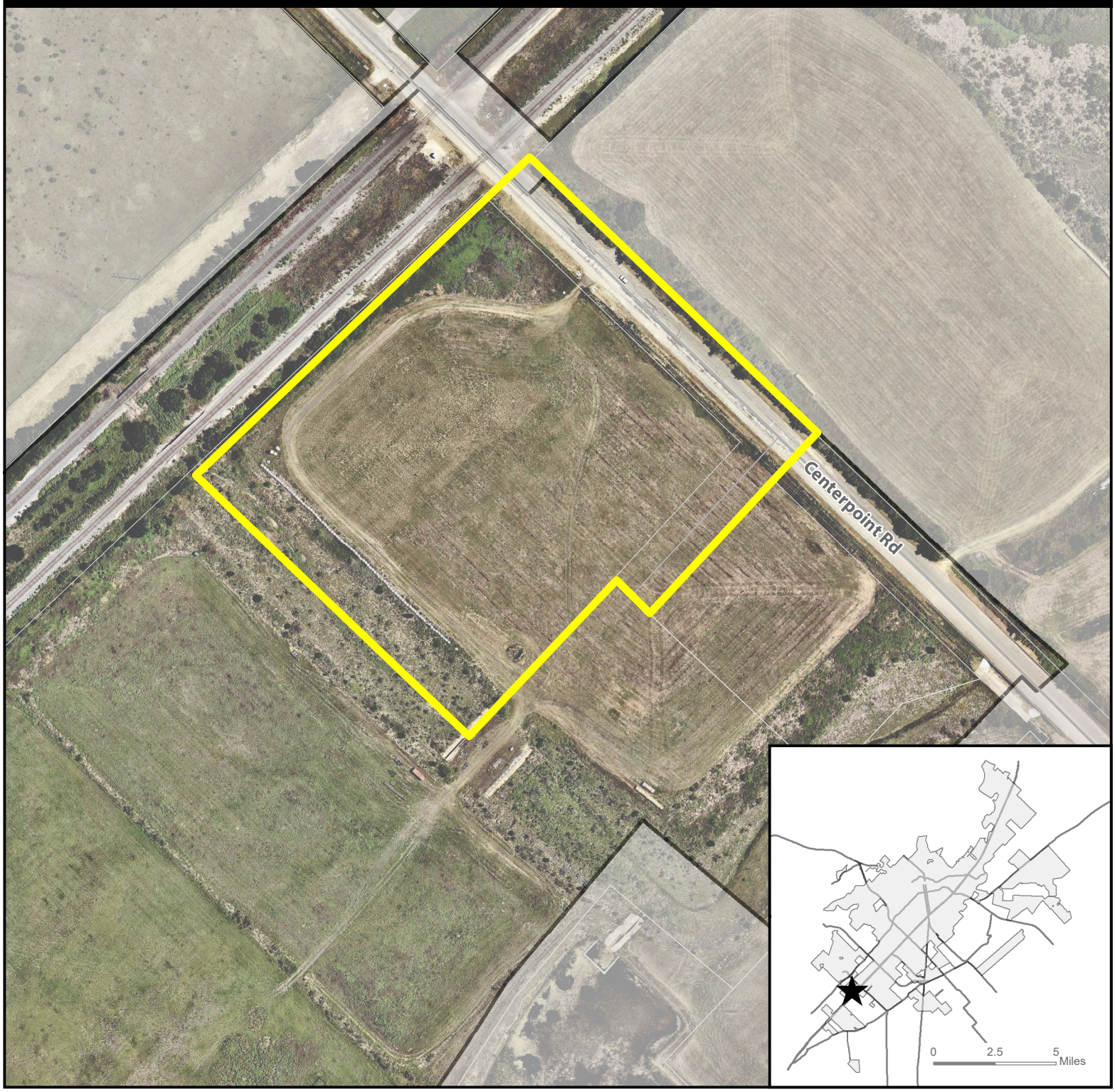
0 215 430 860 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-04 - Centerpoint Self Storage\GIS\AN-20-04 LocationMap.mxd

AN-20-04
Aerial View
Annexation — 400 Block of Centerpoint Road



★ **Site Location**

Subject Property

Parcel

City Limit

N

0 125 250 500 Feet

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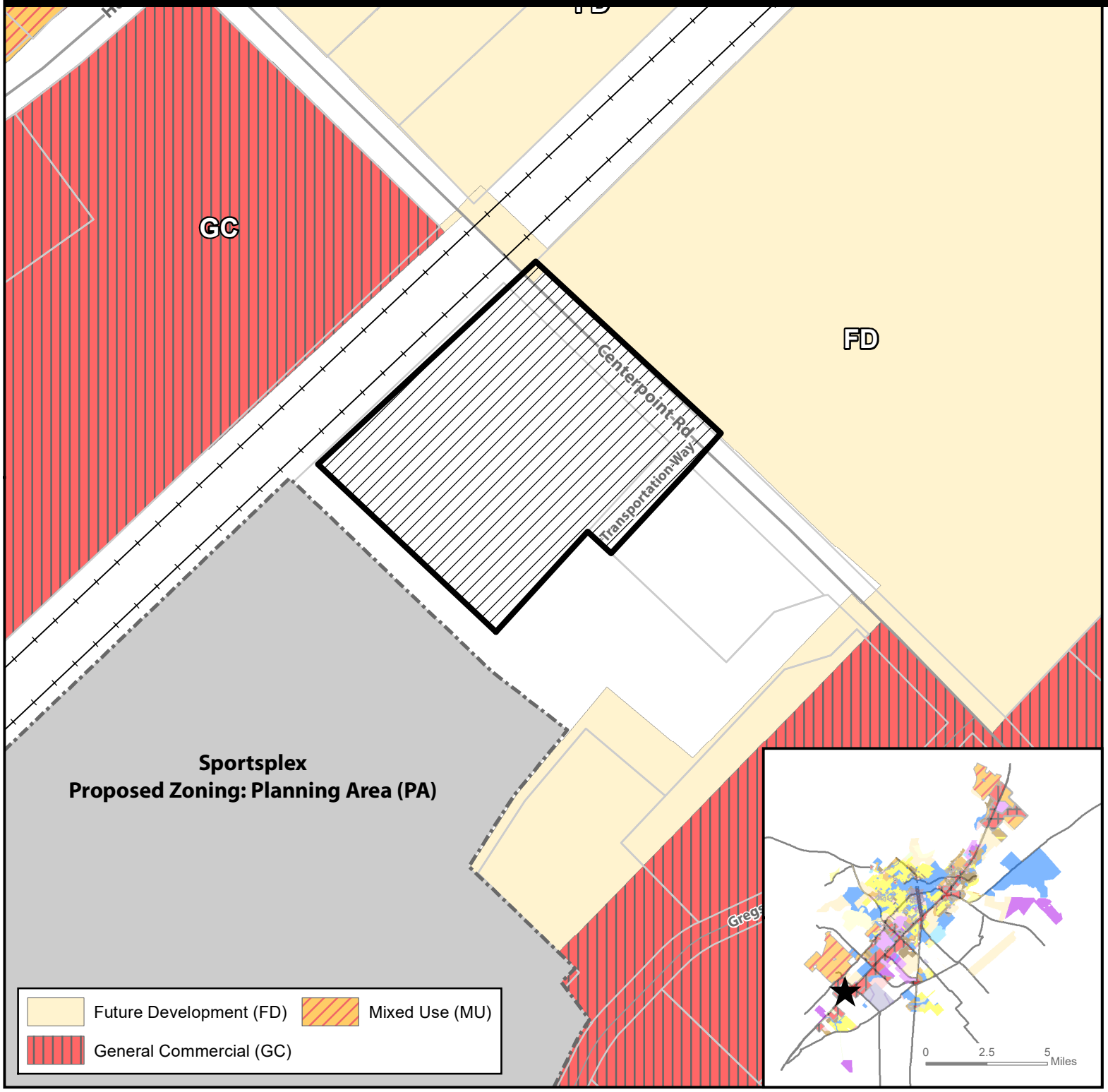
Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-04 - Centerpoint Self Storage\GIS\AN-20-04 Aerial Map.mxd

AN-20-04
Existing Zoning Map
Annexation — 400 Block of Centerpoint Road



★ **Site Location**

Subject Property

Parcels

City Limit

N

0 190 380 760 Feet

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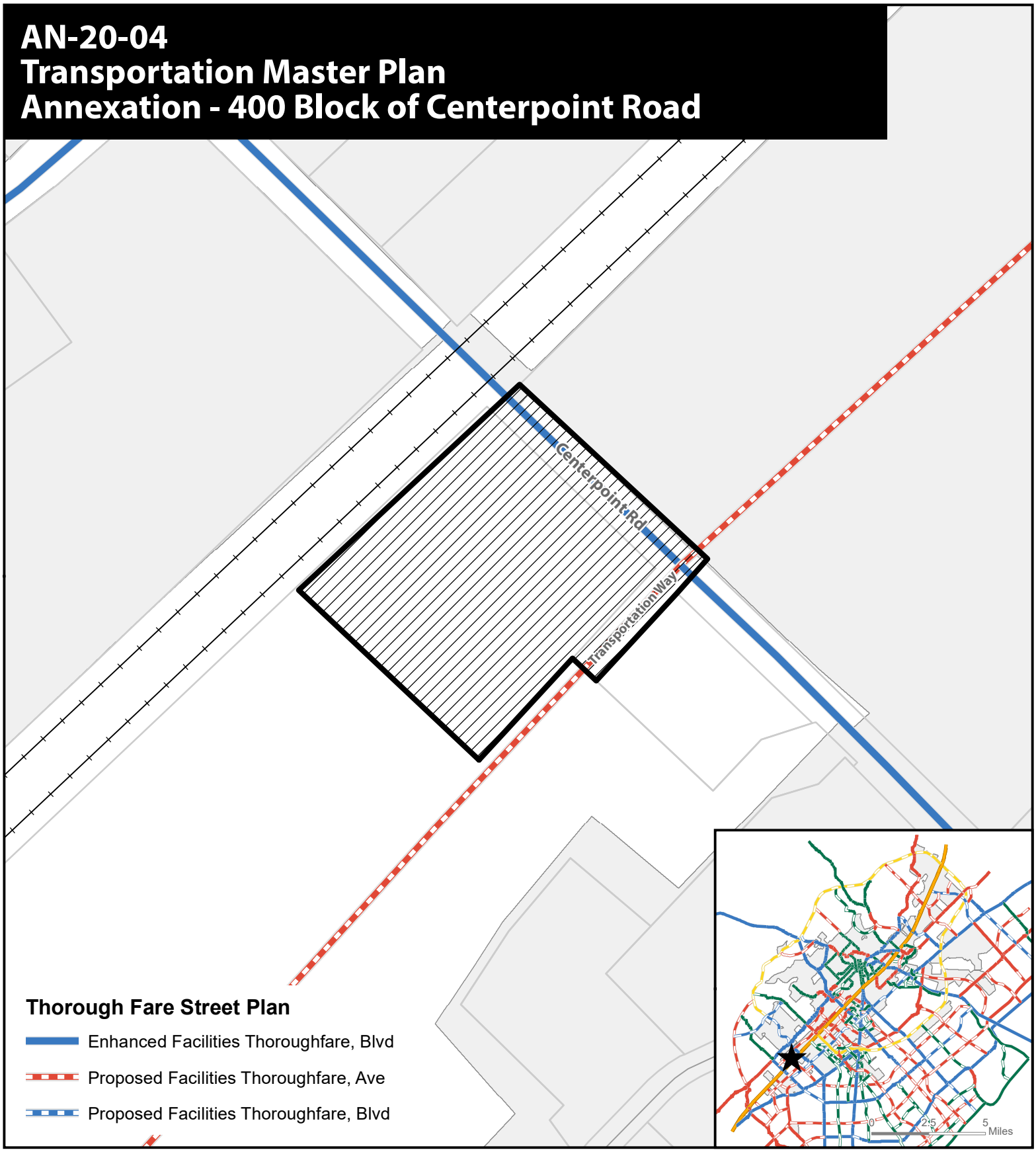
Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-04 - Centerpoint Self Storage\GIS\AN-20-04 ExistingZoning.mxd

AN-20-04
Transportation Master Plan
Annexation - 400 Block of Centerpoint Road



Subject Property

Parcels

City Limit

N

0 175 350 700 Feet

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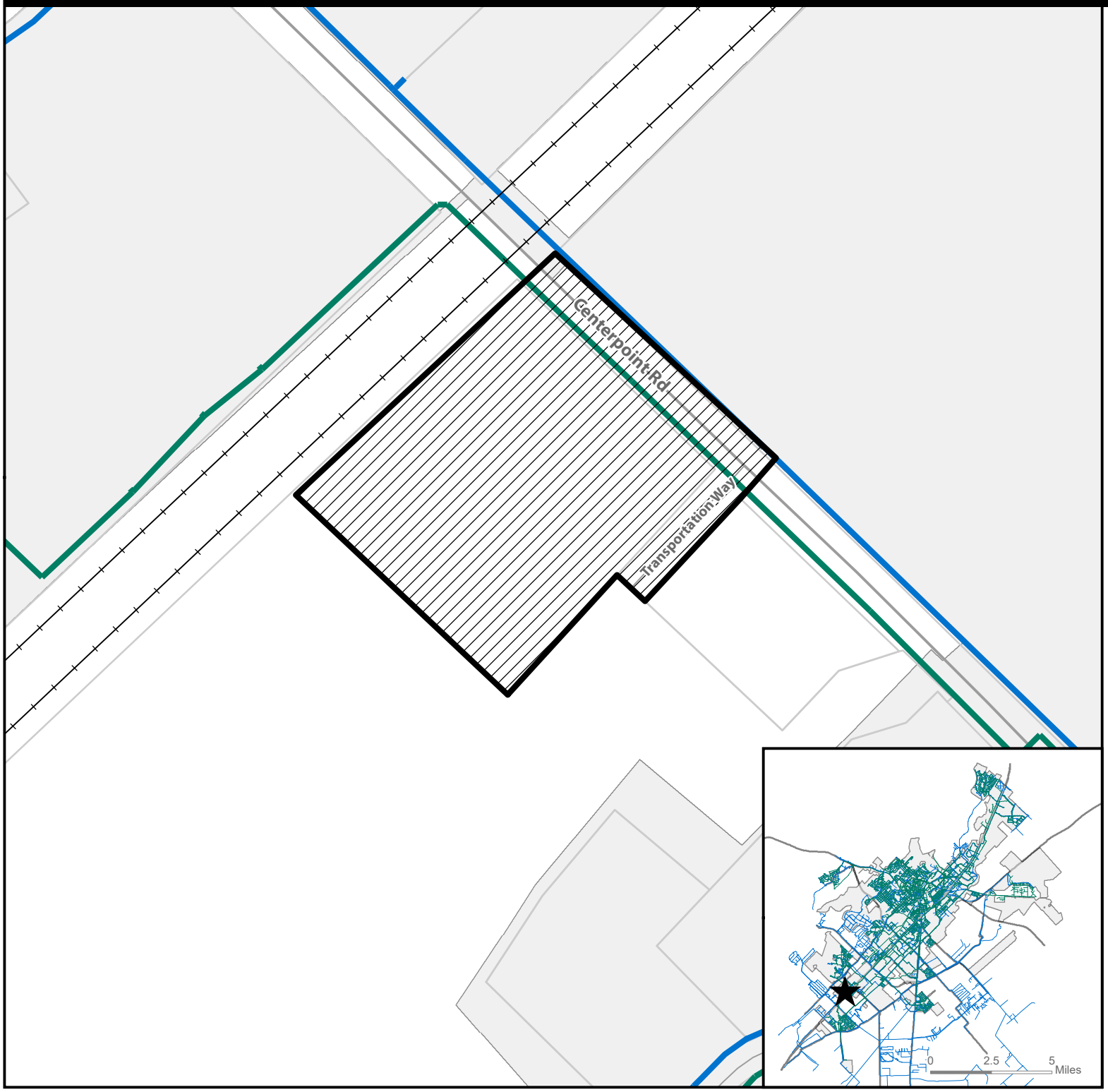
Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-04 - Centerpoint Self Storage\GIS\AN-20-04 TMP.mxd

AN-20-04
Water/Wastewater Lines
Annexation — 400 Block of Centerpoint Road



Site Location

Subject Property

Parcels

City Limit

Sanitary Main

Water Main

N

0 160 320 640 Feet

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Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-04 - Centerpoint Self Storage\GIS\AN-20-04 WaterWastewaterLines.mxd

Comparison Table – City Limits vs. Outside City Limits

Development Standard	City Limits	Outside City Limits
Allowable Uses	Uses are regulated based on the zoning of the property. (ex: an industrial use would not be allowed in a residential zoned property)	Uses cannot be regulated
Transportation Master Plan Roadways	Required	Required
Internal Streets	Based on block perimeter requirements. (5,000' block perimeter max for properties zoned HC)	Based on block perimeter requirements. (3,000' block perimeter max for properties in ETJ)
Zoning Development Standards	Required, including: • Property setbacks • Unit maximums • Landscaping • Screening • Tree mitigation • Parking • Lighting • Trash/recycling • Building height / articulation	Not required
Environmental	Required per Chapter 5 of the Development Code, including: • Stormwater / Detention • Water Quality • Floodplain	Required per Chapter 5 of the Development Code, including: • Stormwater / Detention • Water Quality • Floodplain

Application	City Limits	Outside City Limits
Subdivision Plat – formally divides and provides the layout of the property.	Required	Required
Public Improvement Construction Plan – the construction documents submitted to the city for public infrastructure including utilities and streets.	Required	Required
Watershed Protection Plan – the environmental reports and proposal for environmental engineering on the property.	Required	Required
Building Permit – the construction documents for the structures proposed on the property.	Required	Not required
Site Development Permit – construction of site related items	Required	Required

ANNEXATION APPLICATION

Updated: October, 2019

CONTACT INFORMATION

Applicant's Name	Benjamin Green	**Property Owner**	Outlet West Investors Limited
Company	Kimley-Horn	**Company**	
Applicant's Mailing Address	2600 Via Fortuna Suite 300	**Owner's Mailing Address**	1300 Post Oak Blvd, Suite 1650, Houston, TX 77056
Applicant's Phone #	512-646-2243	**Owner's Phone #**	713-552-1110
Applicant's Email	ben.green@kimley-horn.com	**Owner's Email**	bstrong@beemanstrong.com

PROPERTY INFORMATION

Is the property adjacent to city limits ■ YES ☐ NO

Is the property less than ½ mile in width ■ YES ☐ NO

Are there less than 3 qualified voters living on the property ■ YES ☐ NO

Proposed Use: Self-Storage **Proposed Zoning:** Heavy Commercial

Reason for Annexation / Other Considerations:

This development will request utility extensions which must be accompanied by a request for annexation.

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee $1,181 **Technology Fee $13** *TOTAL COST $1,194*

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, Robert C. Wilson, III, President of JOQ GP, LLC, Its General Partner (owner name) on behalf of Outlet West Investors Limited (company, if applicable) acknowledge that I/we am/are the rightful owner of the property located at 0 Centerpoint Road, San Marcos, TX 78666 (address).

I hereby authorize Benjamin Green (agent name) on behalf of Kimley-Horn (agent company) to file this application for Annexation (application type), and, if necessary, to work with the Responsible Official / Department on my behalf throughout the process.

2/20/2020

Signature of Owner: Date: 20 Feb 20

Approved BMA 02/19/20

Printed Name, Title: Robert C. Wilson, III, President of JOQ, LLC
General Partner of Outlet West Investors Limited

Signature of Agent: _____ Date: _____

Printed Name, Title: Benjamin Green PE, Project Manager

Form Updated October. 2019

AGREEMENT FOR THE PROVISION OF SERVICES
(Pursuant to Tex. Local Gov't Code §43.0672)

Date: April 28, 2020

Owner: OUTLET WEST INVESTORS LTD., 1300 Post Oak Blvd, Suite 1650, Houston, Texas 77056

City: City of San Marcos, Texas, a home rule municipal corporation, 630, East Hopkins Street, San Marcos, Texas 78666

Property: As described in Exhibit A.

1. The Owner has petitioned the City and the City has elected to annex the Property into the corporate limits of the City. Pursuant to Tex. Local Gov't Code §43.0672, the Owner and the City enter this agreement (the "Agreement") for the provision of services to the Property when annexed.

2. By this Agreement, the Owner affirms effective as of the Effective Date (as defined below), its consent to such annexation of the Property by the City and that Owner does not wish to enter into and has declined the offer from the City of a development agreement under Sections 43.016 and 212.172 of the Texas Local Government Code

3. In consideration of the mutual benefits to the Owner and the City arising from the annexation of the Property, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Owner and the City enter into this Agreement and agree that services to the Property will be provided as described in Exhibit B.

4. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings shall lie in state courts located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this Agreement is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Agreement will continue in force if they can be given effect without the invalid portion.

6. Effective as of the Effective Date (as defined herein), this Agreement shall be binding upon Owner, and Owner's heirs, successors and assigns, and all future owners of all or any portion of the Property.

7. This Agreement will become effective only from and after the date (the "Effective Date") that all of the following conditions (the "Conditions") have been satisfied: (i) an ordinance annexing the Property is finally passed, approved and adopted by the City's city council, and (ii) Owner has conveyed fee title to the Property to CBTX Capital, LLC, or its permitted assigns, pursuant to that certain Commercial Contract – Unimproved Property between Owner and CBTX

Capital, LLC, with an effective date of November 22, 2019, as such contract may be amended. In the event that all the Conditions have not been fully satisfied by April 2, 2021, then this instrument shall be null and void and of no further force or effect.

[SIGNATURES ON NEXT PAGE]

CITY:

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on _____, 20___, by _____, _____of the City of San Marcos, in such capacity, on behalf of said municipality.

_____
Notary Public, State of Texas

OWNER:

OUTLET WEST INVESTORS, LTD.

By: JOQ GP, LLC, its general partner

By: Robert C. Wilson III

Name: Robert C Wilson, III
Title: President

Approved JMA 5/14/20

ACKNOWLEDGMENT

STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on May 7th, 2020 by Robert C. Wilson, III, President of JOQ GP, LLC, the general partner of Outlet West Investors, Ltd., in such capacity on behalf of said entities.

MARIAN C. TAYLOR
My Notary ID # 131365191
Expires November 29, 2021

Marian Taylor
Notary Public, State of Texas

25711871v.2

EXHIBIT B

When the Property is annexed, services will be provided to the Property as follows:

1. Police Protection
Police services, including patrolling, response to calls and other routine services, will begin on the Effective Date of the annexation using existing personnel and equipment.

2. Fire Protection
Fire protection services, including emergency response calls, will begin on the Effective Date of the annexation using existing personnel and equipment and within the limitations of the available water supply.

3. Emergency Medical Services
Emergency medical services, including emergency response calls, will continue at the same level of service after the annexation. The City of San Marcos contracts for emergency medical services through the San Marcos – Hays County EMS, which already provides service to the area being annexed.

4. Solid Waste Collection
Solid waste collection services, provided under contract with a private company, will be made available to all properties on the Effective Date of the annexation. Residents of the Property may elect to continue using the services of a private solid waste hauler for a period of two years after the Effective Date of the annexation. Businesses and institutions must make arrangements with private solid waste haulers.

5. Operation and Maintenance of Water and Wastewater Facilities

a. Water. The Property is located within an area over which the City of San Marcos holds a Certificate of Convenience and Necessity (CCN) for water service. The City will make water service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property.

b. Wastewater. The Property is not covered by a CCN for wastewater service, however, the City of San Marcos has wastewater lines adjacent to the Property and agrees to make wastewater service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property. In addition, the City is in the process of adding the Property as an area covered by the City's CCN for wastewater service.

6. Construction, Operation and Maintenance of Roads and Streets
As new development occurs within the Property, the Owner(s) of Property will be required to construct streets at the Owner's sole expense in accordance with applicable ordinances of the City.

7. Electric Service

The Property is located in the Pedernales Electric service area. Thus, the City will not provide electric service to the Property.

8. Operation and Maintenance of Parks, Playgrounds, and/or Swimming Pools

No parks, playgrounds, and/or swimming pools currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding recreational facilities to serve the Property. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal parks and recreational facilities, subject to the same restrictions, fees, and availability that pertains to the use of those facilities by other citizens of the city.

9. Operation and Maintenance of Other Public Facilities, Buildings, and Services

No other public facilities, buildings, or services currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding other public facilities, building, and services. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal facilities, buildings, and services, subject to the same restrictions, fees, and availability that pertains to the use of those facilities and services by other citizens of the city.

ASH & ASSOCIATES
SURVEYING - PLANNING - ARCHITECTURE
"Serving the Community of Texas"
142 Jackson Lane
San Marcos, Texas 78666
Phone: 512-392-1719
ashandassociates.net

STATE OF TEXAS
COUNTY OF HAYS

9.610 ACRES
EDWARD BURLESON SURVEY
NO. 18 - ABSTRACT # 63

BEING 9.610 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A 7.959 ACRE PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 21, 1998 AND RECORDED IN VOLUME 1486, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND BEING A 1.153 ACRE PORTION OF CENTERPOINT ROAD, A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY, AND ALSO BEING ALL THAT 0.498 ACRE PORTION OF TRANSPORTATION WAY, A DEDICATED 76 FOOT PUBLIC RIGHT-OF-WAY AS SHOWN BY PLAT OF LOT 2, LOWMAN RANCH SUBDIVISION, SECTION TWO, AN ADDITION TO HAYS COUNTY, TEXAS ACCORDING TO THE MAP THEREOF RECORDED IN VOLUME 18, PAGE 17, HAYS COUNTY PLAT RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found with cap marked "BYRN" at the intersection of the southwest line of Centerpoint Road, a variable width public right-of-way, as widened and described in Exhibit 'A' in Lis Pendens Notice recorded in Volume 2571, Page 69, Official Public Records, Hays County, Texas, with the southeast line of said Transportation Way, for the east corner of the 9.611 acre herein described tract of land;

THENCE South 43°34'30" West (S 45°34'23" W Record), at a distance of 10.30 feet passing the north corner of said Lot 2, Lowman Ranch Section Two, and a common corner of the right-of-way of said Centerpoint Road, and continuing on for a total distance of **285.43 feet** (285.35' Record) to a 1/2" iron rod found with cap marked "BYRN" at the west corner of said Lot 2 and a common south corner of said Transportation Way, for a south corner of the herein described tract of land;

THENCE North 46°26'02" West (N 46°25'37" W Record), a distance of **75.99 feet** (76.00' Record) to a 1/2" iron rod found with cap marked "BYRN" at the west corner of said Transportation Way, for an interior corner of the herein described tract of land;

THENCE South 43°34'33" West (S 43°34'23" W Record), with the projection of the northwest line of said proposed Transportation Way, at a distance of 250.54 feet passing a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of said proposed Transportation Way with the northeast line of a drainage easement described in Exhibit 'A' of the Instrument recorded in Volume 4389, Page 592 of the Hays County Real Property Records, and continuing on in all a total distance of **330.51 feet** to the approximate centerline of said drainage easement, for the south corner of the herein described tract of land;

THENCE North 46°29'00" West (N 45°58'03" W Record), with the approximate centerline of said drainage easement, a distance of **577.62 feet** to the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, for the west corner of the herein described tract of land, and from which a 1/2" iron rod found with cap marked "BYRN" at a west corner of said drainage easement bears South 46°38'05" West (S 47°09'14" W Record), a distance of 80.09 feet (80.12' Record);

THENCE with the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, the following courses and distances numbered (1) and (2):

1) North 46°38'05" East (N 47°09'14" E Record), a distance of **80.09 feet** (80.12' Record) to a 1/2" iron rod found with cap marked "BYRN" at a north corner of said drainage easement;

2) North 46°39'10" East (N 47°08'53" E Record), a distance of **540.99 feet** to a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract with the southwest line of aforesaid Centerpoint Road, as widened, and from which the north corner of said Outlet West Investors, Ltd. called 109.22 acre tract bears North 46°39'10" East (N 47°08'53" E Record), a distance of 27.30 feet;

THENCE North 46°39'10" East (N 47°08'53" E Record), with the projection of the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, at a distance of 27.30 feet passing the record north corner of said Outlet West Investors, Ltd. called 109.22 acre tract, crossing said Centerpoint Road, and continuing on for a total distance of **82.22 feet** to a wire fence in the northeast line of said roadway, for the north corner of the herein described tract of land, same being in the southwest line of that certain called 63.133 acre tract of land conveyed as "Tract 1" in a deed to San Marcos Land Associates recorded in Volume 1060, Page 848 of the Deed Records of Hays County, Texas, and from which a steel corner fence post at the west corner of said San Marcos Land Associates called 63.133 acre tract bears, North 45°52'41" West, a distance of 0.43 feet;

THENCE South 45°52'41" East (S 44°21'26" E Record), with the northeast line of said Centerpoint Road and the common southwest line of said San Marcos Land Associates called 63.133 acre tract, along the meanders of a wire fence, a distance of **615.92 feet** to the intersection of said common line with the projection of the southeast line of the aforementioned Transportation Way, dedicated 76 foot public right-of-way, for the east corner of the herein described tract of land;

THENCE South 43°34'33" West, along the projection of the of the northwest line of said Transportation Way, crossing said Centerpoint Road, at a distance of 53.16 feet passing the record northeast line of aforesaid Outlet West Investors, Ltd. called 109.22 acre tract, and continuing on for a total distance of **79.86 feet** to the **POINT OF BEGINNING** and **CONTAINING 9.610 ACRES OF LAND**.

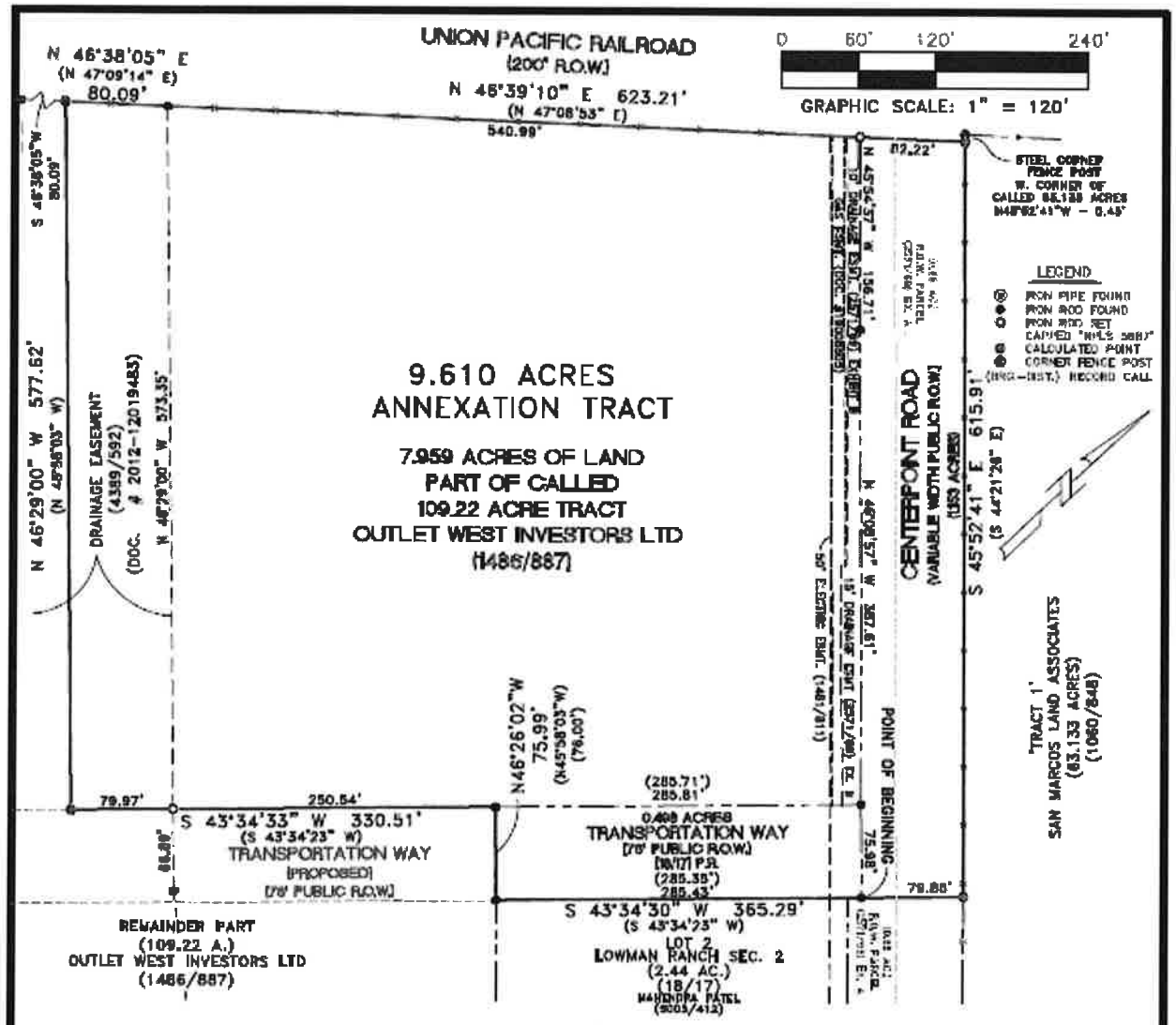
BEARING BASIS HEREIN DERIVED BY GPS MEASUREMENTS ADJUSTED BY HARN (HIGH ACCURACY REFERENCE NETWORK) & PROJECTED TO TEXAS STATE PLANE COORDINATES (TEXAS SOUTH CENTRAL ZONE) & NAD83.

I, Richard H. Taylor, do certify that this description and associated exhibit were prepared this date from a boundary survey performed under my direction during December 2019, and is true and correct to the best of my knowledge and belief.

Richard H. Taylor
Registered Professional Land Surveyor
No. 3986 State of Texas
Attachment: Drawing of 9.610 Acre Annexation Tract
Job: 19-7284

04/02/2020
Date

STATE OF TEXAS
REGISTERED
RICHARD TAYLOR
3986
PROFESSIONAL
LAND SURVEYOR



MAP TO ACCOMPANY DESCRIPTION OF:

9.610 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A 7.959 ACRE PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 21, 1998 AND RECORDED IN VOLUME 1486, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND BEING A 1.153 ACRE PORTION OF CENTERPOINT ROAD, A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY, AND ALSO BEING ALL THAT 0.498 ACRE PORTION OF TRANSPORTATION WAY, A DEDICATED 76 FOOT PUBLIC RIGHT-OF-WAY AS SHOWN BY PLAT OF LOT 2, LOWMAN RANCH SUBDIVISION, SECTION TWO, AN ADDITION TO HAYS COUNTY, TEXAS ACCORDING TO THE MAP THEREOF RECORDED IN VOLUME 18, PAGE 17, HAYS COUNTY PLAT RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS ATTACHED:

I, RICHARD H. TAYLOR, DO HEREBY CERTIFY THAT THIS PLAT OF THE PROPERTY SHOWN HEREON, WAS PREPARED THIS FROM A SURVEY PERFORMED UNDER MY DIRECTION AND SUPERVISION DURING DECEMBER, 2019, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

04/02/2020
DATE

RICHARD H. TAYLOR, RPLS
REGISTERED PROFESSIONAL LAND SURVEYOR
NUMBER 5887 STATE OF TEXAS
ASH & ASSOCIATES, L.L.C.

STATE OF TEXAS
REGISTERED
RICHARD TAYLOR
5887
PROFESSIONAL
LAND SURVEYOR

NOTES:

1) BEARING BASIS DERIVED BY GPS MEASUREMENTS ADJUSTED BY HARN (HIGH ACCURACY REFERENCE NETWORK) & PROJECTED TO TEXAS STATE PLANE COORDINATES & NAD83.

ASH & ASSOCIATES
SURVEYING · PLANNING · ARCHITECTURE
142 JACKSON LANE
SAN MARCOS, TEXAS 78666
(512) 392-1719
ashandassociates.net
Surveying: 100847-00
Architecture: TX20240
"SERVING THE COMMUNITY OF TEXAS"

JOB NO. 19-7284 DRAWN BY RHT FB: FILE

H`g5rfNOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OWNER'S CONSENT TO ANNEXATION OF LAND

Date: April 28, 2020

City: City of San Marcos, Texas, a home rule municipal corporation

Owner: OUTLET WEST INVESTORS, LTD., 1300 Post Oak Blvd, Suite 1650, Houston, Texas 77056

Property: 9.61 +/- acres out of the Edward Burleson Survey No. 18, Abstract No. 63, Hays County

Owner petitioned the City to initiate proceedings to annex the Property. Owner acknowledges and agrees that, in connection with annexation of the Property:

1. Owner does not wish to enter into a development agreement with the City under Section 212.172 and has declined the offer by the City of such a development agreement.

2. Unless specifically authorized by a written agreement with Owner approved by the City Council under applicable ordinances, the City has no obligation to extend water, wastewater, or electric utility services, roads, or other infrastructure to the Property at the City's expense, and the City has made no offers, representations or promises that the City will, at the City's expense, extend water, wastewater, or electric utility services, roads, or other infrastructure to the Property. Such extensions to the Property shall be made available in the same manner and on the same basis as available to other areas of the City, whereby it shall be Owner's sole obligation, and at Owner's sole expense, to construct and install all infrastructure necessary to extend such services to the Property under applicable ordinances.

3. From and after the Effective Date (as defined below), Owner waives any and all rights of Owner to assert any claim or demand, or to file suit against, and covenants not to sue, the City on the basis that the annexation of the Property by the City is invalid, void or voidable, in whole or in part.

4. This instrument is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings concerning this instrument shall lie in State courts having jurisdiction located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this instrument is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this instrument will continue in force if they can be given effect without the invalid portion.

6. After the Effective Date (as defined below), this instrument may be recorded in the Official Public Records of the County or Counties in which the Property is located and is binding on Owner's successors, heirs and assigns, and any future owners of the Property.

7. This instrument shall not be effective unless and until the date (the "Effective Date") that all of the following conditions (the "Conditions") have been satisfied: (i) an ordinance annexing the Property is finally passed, approved and adopted by the City's city council, and (ii) Owner has conveyed fee title to the Property to CBTX Capital, LLC, or its permitted assigns, pursuant to that certain Commercial Contract – Unimproved Property between Owner and CBTX Capital, LLC with an effective date of November 22, 2019, as such contract may be amended. In the event that all the Conditions have not been fully satisfied by April 2, 2021, then this instrument shall be null and void and of no further force or effect.

[SIGNATURE(S) ON NEXT PAGE]

OWNER:

Outlet West Investors, Ltd.

By: JOQ GP, LLC, its general partner

By: Robert C. Wilson III

Name: Robert C Wilson, III
Title: President

Approved
BMP
5/4/20

ACKNOWLEDGMENT

STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on May 7th, 2020 by Robert C. Wilson, III, President of JOQ GP, LLC, the general partner of Outlet West Investors, Ltd., in such capacity on behalf of said entities.

Marian Snyder
Notary Public, State of Texas

DECLINATION OF OFFER OF DEVELOPMENT AGREEMENT

The attached Development Agreement was offered by the City of San Marcos to the owner of the property subject to the following application/petition (check one):

____ Out of City Utility Connection of Extension Application

__X__ Petition for Annexation (without OCU Request)

By signing below, the owner of the subject property declines the offer to enter into such Development Agreement.

OWNER (Entity):

Outlet West Investors, Ltd.

By: JOQ GP, LLC, its general partner

By: _____

Name: Robert C Wilson, III
Title: President

Date: 7 May 2020

Approved
SMA
5/4/20

Case No. AN-20-04 (Centerpoint Road)

File #: Ord. 2020-33, **Version:** 1

AGENDA CAPTION:
Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-33, amending the Official Zoning Map of the City by rezoning approximately 7.959 acres of land, generally located in the 400 Block of Centerpoint Road, from “FD” Future Development District to “HC” Heavy Commercial District; and including procedural provisions; and consider approval of Ordinance 2020-33, on the first of two readings.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding
Funds Required: n/a
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative:

N/A

Comprehensive Plan Element (s):

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☒ Land Use - Direct Growth, Compatible with Surrounding Uses

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☒ Transportation - Safe, Well coordinated transportation system implemented in an environmentally sensitive manner

☐ Core Services

☐ Not Applicable

Master Plan:

Vision San Marcos - A River Runs Through Us

Background Information:

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to rural/agricultural property as well as the Union Pacific Railroad. In addition, the City recently approved annexation and zoning to the south of the subject property for a sportsplex facility.

The purpose of this zoning change to “Heavy Commercial” zoning is to allow the development of a self-storage facility.

The City of San Marcos will provide water and wastewater services at the site. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service.

Council Committee, Board/Commission Action:

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

1. 0 (in favor)
2. 0 (in opposition)

Recommendation: A motion was made by Commissioner Dillon, seconded by Commissioner Haverland, to approve ZC-20-06. The motion carried 8-0.

- **For:** (8) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Haverland, Commissioner Dillon, Commissioner Moore, Commissioner Agnew, Commissioner Spell.
- **Against:** 0
- **Absent:** (1) Vice Chairperson Kelsey

Alternatives:

n/a

Recommendation:

Staff provides this request to the Council for your consideration and recommends **approval** of the request for a zoning change from “FD” Future Development to “HC” Heavy Commercial.

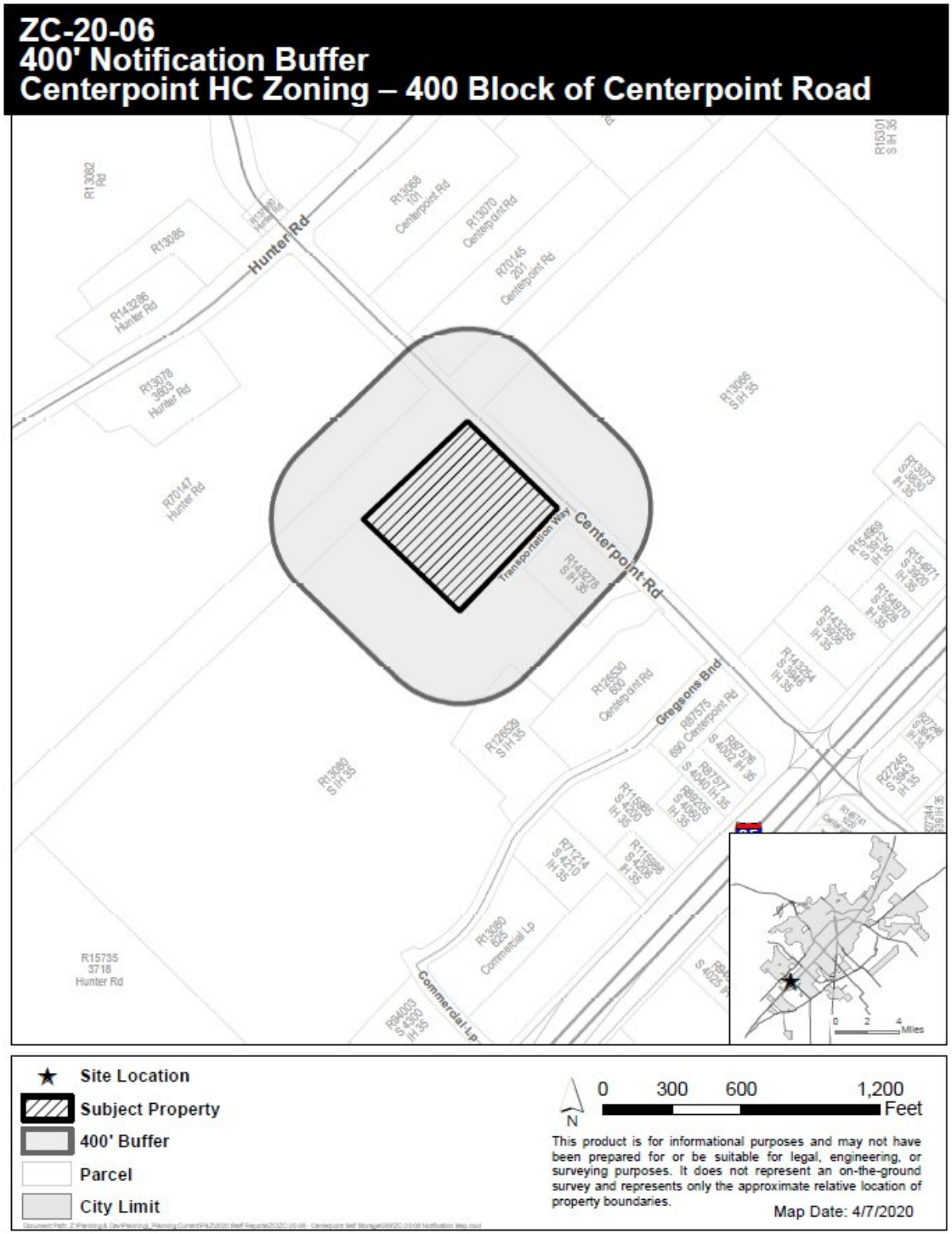
ZC-20-06 (Centerpoint HC)

Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-XX, amending the Official Zoning Map of the City by rezoning approximately 7.959 acres, more or less, out of the Edward Burleson Survey, No. 18, Abstract No. 63, Hays County, generally located in the 400 Block of Centerpoint Road, from “FD” Future Development District to “HC” Heavy Commercial District; and including procedural provisions; and consider approval of Ordinance 2020-XX on the first of two readings.

SAN MARCOS

Location:

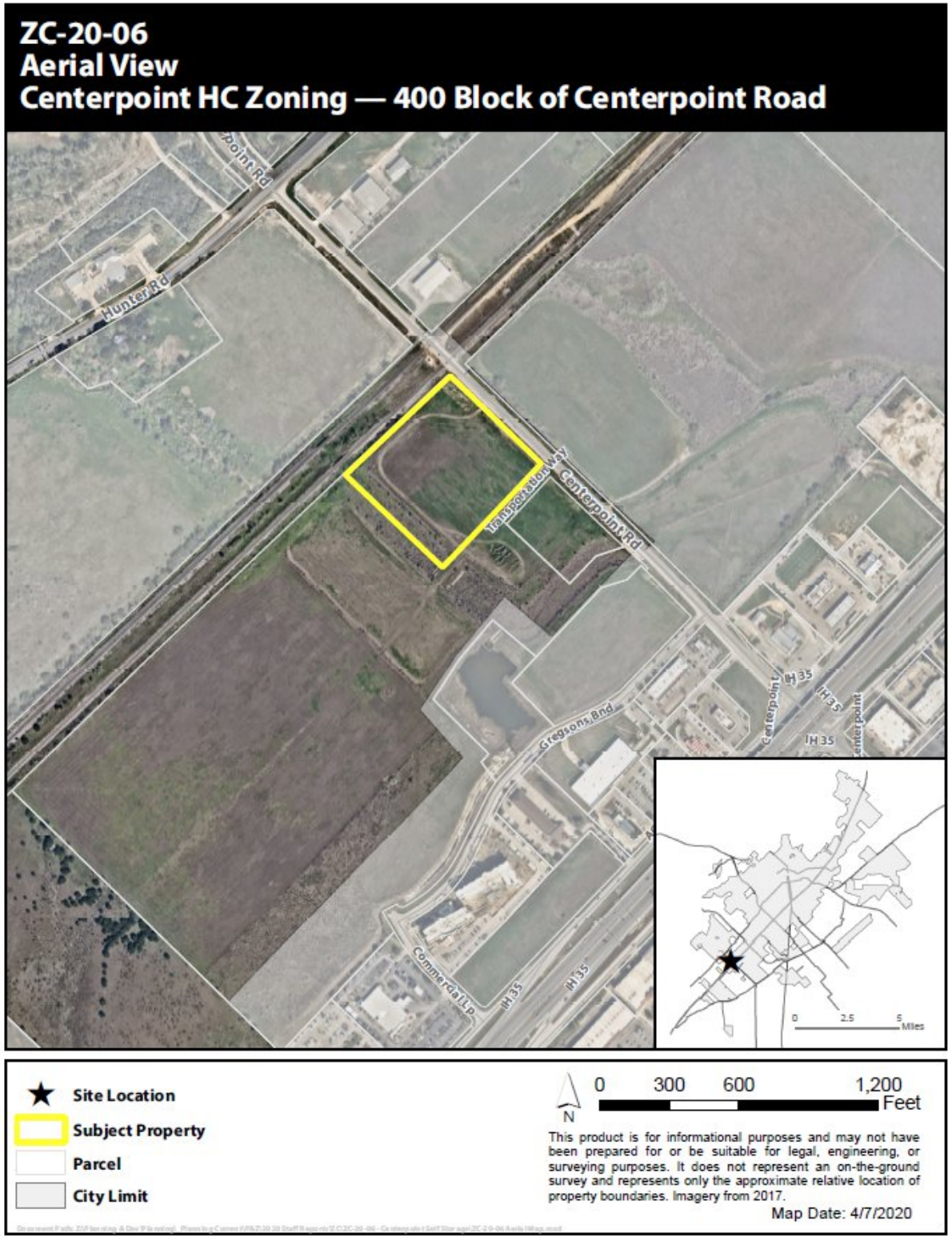
- Approximately 7.959 acres
- **Current Configuration:** Vacant / Agricultural land
- Surrounding uses include:
  - Vacant / rural (ETJ)
  - Union Pacific Railroad
  - Proposed sportsplex facility
- Located outside the City Limits (Extraterritorial Jurisdiction)



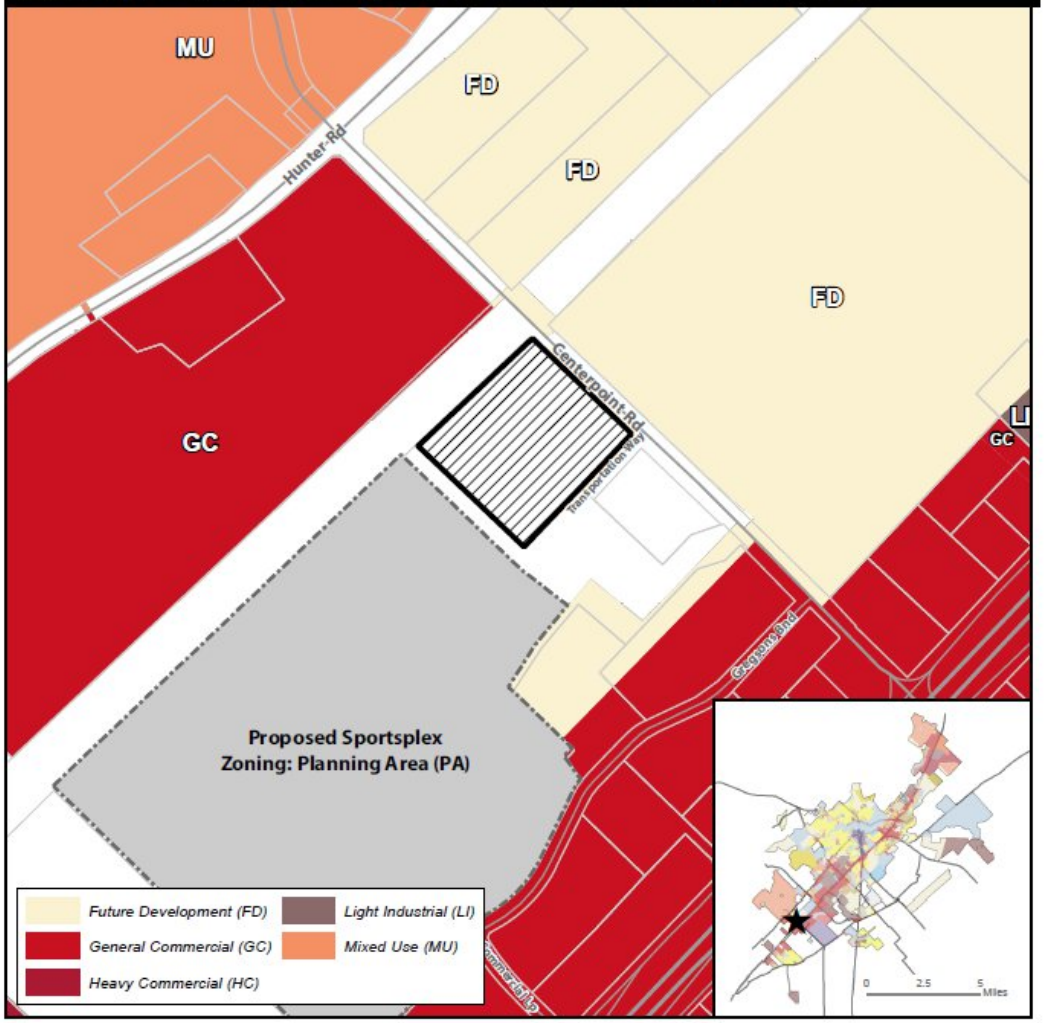
SAN MARCOS

Context & History

- **Existing Zoning:** Outside City Limits (ETJ)
- **Proposed Zoning:** Heavy Commercial (HC)
- Proposed HC zoning allows for primarily commercial and industrial uses with some agricultural and public/institutional uses
- Applicant is currently proposing a self-storage project / commercial uses
- Annexation request is being processed concurrently for property located outside City Limits



ZC-20-06
Existing Zoning
Centerpoint HC Zoning – 400 Block of Centerpoint Road



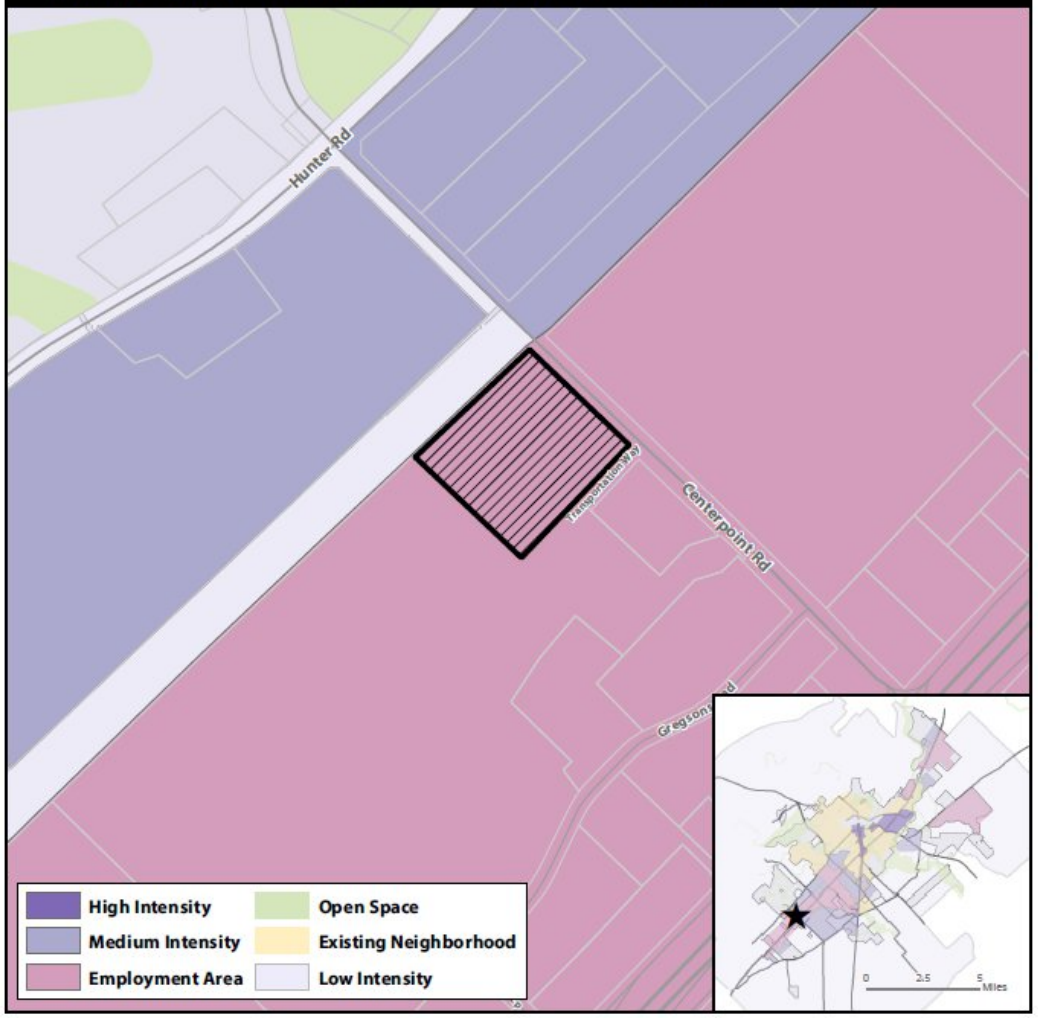
★ Site Location
Subject Property
Parcels
City Limit

N 0 300 600 1,200 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/13/2020

ZC-20-06
Preferred Scenario
Centerpoint HC Zoning – 400 Block of Centerpoint Road

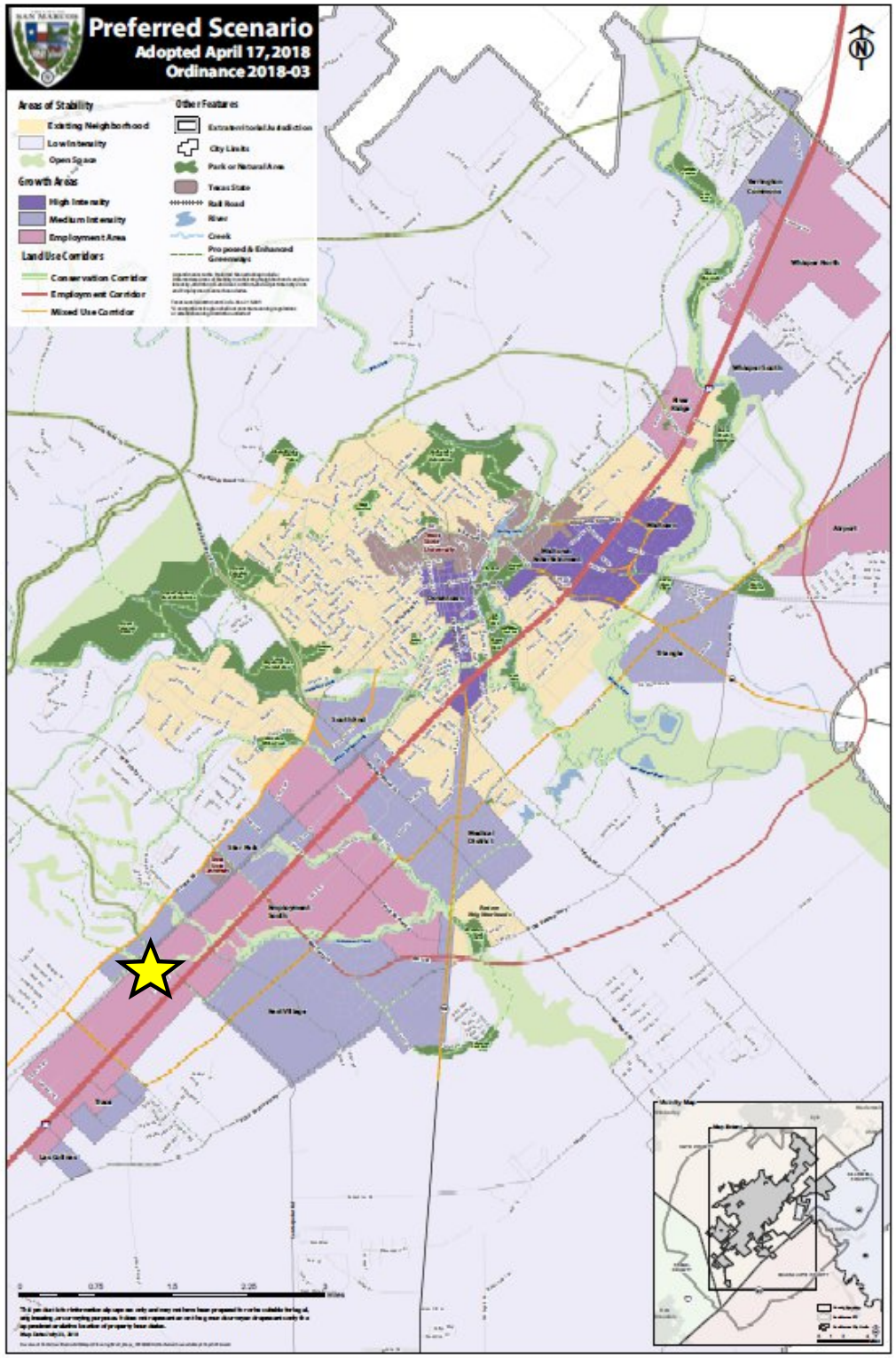


★ Site Location
Subject Property
Parcels
City Limit

N 0 300 600 1,200 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/7/2020



Comprehensive Plan Analysis

Step 1: Where is the property located on the Comprehensive Plan?

Located in an Employment Area

"the preferred scenario shows the locations of potential employment areas which are appropriate for industrial, large office park and intensive commercial uses. Typically, these uses are located on large sites with excellent road and rail access and access to water and sewer infrastructure."
(Comprehensive Plan, pg. 69)

Comprehensive Plan Analysis

Step 2: Is the request consistent with the Comprehensive Plan / District Translation Table?

Applicant is requesting a "Special District" (Heavy Commercial zoning) within an Employment Area

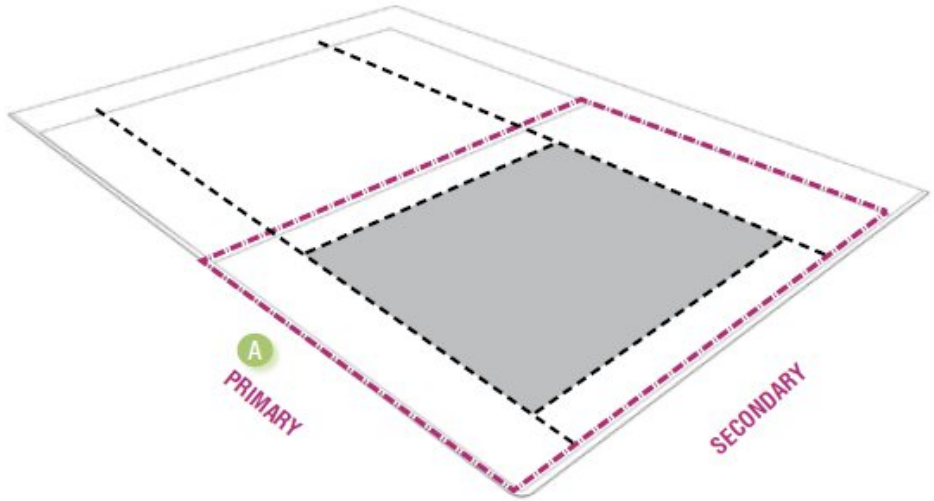
TABLE 4.1 COMPREHENSIVE PLAN / DISTRICT TRANSLATION

DISTRICT CLASSIFICATION	COMPREHENSIVE PLAN DESIGNATIONS					
	OPEN SPACE/ AGRICULTURAL	LOW INTENSITY	EXISTING NEIGHBORHOOD	MEDIUM OR HIGH INTENSITY ZONE	EMPLOYMENT CENTER	CORRIDOR
Conventional Residential	NP	NP	C	--	--	--
Neighborhood Density Districts	NP	NP	See Section 4.1.2.4 - 4.1.2.5	NP	NP	C
Character Districts	NP	C	--	C	NP	C
Special Districts	--	NP	NP	NP	C	C
Legend	-- = Not Allowed (PSA Required)		NP=Not Preferred		C = Consider	

HC Zoning Analysis:

- HC zoning is intended to "accommodate auto-oriented and other heavy commercial uses. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses."
- **Allowable Building Types:** *General Commercial, Civic Building*
- Surrounding area is located in an Employment Area and surrounding zoning is primarily General Commercial, has a placeholder zoning designation of Future Development, or is located outside the city limits
- Adjacent to the recently approved sportsplex facility, zoned Planning Area

HC SECTION 4.4.5.2 HEAVY COMMERCIAL



KEY
Property Line (ROW)
A Metrics on This and Facing Page
Setbacks
Building Footprint

District Intent Statements
HC is intended to accommodate auto oriented and other heavy commercial uses. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.

Density	
Impervious Cover	80% max.

Transportation		
Block Perimeter	5,000 ft. max	Section 3.6.2.1
Streetscape Type	Conventional	Section 3.8.1.7

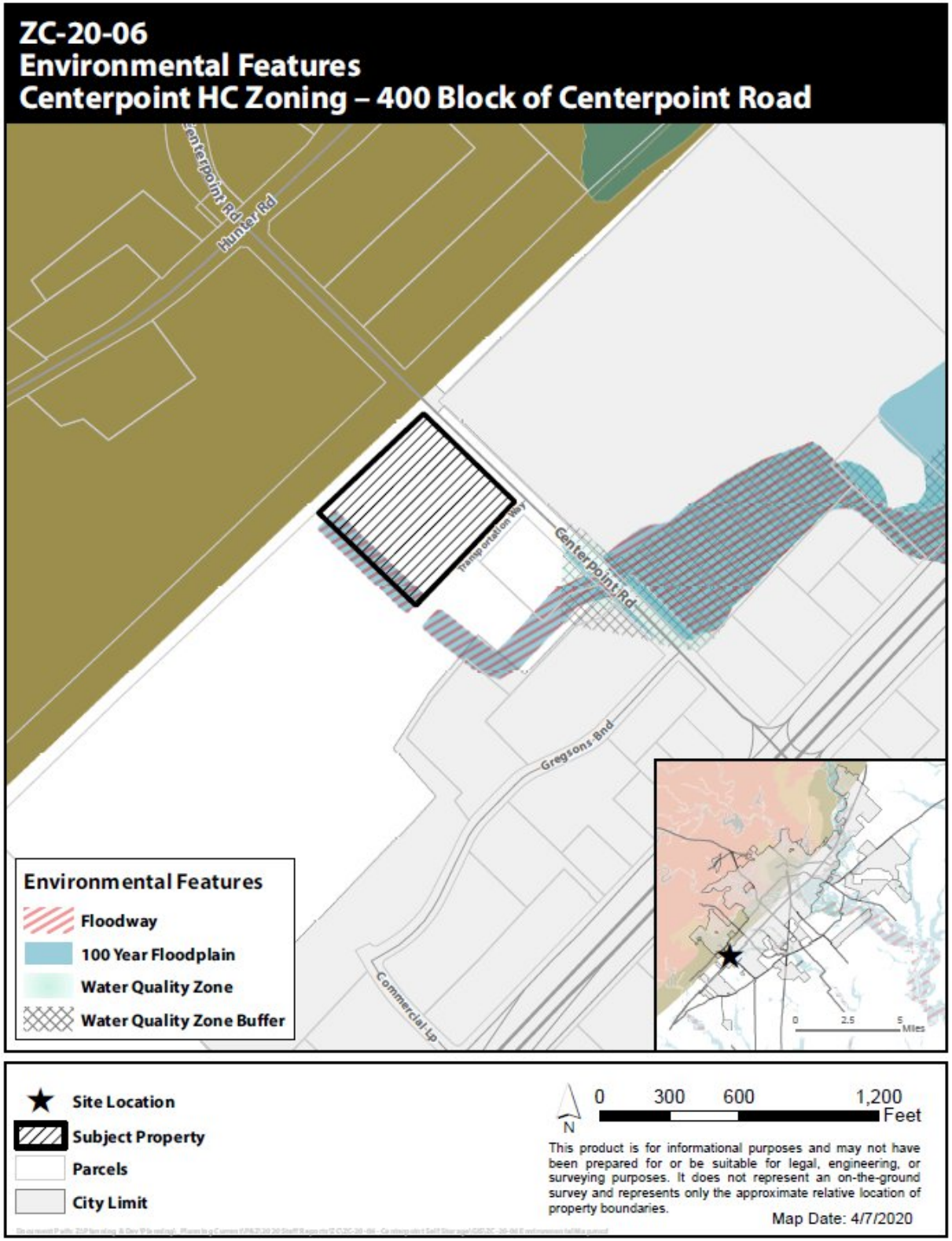
Building Types Allowed	
General Commercial	Section 4.4.6.13
Civic Building	Section 4.4.6.15

Building Standards		
Principle Building Height	4 stories max.	62 ft. max.
Accessory Structure Height	N/A	24 ft. max.

SAN MARCOS

Environmental Analysis

- Located in a moderately constrained area on the Land Use Suitability map
- Portion of floodplain at the rear of the property
- Watershed Protection Plan Phase 2
  - Detention
  - Drainage
  - Environmental Reports



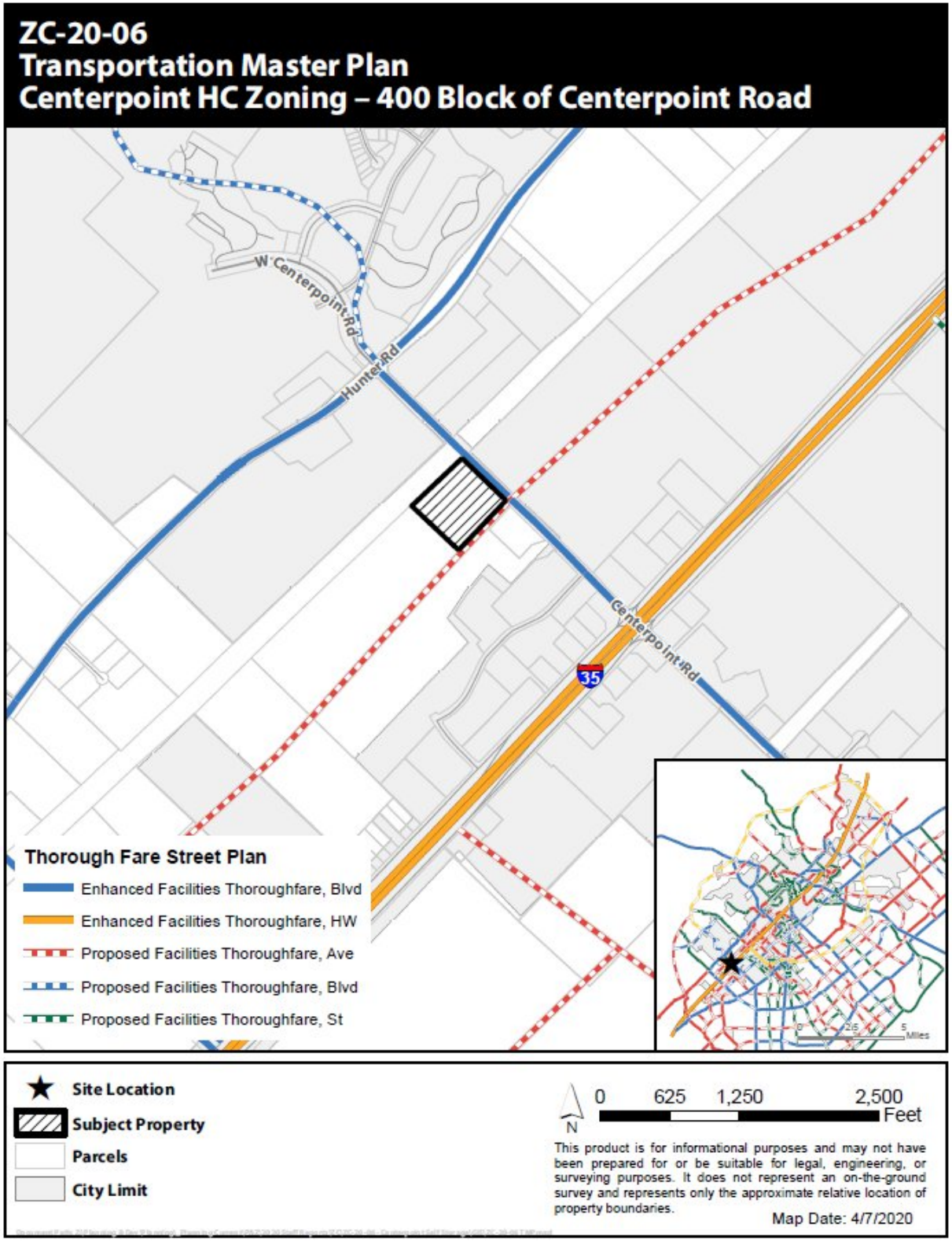
SAN MARCOS

Additional Requirements

- **Street Requirements**
  - Transportation Master Plan
  - Block perimeter requirements (5,000 feet)
  - Bike facility requirements (all streets)
  - Greenway requirement (Centerpoint)
  - Sidewalk connections (all streets)
  - Traffic Impact Analysis (TIA)

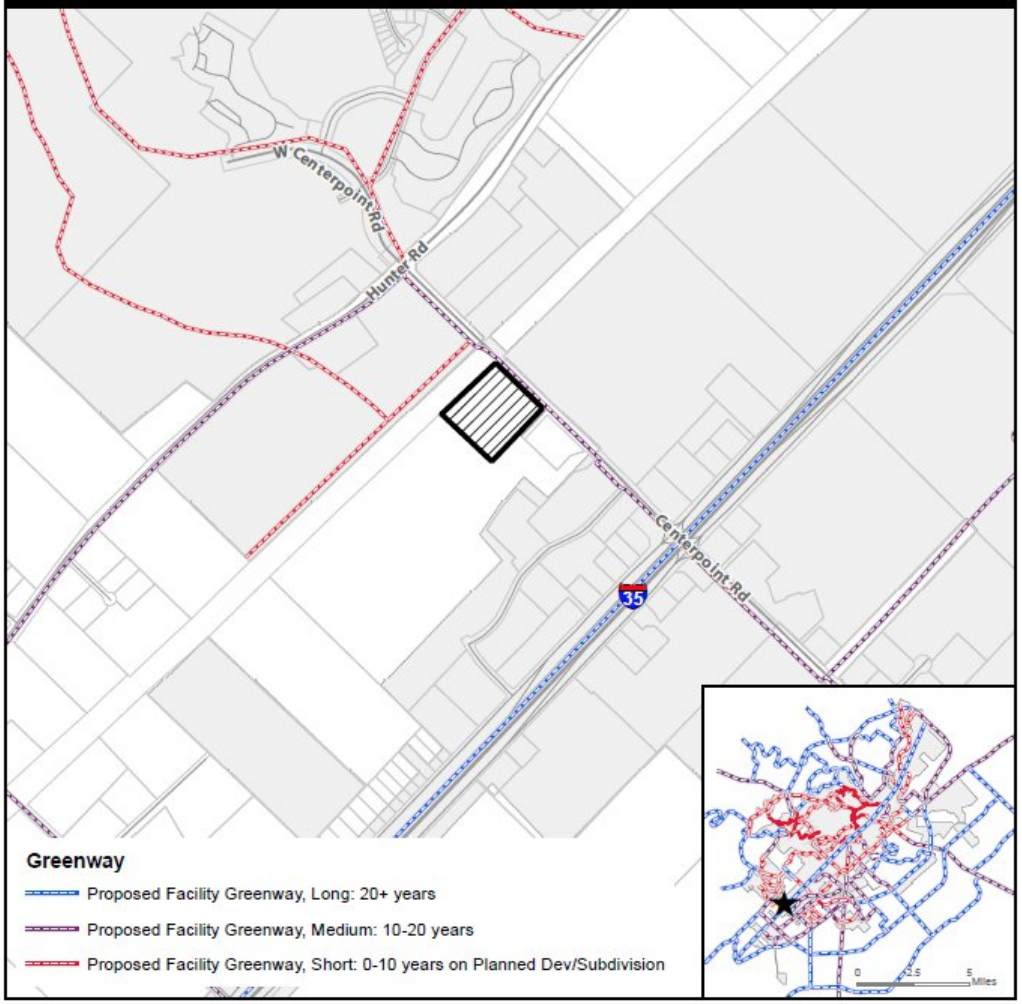
- **Subdivision Requirements**
  - Subdivision plat in accordance with lot and block standards

- **Utility Requirements**
  - Connection to water and wastewater facilities in accordance with City standards



SAN MARCOS

ZC-20-06
Transportation Master Plan Greenways
Centerpoint HC Zoning – 400 Block of Centerpoint Road



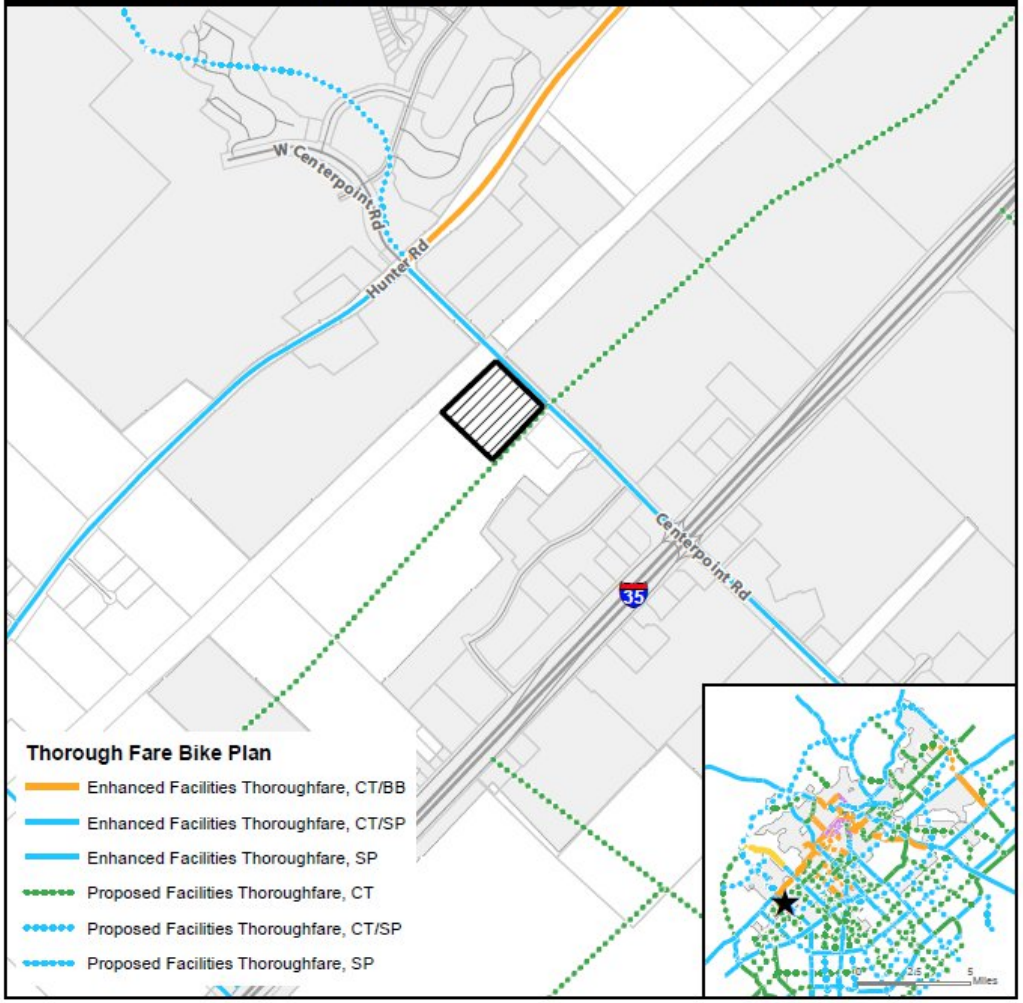
★ Site Location
Subject Property
Parcels
City Limit

N
0 625 1,250 2,500 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/7/2020

ZC-20-06
Transportation Master Plan Bicycle Infrastructure
Centerpoint HC Zoning – 400 Block of Centerpoint Road



★ Site Location
Subject Property
Parcels
City Limit

N
0 625 1,250 2,500 Feet

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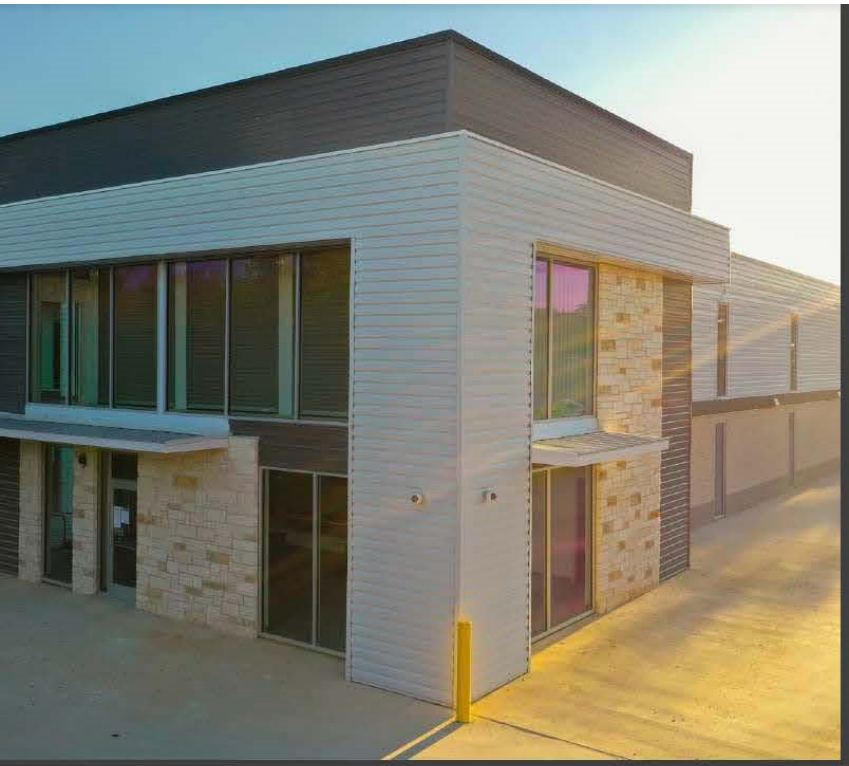
Map Date: 4/7/2020

SAN MARCOS

San Marcos Planning and Zoning Meeting



Developers recently opened a similar facility in Dripping Springs, TX, following local design aesthetics and building materials

DRAFT SITE CONCEPT PLAN
Phase 1:
Class-A Self Storage
Phase 2:
Commercial

Developer's Current Projects Under Construction

New Braunfels, Round Rock and College Station

Staff Recommendation:

At their April 28, 2020 Meeting, the Planning and Zoning Commission recommended approval of the zoning change with a 8-0 vote.

Staff provides this request to the Council for your consideration and recommends **approval** of the request for a zoning change from “FD” Future Development to “HC” Heavy Commercial.

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Proposed Zoning:* **Heavy Commercial (HC)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	Heavy Commercial (HC) is intended to accommodate auto-oriented and other heavy commercial uses. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.
Uses	Primarily agricultural, residential, and public/institutional *(See Land Use Matrix)*	Primarily commercial and industrial uses with some allowances for and public/institutional and agricultural uses *(See Land Use Matrix)*
Parking Location	No location standards	No location standards
Parking Standards	Depends on use	Depends on use. For example, warehouse and distribution uses require 1 space for each 2,000 square feet of gross floor area excluding office space, which shall be calculated separately depending on office use.
Max Residential Units per acre	0.4 units per acre (max)	Residential uses are not allowed
Occupancy Restrictions	N/A	N/A
Landscaping	Tree and shrub requirements	Tree and shrub requirements
Building Height (max)	2 stories (40 feet)	4 stories (62 feet)
Setbacks	50' minimum front; 20' min side; minimum rear setback is 20% of total lot depth	20' minimum front, 5' minimum side, 20' minimum rear
Impervious Cover (max)	30%	80%
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area between sidewalk and street required.	Conventional Street: 6' sidewalk, street trees every 40' on center average, 7' planting area between sidewalk and street required.
Blocks	No Block Perimeter Required	5,000 ft. Block Perimeter max

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY REZONING APPROXIMATELY 7.959 ACRES OF LAND, GENERALLY LOCATED IN THE 400 BLOCK OF CENTERPOINT ROAD, FROM "FD" FUTURE DEVELOPMENT DISTRICT TO "HC" HEAVY COMMERCIAL DISTRICT; INCLUDING PROCEDURAL PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

1. On April 28, 2020, the Planning and Zoning Commission of the City of San Marcos held a public hearing regarding a request to change the zoning designation from "FD" Future Development District to "HC" Heavy Commercial District for approximately 7.959 acres of land, generally located in the 400 Block of Centerpoint Road.

2. The Planning and Zoning Commission voted to recommend that the request be approved by the City Council.

3. The City Council held a public hearing on May 19, 2020 regarding the request.

4. All requirements pertaining to Zoning Map amendments have been met.

5. The City Council hereby finds and determines that the adoption of the following ordinance is in the interest of the public health, morals, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The Official Zoning Map of the City is amended to rezone the tract of land described in Exhibit A, attached hereto and made a part hereof, from "FD" Future Development District to "HC" Heavy Commercial District.

SECTION 2. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 3. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 4. This ordinance shall not be effective unless and until the date (the "Effective Date") that all of the following conditions (the "Conditions") have been satisfied: (i) this ordinance is finally passed, approved and adopted on second reading; (ii) an ordinance annexing the Property into the corporate limits of the City has been finally passed, approved and adopted; and (iii) Outlet West Investors, Ltd. has conveyed fee title to the Property to CBTX Capital, LLC, or its permitted

assigns, pursuant to that certain Commercial Contract – Unimproved Property between Outlet West Investors, Ltd. and CBTX Capital, LLC with an effective date of November 22, 2019, as such contract may be amended. In the event that all the Conditions have not been fully satisfied by April 2, 2021, then this ordinance shall be null and void and of no further force or effect.

PASSED AND APPROVED on first reading on May 19, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 2, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

EXHIBIT A

ASH & ASSOCIATES
SURVEYING - PLANNING - ARCHITECTURE
"Serving the Community of Texas"
142 Jackson Lane
San Marcos, Texas 78666
Phone: 512-392-1719
ashandassociates.net

STATE OF TEXAS
COUNTY OF HAYS

7.959 ACRES
EDWARD BURLESON SURVEY
NO. 18 - ABSTRACT # 63

BEING 7.959 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 21, 1998 AND RECORDED IN VOLUME 1486, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found with cap marked "BYRN" at the intersection of the southwest line of Centerpoint Road, a variable width public right-of-way, as widened and described in Exhibit 'A' in Lis Pendens Notice recorded in Volume 2571, Page 69, Official Public Records, Hays County, Texas, with the northwest line of Transportation Way, a proposed 76 foot public right-of-way as shown by Plat of Lot 2, Lowman Ranch Subdivision, Section Two, an addition to Hays County, Texas according to the Map thereof recorded in Volume 18, Page 17, Hays County Plat Records, for the east corner of the herein described tract of land;

THENCE South 43°34'33" West (S 43°34'23" W Record), with the northwest right-of-way line and projection of said proposed Transportation Way, at a distance of 285.81 feet (285.71' Record) passing a 1/2" iron rod found with cap marked "BYRN" at a west corner of said Transportation Way, as shown by plat, at a distance of 536.35 feet passing a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of said proposed Transportation Way with the northeast line of a drainage easement described in Exhibit 'A' of the Instrument recorded in Volume 4389, Page 592 of the Hays County Real Property Records, and continuing on in all a total distance of **616.32 feet** to the approximate centerline of said drainage easement, for the south corner of the herein described tract of land;

THENCE North 46°29'00" West (N 45°58'03" W Record), with the approximate centerline of said drainage easement, a distance of **577.62 feet** to the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, for the west corner of the herein described tract of land, and from which a 1/2" iron rod found with cap marked "BYRN" at a west corner of said drainage easement bears South 46°38'05" West (S 47°09'14" W Record), a distance of 80.09 feet (80.12' Record);

THENCE with the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, the following courses and distances numbered **(1)** and **(2)**:

1) North 46°38'05" East (N 47°09'14" E Record), a distance of **80.09 feet** (80.12' Record) to a 1/2" iron rod found with cap marked "BYRN" at a north corner of said drainage easement;

2) North 46°39'10" East (N 47°08'53" E Record), a distance of **540.99 feet** to a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract with the southwest line of aforesaid Centerpoint Road, as widened, same being at the beginning of the arc of a curve;

THENCE with the southwest line of aforesaid Centerpoint Road, as widened, the following courses and distances numbered **(1)** and **(2)**:

1) Southeasterly, 156.71 feet (Record) along the arc of said curve, to the left, having a radius of **18800.00 feet** (Record), a delta angle of **00°28'39"** (Record), and a chord which bears **South 45°54'37" East** (S 45°54'29" E Record), a distance of **156.71 feet** (Record) to a 1/2" iron rod found with cap marked "PB&J" at the end of said curve;

2) South 46°08'57" East (S 46°08'49" E Record), a distance of **387.61 feet** to the **POINT OF BEGINNING** and **CONTAINING 7.959 ACRES OF LAND**.

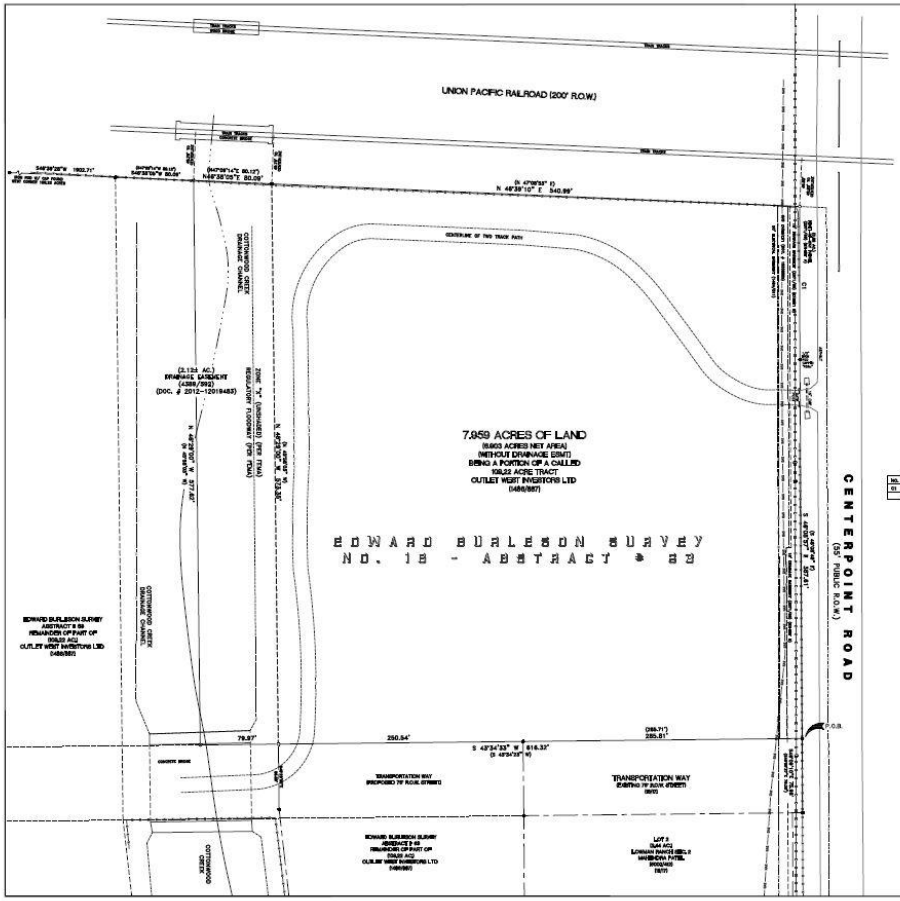
BEARING BASIS HEREIN DERIVED BY GPS MEASUREMENTS ADJUSTED BY HARN (HIGH ACCURACY REFERENCE NETWORK) & PROJECTED TO TEXAS STATE PLANE COORDINATES (TEXAS SOUTH CENTRAL ZONE) & NAD83.

I, Richard H. Taylor, do certify that this description and associated exhibit were prepared this date from a boundary survey performed under my direction during December 2019, and is true and correct to the best of my knowledge and belief.

Richard H. Taylor
Registered Professional Land Surveyor
No. 3986 State of Texas
Attachment: Drawing of 7.959 acres
Job: 19-7284

12/30/19
Date

STATE OF TEXAS
REGISTERED
RICHARD TAYLOR
3986
PROFESSIONAL
LAND SURVEYOR



NO.	BEARING	DELTA ANGLE	ARC	CHORD BEARING	CHORD
C1	S 89°06'28" E	89°34'56"	156.71'	S 45°34'33" E	156.71'
C2	S 89°06'28" E	89°34'56"	156.71'(156.70')	S 45°34'33" E	156.71'(156.71')

BOUNDARY AND IMPROVEMENT SURVEY OF:

[illegible]

PRELIMINARY
SUBJECT TO REVIEW

01/06/20

REVISIONS

NO.	DATE	DESCRIPTION
1	01/06/20	PRELIMINARY

ASH & ASSOCIATES
SURVEYING • CIVIL ENGINEERING • ENVIRONMENTAL
SAN MARCOS, TEXAS 78666
www.ashassociates.net

DRAWING INFORMATION

DRAWN BY:	ASH
CHECKED BY:	MEC
APPROVED BY:	MEC
SCALE:	1" = 40'
DATE:	01/06/20
FIELD BOOK:	1-06
PAGE:	1-07
FILE:	109.22 ACS - 6.90 ACRES

LAND TITLE SURVEY
APPROX. 6.90 ACRES OF LAND
OUT OF AND A PORTION OF 109.22 ACRES
EDWARD BURLESON SURVEY NO. 18, ABS. NO. 63
OREGSON BEND & CENTERPOINT ROAD
CITY OF SAN MARCOS - HAYS COUNTY, TEXAS

DRAWING
TRACT 6
SHEET: 1
OF 1

Zoning Request	400 Block of Centerpoint Road
ZC-20-06	

Summary

Request:	Zoning change from "FD" Future Development to "HC" Heavy Commercial		
Applicant:	Benjamin Green Kimley-Horn 2600 Via Fortuna Ste 300 Austin, TX 78746	**Property Owner:**	Outlet West Investors Limited 1300 Post Oak Blvd, Ste 1650, Houston, TX 77056

Notification

Application:	March 24, 2020	**Neighborhood Meeting:**	N/A
Published:	April 12, 2020	**# of Participants**	N/A
Posted:	April 10, 2020	**Personal:**	April 10, 2020
Response:	None as of Staff Report date		

Property Description

Legal Description:	+/- 7.959 acre tract out of the Edward Burleson Survey No. 18, Abstract No. 63, Hays County		
Location:	400 Block of Centerpoint Road		
Acreage:	7.959	**PDD/DA/Other:**	Pending Annexation
Existing Zoning:	"FD" Future Development	**Proposed Zoning:**	"HC" Heavy Commercial
Existing Use:	Vacant / Rural	**Proposed Use:**	Self-Storage
Preferred Scenario:	Employment Area	**Proposed Designation:**	Employment Area
CONA Neighborhood:	N/A	**Sector:**	N/A
Utility Capacity:	Developer is responsible for extending utilities.	**Floodplain:**	Yes – at rear of property
Historic District	N/A		

Surrounding Area

	Zoning	Existing Land Use	Preferred Scenario
North of Property:	ETJ and General Commercial "GC"	Union Pacific Railroad and Rural / Vacant	Medium Intensity
South of Property:	ETJ	Rural / Vacant	Employment Area
East of Property:	Future Development "FD"	Rural / Vacant	Employment Area
West of Property:	ETJ / Planning Area "PA" (Sportsplex)	Rural / Vacant	Employment Area

Zoning Request	400 Block of Centerpoint Road
ZC-20-06	

Staff Recommendation

X	Approval as Submitted		Approval with Conditions / Alternate		Denial
Staff: Andrea Villalobos, AICP, CNU-A		**Title:** Senior Planner		**Date:** April 24, 2020	

Commission Recommendation

X	Approval as Submitted		Approval with Conditions / Alternate		Denial

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

1. 0 (in favor)
2. 0 (in opposition)

Recommendation from the Planning and Zoning Commission meeting held April 28, 2020:

A motion was made by Commissioner Dillon, seconded by Commissioner Haverland, to approve ZC-20-06. The motion carried 8-0.

- **For:** (8) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Haverland, Commissioner Dillon, Commissioner Moore, Commissioner Agnew, Commissioner Spell.
- **Against:** 0
- **Absent:** (1) Vice-Chairperson Kelsey

Zoning Request	400 Block of Centerpoint Road
ZC-20-06	

History

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to rural/agricultural property as well as the Union Pacific Railroad. In addition, the City recently approved annexation and zoning to the south of the subject property for a sportsplex facility.

The purpose of this zoning change to "Heavy Commercial" zoning is to allow the development of a self-storage facility.

The City of San Marcos will provide water and wastewater services at the site. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service.

Additional Analysis

Upon annexation, the property will be zoned "FD", the default classification for newly annexed land. The annexation request will be considered prior to the zoning change by City Council.

Additional details regarding this analysis is outlined in the staff report and the Comprehensive Plan Analysis checklist.

Comments from Other Departments

Police	No issues with the proposed development.
Fire	No issues with the proposed development.
Public Services	No Comment
Engineering	No Comment

Zoning Request	400 Block of Centerpoint Road
ZC-20-06	

Evaluation			Compatibility of Uses & Density Criteria (Sec.4.1.2.5)
Consistent	Inconsistent	Neutral	
X			**Helps prevent the impacts of high density uses on low density areas** *The subject property is located within an "Employment Area" designation on the Preferred Scenario Map as part of the Comprehensive Plan (see Preferred Scenario Map). "Special Districts", which include the Heavy Commercial zoning district, are "C" Considered within this designation on the Preferred Scenario Map. Much of the immediately surrounding property is also located within an Employment Area.*
		N/A	**Limits changes in neighborhood density categories unless directed by a small area plan or neighborhood character study** *Studies were not complete at the time of the request.*
	X		**Encourages more opportunities for home ownership** *The proposed Heavy Commercial zoning district would not allow for residential uses.*
	X		**Ensures a diversity of housing to serve citizens with varying needs and interests** *The proposed Heavy Commercial zoning district would not allow for residential uses.*

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
X			**Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan and preferred scenario map** *Vision San Marcos Comprehensive Plan states that "the preferred scenario shows the locations of potential employment areas which are appropriate for industrial, large office park and intensive commercial uses. Typically, these uses are located on large sites with excellent road and rail access and access to water and sewer infrastructure." The Comprehensive Plan states that "Special Districts", such as Heavy Commercial zoning are designated as "C" Considered on the Comprehensive Plan / District Translation Table within an "Employment Area" designation. The proposed zoning map amendment aligns with the description of an Employment Area.*

Zoning Request	400 Block of Centerpoint Road
ZC-20-06	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		N/A	**Whether the proposed zoning map amendment is consistent with any adopted small area plan or neighborhood character study for the area** *Studies were not complete at time of request.*
		N/A	**Whether the proposed zoning map amendment is consistent with any applicable development agreement in effect** *A development agreement is not required because the property is requesting annexation into the city limits.*
X			**Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses shall be appropriate in the immediate area of the land to be reclassified** *Heavy Commercial zoning primarily allows for primarily commercial and industrial uses with some allowances for agricultural and public/institutional uses (see attached land use matrix comparison table). Heavy Commercial zoning is intended to "accommodate auto-oriented and other heavy commercial uses. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses." The immediately surrounding area is located in an Employment Area and surrounding zoning is primarily General Commercial or has a placeholder zoning designation of Future Development. In addition, the property to the south recently received approval by City Council for Planning Area zoning to allow a proposed sportsplex facility.*
X			**Whether the proposed zoning will reinforce the existing or planned character of the area** *Approval of this zoning change would allow the property to develop in a manner that is "C" Considered according to the District Translation Table which states that "Special Districts", such as the Heavy Commercial zoning district, is Considered within an "Employment Area" designation on the Preferred Scenario Map.*
X			**Whether the site is appropriate for the development allowed in the proposed district** *The property is vacant and shown to be in a moderately constrained area on the Land Use Suitability Map. The site is located adjacent to City Limits with adequate existing services. The property will have access to Centerpoint Road and Transportation Way.*

Zoning Request	400 Block of Centerpoint Road
ZC-20-06	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		N/A	**Whether there are substantial reasons why the property cannot be used according to the existing zoning** *The property is currently not zoned as it is located outside City Limits.*
X			**Whether there is a need for the proposed use at the proposed location** *The proposed rezoning would allow primarily commercial and industrial uses. The subject property's location in an Employment Area and along a major transportation roadway would allow for such uses to be developed in accordance with city standards.*
X			**Whether the City and other service providers will be able to provide sufficient public facilities and services including schools, roads, recreation facilities, wastewater treatment, water supply and stormwater facilities, public safety, and emergency services, while maintaining sufficient levels of service to existing development** *The site is located adjacent to City Limits with access to existing utilities and Centerpoint Road and Transportation Way.*
X			**Whether the proposed rezoning will have a significant adverse impact on property in the vicinity of the subject property** *The immediately surrounding area is located in an Employment Area and surrounding zoning is primarily General Commercial, Planning Area for the proposed sportsplex, or has a placeholder zoning designation of Future Development. The proposed development is consistent with existing or proposed surrounding uses.*
		N/A	**For requests to a Neighborhood Density District, whether the proposed amendment complies with the compatibility of uses and density in Section 4.1.2.5** *This request is not for a Neighborhood Density District.*
X			**The impact the proposed amendment has with regard to the natural environment, including the quality and quantity of water and other natural resources, flooding, and wildlife management** *The property is located within a moderately constrained area according to the Land Use Suitability Map. The property does have a small portion of floodplain at the rear of the property which will be evaluated during the Watershed Protection Plan process as well as adjoining plat, site, and building permit applications.*
X			**Any other factors which shall substantially affect the public health, safety, morals, or general welfare** *None noted.*

ZC-20-06
Aerial View
Centerpoint HC Zoning — 400 Block of Centerpoint Road

★ **Site Location**

Subject Property

Parcel

City Limit

N

0 300 600 1,200 Feet

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Map Date: 4/7/2020

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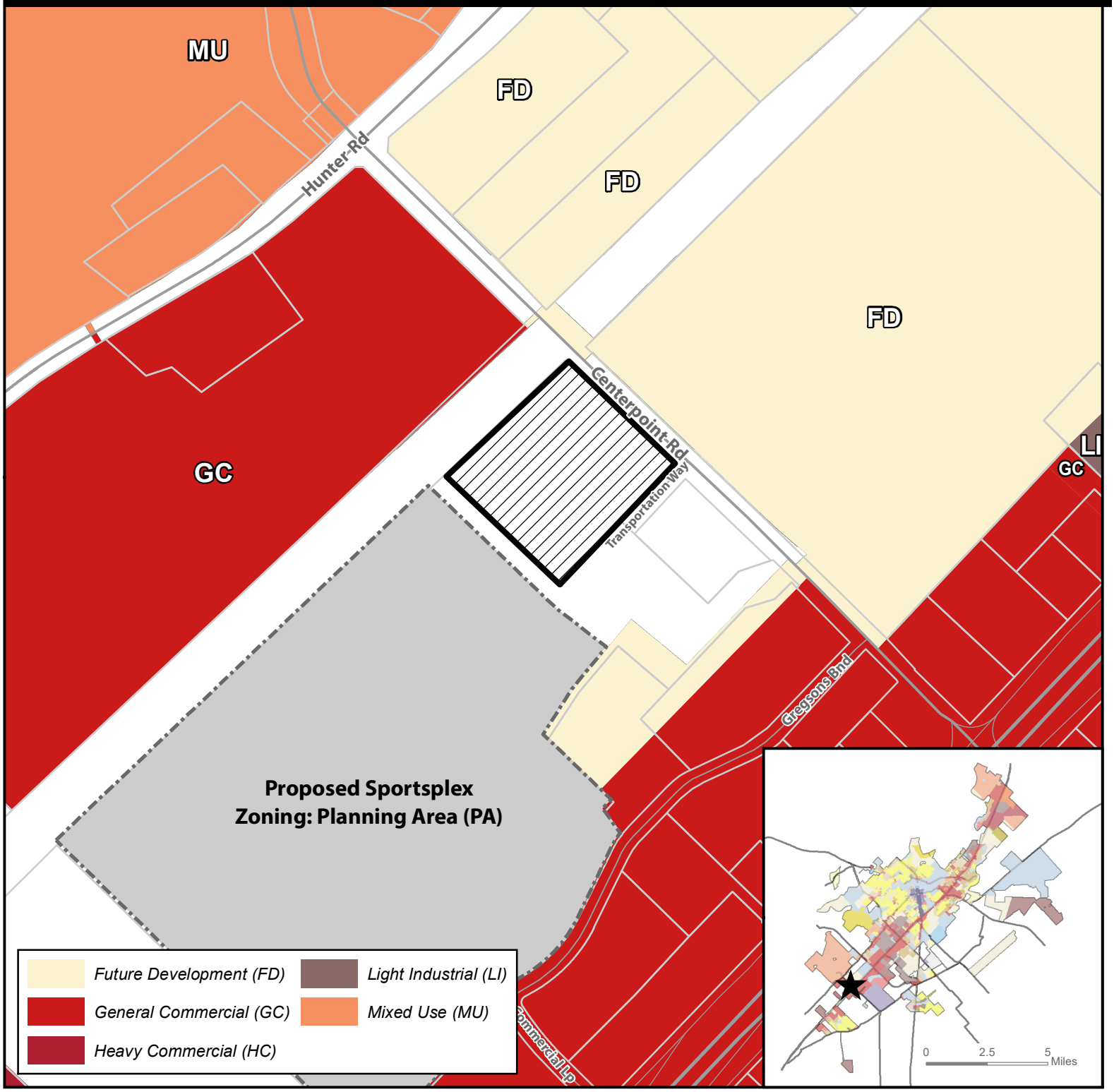
ZC-20-06
Existing Zoning
Centerpoint HC Zoning – 400 Block of Centerpoint Road



Site Location

Subject Property

Parcels

City Limit

N

0 300 600 1,200 Feet

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Map Date: 4/13/2020

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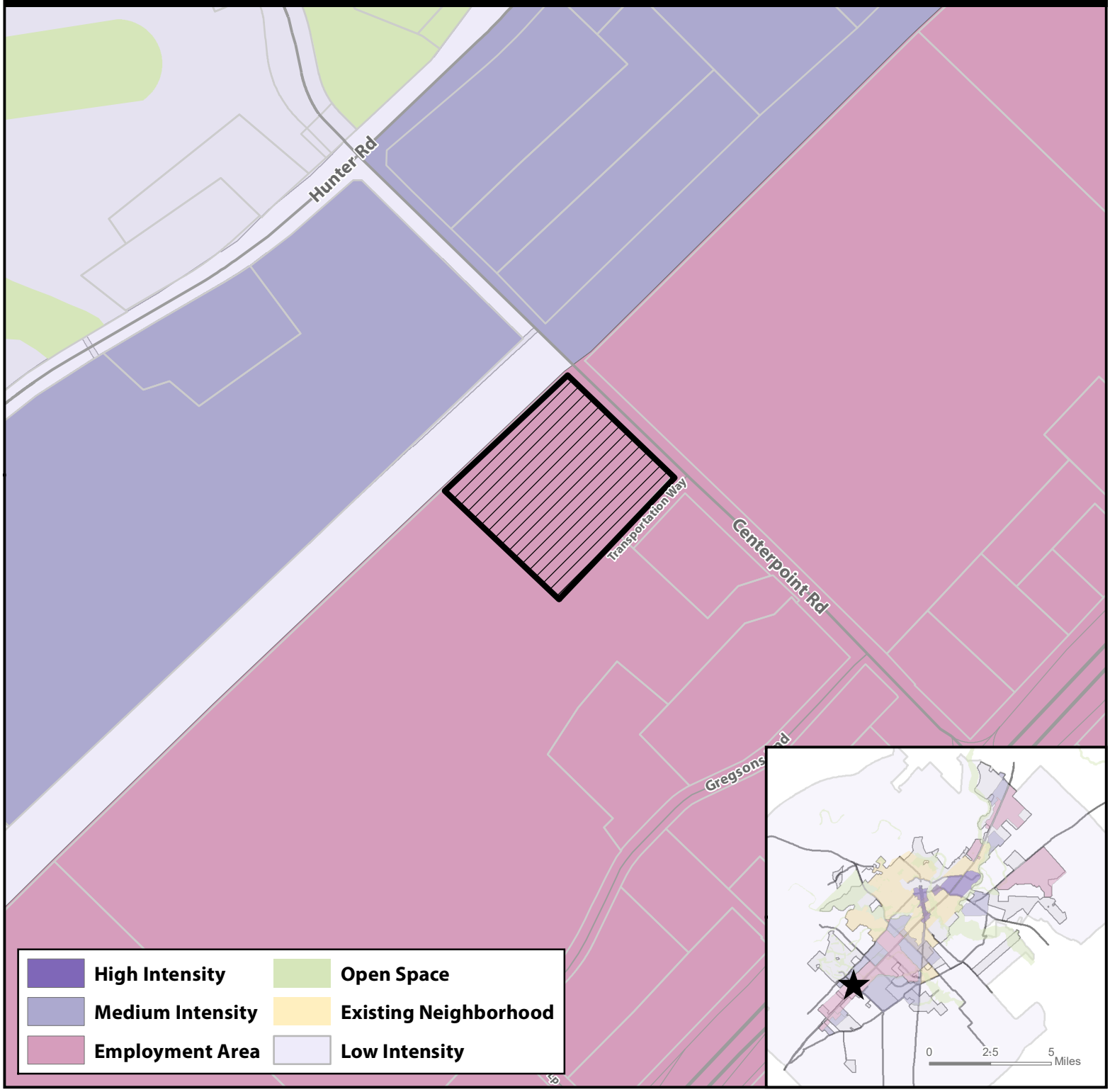
ZC-20-06
Preferred Scenario
Centerpoint HC Zoning – 400 Block of Centerpoint Road



Site Location

Subject Property

Parcels

City Limit

N

0 300 600 1,200 Feet

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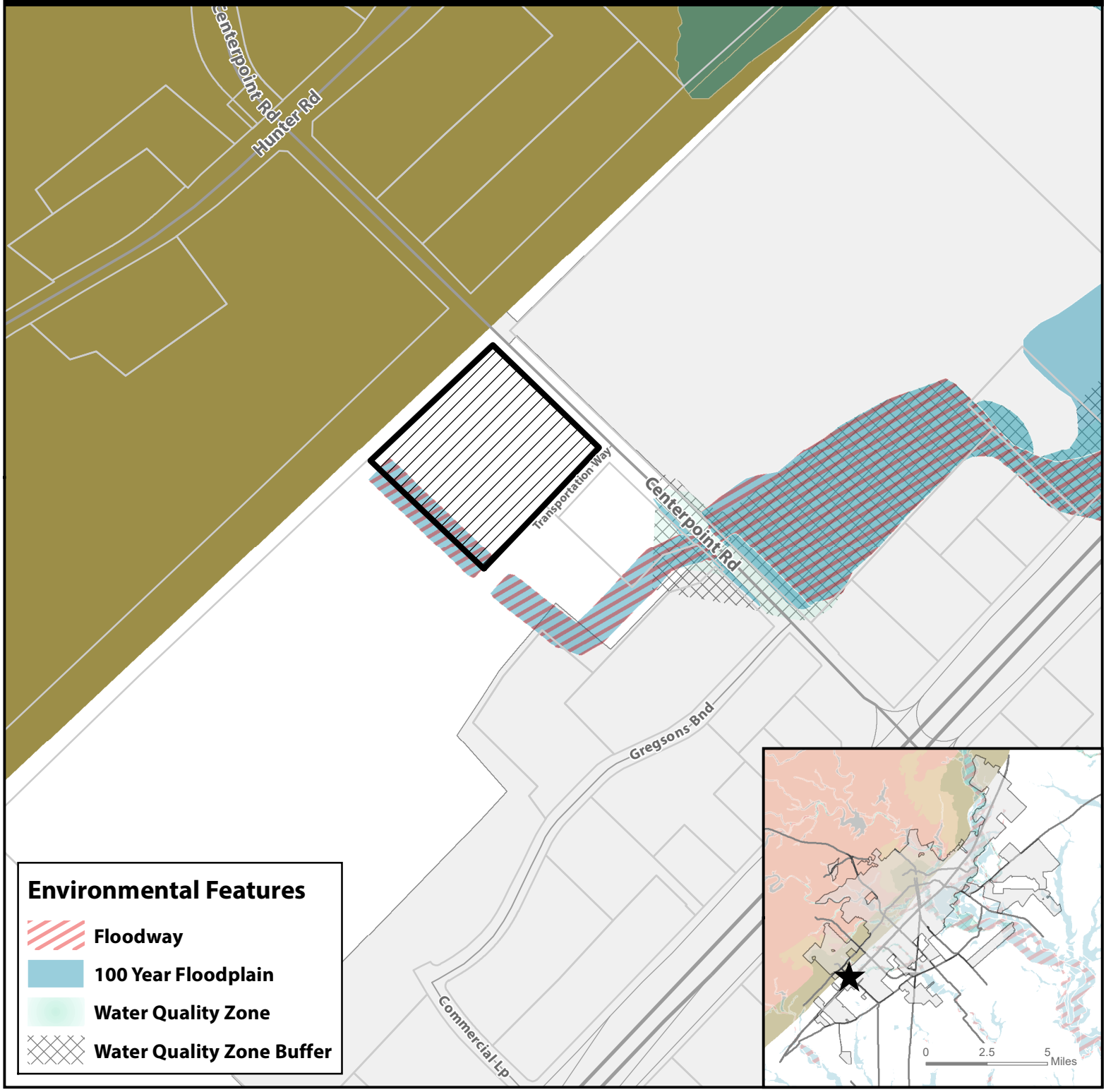
Map Date: 4/7/2020

Document Path: Z:\Planning & Dev\Planning_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-06 - Centerpoint Self Storage\GIS\ZC-20-06 Preferred Scenario.mxd

ZC-20-06
Environmental Features
Centerpoint HC Zoning – 400 Block of Centerpoint Road



Site Location

Subject Property

Parcels

City Limit

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0 300 600 1,200 Feet

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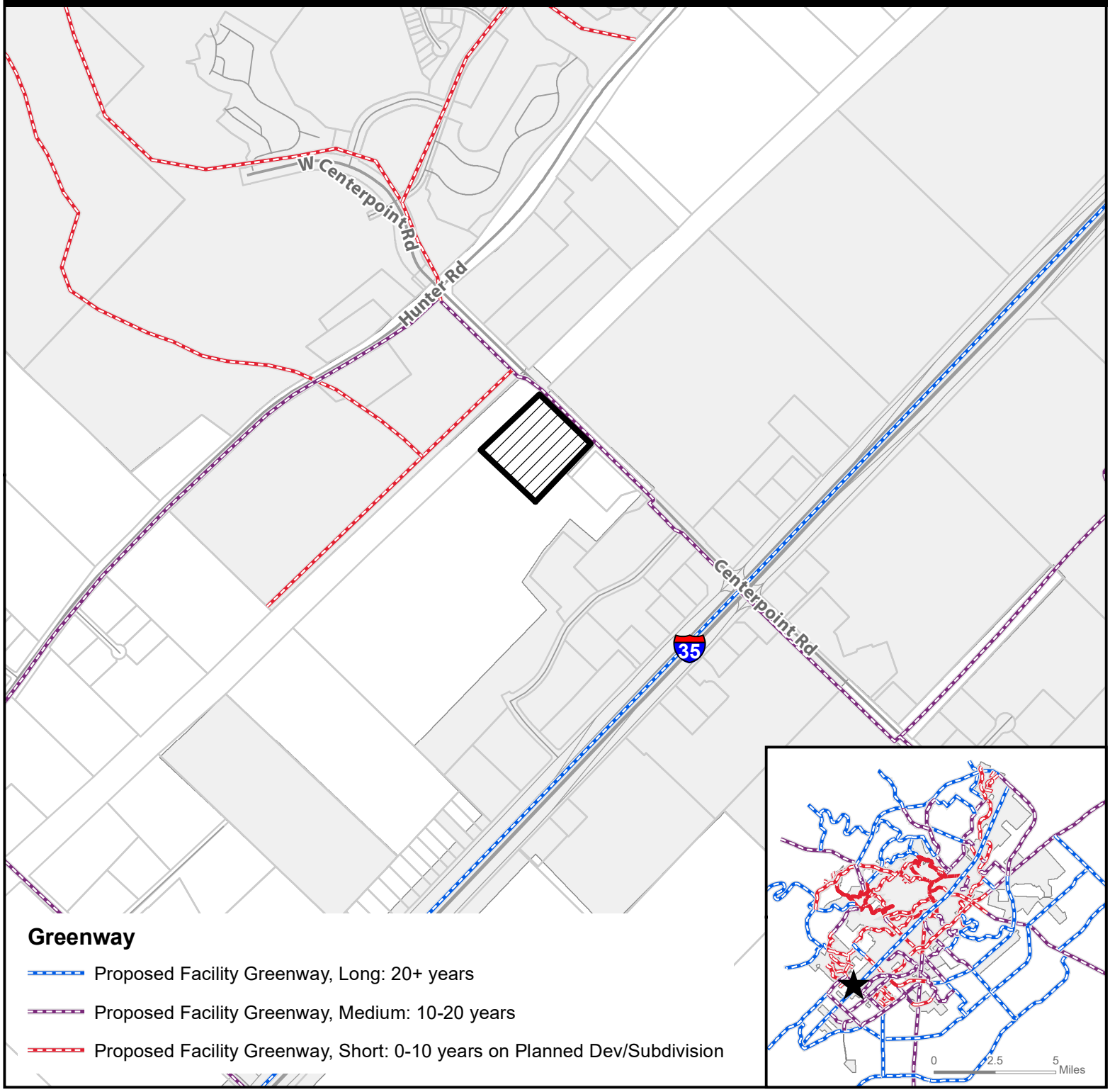
Map Date: 4/7/2020

Document Path: Z:\Planning & Dev\Planning_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-06 - Centerpoint Self Storage\GIS\ZC-20-06 Environmental Map.mxd

ZC-20-06
Transportation Master Plan Greenways
Centerpoint HC Zoning – 400 Block of Centerpoint Road



Greenway

- Proposed Facility Greenway, Long: 20+ years
- Proposed Facility Greenway, Medium: 10-20 years
- Proposed Facility Greenway, Short: 0-10 years on Planned Dev/Subdivision

- **Site Location**
- **Subject Property**
- **Parcels**
- **City Limit**

N

0 625 1,250 2,500 Feet

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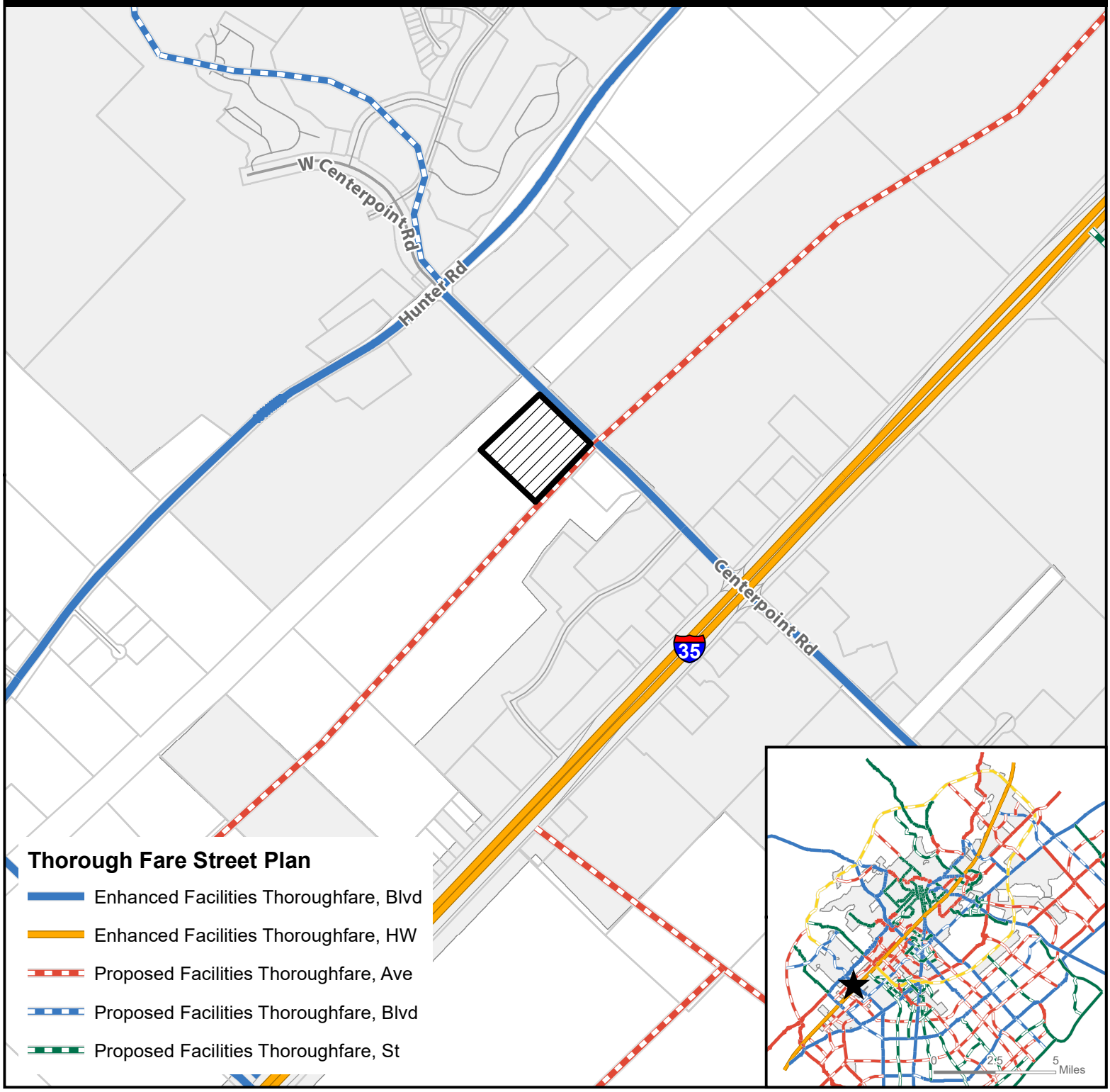
Map Date: 4/7/2020

Document Path: Z:\Planning & Dev\Planning_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-06 - Centerpoint Self Storage\GIS\ZC-20-06 Greenways.mxd

ZC-20-06
Transportation Master Plan
Centerpoint HC Zoning – 400 Block of Centerpoint Road



Site Location

Subject Property

Parcels

City Limit

N

0 625 1,250 2,500 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/7/2020

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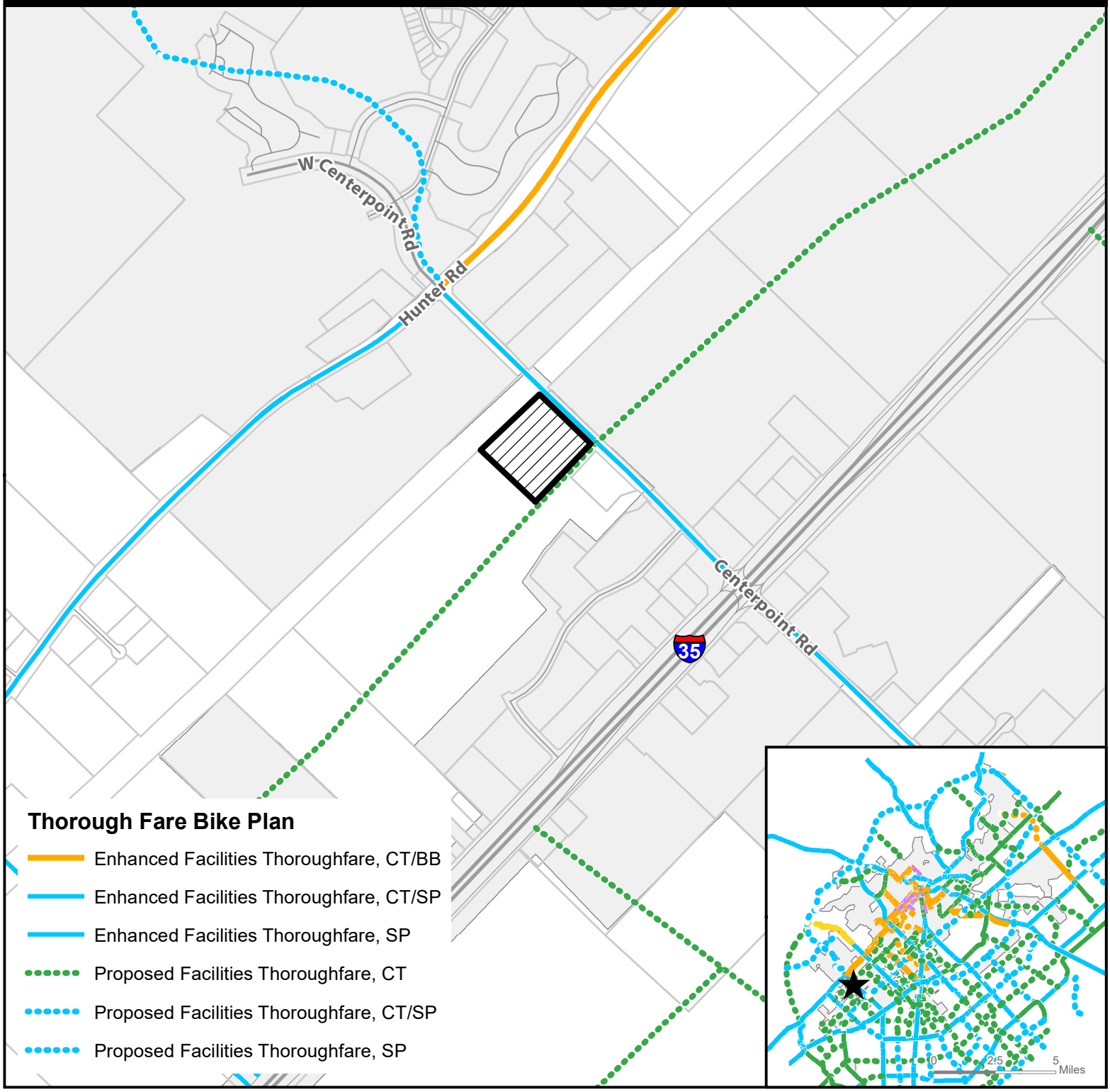
ZC-20-06
Transportation Master Plan Bicycle Infrastructure
Centerpoint HC Zoning – 400 Block of Centerpoint Road



Site Location

Subject Property

Parcels

City Limit

N

0 625 1,250 2,500 Feet

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Map Date: 4/7/2020

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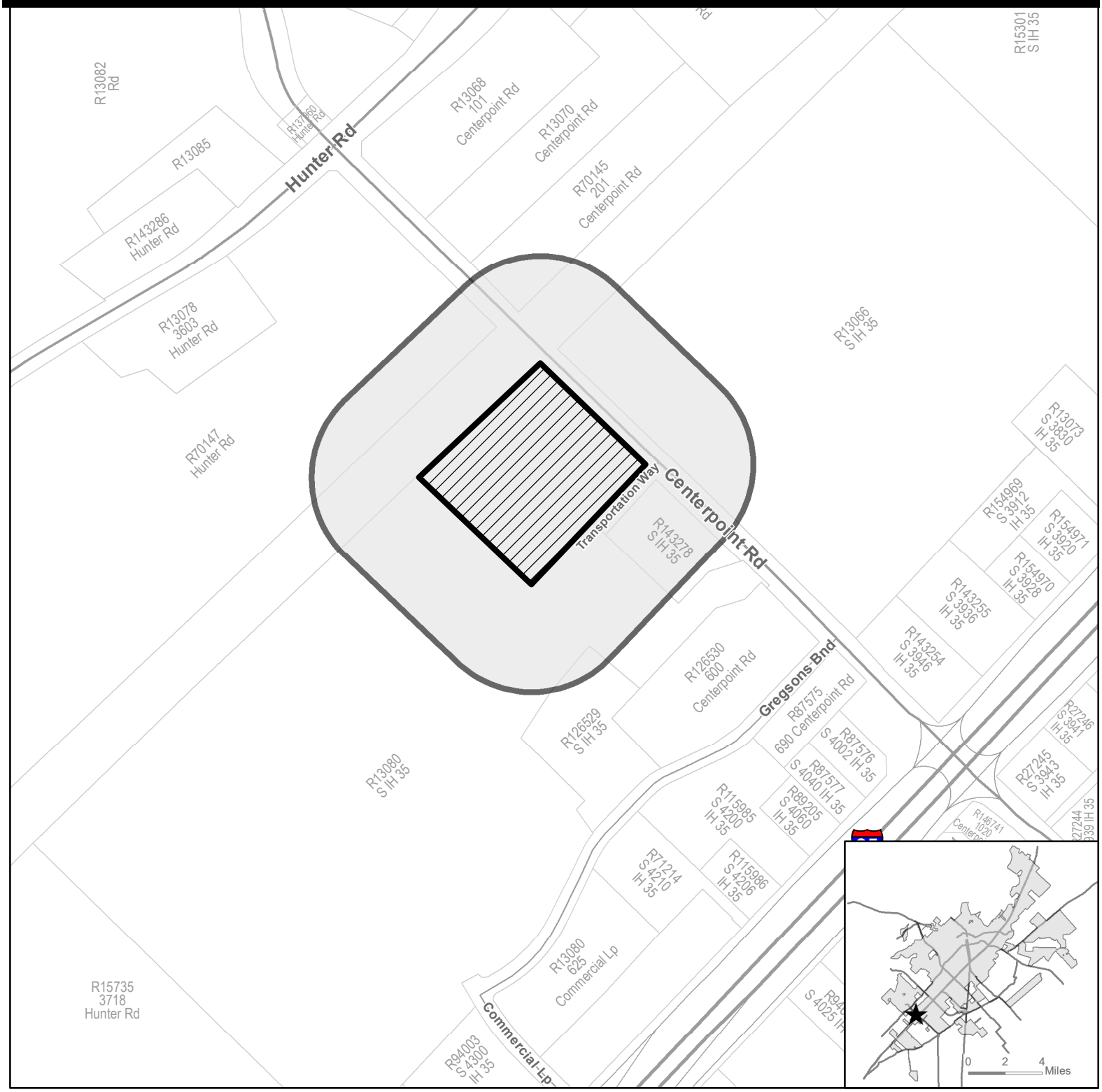
ZC-20-06
400' Notification Buffer
Centerpoint HC Zoning – 400 Block of Centerpoint Road



★ **Site Location**

Subject Property

400' Buffer

Parcel

City Limit

N

0 300 600 1,200 Feet

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Map Date: 4/7/2020

Document Path: Z:\Planning & Dev\Planning_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-06 - Centerpoint Self Storage\GIS\ZC-20-06 Notification Map.mxd

Notification List (ZC-20-06)

Property ID	Site Address	Site Street Name	Owner Name	Owner Address	Owner Address 2	Owner City	Owner State	Owner Zip
13080		IH 35 @ W CENTERPOINT	OUTLET WEST INVESTORS LTD	Attn: MR. BEEMAN STRONG	1300 POST OAK BLVD	HOUSTON	TX	77056-3162
13066	3939	IH 35	SAC N PAC	1910 CENTER POINT RD		SAN MARCOS	TX	78666-9443
126529			OUTLET WEST INVESTORS LTD	Attn: MR. BEEMAN STRONG	1300 POST OAK BLVD	HOUSTON	TX	77056-3162
88793	201	CENTERPOINT	BASLER PLASTICS LLC	12570 STATE ROUTE 143		HIGHLAND	IL	62249-1074
70145	201	CENTERPOINT	BASLER PLASTICS LLC	12570 STATE ROUTE 143		HIGHLAND	IL	62249-1074
143278		CENTERPOINT	PATEL MAHENDRA	PO BOX 1528		BUDA	TX	78610
70147		HUNTER	CARMA PASO ROBLES LLC	11501 ALTERRA PKWY	STE 100	AUSTIN	TX	78758-3201
			Joe Cantu	725 Willow Ridge Dr		SAN MARCOS	TX	78666
			Johnny Garcia	420 MCGEHEE ST		SAN MARCOS	TX	78666

Section 5.1.1.2 Land Use Matrix Future Development (FD) VS. Heavy Commercial (HC)

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Agricultural Uses																				
Barns or agricultural buildings	P	L	--	--	--	--	--	--	P	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.1
Stables	P	L	--	--	--	--	--	--	--	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.2
Community Garden	P	P	L	L	L	L	L	--	P	P	L	L	L	L	P	P	P	P	P	Section 5.1.2.3
Urban Farm	P	C	C	C	C	L	L	C	P	P	L	L	C	C	P	P	--	P	C	Section 5.1.2.4
Plant Nursery	L	--	--	--	--	--	--	P	--	L	--	--	P	P	P	P	P	--	P	Section 5.1.2.5
Accessory Uses and Structures																				
Accessory Building/Structure	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.1
Accessory Dwelling Unit	L	L	L	L	L	L	P	P	--	P	L	P	P	P	--	--	--	--	--	Section 5.1.3.1
Accessory Use, except as listed below:	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.2
Outdoor Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	L	P	--	L	Section 5.1.3.2
Outdoor Display	--	--	--	--	--	--	--	L	--	--	--	--	L	L	P	--	--	--	L	Section 5.1.3.2
Food Truck	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.3.1
Drive-thru or Drive-in	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.3.2
Home Occupation	L	L	L	L	L	L	L	--	--	L	L	L	--	--	--	--	--	--	--	Section 5.1.3.4
Family Home Care	P	P	P	P	P	P	P	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.3.5
Short Term Rental	L	L	L	L	L	L	L	P	--	L	L	P	P	P	--	--	--	L	P	Section 5.1.3.6
Residential Uses																				
Single Family Detached	P	L	L	L	L	L	L	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Cottage Court	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Two Family	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Single Family Attached	--	--	--	--	L	L	L	L	--	--	P	P	P	P	--	--	--	--	--	Section 5.1.4.1
Small Multi-Family (up to 9 units)	--	--	--	--	--	L	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Courtyard Housing (up to 24 units)	--	--	--	--	--	--	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Multi-family (10 or more units)	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Purpose Built Student Housing	--	--	--	--	--	--	--	--	--	--	--	--	C	C	--	--	--	--	--	Section 5.1.4.1
Manufactured Home	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1
Mobile Home Community	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Community Home	L	L	L	L	L	L	P	P	--	P	P	P	P	P	--	--	--	L	--	Section 5.1.4.12
Fraternity or Sorority Building	--	--	--	--	--	--	C	C	--	--	--	C	P	P	--	--	--	--	--	Section 5.1.4.12
Commercial Uses																				
Professional Office	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	--	--	P	Section 5.1.5.1
Medical, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.2
Urgent care, emergency clinic, or hospital	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	--	--	P	Section 5.1.5.2
Nursing/ retirement home	--	--	--	--	--	--	P	P	--	--	--	P	P	P	P	--	--	--	P	Section 5.1.5.2
Personal Services, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (indoor)	C	--	--	--	--	--	--	P	--	--	--	--	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (outdoor)	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.3
Funeral Home	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.3
Adult Oriented Businesses	See Section 18, Article 6 of the City Code																			
All Retail Sales, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.4
Gasoline Sales	--	--	--	--	--	--	--	L	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Truck stop	--	--	--	--	--	--	--	--	--	--	--	--	--	--	L	--	--	--	L	Section 5.1.5.4
Tattoo, body piercing	--	--	--	--	--	--	C	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Building material sales	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	P	P	--	P	Section 5.1.5.4
Vehicle Sales/ Rental	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Pawnshop	--	--	--	--	--	--	--	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Restaurant/ Bar, as listed below:																				
Eating Establishment	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.5
Bar	--	--	--	--	--	--	--	C	--	--	--	--	C	C	C	--	--	--	C	Section 5.1.5.5
Mobile Food Court	--	--	--	--	--	--	--	C	--	--	--	--	P	P	--	--	--	--	--	Section 5.1.5.5
Sale of Alcohol for on premise consumption	--	--	--	--	--	--	C	C	--	--	--	C	C	C	C	--	--	--	C	Section 5.1.5.5
Overnight Lodging, as listed below:																				Section 5.1.5.6
Bed and Breakfast (up to 8 rooms)	L	C	C	C	C	L	L	P	--	P	C	P	P	P	--	--	--	--	P	Section 5.1.5.6
Boutique Hotel (9 - 30 rooms)	--	--	--	--	--	--	C	P	--	--	--	P	P	P	--	--	--	--	P	Section 5.1.5.6

Table 5.1 Land Use Matrix

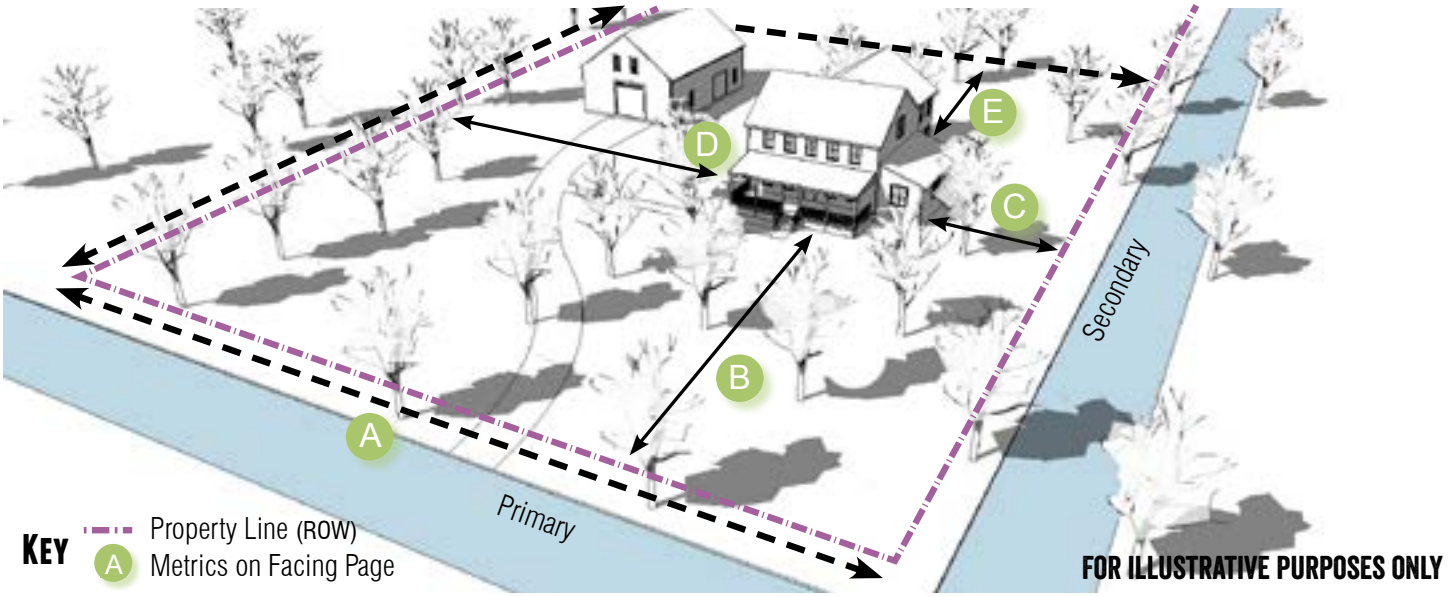
Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Hotel/ Motel (more than 30 rooms)	--	--	--	--	--	--	--	P	--	--	--	--	P	P	--	--	--	--	P	Section 5.1.5.6
Outdoor Recreation, except as listed below:	--	--	--	--	--	--	--	C	--	--	--	--	P	C	P	--	--	--	P	Section 5.1.5.7
Golf Course	C	C	C	C	C	C	C	C	C	C	C	C	C	C	--	--	--	C	C	Section 5.1.5.7
Traveler Trailers/ RVs Short Term stays	P	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	P	--	Section 5.1.5.7
Shooting Range	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.7
Indoor Recreation, except as listed below:	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.5.8
Gym/ Health club	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	P	--	P	Section 5.1.5.8
Smoking Lounge	--	--	--	--	--	--	--	C	--	--	--	--	P	C	--	--	--	--	P	Section 5.1.5.8
Charitable Gaming Facility	--	--	--	--	--	--	--	--	--	--	--	--	C	--	C	--	--	--	C	Section 5.1.5.8
Public & Institutional																				
Civic, except as listed below:	P	L	L	L	L	L	P	P	L	L	L	P	P	P	P	P	P	P	P	Section 5.1.6.1
Day Care Center	C	--	--	--	C	C	L	P	--	C	C	L	P	P	P	--	--	--	P	Section 5.1.6.1
Parks, Open Space, and Greenways	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.2
Minor Utilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.3
Major Utilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	C	C	C	--	--	Section 5.1.6.3
Antenna	See Section 5.1.6.3D																			
Industrial																				
Light Industrial	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	P	P	--	C	Section 5.1.7.1
Light Manufacturing	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.7.2
Vehicle Service, as listed below:																				Section 5.1.7.3
Car Wash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (minor)	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (major)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	--	C	Section 5.1.7.3
Warehouse & Distribution	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	P	Section 5.1.7.4
Waste-Related service	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	--	Section 5.1.7.5
Wholesale trade	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	P	Section 5.1.7.6
Self Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.7
Research and Development	--	--	--	--	--	--	--	--	--	--	--	--	C	C	P	P	P	--	C	Section 5.1.7.8
Wrecking/Junk Yard	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	Section 5.1.7.9

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Proposed Zoning:* **Heavy Commercial (HC)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	Heavy Commercial (HC) is intended to accommodate auto-oriented and other heavy commercial uses. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.
Uses	Primarily agricultural, residential, and public/institutional *(See Land Use Matrix)*	Primarily commercial and industrial uses with some allowances for and public/institutional and agricultural uses *(See Land Use Matrix)*
Parking Location	No location standards	No location standards
Parking Standards	Depends on use	Depends on use. For example, warehouse and distribution uses require 1 space for each 2,000 square feet of gross floor area excluding office space, which shall be calculated separately depending on office use.
Max Residential Units per acre	0.4 units per acre (max)	Residential uses are not allowed
Occupancy Restrictions	N/A	N/A
Landscaping	Tree and shrub requirements	Tree and shrub requirements
Building Height (max)	2 stories (40 feet)	4 stories (62 feet)
Setbacks	50' minimum front; 20' min side; minimum rear setback is 20% of total lot depth	20' minimum front, 5' minimum side, 20' minimum rear
Impervious Cover (max)	30%	80%
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area between sidewalk and street required.	Conventional Street: 6' sidewalk, street trees every 40' on center average, 7' planting area between sidewalk and street required.
Blocks	No Block Perimeter Required	5,000 ft. Block Perimeter max

FD

SECTION 4.4.1.1 FUTURE DEVELOPMENT DISTRICT



General Description

The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.

Density

Units Per Gross Acre	.4 max.
Impervious Cover	30% max.

Transportation

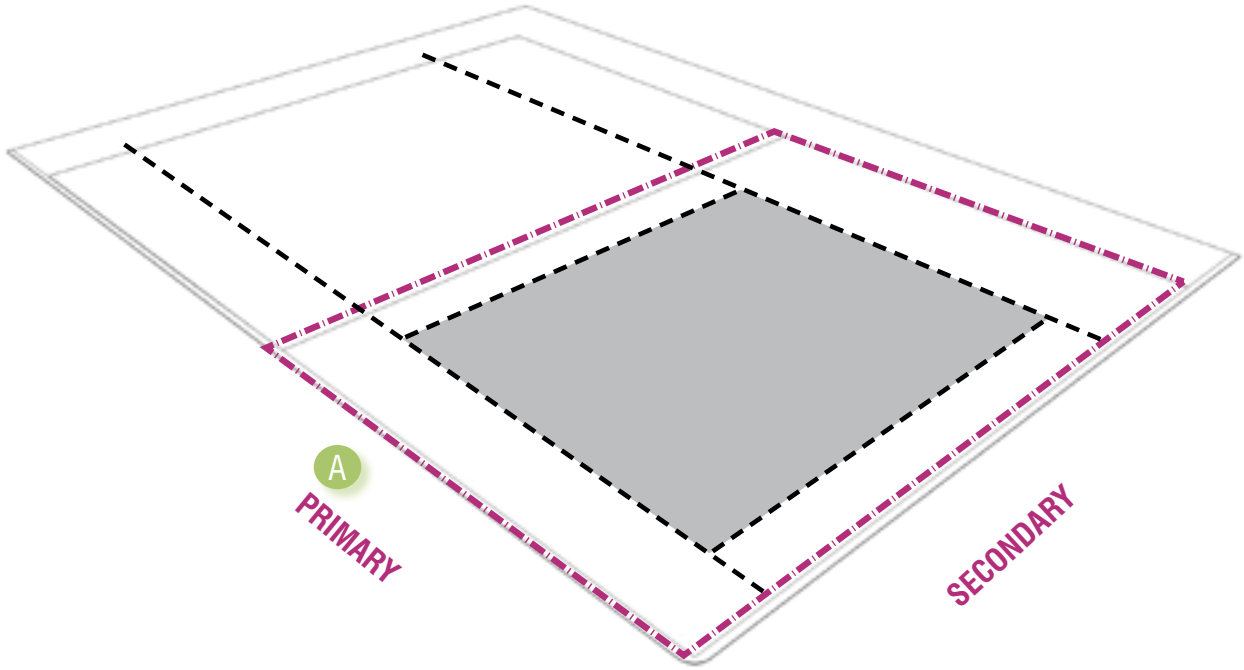
Streetscape Type	Residential	Section 3.8.1.10
Sidewalks are not required for lots greater than 1 acre		

Building Types Allowed

Accessory Dwelling	Section 4.4.6.1
House	Section 4.4.6.2
Civic	Section 4.4.6.15

HC

SECTION 4.4.5.2 HEAVY COMMERCIAL



KEY

- Property Line (ROW)
- A Metrics on This and Facing Page
- Setbacks
- Building Footprint

District Intent Statements

HC is intended to accommodate auto oriented and other heavy commercial uses. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.

Density

Impervious Cover	80% max.

Transportation

Block Perimeter	5,000 ft. max	Section 3.6.2.1
Streetscape Type	Conventional	Section 3.8.1.7

Building Types Allowed

General Commercial	Section 4.4.6.13
Civic Building	Section 4.4.6.15

Building Standards

Principle Building Height	4 stories max.	62 ft. max.
Accessory Structure Height	N/A	24 ft. max.

ZC-20-06 (Centerpoint HC) Zoning Change Review **(By Comp Plan Element)**

LAND USE – Preferred Scenario Map / Land Use Intensity Matrix

	YES	NO (map amendment required)
Does the request meet the intent of the Preferred Scenario Map and the Land Use Intensity Matrix?	**X – It is designated as "Considered" on the Preferred Scenario Map**	

ECONOMIC DEVELOPMENT – Furthering the goal of the Core 4 through the three strategies

STRATEGY	SUMMARY		Supports	Contradicts	Neutral
Preparing the 21st Century Workforce	Provides / Encourages educational opportunities				**X**
Competitive Infrastructure & Entrepreneurial Regulation	Provides / Encourages land, utilities and infrastructure for business		**The Developer will extend utilities through this site**		
The Community of Choice	Provides / Encourages safe & stable neighborhoods, quality schools, fair wage jobs, community amenities, distinctive identity				**X**

ENVIRONMENT & RESOURCE PROTECTION – Land Use Suitability & Development Constraints

	1 (least)	2	3 (moderate)	4	5 (most)
Level of Overall Constraint	**X**	**X**	**X**	**X**	
Constraint by Class					
Cultural	**X**			**X**	
Edwards Aquifer	**X**				
Endangered Species	**X**				
Floodplains	**X**	**X**		**X**	
Geological	**X**				
Slope	**X**				
Soils	**X**	**X**			
Vegetation	**X**		**X**		
Watersheds	**X**				
Water Quality Zone	**X**	**X**		**X**	

ENVIRONMENT & RESOURCE PROTECTION – Water Quality Model Results

Located in Subwatershed:	**Cottonwood Creek Watershed**				
	0-25%	25-50%	50-75%	75-100%	100%+
Modeled Impervious Cover Increase Anticipated for watershed					**X**
Notes: **This watershed currently has very little impervious cover compared to its size. Cottonwood Creek is not a tributary to the San Marcos River, with larger more concentrated growth, best management**					

practices such as retention ponds and biofiltration gardens can be incorporated into the site planning process.

NEIGHBORHOODS – Where is the property located

CONA Neighborhood(s):	**N/A – Outside City Limits**
Neighborhood Commission Area(s):	**9**
Neighborhood Character Study Area(s):	**N/A**

PARKS, PUBLIC SPACES AND FACILITIES –Availability of parks and infrastructure

				YES	NO
Will Parks and / or Open Space be Provided? **Parkland dedication is not required for commercial uses, however, the project will be required to install sidewalk and streetscape infrastructure along proposed roadways.**					**X**
Will Trails and / or Green Space Connections be Provided? **The Transportation Master Plan requires a greenway along Centerpoint Road**				**X**	
Maintenance / Repair Density	Low (maintenance)		Medium		High (maintenance)
Wastewater Infrastructure	**X**				
Water Infrastructure	**X**				
Public Facility Availability				YES	NO
Parks / Open Space within ¼ mile (walking distance)?					**X**
Wastewater service available? **Wastewater lines will be required throughout the development to service the property.**				**X**	
Water service available? **Water lines will be also required throughout the development to service the property.**				**X**	

TRANSPORTATION – Level of Service (LOS), Access to sidewalks, bicycle lanes and public transportation

		A	B	C	D	E	F
Existing Daily LOS	**Centerpoint Road**	**X**					
Existing Peak LOS	**Centerpoint Road**	**X**					
Preferred Scenario Daily LOS	**Centerpoint Road**						**X**
Preferred Scenario Peak LOS	**Centerpoint Road**						**X**
			N/A	Good	Fair	Poor	
Sidewalk Availability (Required to build.)			**X**				
Sidewalks will be required to be constructed at the time of development.							
			YES		NO		
Adjacent to existing bicycle lane?					**X**		
Adjacent to existing public transportation route?					**X**		

PLANNING AND DEVELOPMENT SERVICES

4/10/2020 **ZC-20-06**

CORRECTED IN RED

Notice of Public Hearing
Zoning Change Request
"FD" Future Development to "HC" Heavy Commercial 400 Block of Centerpoint Road

Hold a public hearing and consider a request by Benjamin Green, on behalf of Outlet West Investors Limited, for a zoning change from "FD" Future Development to "HC" Heavy Commercial, or such other less intense zoning district classification as the City Council may approve, for approximately 7.959 acres, more or less, out of the Edward Burleson Survey No. 18, Abstract No. 63, Hays County, generally located in the 400 Block of Centerpoint Road.

The San Marcos Planning and Zoning Commission will consider the above request at an upcoming public hearing and will either approve or deny the request. This recommendation will be forwarded to the San Marcos City Council. Before making a decision, the Commission and Council will hold public hearings to obtain citizen comments. Because you are listed as the owner of property located within 400 feet of the subject property, we would like to notify you of the following public hearings and seek your opinion of the request:

- A public hearing will be conducted by the Planning and Zoning Commission via virtual meeting on **Tuesday, April 28, 2020** at **6:00 p.m.** You may join and participate in the public hearing using the following link: http://sanmarcostx.gov/541/PZ-Video-Archives

- A public hearing will be held at the City Council Meeting on **Tuesday, May 19, 2020** at **6:00 p.m.** in the Council Chambers in City Hall, 630 East Hopkins. If current orders related to COVID-19 are extended, virtual meeting information will be provided at the following website: https://sanmarcostx.gov/421/City-Council-Videos-Archives

All interested citizens are invited to attend and participate in the public hearing. If you cannot participate in the virtual public hearing of the Planning and Zoning Commission or the City Council meeting, but wish to comment, you may write to the below address. Your written comments will be given to the Planning & Zoning Commission and City Council if they are received before 5 PM on the day of the meeting.

Development Services-Planning
630 East Hopkins
San Marcos, TX 78666
planninginfo@sanmarcostx.gov

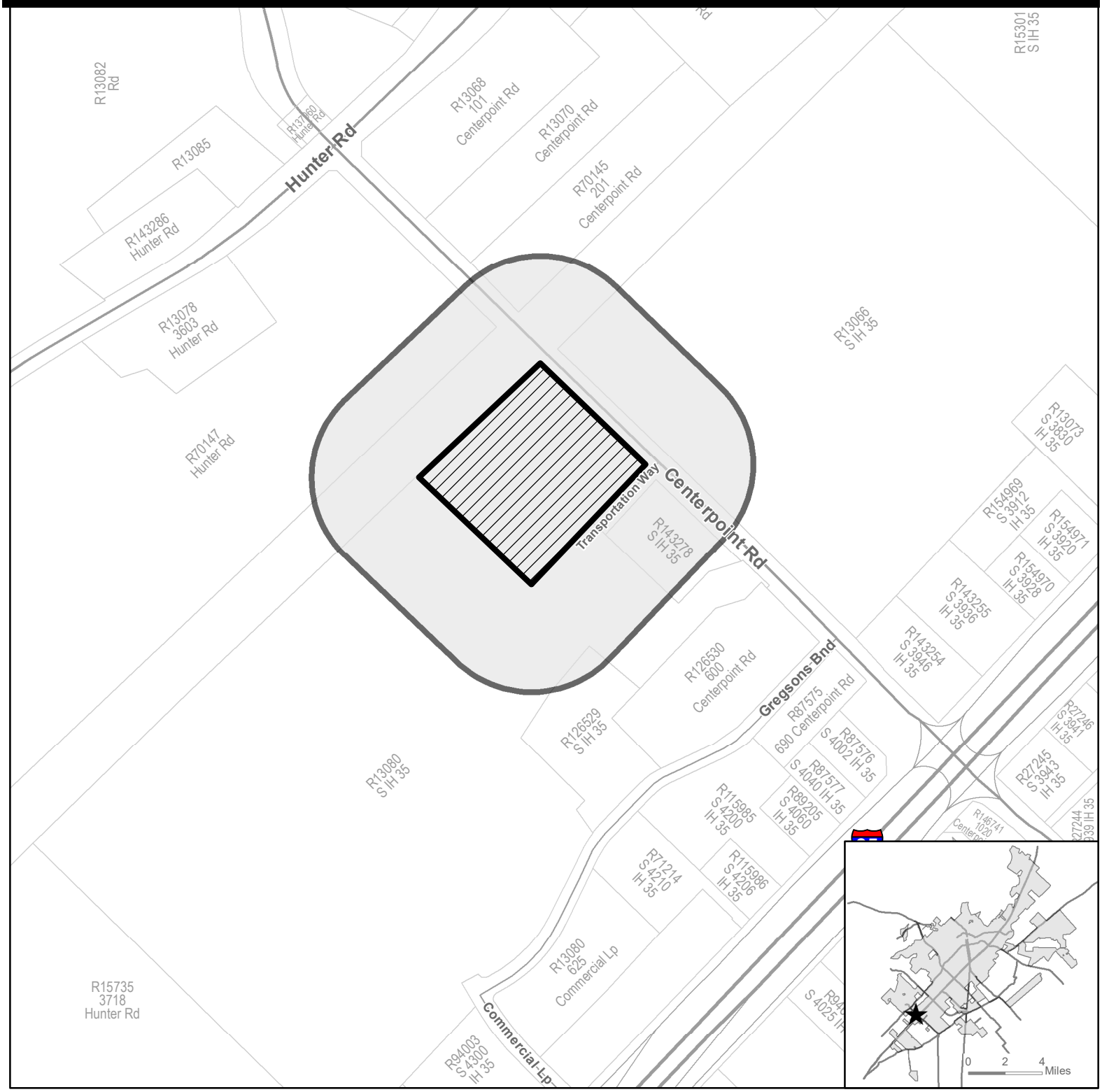
For more information regarding this request, contact the case manager, **Andrea Villalobos,** at **512.805.2623**. When calling, please refer to case number **ZC-20-06.**

As of the date of this notice, there are no other means of participating in the public hearing. However, please check for updates on the City's website at: www.sanmarcostx.gov to see if other means of participating in the public hearing become available.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov

PLANNING AND DEVELOPMENT SERVICES
Enclosure: Map (See Reverse)

ZC-20-06
400' Notification Buffer
Centerpoint HC Zoning – 400 Block of Centerpoint Road



★ **Site Location**

Subject Property

400' Buffer

Parcel

City Limit

N

0 300 600 1,200 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/7/2020

Document Path: Z:\Planning & Dev\Planning_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-06 - Centerpoint Self Storage\GIS\ZC-20-06 Notification Map.mxd

ZONING CHANGE, OVERLAY OR ESTABLISHMENT OF A HISTORIC DISTRICT/LANDMARK APPLICATION

Updated: October, 2019

CONTACT INFORMATION

Applicant's Name	Benjamin Green	**Property Owner**	Outlet West Investors Limited
Company	Kimley-Horn	**Company**	
Applicant's Mailing Address	2600 Via Fortuna Suite 300; Austin, TX 78746	**Owner's Mailing Address**	1300 Post Oak Blvd, Suite 1650, Houston, TX 77056
Applicant's Phone #	512-646-2243	**Owner's Phone #**	713-552-1110
Applicant's Email	ben.green@kimley-horn.com	**Owner's Email**	bstrong@beemanstrong.com

PROPERTY INFORMATION

Subject Property Address(es): 7.959 acres of land in the Edward Burleson Survey NO. 18, Abstract NO. 63, Hays County, Texas

Legal Description: Lot N/A **Block** N/A **Subdivision** N/A

Total Acreage: 7.959 **Tax ID #: R**

Preferred Scenario Designation: Heavy Commercial (HC) **Existing Zoning:** N/A (ETJ)

Existing Land Use(s): Undeveloped

DESCRIPTION OF REQUEST

Proposed Zoning District(s): Heavy Commercial (HC)

Proposed Land Uses / Reason for Change: This site is in the City's ETJ and is being annexed into the City's Full Purpose jurisdiction and will require establishing zoning of HC for our use.

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee* $1,057 plus $100 per acre Technology Fee $13 ***MAXIMUM COST $3,013***

**Existing Neighborhood Regulating Plan Included*

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

AGREEMENT TO THE PLACEMENT OF NOTIFICATION SIGNS AND ACKNOWLEDGEMENT OF NOTIFICATION REQUIREMENTS

The City of San Marcos Development Code requires public notification in the form of notification signs on the subject property, published notice, and / or personal notice based on the type of application presented to the Planning Commission and / or City Council.

- Notification Signs: if required by code, staff shall place notification signs on each street adjacent to the subject property and must be placed in a visible, unobstructed location near the property line. It is unlawful for a person to alter any notification sign, or to remove it while the request is pending. However, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements. ***It shall be the responsibility of the applicant to periodically check sign locations to verify that the signs remain in place had have not been vandalized or removed. The applicant shall immediately notify the responsible official of any missing or defective signs. It is unlawful for a person to alter any notification sign, or to remove it while the case is pending; however, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements.***

- Published Notice: if required by code, staff shall publish a notice in a newspaper of general circulation in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be published it may be at the expense of the applicant. The renotification fee shall be $91 plus a $13 technology fee.***

- Personal Notice: if required by code, staff shall mail personal notice in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be mailed it may be at the expense of the applicant. The renotification fee shall be $91 plus a $13 technology fee.***

I have read the above statements and agree to the required public notification, as required, based on the attached application. The City's Planning and Development Services Department staff has my permission to place signs, as required, on the property and I will notify City staff if the sign(s) is/are damaged, moved or removed. I understand the process of notification and public hearing and hereby submit the attached application for review by the City.

Signature: _____ Date: 2/28/2020

Print Name: Benjamin Green

Form Updated October, 2019

PROPERTY OWNER AUTHORIZATION

I, Robert C. Wilson, III, President of JOQ GP, LLC its General Partner (owner name) on behalf of Outlet West Investors Limited (company, if applicable) acknowledge that I/we am/are the rightful owner of the property located at 0 Centerpoint Road, San Marcos, TX 78666 (address).

I hereby authorize Benjamin Green (agent name) on behalf of Kimley-Horn (agent company) to file this application for Annexation (application type), and, if necessary, to work with the Responsible Official / Department on my behalf throughout the process.

Signature of Owner: _____ Date: 20 Feb 20

Printed Name, Title: Robert C. Wilson, III, President of JOQ, LLC
General Partner of Outlet West Investors Limited

Signature of Agent: _____ Date: _____

Printed Name, Title: Benjamin Green PE, Project Manager

Form Updated October. 2019

ASH & ASSOCIATES
SURVEYING - PLANNING - ARCHITECTURE
"Serving the Community of Texas"
142 Jackson Lane
San Marcos, Texas 78666
Phone: 512-392-1719
ashandassociates.net

STATE OF TEXAS
COUNTY OF HAYS

7.959 ACRES
EDWARD BURLESON SURVEY
NO. 18 - ABSTRACT # 63

BEING 7.959 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 21, 1998 AND RECORDED IN VOLUME 1486, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found with cap marked "BYRN" at the intersection of the southwest line of Centerpoint Road, a variable width public right-of-way, as widened and described in Exhibit 'A' in Lis Pendens Notice recorded in Volume 2571, Page 69, Official Public Records, Hays County, Texas, with the northwest line of Transportation Way, a proposed 76 foot public right-of-way as shown by Plat of Lot 2, Lowman Ranch Subdivision, Section Two, an addition to Hays County, Texas according to the Map thereof recorded in Volume 18, Page 17, Hays County Plat Records, for the east corner of the herein described tract of land;

THENCE South 43°34'33" West (S 43°34'23" W Record), with the northwest right-of-way line and projection of said proposed Transportation Way, at a distance of 285.81 feet (285.71' Record) passing a 1/2" iron rod found with cap marked "BYRN" at a west corner of said Transportation Way, as shown by plat, at a distance of 536.35 feet passing a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of said proposed Transportation Way with the northeast line of a drainage easement described in Exhibit 'A' of the Instrument recorded in Volume 4389, Page 592 of the Hays County Real Property Records, and continuing on in all a total distance of **616.32 feet** to the approximate centerline of said drainage easement, for the south corner of the herein described tract of land;

THENCE North 46°29'00" West (N 45°58'03" W Record), with the approximate centerline of said drainage easement, a distance of **577.62 feet** to the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, for the west corner of the herein described tract of land, and from which a 1/2" iron rod found with cap marked "BYRN" at a west corner of said drainage easement bears South 46°38'05" West (S 47°09'14" W Record), a distance of 80.09 feet (80.12' Record);

THENCE with the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract and the common southeast line of the MK&T Railroad, the following courses and distances numbered **(1)** and **(2)**:

1) North 46°38'05" East (N 47°09'14" E Record), a distance of **80.09 feet** (80.12' Record) to a 1/2" iron rod found with cap marked "BYRN" at a north corner of said drainage easement;

2) North 46°39'10" East (N 47°08'53" E Record), a distance of **540.99 feet** to a 1/2" iron rod set with cap marked "RPLS 5687" set at the intersection of the northwest line of said Outlet West Investors, Ltd. called 109.22 acre tract with the southwest line of aforesaid Centerpoint Road, as widened, same being at the beginning of the arc of a curve;

THENCE with the southwest line of aforesaid Centerpoint Road, as widened, the following courses and distances numbered **(1)** and **(2)**:

1) Southeasterly, 156.71 feet (Record) along the arc of said curve, to the left, having a radius of **18800.00 feet** (Record), a delta angle of **00°28'39"** (Record), and a chord which bears **South 45°54'37" East** (S 45°54'29" E Record), a distance of **156.71 feet** (Record) to a 1/2" iron rod found with cap marked "PB&J" at the end of said curve;

2) South 46°08'57" East (S 46°08'49" E Record), a distance of **387.61 feet** to the **POINT OF BEGINNING** and **CONTAINING 7.959 ACRES OF LAND**.

BEARING BASIS HEREIN DERIVED BY GPS MEASUREMENTS ADJUSTED BY HARN (HIGH ACCURACY REFERENCE NETWORK) & PROJECTED TO TEXAS STATE PLANE COORDINATES (TEXAS SOUTH CENTRAL ZONE) & NAD83.

I, Richard H. Taylor, do certify that this description and associated exhibit were prepared this date from a boundary survey performed under my direction during December 2019, and is true and correct to the best of my knowledge and belief.

Richard H. Taylor
Registered Professional Land Surveyor
No. 3986 State of Texas
Attachment: Drawing of 7.959 acres
Job: 19-7284

12/30/19
Date

STATE OF TEXAS
REGISTERED
RICHARD TAYLOR
3986
PROFESSIONAL
LAND SURVEYOR

UNION PACIFIC RAILROAD (200' R.O.W.)

TWO TRACKS

S 48°38'28" W 1902.71'

(N 47°08'14" E 80.12')
N 48°38'05" E 80.09'

(N 47°08'53" E)
N 48°39'10" E 540.99'

CENTERLINE OF TWO TRACK PATH

(2.12± AC.)
DRAINAGE EASEMENT
(4389/992)
(DOC. # 2012-12019483)

COTTONWOOD CREEK DRAINAGE CHANNEL

ZONE "X" (UNSHADED) (PER FEMA)
REGULATORY FLOODWAY (PER FEMA)

N 48°28'00" W 577.62'
(N 48°28'00" W)

N 48°34'00" W 573.35'
(N 48°34'00" W)

7.959 ACRES OF LAND
(6.903 ACRES NET AREA)
(WITHOUT DRAINAGE ESMT)
BEING A PORTION OF A CALLED
109.22 ACRE TRACT
OUTLET WEST INVESTORS LTD
(5486/887)

EDWARD BURLESON SURVEY
NO. 18 - ABSTRACT # 63

CENTERPOINT ROAD
(55' PUBLIC R.O.W.)

S 48°09'57" E
(S 48°09'57" E)
387.41'

P.O.B.

EDWARD BURLESON SURVEY
ABSTRACT # 63
REMAINDER OF PART OF
(109.22 AC)
OUTLET WEST INVESTORS LTD
(5486/887)

COTTONWOOD CREEK DRAINAGE CHANNEL

79.97'

250.54'

S 43°34'33" W
(S 43°34'33" W)
616.32'

(286.71')
285.81'

CONCRETE BRIDGE

TRANSPORTATION WAY
(PROPOSED 70' R.O.W. STREET)

TRANSPORTATION WAY
(EXISTING 70' R.O.W. STREET)
(5810)

EDWARD BURLESON SURVEY
ABSTRACT # 63
REMAINDER OF PART OF
(109.22 AC)
OUTLET WEST INVESTORS LTD
(5486/887)

LOT 3
(3.44 AC)
LOWMAN RANCH SEC. 2
MAHENDRA PATEL
(6002/463)
(5810)

COTTONWOOD CREEK

GRAPHIC SCALE: 1" = 40'

LEGEND

- 1/2" IRON ROD FOUND CAPPED "SPIRO" (UNLESS STATED)
- IRON ROD SET CAPPED "RPLS 5687"
- CALCULATED POINT
- POWER POLE
- OVERHEAD ELECTRIC LINE
- DOWN GUY
- WIRE FENCE
- P.U.E. PUBLIC UTILITY EASEMENT
- D.E. DRAINAGE EASEMENT
- (DRL-0017) RECORD CALL

NO.	RADIUS	DELTA ANGLE	ARC	CHORD BEARING	CHORD
C1	10000.00'	00°38'38"	184.71'	S 48°54'37" E	184.71'
	(10000.00')	(00°38'38")	(184.71')	(S 48°54'38" E)	(184.71')

BOUNDARY AND IMPROVEMENT SURVEY OF:

7.959 ACRES OF LAND SITUATED IN THE EDWARD BURLESON SURVEY NO. 18, ABSTRACT NO. 63, HAYS COUNTY, TEXAS, SAME BEING A PORTION OF THAT CALLED 109.22 ACRE TRACT OF LAND CONVEYED TO OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, BY DEED DATED DECEMBER 31, 1996 AND RECORDED IN VOLUME 1489, PAGE 887, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, AND SAME BEING PARTICULARLY DESCRIBED BELOW AND SHOWN AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND WITH CAP MARKED "SPIRO" AT THE INTERSECTION OF THE SOUTHWEST LINE OF CENTERPOINT ROAD, A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY, AS RECORD AND DESCRIBED IN EXHIBIT "A" IN LIS PENDENS NOTICE RECORDED IN VOLUME 2371, PAGE 88, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, WITH THE NORTHWEST LINE OF TRANSPORTATION WAY, A PROPOSED 70 FOOT PUBLIC RIGHT-OF-WAY AS SHOWN ON PLAT OF LOT 3, LOWMAN RANCH SUBDIVISION, SECTION TWO, OF HAYS COUNTY, TEXAS ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 13, PAGE 17, PLAT RECORDS, HAYS COUNTY, TEXAS, FOR THE EAST CORNER OF THE REMAIN DEMARKED TRACT OF LAND;

THENCE SOUTH 43°34'33" WEST (S 43°34'33" W RECORD), WITH THE NORTHWEST RIGHT-OF-WAY LINE AND PROJECTION OF SAID PROPOSED TRANSPORTATION WAY, AT A DISTANCE OF 285.81 FEET (285.71' RECORD) PASSING A 1/2" IRON ROD FOUND WITH CAP MARKED "SPIRO" AT A WEST CORNER OF SAID TRANSPORTATION WAY, AS SHOWN, BY PLAT, AT A DISTANCE OF 616.32 FEET PASSING A 1/2" IRON ROD SET WITH CAP MARKED "RPLS 5687" SET AT THE INTERSECTION OF SAID PROPOSED TRANSPORTATION WAY WITH THE NORTHEAST LINE OF A DRAINAGE EASEMENT DESCRIBED IN EXHIBIT "A" OF THE INSTRUMENT RECORDED IN VOLUME 4389, PAGE 992 OF THE HAYS COUNTY REAL PROPERTY RECORDS, AND CONTINUING ON IN ALL A TOTAL DISTANCE OF 619.32 FEET TO THE APPROXIMATE CENTERLINE OF SAID DRAINAGE EASEMENT, FOR THE WEST CORNER OF THE REMAIN DEMARKED TRACT OF LAND;

THENCE NORTH 48°28'00" WEST (N 48°28'00" W RECORD), WITH THE APPROXIMATE CENTERLINE OF SAID DRAINAGE EASEMENT, A DISTANCE OF 577.62 FEET TO THE NORTHWEST LINE OF SAID OUTLET WEST INVESTORS, LTD. CALLED 109.22 ACRE TRACT AND THE COMMON SOUTHEAST LINE OF THE MKT RAILROAD, FOR THE WEST CORNER OF THE REMAIN DEMARKED TRACT OF LAND, AND SAME BEING A 1/2" IRON ROD FOUND WITH CAP MARKED "SPIRO" AT A WEST CORNER OF SAID DRAINAGE EASEMENT, SAME BEARS SOUTH 48°38'05" WEST (S 47°08'14" W RECORD), A DISTANCE OF 80.09 FEET (80.12' RECORD);

THENCE WITH THE NORTHWEST LINE OF SAID OUTLET WEST INVESTORS, LTD. CALLED 109.22 ACRE TRACT AND THE COMMON SOUTHEAST LINE OF THE MKT RAILROAD, THE FOLLOWING COURSES AND DISTANCES NUMBERED (1) AND (2):

NORTH 48°38'05" EAST (N 47°08'14" E RECORD), A DISTANCE OF 540.99 FEET (540.99' RECORD) TO A 1/2" IRON ROD FOUND WITH CAP MARKED "SPIRO" AS A NORTH CORNER OF SAID DRAINAGE EASEMENT;

NORTH 48°39'10" EAST (N 47°08'53" E RECORD), A DISTANCE OF 540.99 FEET TO A 1/2" IRON ROD SET WITH CAP MARKED "RPLS 5687" SET AT THE INTERSECTION OF THE NORTHEAST LINE OF SAID OUTLET WEST INVESTORS, LTD. CALLED 109.22 ACRE TRACT WITH THE SOUTHWEST LINE OF APPROVED CENTERPOINT ROAD, AS RECORDED, SAME BEING AT THE BEGINNING OF THE ARC OF A CURVE;

THENCE WITH THE SOUTHEAST LINE OF APPROVED CENTERPOINT ROAD, AS RECORDED, THE FOLLOWING COURSES AND DISTANCES NUMBERED (1) AND (2):

SOUTHEASTERLY, 184.71 FEET (RECORD) ALONG THE ARC OF SAID CURVE, TO THE LEFT, HAVING A RADIUS OF 10000.00 FEET (RECORD), A DELTA ANGLE OF 00°38'38" (RECORD), AND A CHORD WHICH BEARS SOUTH 48°54'37" EAST (S 48°54'38" E RECORD), A DISTANCE OF 184.71 FEET (RECORD) TO A 1/2" IRON ROD FOUND WITH CAP MARKED "RPLS" AT THE END OF SAID CURVE;

S. SOUTH 48°09'57" EAST (S 48°09'57" E RECORD), A DISTANCE OF 387.41 FEET RECORD TO THE POINT OF BEGINNING AND CONTAINING 7.959 ACRES OF LAND.

TITLE NOTES:

ACCORDING TO THE SCHEDULE B OF THE COMMITMENT FOR TITLE, GF NO. 2010000[illegible], EFFECTIVE 12/30/19 BY CHICAGO TITLE INSURANCE COMPANY, THE PROPERTY IS SUBJECT TO THE FOLLOWING:

(1) THIS LOT IS SUBJECT TO SOIL MOVEMENT RECORDED IN VOLUME 1135, PAGE 840, VOLUME 1244, PAGE 409, VOLUME 1384, PAGE 488, & VOLUME 2414, PAGE 408, DEED RECORDS, HAYS COUNTY, TEXAS.

(2)-(4) [illegible] (DOES NOT AFFECT)

(5) [illegible] (DOES NOT AFFECT)

(6)-(8) [illegible] (DOES NOT AFFECT)

(9)-(12) [illegible] (DOES NOT AFFECT)

(13) DECLARATION OF REGIONAL DRAINAGE EASEMENT RECORDED BY OUTLET WEST INVESTORS, LTD., A TEXAS LIMITED PARTNERSHIP, DATED DECEMBER 31, 1997, RECORDED IN JANUARY 2, 1998, & VOLUME 2414, PAGE 408 OF THE OFFICIAL RECORDS OF HAYS COUNTY, TEXAS. (DOES NOT AFFECT)

(14)-(16) [illegible] (DOES NOT AFFECT)

(17) DRAINAGE EASEMENT CREATED BY OUTLET WEST INVESTORS, LTD. IN OUT OF SAN MARCOS, TEXAS, DATED JULY 30, 2010, RECORDED ON JULY 30, 2010, VOLUME 4389, PAGE 992, OFFICIAL PUBLIC RECORDS, DESCRIBED & DEPICTED IN THE OFFICIAL RECORDS OF HAYS COUNTY, TEXAS. (DOES NOT AFFECT)

(18) [illegible] (DOES NOT AFFECT)

(19) [illegible] (DOES NOT AFFECT)

(20) [illegible] (DOES NOT AFFECT)

PLAT NOTES:

(1) ACCORDING TO THE OFFICIAL FLOOD INSURANCE RATE MAP COMMUNITY PANEL NO. [illegible], EFFECTIVE DATE [illegible], THE PROPERTY SHOWN HEREON IS BEING IN ZONE "X" (UNSHADED), EXCEPTED AREA, OTHER AREAS, AREAS OF MINIMAL FLOOD HAZARD, & PORTIONS OF THE LOT LOCATED IN ZONE "X" (UNSHADED), WHICH IS IN AN AREA OUTSIDE AND FROM DESIGNATED 100-YEAR FLOODPLAIN.

(2) [illegible] (DOES NOT AFFECT)

TO:

[illegible]

I, [illegible], DO HEREBY CERTIFY THAT THIS PLAT OF THE PROPERTY SHOWN HEREON WAS PREPARED FROM A SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THE PROPERTY HAS ACCESS TO AND FROM A PUBLIC WAY OF THE.

PRELIMINARY
SUBJECT TO REVIEW

01/06/20
DATE

[illegible]
REGISTERED PROFESSIONAL LAND SURVEYOR
NUMBER [illegible] STATE OF TEXAS
[illegible] & ASSOCIATES, L.L.C.

REVISIONS

NO.	REVISION	APPR.	DATE
1	[illegible]	[illegible]	[illegible]
2	[illegible]	[illegible]	[illegible]
3	[illegible]	[illegible]	[illegible]
4	[illegible]	[illegible]	[illegible]
5	[illegible]	[illegible]	[illegible]
6	[illegible]	[illegible]	[illegible]
7	[illegible]	[illegible]	[illegible]
8	[illegible]	[illegible]	[illegible]
9	[illegible]	[illegible]	[illegible]
10	[illegible]	[illegible]	[illegible]

ASH & ASSOCIATES
SURVEYING - PLANNING - ARCHITECTURE
"SERVING THE COMMUNITY OF TODAY"
1425 JACKSON ELAINE
SAN MARCOS, TEXAS 78666
(512) 392-1778
[illegible]@ashandassociates.net
Surveyor: 10064400
Architecture: 1020848

DRAWING INFORMATION

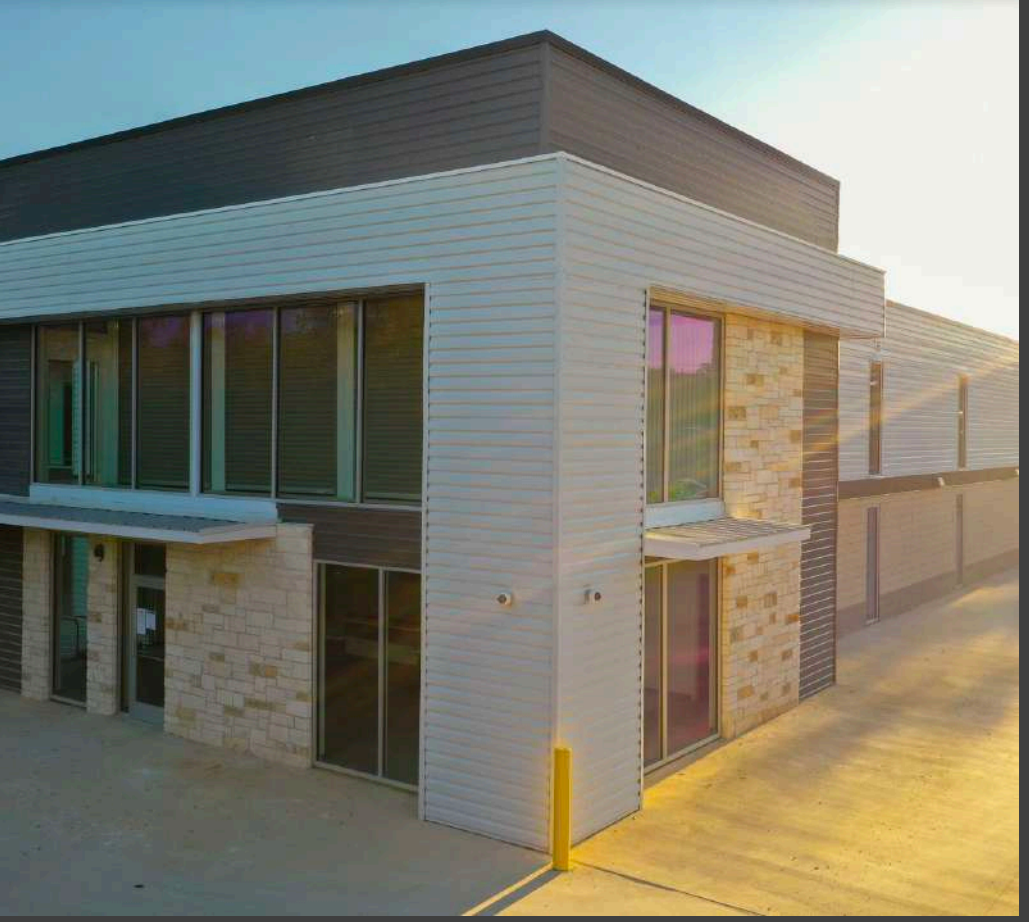
DRAWN BY:	JLB	DATE:	12/20/19
DWN BY:	GMH	PROJECT NO:	19-7384
APPROVED BY:	RHT	PLAT SCALE:	1:40
FILE NAME: TRACT 6 LAND TITLE SURVEY			

LAND TITLE SURVEY

APPROX. 6.90 ACRES OF LAND
OUT OF AND A PORTION OF 109.22 ACRES
EDWARD BURLESON SURVEY NO. 18 - ABS. NO. 63
GREGSON BEND & CENTERPOINT ROAD
CITY OF SAN MARCOS - HAYS COUNTY, TEXAS

DRAWING
TRACT 6
SHEET: 1
OF 1

San Marcos Planning and Zoning Meeting



Developers recently opened a similar facility in Dripping Springs, TX, following local design aesthetics and building materials

DRAFT SITE CONCEPT PLAN

Developer’s Current Projects Under Construction

New Braunfels, Round Rock and College Station

File #: Ord. 2020-34, **Version:** 1

AGENDA CAPTION:

Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-34, annexing into the City approximately 59.89 acres of land located at 4087 State Highway 21; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-34, on the first of two readings.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: n/a
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative: n/a

Comprehensive Plan Element (s):

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☒ Land Use - Direct Growth, Compatible with Surrounding Uses

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: n/a

Choose an item.

Background Information:

This is a request for a voluntary annexation submitted by Jim Glasgow on behalf of Palace Way Partners LLC for approximately 59.89 +/- acres of land out of Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 Hwy 21.

Maxwell Water Supply Corporation will provide water services at the site. Wastewater service will be provided by the City of San Marcos. This site is not located in the San Marcos Wastewater CCN, however, the CCN boundary will be updated after annexation of the site. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric will provide electric service for this development.

The City of San Marcos will provide Police, Fire, and EMS services to the site.

Below is a proposed schedule for this annexation, which complies with the Texas Local Government Code requirements:

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** April 21, 2020 (Approved)
- **City Council Ordinance 1st Reading (Public Hearing):** May 19, 2020 (Today)
- **City Council Ordinance 2nd Reading:** June 2, 2020

Council Committee, Board/Commission Action:

n/a

Alternatives:

n/a

Recommendation:

Staff recommends **approval** of the annexation request.

powered by Legistar™

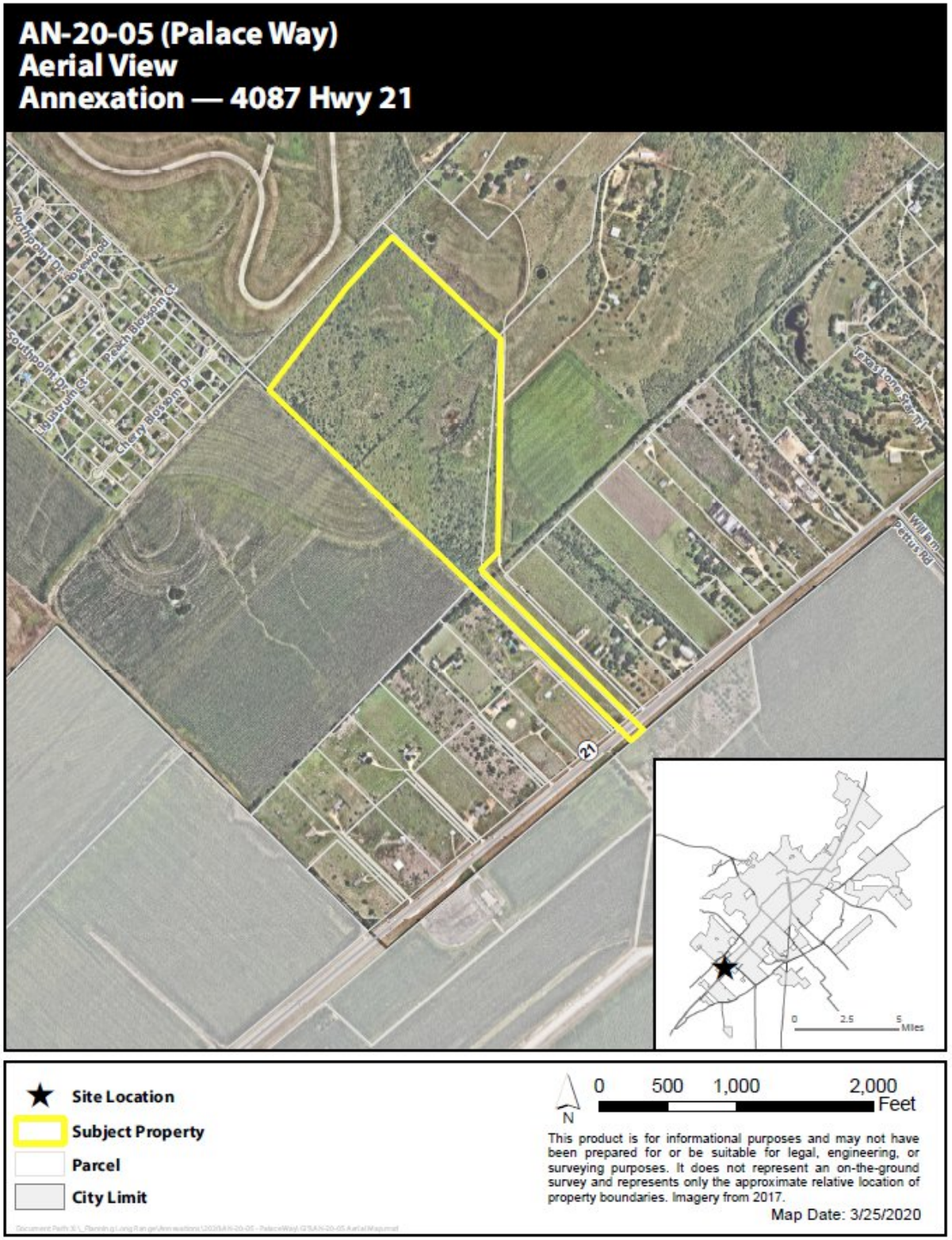
AN-20-05 (Palace Way Annexation)

Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-XX, annexing into the City approximately 59.89 acres out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 State Highway 21; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-XX on the first of two readings.

SAN MARCOS

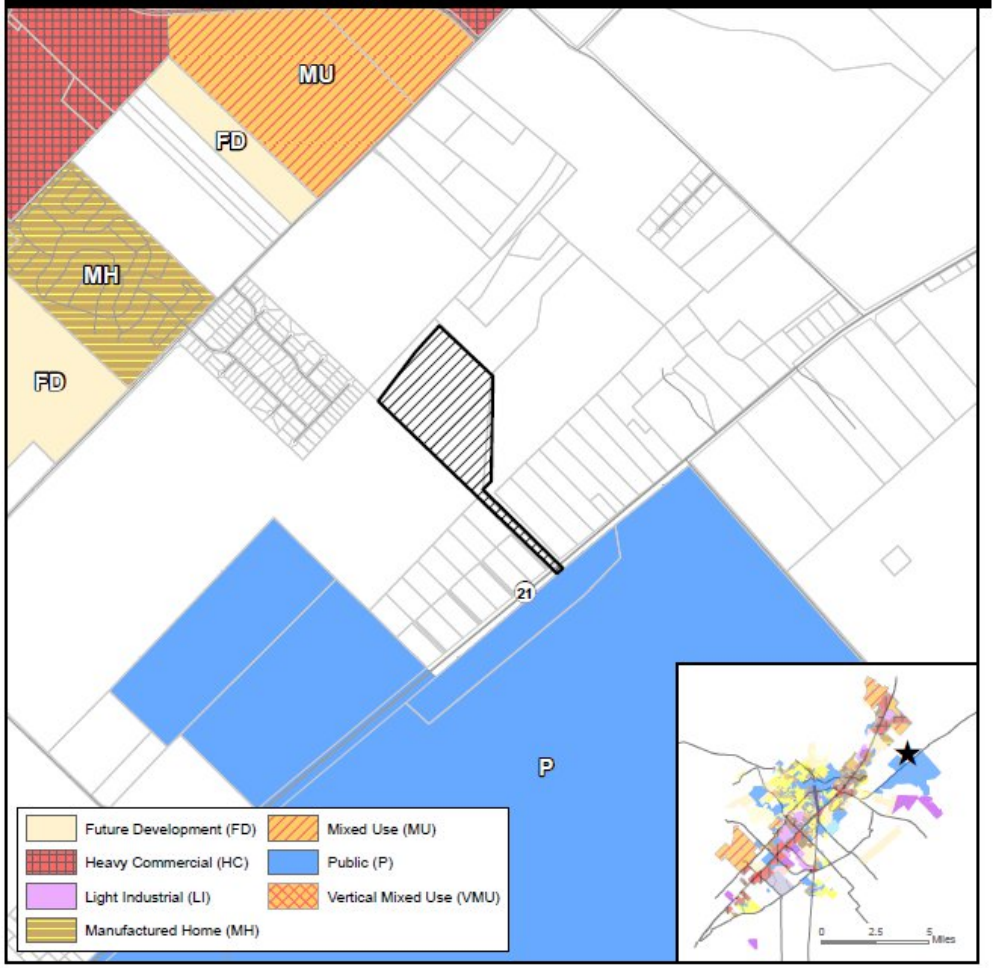
Context:

- 4087 Hwy 21
- 59.89 +/- acres
- Applicant proposes to develop the majority of the property as a manufactured home park and the remaining portion of the property with light industrial uses
- The applicant has request Manufactured Home (MH) and Light Industrial (LI) Zoning which is being considered concurrently with the annexation process.
- Service Plan (Attachment)



SAN MARCOS

AN-20-05 (Palace Way)
Existing Zoning Map
Annexation — 4087 Hwy 21



★ Site Location
Subject Property
Parcels
City Limit

N 0 1,050 2,100 4,200 Feet

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Map Date: 3/25/2020

AN-20-05 (Palace Way)
Transportation Master Plan
Annexation - 4087 Hwy 21

Subject Property
Parcels
City Limit

N 0 550 1,100 2,200 Feet

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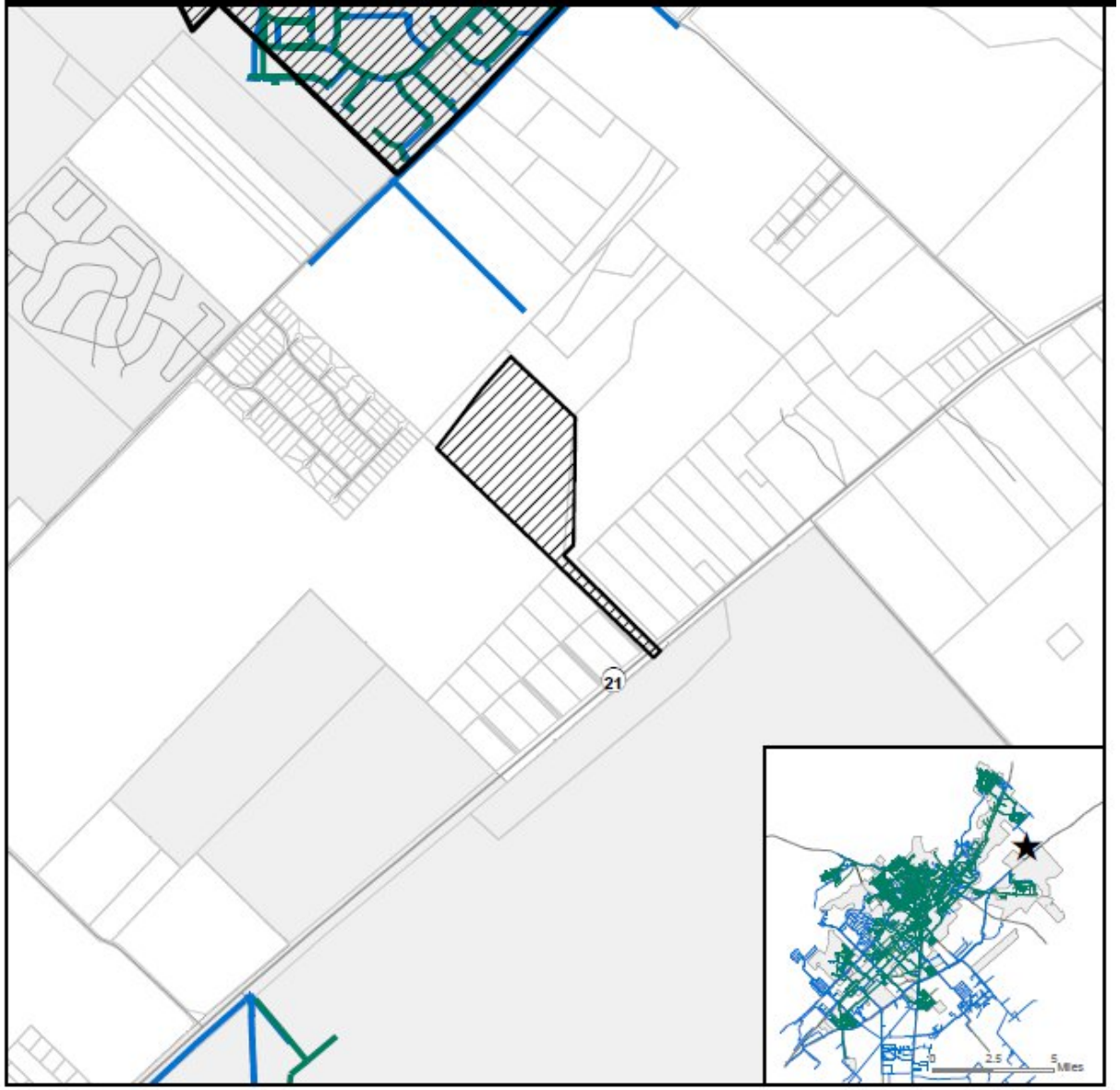
Map Date: 3/25/2020

AN-20-05 (Palace Way)
Water/Wastewater Lines
Annexation — 4087 Hwy 21



★ Site Location

Subject Property

Parcels

City Limit

Sanitary Main

Water Main

N

0 1,000 2,000 4,000 Feet

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Map Date: 3/25/2020

Annexation & Zoning Schedules:

**This schedule reflects the new annexation schedule per Texas House Bill 347*

Annexation Schedule

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** April 21, 2020 *(Approved)*
- **City Council Ordinance 1st Reading (Public Hearing):** May 19, 2020 (Today)
- **City Council Ordinance 2nd Reading:** June 2, 2020

Zoning Schedule

- **Planning and Zoning Commission (Public Hearing):** April 28, 2020
- **City Council Ordinance 1st Reading (Public Hearing):** May 19, 2020
- **City Council Ordinance 2nd Reading:** June 2, 2020

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS ANNEXING INTO THE CITY APPROXIMATELY 59.89 ACRES OF LAND LOCATED AT 4087 STATE HIGHWAY 21; INCLUDING PROCEDURAL PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

1. The owner of approximately 59.89 acres of land located at 4087 State Highway 21, as further described by metes and bounds in Exhibit "A," attached hereto and incorporated herein for all purposes (the "Property"), made a request for the City to annex the Property. A location map of the Property is also shown in Exhibit "A."

2. Said owner of the Property has declined the offer of a development agreement from the City concerning the Property.

3. Said owner and the City have entered into a written agreement for the provision of services to the Property.

4. The Property is contiguous and adjacent to the current boundaries of the City.

5. The City Council held a public hearing regarding the request.

6. The City Council hereby finds and determines that the adoption of the following ordinance is in the interest of the public health, morals, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The recitals of this ordinance are approved and adopted.

SECTION 2. The Property is annexed to and is a part of the City of San Marcos, Texas and subject to the acts, ordinances, resolutions and regulations of the City.

SECTION 3. Services to the Property will be provided under the terms of the written agreement for the provision of services entered into between the owner of the Property and the City as noted in Recital 3.

SECTION 4. The corporate limits of the City are extended to include the Property.

SECTION 5. The inhabitants of the Property are entitled to all the rights and privileges of other citizens of the City, and are bound by the acts, ordinances, resolutions and regulations of the City.

SECTION 6. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 7. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 8. This ordinance shall be effective upon its adoption on second reading.

PASSED AND APPROVED on first reading on May 19, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 2, 2020.

Jane Hughson
Mayor

Attest:

Approved:

Tammy K. Cook
Interim City Clerk

Michael Cosentino
City Attorney

EXHIBIT "A"
Property Description

TRINITY GROUP
A Real Estate Development Service Company

Metes & Bonds description of property to be Annexed into The City of San Marcos

STATE OF TEXAS - CITY OF SAN MARCOS

Palaceway Partners LLC presents a tract of land situated in the Thomas G. McGehee survey, A-11, Hays County, Texas, conveyed in volume 723 page 39, Plat record 7042-19-2-c; Hays County, TX. Same being a tract of land described to Palace Way Partners as conveyed in Instrument number 9927062, official public records, Hays County, Texas. Being more particularly described as 59.89 acres by the following metes and bounds as follows: Grid north of the Texas state plane coordinate system, NAD 83, South central zone.

Beginning at 1/2" Iron rod with plastic cap found at the southeast corner said POB-R same being southeast of Mrs. Millie Gary Et Vir to the State of Texas recorded in the public records Volume 117, Page 493. Hays County, Texas. And lying on the north Right of Way of the State Highway Number 21.

THENCE, South 45 degrees, 26 minutes and 48.34 seconds East, being said West Right-of-Way of State Highway Number 21. Drive a distance of 112.33 feet towards East Right-of-Way of State Highway Number 21.

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THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, of the East side of the property and limiting with Right of way of Cow Trial. Drive a distance of 670.34 feet towards 1/2" Iron rod with plastic cap stamped "Byrn Associates", same being the Northeast corner of the Parcel.

THENCE, North 46 degrees, 39 minutes and 26.79 seconds West, of the northeast corner of the property Drive a distance of 1,088.94 feet towards 1/2" Iron rod with plastic cap located on the West side of the property and limiting with Right of way of Proposed FM110.

THENCE, South 32 degrees, 35 minutes and 25.70 seconds West, of 1/2" Iron rod with plastic cap located on the northwest side of the property. Drive a distance of 25.54 feet towards 1/2" Iron rod with a plastic cap.

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In Austin 512.807.7310 • Eagle Ford 830.303.3283
Houston 713.574.1949 • San Antonio 210.209.9976
www.trinitycompanies.biz

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That Trinity Group, an agent for Palaceway partners, does hereby present this Proposed Annexation description of the above-described property as PALACEWAY DEVELOPMENT, an addition to the City of San Marcos, Texas.

Dr. David L. Joyner, P.E
TX Firm 12656

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SURVEYORS NOTES

1. FENCES MEANDER.

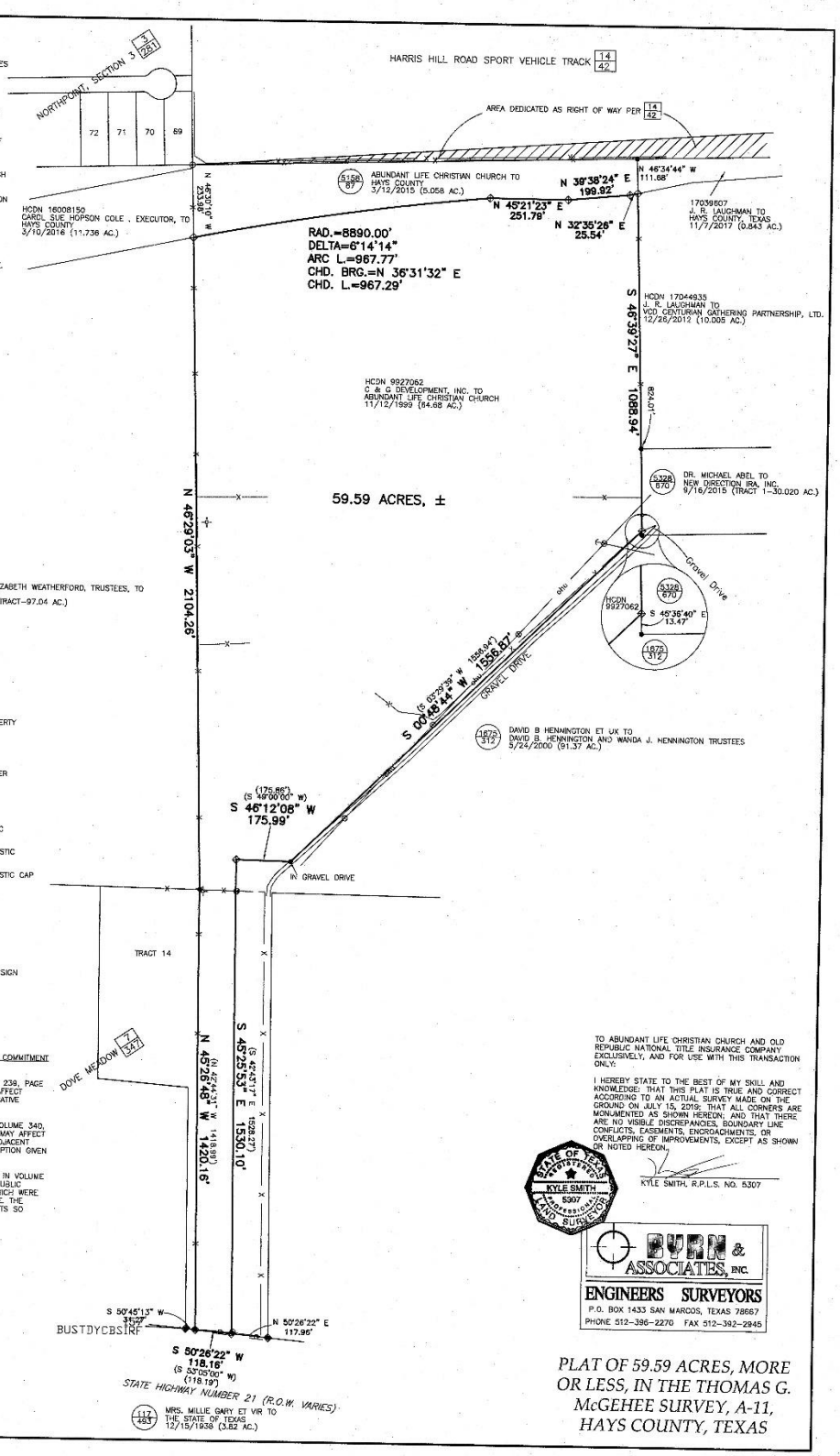
2. BEARINGS, DISTANCES AND AREAS IN PARENTHESES ARE FROM RECORD INFORMATION.

3. ACCORDING TO SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0415F, DATED 9/2/2005, THIS TRACT LIES WITHIN ZONE X, (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).

4. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT AND THIS SURVEYOR DID NOT RESEARCH THE DEED RECORDS FOR PREVIOUS CONFLICTS IN TITLE OR EASEMENT, THEREFORE, CERTAIN EASEMENTS MAY HAVE BEEN GRANTED WHICH ARE NOT REFLECTED HEREON.

5. THIS SURVEY PLAT WAS PREPARED IN CONJUNCTION WITH A LAND DESCRIPTION DATED JULY 15, 2019 PREPARED BY BYRN AND ASSOCIATES, INC. OF SAN MARCOS, TEXAS.

6. THE BEARING BASIS FOR THIS SURVEY PLAT WAS DETERMINED FROM GPS OBSERVATIONS AND REFERS TO GRID NORTH OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, SOUTH CENTRAL ZONE.



LEGEND

(VOL/PG)	HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
[VOL/PG]	HAYS COUNTY PLAT RECORDS
HCDN	HAYS COUNTY DOCUMENT NUMBER
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⊙	3/4" IRON PIPE FOUND OR DIAMETER NOTED
⊡	1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "BYRN SURVEY"
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— X —	WIRE FENCE
— ohu —	UTILITY LINE, POLE AND GUY
	WATER METER
	WATER VALVE
	UTILITY PEDESTAL
	CLEANOUT
▲	6" CEDAR FENCE POST
	UNDERGROUND UTILITY WARNING SIGN
	WATER SPIGOT

NOTES CORRESPONDING TO SCHEDULE B OF TITLE COMMITMENT G.F. NO. 20190411 DATED MAY 2, 2019

10(c) WATERLINE EASEMENT RECORDED IN VOLUME 239, PAGE 222 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT TRACT ALTHOUGH THERE IS NOT ANY LOCATIVE INFORMATION PROVIDED IN DEED.

10(d) INGRESS EGRESS EASEMENT RECORDED IN VOLUME 340, PAGE 666 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT PROPERTY. THE GRAVEL DRIVE ON THE ADJACENT PROPERTY TO THE EAST FITS THE GENERAL DESCRIPTION GIVEN IN THE DEED.

10(e) STREET MAINTENANCE AGREEMENT RECORDED IN VOLUME 1301, PAGE 165 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS. THIS AGREEMENT IS FOR PROPERTIES WHICH WERE GRANTED EASEMENT RIGHTS TO USE COWTRAIL LANE. THE SUBJECT TRACT WAS NOT GRANTED EASEMENT RIGHTS SO THEREFORE IS NOT SUBJECT TO THIS AGREEMENT.

TO ABUNDANT LIFE CHRISTIAN CHURCH AND OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY EXCLUSIVELY, AND FOR USE WITH THIS TRANSACTION ONLY:

I HEREBY STATE TO THE BEST OF MY SKILL AND KNOWLEDGE: THAT THIS PLAT IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE GROUND ON JULY 15, 2019; THAT ALL CORNERS ARE MONUMENTED AS SHOWN HEREON; AND THAT THERE ARE NO VISIBLE DISCREPANCIES, BOUNDARY LINE CONFLICTS, EASEMENTS, ENCROACHMENTS, OR OVERLAPPING OF IMPROVEMENTS, EXCEPT AS SHOWN OR NOTED HEREON.

STATE OF TEXAS REGISTERED KYLE SMITH 5307 PROFESSIONAL LAND SURVEYOR

KYLE SMITH, R.P.L.S. NO. 5307

BYRN & ASSOCIATES, INC.
ENGINEERS SURVEYORS
P.O. BOX 1433 SAN MARCOS, TEXAS 78667
PHONE 512-396-2270 FAX 512-392-2945

CLIENT: ABUNDANT LIFE CHRISTIAN CHURCH
DATE: 7/15/2019
OFFICE: BRYANT
CREW: C. SMITH
FB/PG: 723/39
PLAT NO. 27042-19-2-c

PLAT OF 59.59 ACRES, MORE OR LESS, IN THE THOMAS G. McGEHEE SURVEY, A-11, HAYS COUNTY, TEXAS

AN-20-05 (Palace Way)
Location Map
Annexation — 4087 Hwy 21

★ **Site Location**

Subject Property

Parcel

City Limit

N

0 485 970 1,940 Feet

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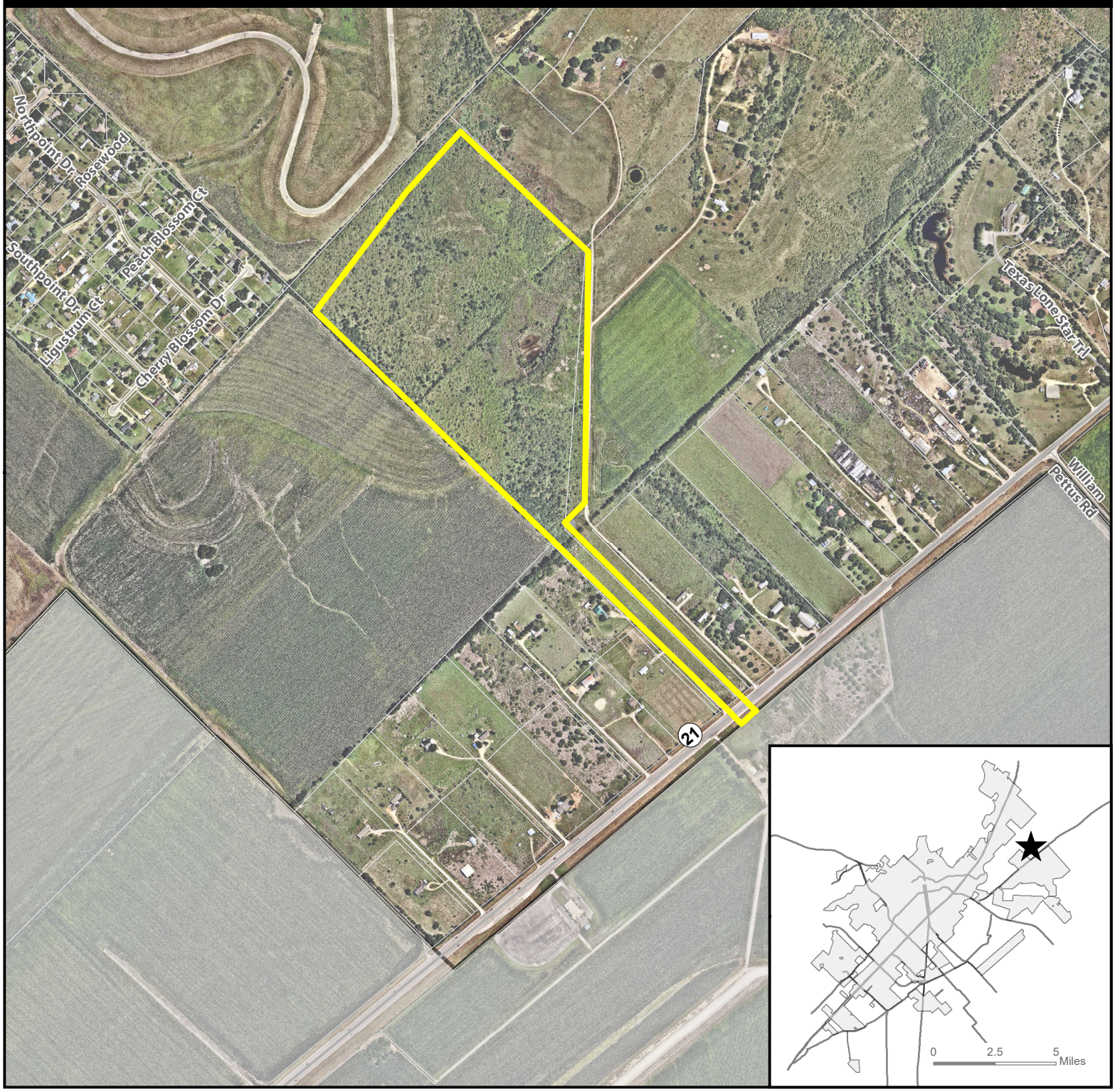
Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-05 - Palace Way\GIS\AN-20-05 LocationMap.mxd

AN-20-05 (Palace Way)
Aerial View
Annexation — 4087 Hwy 21



★ **Site Location**

Subject Property

Parcel

City Limit

N

0 500 1,000 2,000 Feet

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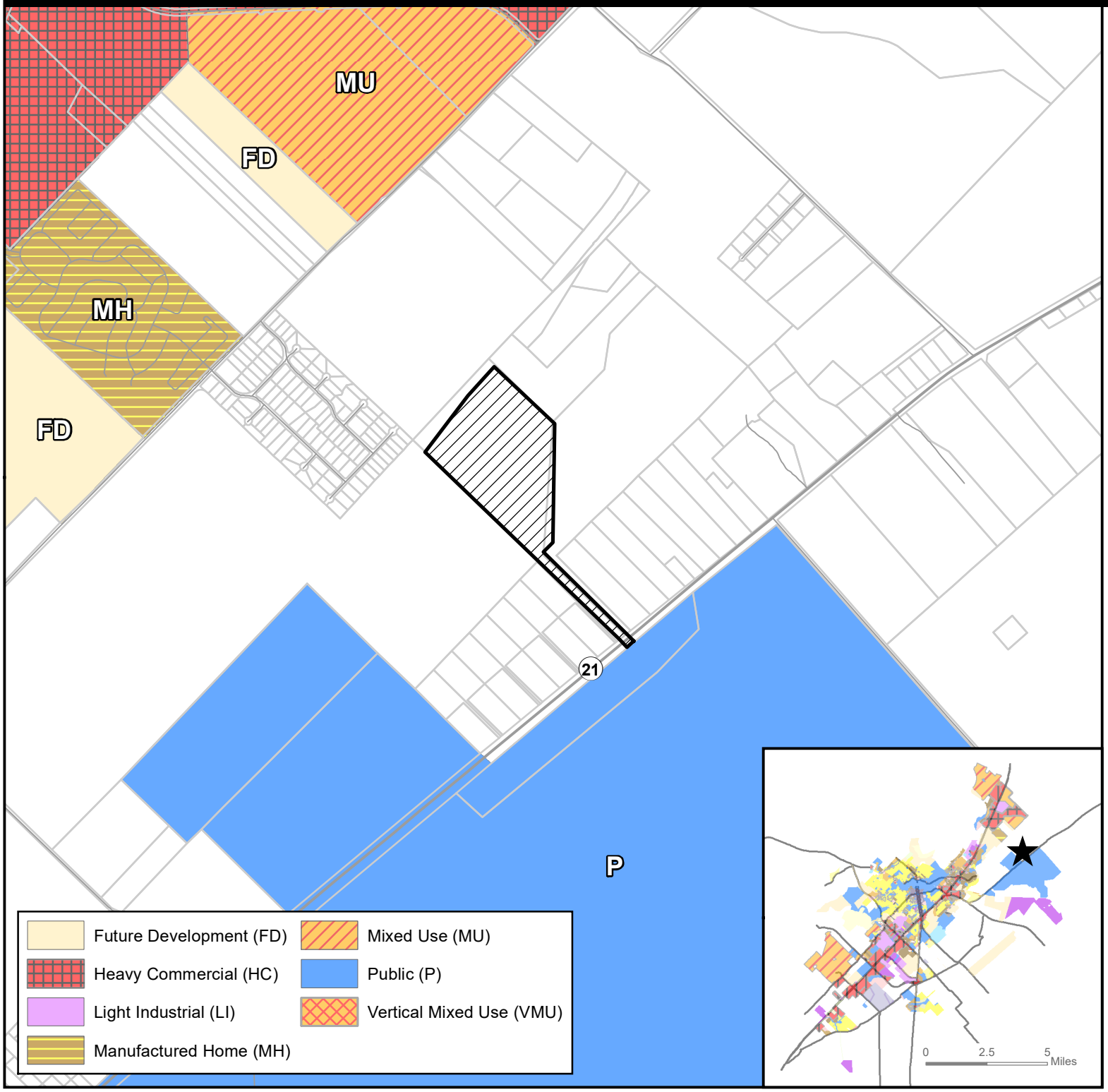
Map Date: 3/25/2020

Document Path: X:_Planning Long Range\Annexations\2020\AN-20-05 - Palace Way\GIS\AN-20-05 Aerial Map.mxd

AN-20-05 (Palace Way)
Existing Zoning Map
Annexation — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 1,050 2,100 4,200 Feet

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Transportation Master Plan
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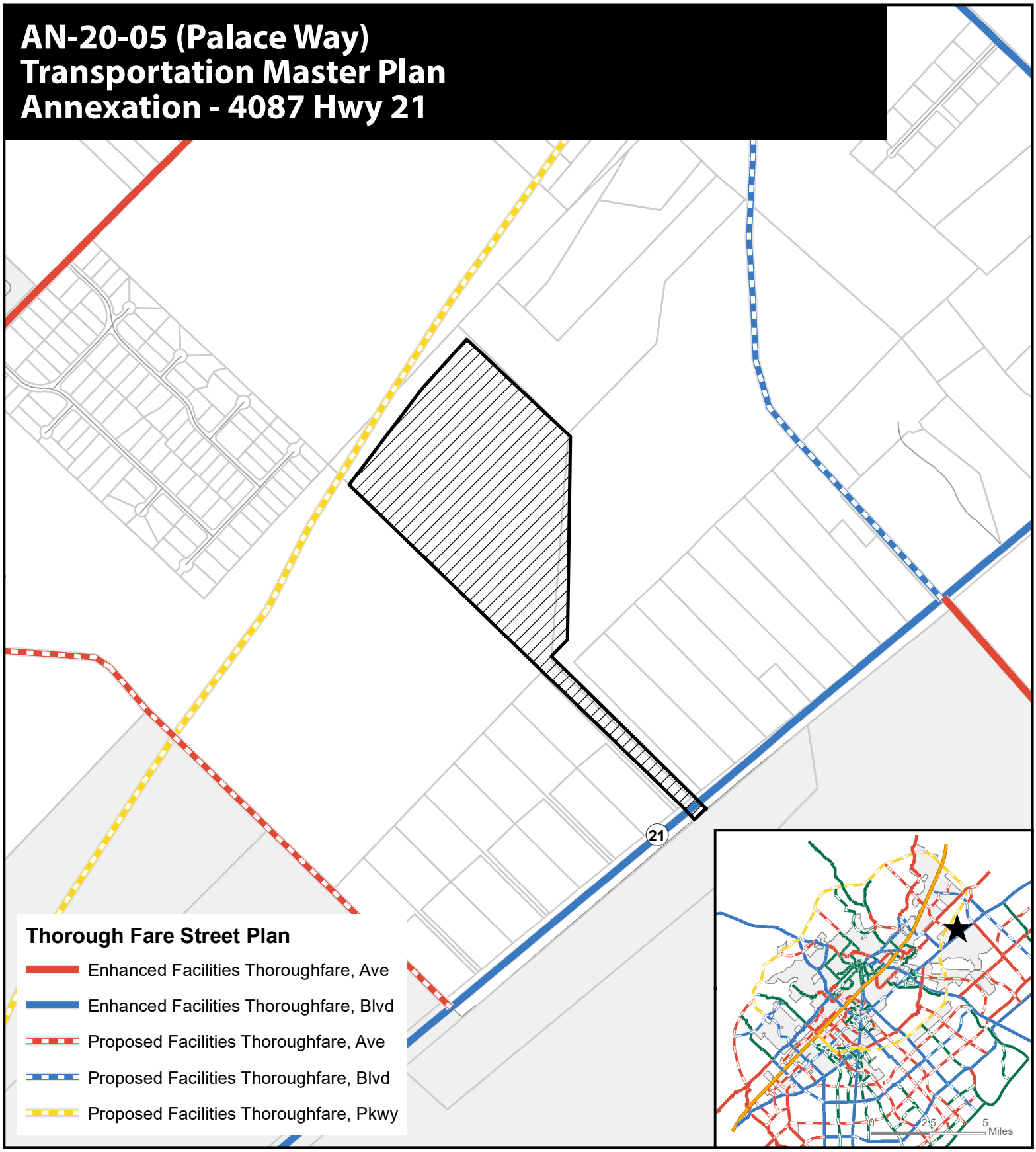

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N

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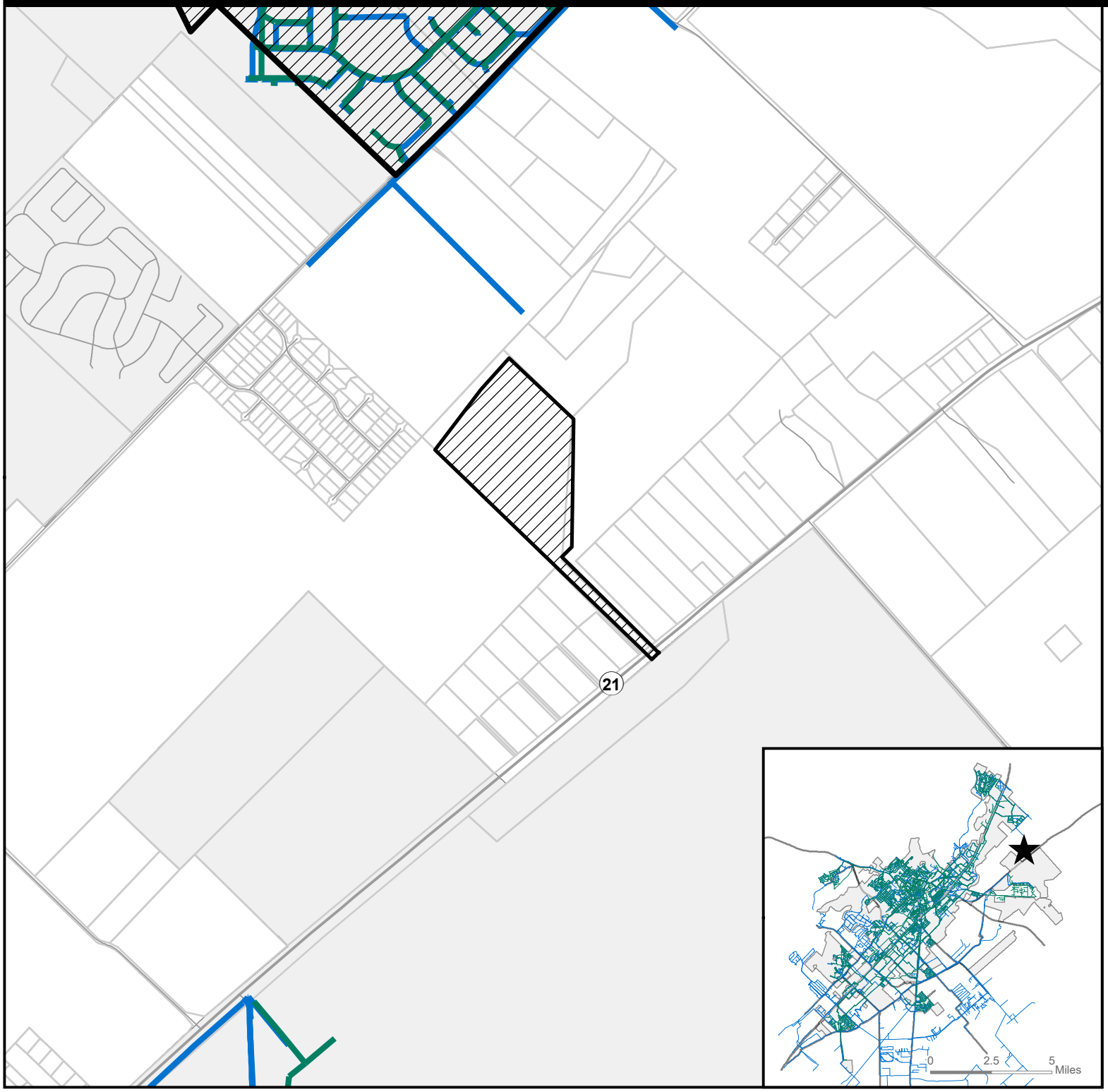
Water/Wastewater Lines
Annexation — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

Sanitary Main

Water Main

N

0 1,000 2,000 4,000 Feet

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SURVEYORS NOTES

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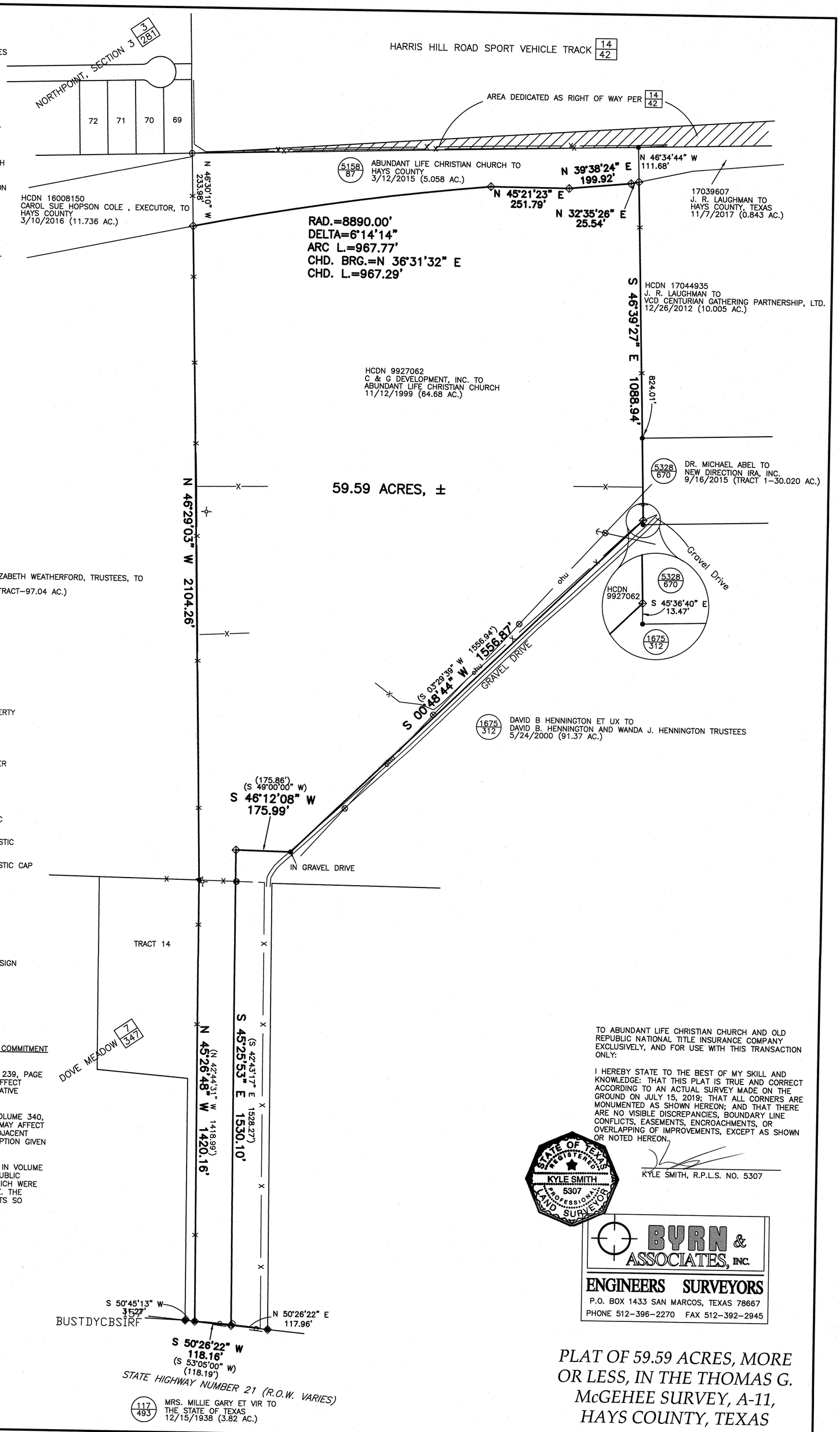

LEGEND

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— X —	WIRE FENCE
— ohu —	UTILITY LINE, POLE AND GUY
	WATER METER
	WATER VALVE
	UTILITY PEDESTAL
	CLEANOUT
▲	6" CEDAR FENCE POST
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	WATER SPIGOT

NOTES CORRESPONDING TO SCHEDULE B OF TITLE COMMITMENT G.F. NO. 20190411 DATED MAY 2, 2019

10(c) WATERLINE EASEMENT RECORDED IN VOLUME 239, PAGE 222 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT TRACT ALTHOUGH THERE IS NOT ANY LOCATIVE INFORMATION PROVIDED IN DEED.

10(d) INGRESS EGRESS EASEMENT RECORDED IN VOLUME 340, PAGE 666 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT PROPERTY. THE GRAVEL DRIVE ON THE ADJACENT PROPERTY TO THE EAST FITS THE GENERAL DESCRIPTION GIVEN IN THE DEED.

10(e) STREET MAINTENANCE AGREEMENT RECORDED IN VOLUME 1301, PAGE 165 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS. THIS AGREEMENT IS FOR PROPERTIES WHICH WERE GRANTED EASEMENT RIGHTS TO USE COWTRAIL LANE. THE SUBJECT TRACT WAS NOT GRANTED EASEMENT RIGHTS SO THEREFORE IS NOT SUBJECT TO THIS AGREEMENT.

TO ABUNDANT LIFE CHRISTIAN CHURCH AND OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY EXCLUSIVELY, AND FOR USE WITH THIS TRANSACTION ONLY:

I HEREBY STATE TO THE BEST OF MY SKILL AND KNOWLEDGE: THAT THIS PLAT IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE GROUND ON JULY 15, 2019; THAT ALL CORNERS ARE MONUMENTED AS SHOWN HEREON; AND THAT THERE ARE NO VISIBLE DISCREPANCIES, BOUNDARY LINE CONFLICTS, EASEMENTS, ENCROACHMENTS, OR OVERLAPPING OF IMPROVEMENTS, EXCEPT AS SHOWN OR NOTED HEREON.

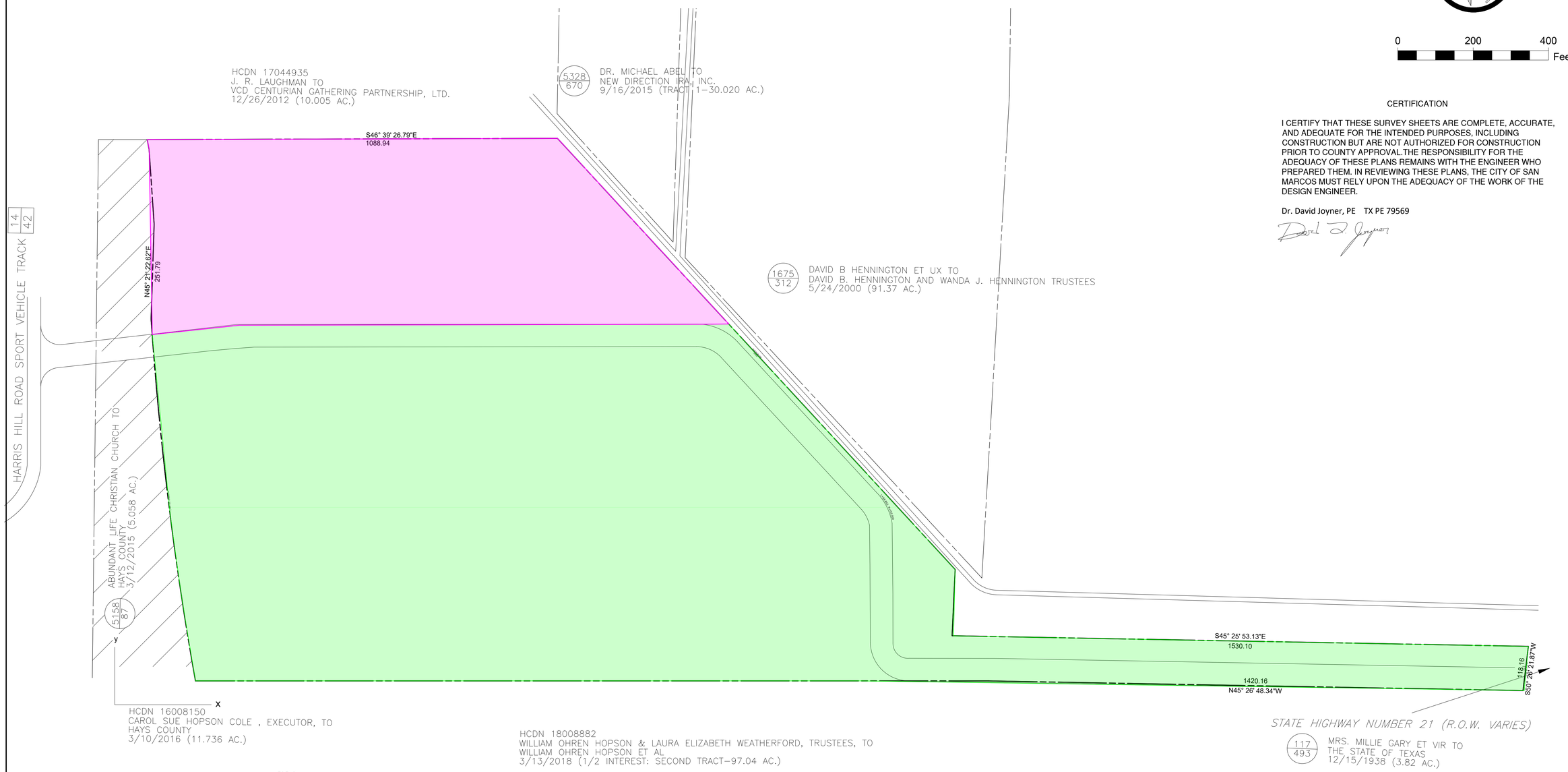
STATE OF TEXAS REGISTERED KYLE SMITH 5307 PROFESSIONAL LAND SURVEYOR

KYLE SMITH, R.P.L.S. NO. 5307

BYRN & ASSOCIATES, INC.
ENGINEERS SURVEYORS
P.O. BOX 1433 SAN MARCOS, TEXAS 78667
PHONE 512-396-2270 FAX 512-392-2945

PLAT OF 59.59 ACRES, MORE OR LESS, IN THE THOMAS G. McGEHEE SURVEY, A-11, HAYS COUNTY, TEXAS

CLIENT: ABUNDANT LIFE CHRISTIAN CHURCH
DATE: 7/15/2019
OFFICE: BRYANT
CREW: C. SMITH
FB/PG: 723/39
PLAT NO. 27042-19-2-c



0 200 400 Feet

CERTIFICATION

I CERTIFY THAT THESE SURVEY SHEETS ARE COMPLETE, ACCURATE, AND ADEQUATE FOR THE INTENDED PURPOSES, INCLUDING CONSTRUCTION BUT ARE NOT AUTHORIZED FOR CONSTRUCTION PRIOR TO COUNTY APPROVAL.THE RESPONSIBILITY FOR THE ADEQUACY OF THESE PLANS REMAINS WITH THE ENGINEER WHO PREPARED THEM. IN REVIEWING THESE PLANS, THE CITY OF SAN MARCOS MUST RELY UPON THE ADEQUACY OF THE WORK OF THE DESIGN ENGINEER.

Dr. David Joyner, PE TX PE 79569

SURVEYORS NOTES

1. FENCES MEANDER.

2. ACCORDING TO SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0415F, DATED 9/282005, THIS TRACT LIES WITHIN ZONE X, (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).

3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT AND THIS ENGINEER DID NOT RESEARCH THE DEED RECORDS FOR PREVIOUS CONFLICTS IN TITLE OR EASEMENT, THEREFORE, CERTAIN EASEMENTS MAY HAVE BEEN GRANTED WHICH ARE NOT REFLECTED HEREON.

5. THIS SURVEY PLAT WAS PREPARED IN CONJUNCTION WITH A LAND DESCRIPTION DATED JULY 15, 2019 PREPARED BY BYRN AND ASSOCIATES, INC. OF SAN MARCOS, TEXAS.

6. THE BEARING BASIS FOR THIS SURVEY PLAT WAS DETERMINED FROM GPS OBSERVATIONS AND REFERS TO GRID NORTH OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, SOUTH CENTRAL ZONE.

LEGEND

VOL / PG	HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
VOL / PG	HAYS COUNTY PLAT RECORDS
HCDN	HAYS COUNTY DOCUMENT NUMBER
●	1/2" IRON ROD FOUND OR DIAMETER NOTED
⦿	3/4" IRON PIPE FOUND OR DIAMETER NOTED
⊠	1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "BYRN SURVEY"
◙	1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "BYRN SURVEY"
⊠	1/2" IRON ROD FOUND WITH PLASTIC CAP
—— X ——	WIRE FENCE
ohu —⊕—>	UTILITY LINE, POLE AND GUY
◒	WATER METER
⊘	WATER VALVE
△	UTILITY PEDESTAL
▢	CLEANOUT
▲	6" CEDAR FENCE POST
"O"	UNDERGROUND UTILITY WARNING SIGN
✕	WATER SPIGOT

NOTES CORRESPONDING TO SCHEDULE B OF TITLE COMMITMENT G.F. NO. 20190411 DATED MAY 2, 2019

10(c) WATERLINE EASEMENT RECORDED IN VOLUME 239, PAGE 222 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT TRACT ALTHOUGH THERE IS NOT ANY LOCATIVE INFORMATION PROVIDED IN DEED.

10(d) INGRESS EGRESS EASEMENT RECORDED IN VOLUME 340, PAGE 666 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT PROPERTY. THE GRAVEL DRIVE ON THE ADJACENT PROPERTY TO THE EAST FITS THE GENERAL DESCRIPTION GIVEN IN THE DEED.

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PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
INDUSTRIAL PORTION	14.90ac
RESIDENTIAL PORTION	44.69ac

ZONING

HIGHWAY 21 LAND DEVELOPMENT

BEING A ZONING OF 59.59 ACRES, MORE OR LESS, IN THE THOMAS G. McGEHEE SURVEY, A-11, HAYS COUNTY, TEXAS

STATE OF TEXAS
DAVID L. JOYNER
79569
REGISTERED
PROFESSIONAL ENGINEER

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL ESTATE SERVICE COMPANY
658 MEYER RD. NEW BRAUNFELS, TX 78638
PH. (830) 303-3283, FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz
"We Help Build Your Future"

PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
3/32" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

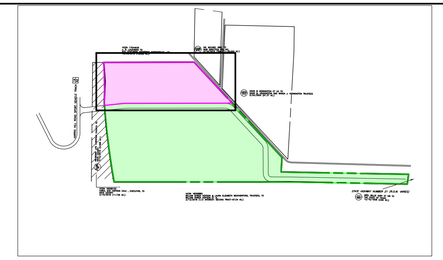
ZONING PLAN

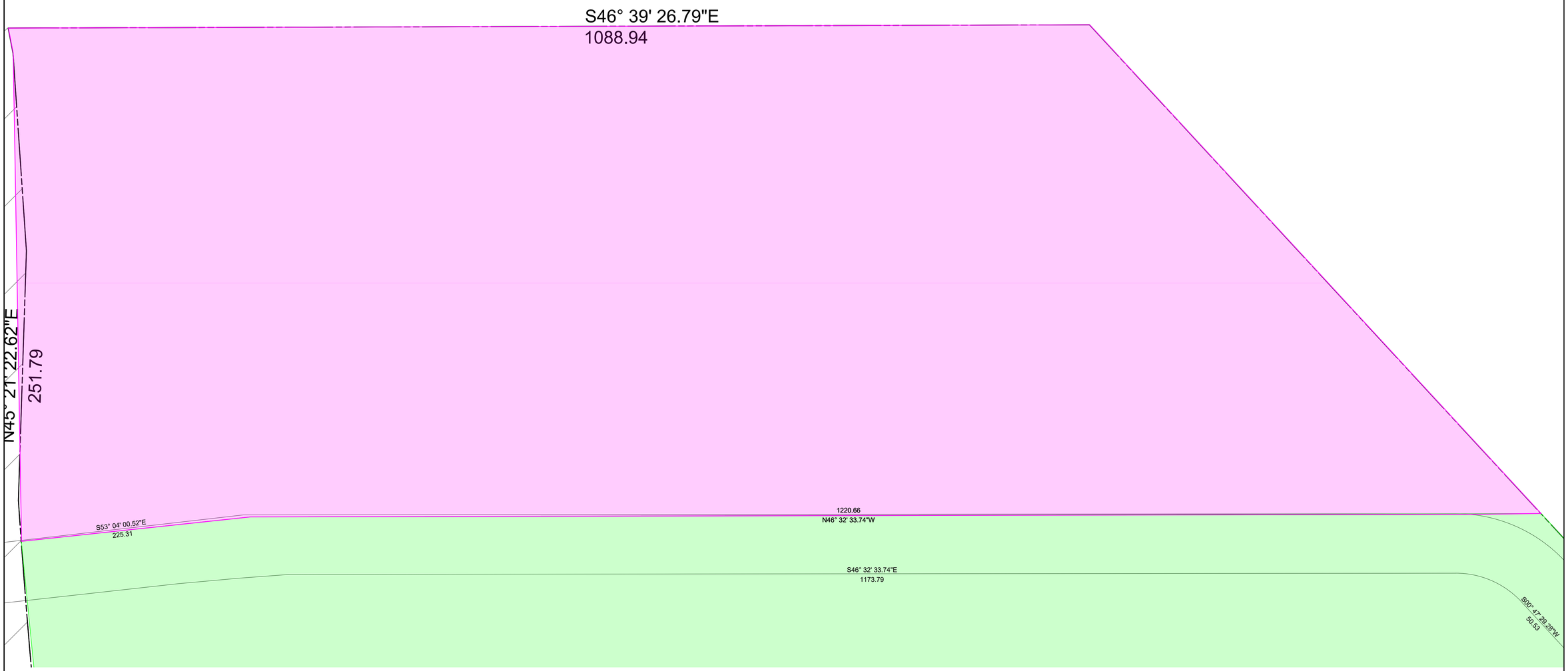
Unless otherwise noted this is scaled to fit a 24x 36" sheet.

SHEET NO.
C-01

VERSION A

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
INDUSTRIAL PORTION	14.90ac





0 100 200 Feet

DAVID L. JOYNER 79560 STATE OF TEXAS REGISTERED PROFESSIONAL ENGINEER

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL-ESTATE SERVICE COMPANY
838 MEYER RD, NEW BRAUNFELS, TX 78638
PH. (830) 303-3283, FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz
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PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
¼" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

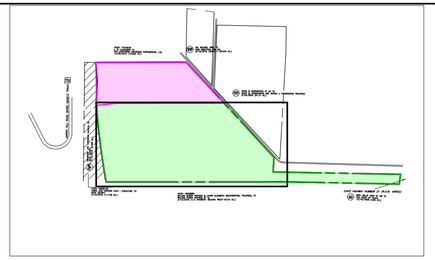
PROPOSED INDUSTRIAL ZONING

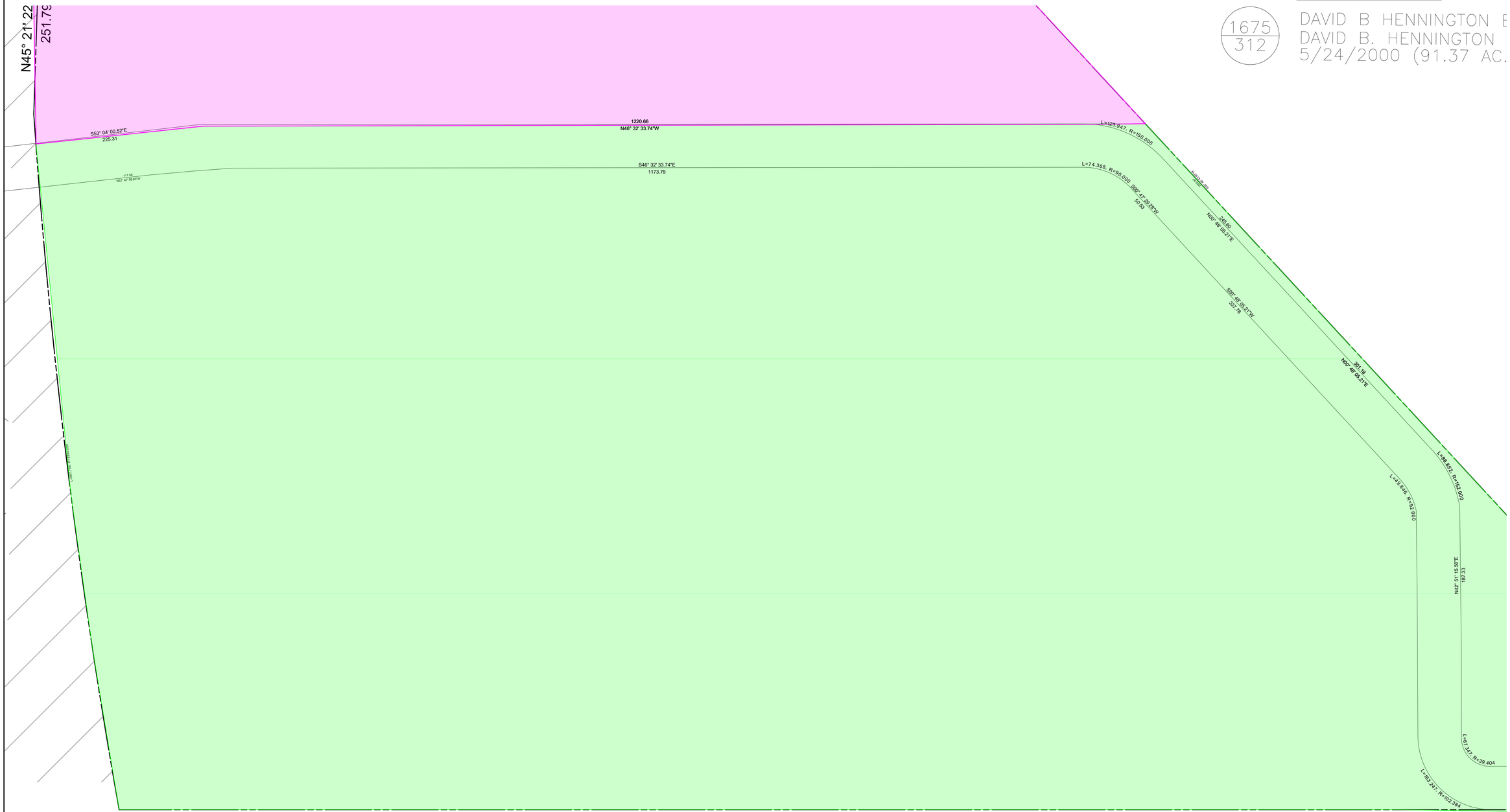
Unless otherwise noted this is scaled to fit a 24"x 36" sheet.

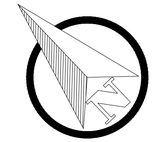
SHEET NO.
C-02

VERSION A

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
RESIDENTIAL PORTION	44.69ac







0 100 200 Feet

1675
312

DAVID B HENNINGTON E
DAVID B. HENNINGTON
5/24/2000 (91.37 AC.

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL ESTATE SERVICE COMPANY
838 MEYER RD. NEW BRAUNFELS, TX 78638
PH. (830) 303-3283, FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz
"We Help Build Your Future"

PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
3/16" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

PROPOSED RESIDENTIAL ZONING

Unless otherwise noted this is scaled to fit a 24"x 36" sheet.

SHEET NO.
C-03

VERSION A

Comparison Table – City Limits vs. Outside City Limits

Development Standard	City Limits	Outside City Limits
Allowable Uses	Uses are regulated based on the zoning of the property. (ex: an industrial use would not be allowed in a residential zoned property)	Uses cannot be regulated
Transportation Master Plan Roadways	Required	Required
Internal Streets	Based on block perimeter requirements. (5,000' block perimeter max for properties zoned MH or LI)	Based on block perimeter requirements. (3,000' block perimeter max for properties in ETJ)
Zoning Development Standards	Required, including: • Property setbacks • Unit maximums • Landscaping • Screening • Tree mitigation • Parking • Lighting • Trash/recycling • Building height / articulation	Not required
Environmental	Required per Chapter 5 of the Development Code, including: • Stormwater / Detention • Water Quality • Floodplain	Required per Chapter 5 of the Development Code, including: • Stormwater / Detention • Water Quality • Floodplain

Application	City Limits	Outside City Limits
Subdivision Plat – formally divides and provides the layout of the property.	Required	Required
Public Improvement Construction Plan – the construction documents submitted to the city for public infrastructure including utilities and streets.	Required	Required
Watershed Protection Plan – the environmental reports and proposal for environmental engineering on the property.	Required	Required
Building Permit – the construction documents for the structures proposed on the property.	Required	Not required
Site Development Permit – construction of site related items	Required	Required

ANNEXATION APPLICATION

Updated: October, 2018

Case # AN-____-____

CONTACT INFORMATION

Applicant's Name	James Glasgow	Property Owner	Palace Way Partners llc
Applicant's Mailing Address	6531 fox run San Antonio, Texas 78233	Owner's Mailing Address	6531 fox run San Antonio, Texas 78233
Applicant's Phone #	210-413-7230	Owner's Phone #	6531 fox runSan Antonio, Texas 78233
Applicant's Email	jeglasgow@yahoo.com	Owner's Email	6531 fox runSan Antonio, Texas 78233

PROPERTY INFORMATION

Is the property adjacent to city limits ☑ YES ■ NO

Is the property less than ½ mile in width ■ YES ☐ NO

Are there less than 3 qualified voters living on the property ■ YES ☐ NO

Proposed Use: Manyfactured housing **Proposed Zoning:** MH and LI

Reason for Annexation / Other Considerations: _____

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee $1,151 Technology Fee $12 *TOTAL COST $1,163*

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, James E Glasgow (owner) acknowledge that I am the rightful owner of the property located at 6531 Fox Run (address).

I hereby authorize _____(agent name) to file this application for _____ (application type), and, if necessary, to work with the Responsible Official / Department on my behalf throughout the process.

Signature of Property Owner: Jim E Glasgow Date: 3/7/20

Printed Name: Jim Glasgow

Signature of Agent: _____ Date: _____

Printed Name: _____

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

OWNER'S CONSENT TO ANNEXATION OF LAND

Date: April 21, 2020

City: City of San Marcos, Texas, a home rule municipal corporation

Owner: PALACE WAY PARTNERS, LLC, 6531 Fox Run, San Antonio, Texas 78233

Property: 59.59 +/- acres out of the Thomas G. McGehee Survey, A-11, Hays County, Texas

---

Owner petitioned the City to initiate proceedings to annex the Property. Owner acknowledges and agrees that, in connection with annexation of the Property:

1. Owner does not wish to enter into a development agreement with the City under Section 212.172 and has declined the offer by the City of such a development agreement.

2. Unless specifically authorized by a written agreement with Owner approved by the City Council under applicable ordinances, the City has no obligation to extend water, wastewater, or electric utility services, roads, or other infrastructure to the Property at the City's expense, and the City has made no offers, representations or promises that the City will, at the City's expense, extend water, wastewater, or electric utility services, roads, or other infrastructure to the Property. Such extensions to the Property shall be made available in the same manner and on the same basis as available to other areas of the City, whereby it shall be Owner's sole obligation, and at Owner's sole expense, to construct and install all infrastructure necessary to extend such services to the Property under applicable ordinances.

3. Owner waives any and all rights of Owner to assert any claim or demand, or to file suit against, and covenants not to sue, the City on the basis that the annexation of the Property by the City is invalid, void or voidable, in whole or in part.

4. This instrument is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings concerning this instrument shall lie in State courts having jurisdiction located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this instrument is held to be unconstitutional or invalid by a court of competent jurisdiction, the other

provisions of this instrument will continue in force if they can be given effect without the invalid portion.

6. This instrument may be recorded in the Official Public Records of the County or Counties in which the Property is located and is binding on Owner's successors, heirs and assigns, and any future owners of the Property.

[SIGNATURE(S) ON NEXT PAGE]

OWNER:

By: _____

Name: JAMES E. GLASGOW

Title: MGR

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF COMAL §

This instrument was acknowledged before me on April 10, 2020 by James E. Glasgow, Manager of ~~JAF~~ CS Palaceway Partners LLC in such capacity on behalf of said entity.

CHERYL SEIDEL
Notary Public, State of Texas
Comm. Expires 08-26-2023
Notary ID 772334-1

Cheryl Seidel
Notary Public, State of Texas

DECLINATION OF OFFER OF DEVELOPMENT AGREEMENT

The attached Development Agreement was offered by the City of San Marcos to the owner of the property subject to the following application/petition (check one):

____ Out of City Utility Connection of Extension Application

__X__ Petition for Annexation (without OCU Request)

By signing below, the owner of the subject property declines the offer to enter into such Development Agreement.

OWNER (Entity):

By: James E. Glasgow

Name: Palace Way Partners LLC.

Title: mgr.

Date: 3/21/2020

DEVELOPMENT AGREEMENT PURSUANT TO
CHAPTERS 43 AND 212 OF THE TEXAS LOCAL GOVERNMENT CODE

This Development Agreement (the "Agreement") is entered into pursuant to Section 43.016 and 212.172 of the Texas Local Government Code ("LGC") by and between the City of San Marcos, Texas (the "City") and the undersigned property owner(s) (the "Owner"). The term "Owner" includes all owners of the Property.

WHEREAS, the Owner owns a parcel of real property (the "Property") in _____ County, Texas which is more particularly and separately described in the attached Exhibit "A" which is made a part of this Agreement and incorporated herein; and

WHEREAS, the City desires to annex the Property; and

WHEREAS, the Owner desires to have the Property remain in the City's extraterritorial jurisdiction ("ETJ"), in consideration for which the Owner agrees to enter into this Agreement; and

WHEREAS, this Agreement is entered into pursuant to Sections 43.016 and 212.172, LGC, in order to address the desires of the Owner and the procedures of the City; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

SECTION 1. The City guarantees the continuation of the ETJ status of the Owner's Property, its immunity from annexation by the City, and its immunity from City property taxes, for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to annex the Property, agrees not to institute proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan for the term of this Agreement. However, if the Property is annexed pursuant to the terms of this Agreement, then the City shall provide services to the Property pursuant to the provisions of Chapter 43, LGC.

SECTION 2. The Owner covenants and agrees not to use the Property for any use other than for agriculture, wildlife management, and/or timber land consistent with Chapter 23, Texas Tax Code, except for existing single-family residential use of the Property without the prior written consent of the City.

The Owner covenants and agrees that it will not file for a concept plat, subdivision plat, or related development document for the Property with _____ County or the City until the Property has been annexed into, and zoned, or another development agreement has been entered into, by the City. This provision does not include permits for improvements, repairs, or utility connections to structures existing on the execution date of this Agreement.

The Owner covenants and agrees not to construct, or allow to be constructed, any buildings on the Property that would require a building permit if the Property were in the city limits, until the

SAMPLE

Property has been annexed into, and zoned, or another development agreement has been entered into, by the City; however, the Owner may construct an accessory structure or addition to an existing structure that is consistent with the use of the Property for agriculture, wildlife management, and/or timber land or as an existing single-family residence provided that same is done in compliance with all applicable City ordinances and codes.

The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

SECTION 3. The Owner acknowledges that if any concept plat, subdivision plat, or related development document is filed in violation of this Agreement, or if the Owner commences development of the Property in violation of this Agreement, then in addition to the City's other remedies, such act will constitute a petition for voluntary annexation by the Owner, and the Property will be subject to annexation at the discretion of the City Council of the City. The Owner agrees that such annexation will be voluntary and the Owner hereby consents to such annexation as though a petition for such annexation had been tendered by the Owner.

Furthermore, Owner hereby waives any and all vested rights and claims that it may have under Section 43.002(a)(2) and Chapter 245, LGC, that would otherwise exist by virtue of any actions Owner has taken in violation of Section 2 herein.

SECTION 4. The City is authorized to enforce all of the City's regulations and planning authority that do not materially interfere with the use of the Property for agriculture, wildlife management, or timber, in the same manner the regulations are enforced within the City's boundaries. The City states and specifically reserves its authority pursuant to Chapter 251, LGC, to exercise eminent domain over property that is subject to a Chapter 43 and/or Chapter 212 development agreement.

SECTION 5. The term of this Agreement (the "Term") is fifteen (15) years from the date that the City Manager's signature to this Agreement is acknowledged by a notary public. The parties to this Agreement may renew or extend the Term only by mutual written agreement, subject to any other agreed terms and conditions.

This Agreement is deemed to be a petition for voluntary annexation upon the expiration of the Term and the Property will be subject to annexation at the discretion of the City Council of the City. Thus, without further consent or petition by the Owner, the City may initiate the process for voluntary annexation of the Property: a) before the end of the Term, to be effective after the last day of the Term; or b) at any time after the end of the Term. In connection with annexation pursuant to this section, the Owners hereby waive any vested rights they may have under Section 43.002(a)(2) and Chapter 245, LGC, that would otherwise exist by virtue of any plat or construction that any of the owners may initiate during the time between the expiration of this Agreement and the institution of annexation proceedings by the City.

SAMPLE

SECTION 6. Property annexed pursuant to this Agreement will be zoned in accordance with the City's Code of Ordinances and applicable law.

SECTION 7. Owner recognizes that for purposes of Section 43.003(2), LGC, or another law, including the City's Charter or an ordinance of the City, the Property that is the subject of this Agreement is, for the purposes relating to the City's authority to annex an area adjacent to the City, considered adjacent or contiguous to the City.

SECTION 8. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successors, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of San Marcos
Attn: City Manager
630 East Hopkins Street
San Marcos, Texas 78666

With a copy to:

City of San Marcos
Attn: Director of Planning
630 East Hopkins Street
San Marcos, Texas 78666

SECTION 9. This Agreement shall run with the Property and be recorded in the real property records of _____ County, Texas.

SECTION 10. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding voluntary annexation, then the remainder of this Agreement shall remain in full force and effect.

SECTION 11. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure by any Owner or the City to enforce any covenant shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 12. No subsequent change in the law shall affect the validity or enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

SECTION 13. This Agreement shall be construed in accordance with the laws of the state of Texas. Venue for any dispute or matter arising under this Agreement shall be in the state courts in _____ County, Texas, or if in federal court, the United States District Court for the Western District of Texas, Austin Division.

SAMPLE

SECTION 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 3, 4 and 5 herein.

SECTION 15. This Agreement shall be recorded in the Official Public Records of the County in which the Property is located, and is binding upon the Owner's heirs, successors and assigns and future owners of the Property.

SECTION 16. This Agreement may be separately executed in any number of individual counterparts, and such counterpart signatures, when assembled together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement shall become effective as of the date of the last properly authorized signature.

[SIGNATURES ON NEXT PAGE]

SAMPLE

CITY OF SAN MARCOS, TEXAS:

By: _____
_____, City Manger

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 20__, by _____, City Manager of the City of San Marcos, in such capacity, on behalf of said municipality.

_____
Notary Public, State of Texas

SAMPLE

OWNER (Individual)**:**

_____

ACKNOWLEDGMENT

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__ by _____.

_____
Notary Public, State of _____

SAMPLE

OWNER (Entity)**:**

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__ by _____, _____ of _____ in such capacity on behalf of said entity.

_____
Notary Public, State of _____

SAMPLE

EXHIBIT A
[ATTACH PROPERTY DESCRIPTION]

SAMPLE

AGREEMENT FOR THE PROVISION OF SERVICES
(Pursuant to Tex. Local Gov't Code §43.0672)

Date: April 21, 2020

Owner: PALACE WAY PARTNERS, LLC, 6531 Fox Run, San Antonio, Texas 78233

City: City of San Marcos, Texas, a home rule municipal corporation, 630, East Hopkins Street, San Marcos, Texas 78666

Property: As described in Exhibit A.

---

1. The Owner has petitioned the City and the City has elected to annex the Property into the corporate limits of the City. Pursuant to Tex. Local Gov't Code §43.0672, the Owner and the City enter this agreement (the "Agreement") for the provision of services to the Property when annexed.

2. By this Agreement, the Owner affirms its consent to such annexation of the Property by the City and that Owner does not wish to enter into and has declined the offer from the City of a development agreement under Sections 43.016 and 212.172 of the Texas Local Government Code

3. In consideration of the mutual benefits to the Owner and the City arising from the annexation of the Property, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Owner and the City enter into this Agreement and agree that services to the Property will be provided as described in Exhibit B.

4. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings shall lie in state courts located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this Agreement is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Agreement will continue in force if they can be given effect without the invalid portion.

6. This Agreement shall be binding upon Owner, and Owner's heirs, successors and assigns, and all future owners of all or any portion of the Property.

7. This Agreement will become effective as of the date an ordinance annexing the Property is finally passed, approved and adopted by the City's city council (the Effective Date).

[SIGNATURES ON NEXT PAGE]

CITY:

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on _____, 20___, by _____, _____of the City of San Marcos, in such capacity, on behalf of said municipality.

_____
Notary Public, State of Texas

OWNER:
PALACE WAY PARTNERS, LLC

By: _____

Name: JAMES GLASGOW

Title: MGR.

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on 6 MAY, 2020 by JAMES GLASGOW, MANAGER of PALACE WAY LLC in such capacity on behalf of said entity.

VARYUS VON JOHNSON
Notary Public, State of Texas
Comm. Expires 01-10-2024
Notary ID 132309358

_____
Notary Public, State of TEXAS

EXHIBIT B

When the Property is annexed, services will be provided to the Property as follows:

1. Police Protection
Police services, including patrolling, response to calls and other routine services, will begin on the Effective Date of the annexation using existing personnel and equipment.

2. Fire Protection
Fire protection services, including emergency response calls, will begin on the Effective Date of the annexation using existing personnel and equipment and within the limitations of the available water supply.

3. Emergency Medical Services
Emergency medical services, including emergency response calls, will continue at the same level of service after the annexation. The City of San Marcos contracts for emergency medical services through the San Marcos – Hays County EMS, which already provides service to the area being annexed.

4. Solid Waste Collection
Solid waste collection services, provided under contract with a private company, will be made available to all properties on the Effective Date of the annexation. Residents of the Property may elect to continue using the services of a private solid waste hauler for a period of two years after the Effective Date of the annexation. Businesses and institutions must make arrangements with private solid waste haulers.

5. Operation and Maintenance of Water and Wastewater Facilities

a. Water. The Property is located within the Maxwell Water Supply Corporation Certificate of Convenience and Necessity (CCN) for water service, thus, the City is not providing water service to the Property. The Owner is solely responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property.

b. Wastewater. The Property is not covered by a CCN for wastewater service, however, the City of San Marcos has wastewater lines near the Property and agrees to make wastewater service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is solely responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property. In addition, the City is in the process of adding the Property as an area covered by the City's CCN for wastewater service.

6. Construction, Operation and Maintenance of Roads and Streets
As new development occurs within the Property, the Owner(s) of Property will be required to construct streets at the Owner's sole expense in accordance with applicable ordinances of the City.

7. Electric Service

The Property is located in the Pedernales Electric service area. Thus, the City will not provide electric service to the Property.

8. Operation and Maintenance of Parks, Playgrounds, and/or Swimming Pools

No parks, playgrounds, and/or swimming pools currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding recreational facilities to serve the Property. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal parks and recreational facilities, subject to the same restrictions, fees, and availability that pertains to the use of those facilities by other citizens of the city.

9. Operation and Maintenance of Other Public Facilities, Buildings, and Services

No other public facilities, buildings, or services currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding other public facilities, building, and services. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal facilities, buildings, and services, subject to the same restrictions, fees, and availability that pertains to the use of those facilities and services by other citizens of the city.

Metes & Bonds description of property to be Annexed into The City of San Marcos

STATE OF TEXAS – CITY OF SAN MARCOS

Palaceway Partners LLC presents a tract of land situated in the Thomas G. McGehee survey, A-11, Hays County, Texas, conveyed in volume 723 page 39, Plat record 7042-19-2-c; Hays County, TX. Same being a tract of land described to Palace Way Partners as conveyed in Instrument number 9927062, official public records, Hays County, Texas. Being more particularly described as 59.89 acres by the following metes and bounds as follows: Grid north of the Texas state plane coordinate system, NAD 83, South central zone.

Beginning at 1/2" Iron rod with plastic cap found at the southeast corner said POB-R same being southeast of Mrs. Millie Gary Et Vir to the State of Texas recorded in the public records Volume 117, Page 493. Hays County, Texas. And lying on the north Right of Way of the State Highway Number 21.

THENCE, South 45 degrees, 26 minutes and 48.34 seconds East, being said West Right-of-Way of State Highway Number 21. Drive a distance of 112.33 feet towards East Right-of-Way of State Highway Number 21.

THENCE, North 50 degrees, 04 minutes and 54.11 seconds East, being said East Right-of-Way of State Highway Number 21. Drive a distance of 118.08 feet, same being the Right-of-Way limit of State Highway Number 21.

THENCE, North 45 degrees, 26 minutes and 48.34 seconds West, being said East Right-of-Way of State Highway Number 21. Drive a distance of 111.50 feet towards 1/2" Iron rod of said Palace way Property Line, same being West side of said Right-of-Way of State Highway Number 21.

THENCE, North 45 degrees, 25 minutes and 53.13 seconds West, parallel with the adjacent gravel road said Cow Trail, drive a distance of 1,530.10 feet towards 1/2” " Iron rod with a plastic cap.

THENCE, North 46 degrees, 12 minutes and 8.40 seconds East, towards the adjacent gravel road said Cow Trail, drive a distance of 175.99 feet towards 1/2” " Iron rod. Same lying on the lefthand right of way of Cow Trial.

THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, with the west right of way of said Cow Trial. Drive a distance of 886.52 feet. Same being the southwest corner of the Industrial lot.

THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, of the East side of the property and limiting with Right of way of Cow Trial. Drive a distance of 670.34 feet towards 1/2" Iron rod with plastic cap stamped "Byrn Associates", same being the Northeast corner of the Parcel.

THENCE, North 46 degrees, 39 minutes and 26.79 seconds West, of the northeast corner of the property Drive a distance of 1,088.94 feet towards 1/2" Iron rod with plastic cap located on the West side of the property and limiting with Right of way of Proposed FM110.

THENCE, South 32 degrees, 35 minutes and 25.70 seconds West, of 1/2" Iron rod with plastic cap located on the northwest side of the property. Drive a distance of 25.54 feet towards 1/2" Iron rod with a plastic cap.

THENCE, South 39 degrees, 38 minutes and 23.78 seconds West, of 1/2" Iron rod with plastic cap located on the northwest side of the property. Drive a distance of 199.92 feet towards 1/2" Iron rod with a plastic cap.

THENCE, South 45 degrees, 21 minutes and 22.62 seconds West, Drive a distance of 251.79 feet towards 1/2" Iron rod with a plastic cap.

THENCE, South 38 degrees, 05 minutes and 05.46 seconds West, drive a distance of 483.82 feet to 1/2" Iron rod with plastic cap stamped "Byrn Associates". lying on the east right of way of the Proposed FM 110 Thoroughfare.

THENCE, South 34 degrees, 57 minutes and 58.46 seconds West, drive a distance of 483.82 feet to 1/2" Iron rod with a plastic cap. Same being southwest of Abundant Life Christian Church to Hays County recorded in the public records Volume 5158, Page 87. Public records, Hays County, Texas, and the southwest corner of the proposed property.

THENCE, South 46 degrees, 29 minutes and 03.48 seconds East, being southwest of Abundant Life Christian Church to Hays County recorded in the public records; Volume 5158, Page 87. Public records, Hays County, Texas, and the southwest corner of the proposed property. Drive a distance of 2104.26 feet to 1/2" Iron rod with plastic cap stamped "Byrn Associates".

THENCE, South 45 degrees, 26 minutes and 48.34 seconds East, being part of the edge of road of Dukes road (proposed). Drive a distance of 1,420.16' towards POB-R, same being the west Right of Way of State Highway Number 21.

838 Meyer Rd., NB, TX 78638-1503 • Ph. 830.303.3283
In Austin 512.807.7310 • Eagle Ford 830.303.3283
Houston 713.574.1949 • San Antonio 210.209.9976
www.trinitycompanies.biz

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That Trinity Group, an agent for Palaceway partners, does hereby present this Proposed Annexation description of the above-described property as PALACEWAY DEVELOPMENT, an addition to the City of San Marcos, Texas.

Dr. David L. Joyner, P.E
TX Firm 12656

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Houston 713.574.1949 • San Antonio 210.209.9976
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File #: Ord. 2020-35, **Version:** 1

AGENDA CAPTION:
Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-35, amending the Official Zoning Map of the City by rezoning approximately 14.90 acres of land located at 4087 State Highway 21, from “FD” Future Development District to “LI” Light Industrial District; and including procedural provisions; and consider approval of Ordinance 2020-35, on the first of two readings.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding
Funds Required: n/a
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative:

N/A

Comprehensive Plan Element (s):

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☒ Land Use - Direct Growth, Compatible with Surrounding Uses

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☒ Transportation - Safe, Well coordinated transportation system implemented in an environmentally sensitive manner

☐ Core Services

☐ Not Applicable

Master Plan:

Vision San Marcos - A River Runs Through Us

Background Information:

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to existing single family and rural/agricultural property as well as adjacent to the Harris Hill Race Track. In addition, FM 110 is proposed to be located to the north of the property. The subject property has already dedicated right-of-way in order to provide for the future construction of FM 110.

The purpose of this zoning change to “Light Industrial” zoning is to allow the development of a 14 acre industrial warehouse project. According to the applicant, the project is designed for small businesses needing 4,000 to 10,000 square foot warehouse buildings on ½ acres lots for lease. The subject property is proposed to be subdivided into 20 ½ acre lots.

The applicant is also requesting a rezoning to Manufactured Home, “MH” for approximately 45 acres abutting the subject property to the west. This request is being considered as part of a separate zoning request (ZC-20-08). Both zoning requests are being processed concurrently with an annexation request for the property.

The City of San Marcos will provide wastewater services at the site and the Maxwell Water Supply Corporation will provide water service. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service.

Council Committee, Board/Commission Action:

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

1. (1) David Joyner (in favor)
2. (1) Paul Hennington (in opposition)

Recommendation from the Planning and Zoning Commission meeting held April 28, 2020:

A motion was made by Commissioner Haverland, seconded by Commissioner McCarty, to approve ZC-20-07. The motion carried 8-0.

- **For:** (8) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Haverland, Commissioner Dillon, Commissioner Moore, Commissioner Agnew, Commissioner Spell.
- **Against:** 0
- **Absent:** (1) Vice Chairperson Kelsey

Alternatives:

n/a

Recommendation:

The Development Code states that a request for Light Industrial zoning in an Area of Stability - Low Intensity designation is “Not Preferred” and requires additional scrutiny as outlined in the staff report. The proposed zoning change to Light Industrial is not compatible with surrounding existing uses such as rural residential and agricultural land, however, the subject property’s location abutting the proposed FM 110 San Marcos eastern loop may provide justification for support as it meets the intent of an “Employment Corridor” identified on the Preferred Scenario Map. FM 110 is identified as a major transportation network and will be initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of development occurring along the alignment.

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a **neutral recommendation** and leaves a decision of approval, denial, or a recommendation of a lesser zoning district up to the City Council.

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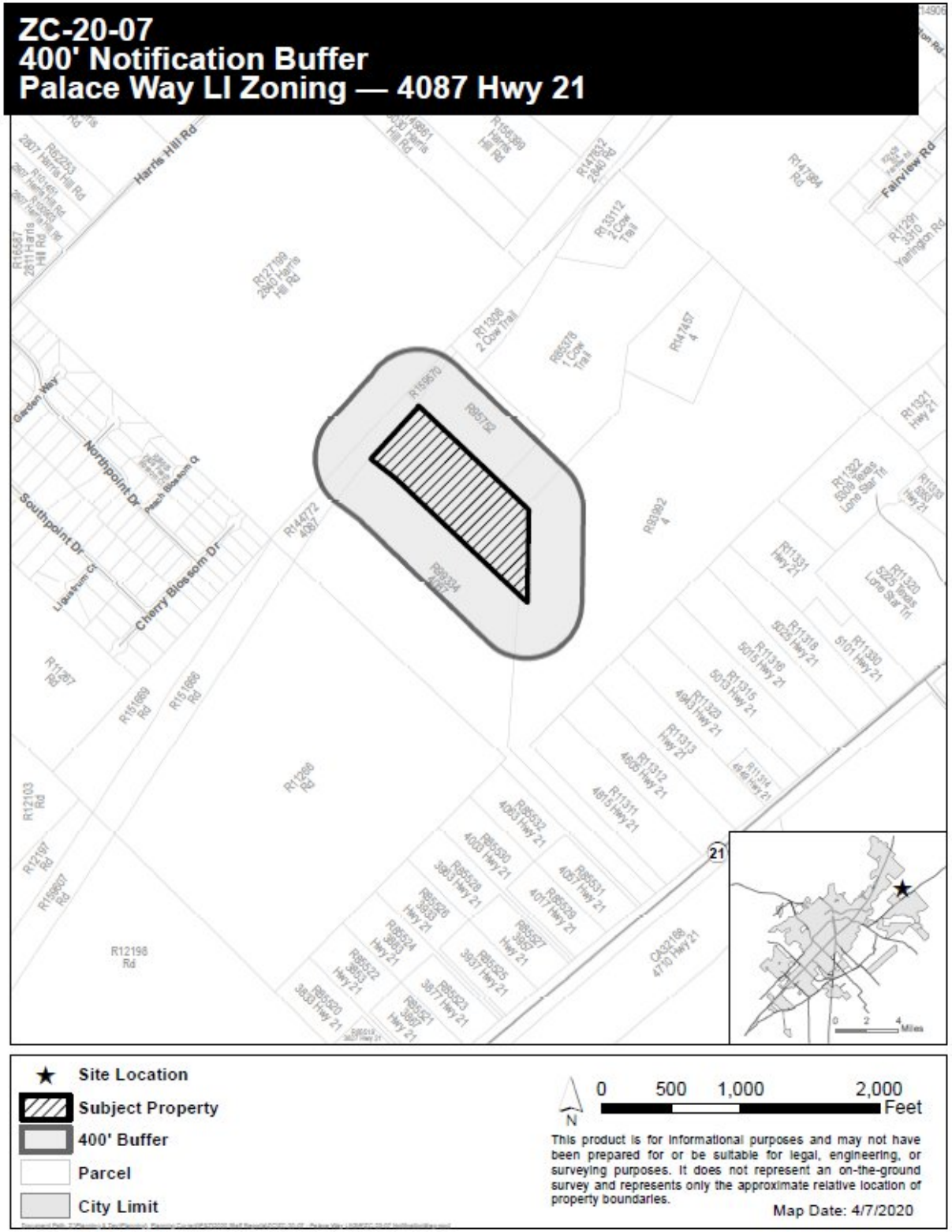
ZC-20-07 (Palace Way LI)

Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-XX, amending the Official Zoning Map of the City by rezoning approximately 14.90 acres, more or less, out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 Hwy 21, from “FD” Future Development District to “LI” Light Industrial District; and including procedural provisions; and consider approval of Ordinance 2020-XX on the first of two readings.

SAN MARCOS

Location:

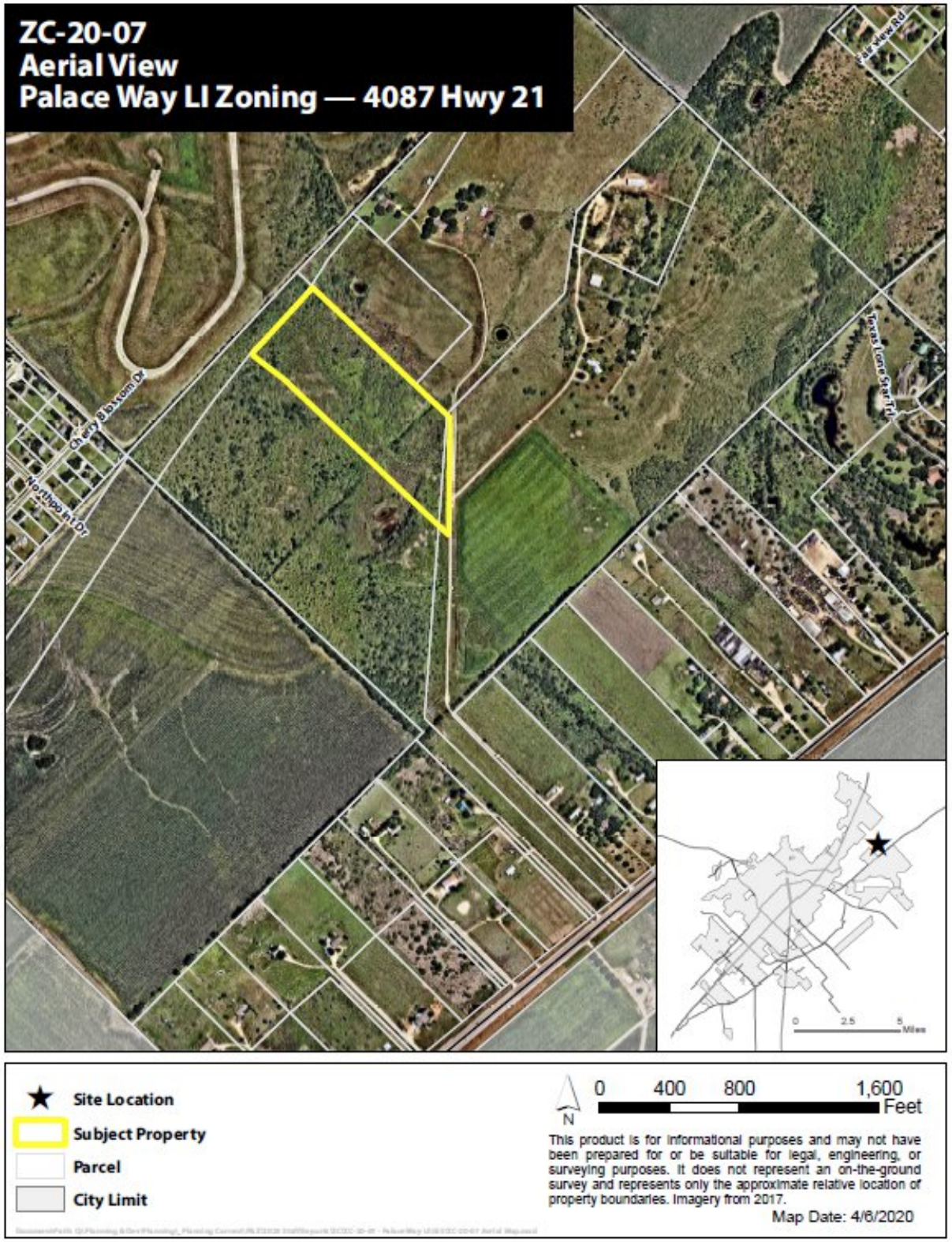
- Approximately 14.90 acres
- **Current Configuration:** Vacant / Agricultural land
- Surrounding uses include:
  - Single-family / rural (ETJ)
  - Agricultural
  - Harris Hill Race Track / proposed FM 110
- Located outside the City Limits (Extraterritorial Jurisdiction)



SAN MARCOS

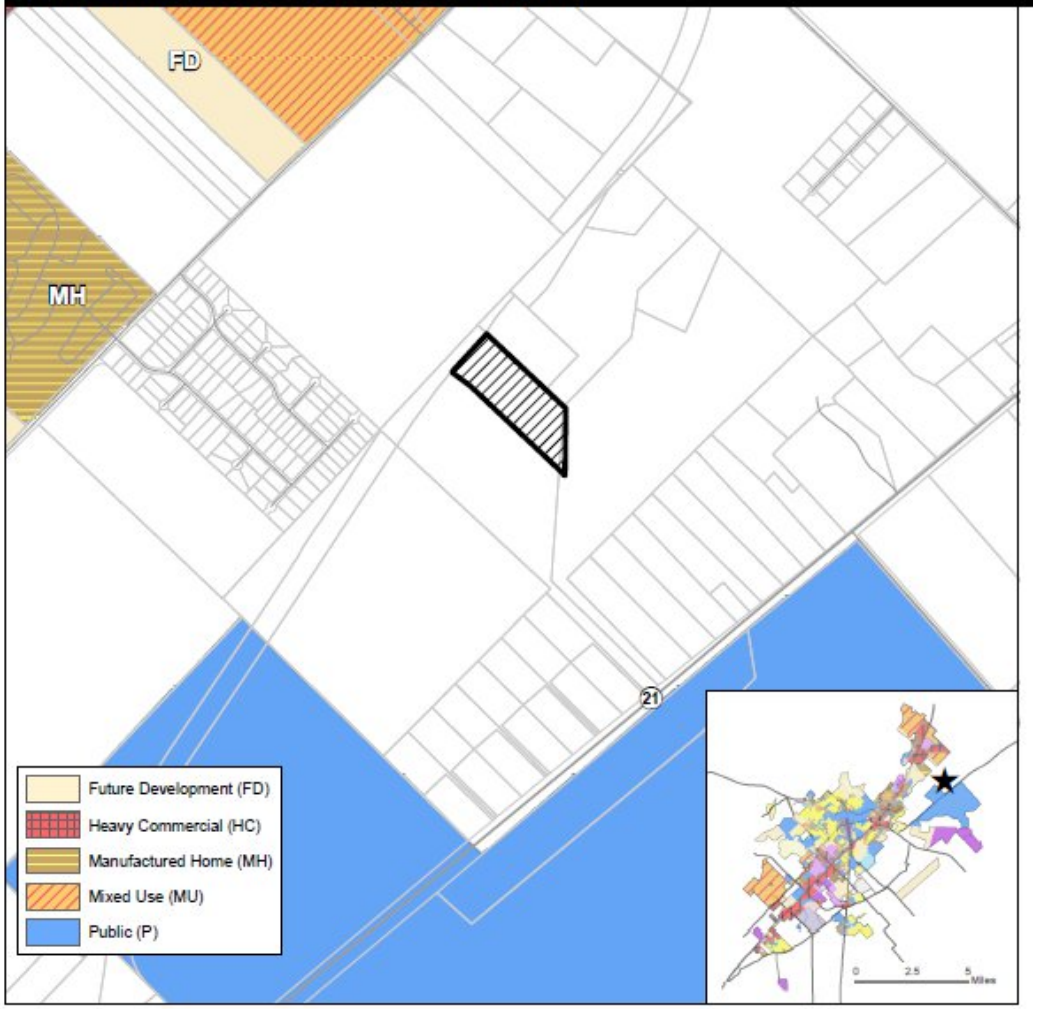
Context & History

- **Existing Zoning:** Outside City Limits (ETJ)
- **Proposed Zoning:** Light Industrial (LI)
- Proposed LI zoning allows for primarily industrial uses with some agricultural, public/institutional, and commercial uses
- Applicant is currently proposing a warehouse project.
- Annexation request is being processed concurrently for property located outside City Limits



SAN MARCOS

ZC-20-07
Zoning Map
Palace Way LI Zoning — 4087 Hwy 21



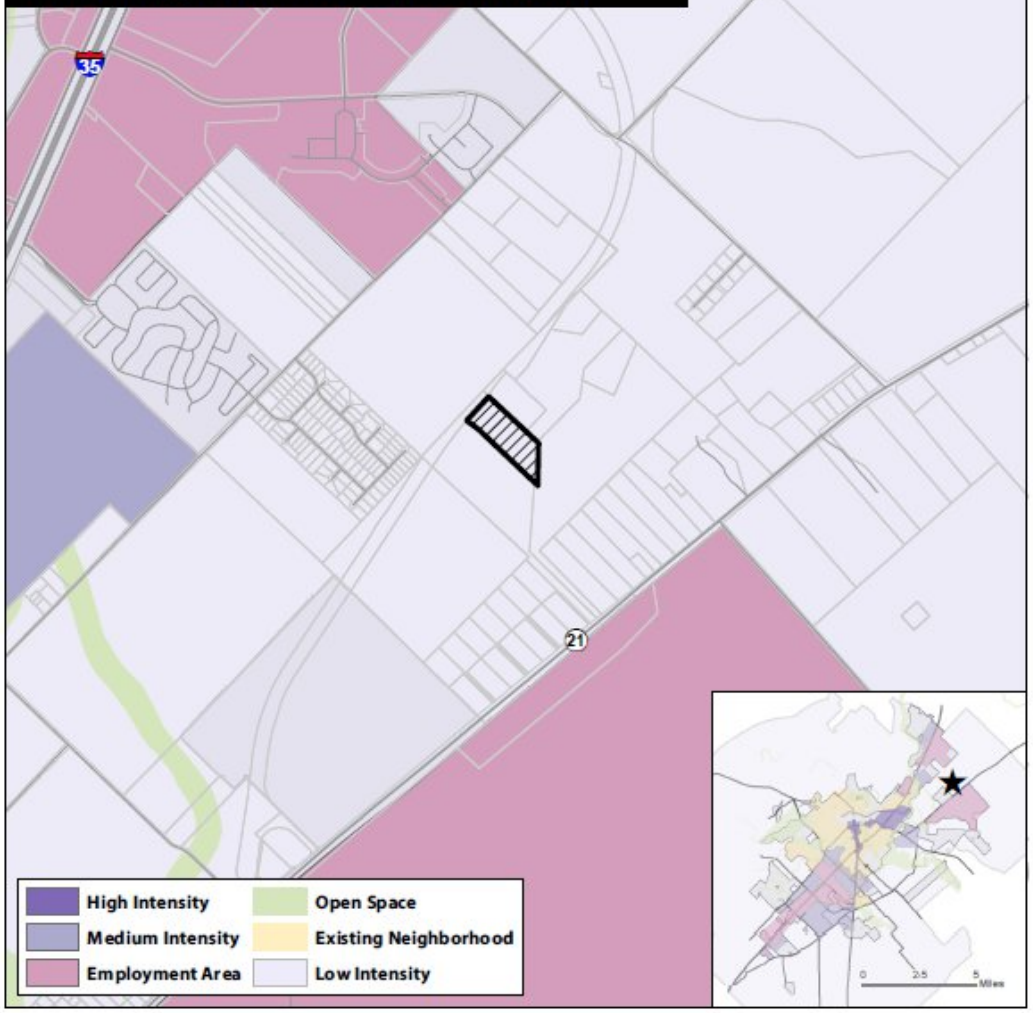
★ Site Location
Subject Property
Parcels
City Limit

N 0 750 1,500 3,000 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/6/2020

ZC-20-07
Preferred Scenario
Palace Way LI Zoning — 4087 Hwy 21

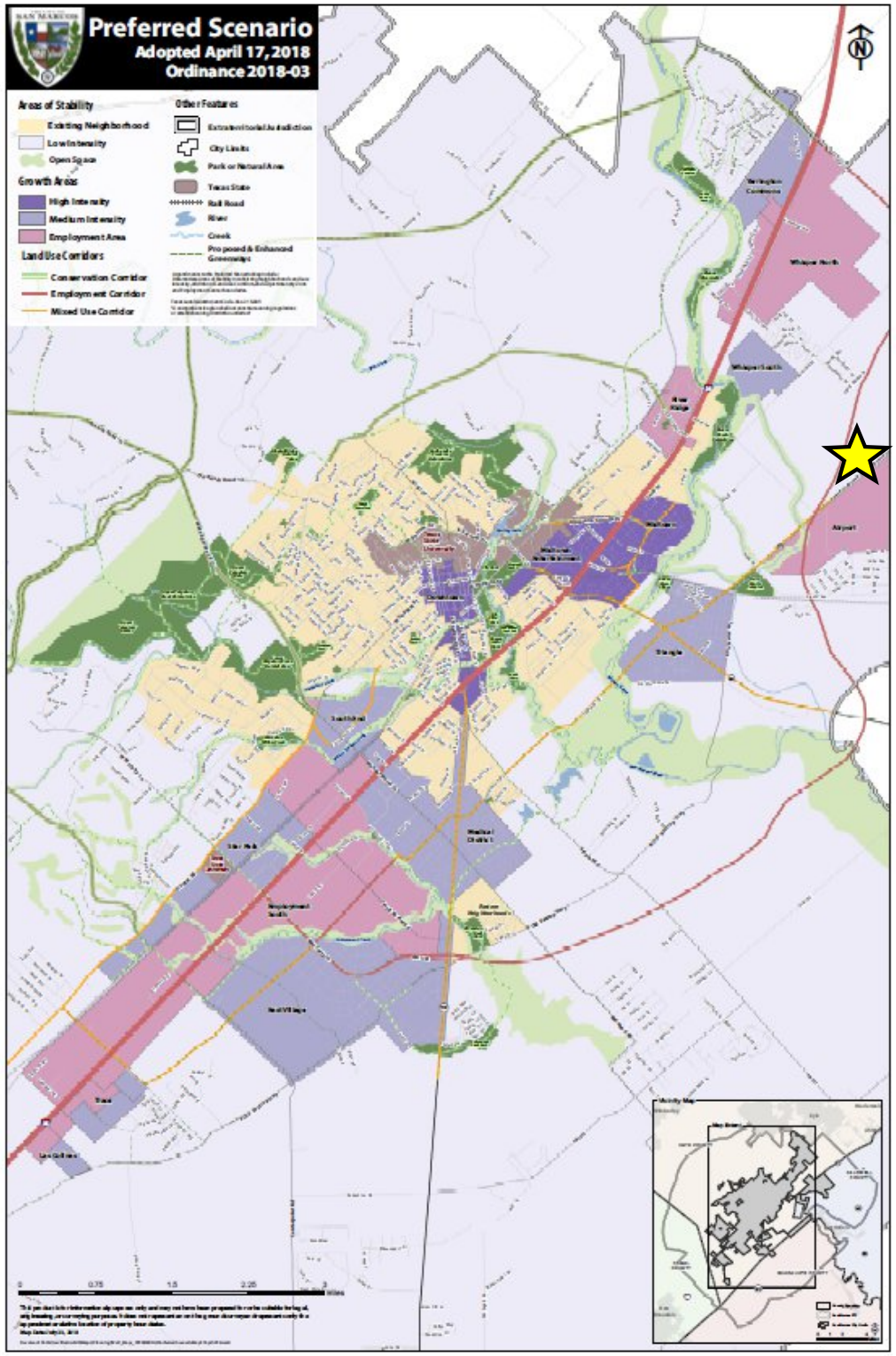


★ Site Location
Subject Property
Parcels
City Limit

N 0 1,200 2,400 4,800 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/6/2020



Comprehensive Plan Analysis

Step 1: Where is the property located on the Comprehensive Plan?

Located in an Area of Stability – Low Intensity

"Being located in an area of stability does not mean that these areas should or will not change. It means that any changes, whether new developments, zoning requests, or public improvements, should be carefully planned and implemented so that the character of the area remains." (Comprehensive Plan, pg. 77)

Comprehensive Plan Analysis

Step 2: Is the request consistent with the Comprehensive Plan / District Translation Table?

Applicant is requesting a "Special District" (Light Industrial zoning) within a Area of Stability – Low Intensity.

TABLE 4.1 COMPREHENSIVE PLAN / DISTRICT TRANSLATION

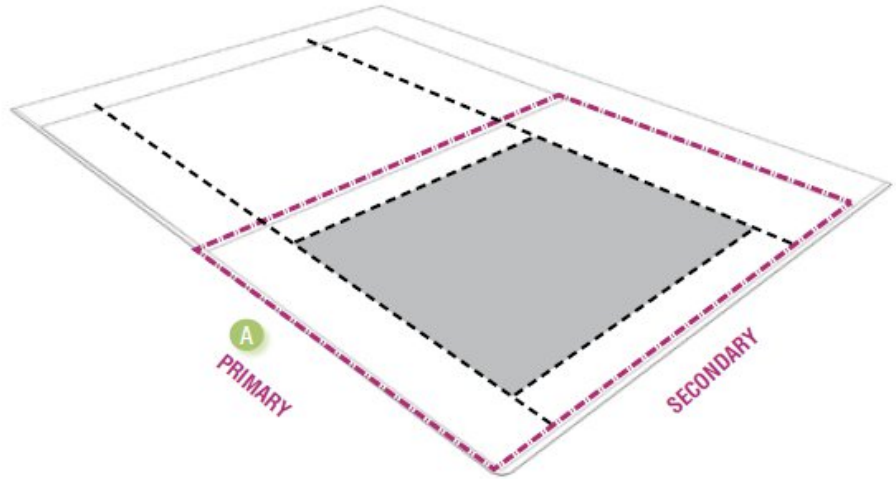
District Classification	Comprehensive Plan Designations					
	Open Space/ Agricultural	Low Intensity	Existing Neighborhood	Medium or High Intensity Zone	Employment Center	Corridor
Conventional Residential	NP	NP	C	--	--	--
Neighborhood Density Districts	NP	NP	See Section 4.1.2.4 - 4.1.2.5	NP	NP	C
Character Districts	NP	C	--	C	NP	C
Special Districts	--	NP	NP	NP	C	C
Legend	-- = Not Allowed (PSA Required)		NP=Not Preferred		C = Consider	

LI Zoning Analysis:

- LI zoning is intended to “accommodate manufacturing and light industrial uses in order to promote economic vitality, encourage employment growth, and limit the encroachment of non-industrial development within established industrial areas. Development should be operated in a relatively quiet manner, and should not be obnoxious to nearby residential or commercial areas.”
- **Allowable Building Types:** *General Commercial, Civic Building*
- Surrounding area is not comprised of industrial uses and is primarily single-family, rural, and agricultural uses along with an outdoor entertainment use at the Harris Hill Race Track.
- The city does not have zoning authority to regulate the use of surrounding property located outside the city limits.

LI

SECTION 4.4.5.3 LIGHT INDUSTRIAL



KEY
- Property Line (ROW)
- A Metrics on This and Facing Page
- Setbacks
- Building Footprint

District Intent Statements

LI is intended to accommodate manufacturing and light industrial uses in order promote economic viability, encourage employment growth, and limit the encroachment of non-industrial development within established industrial areas. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.

Density

Impervious Cover	80% max.

Transportation

Block Perimeter	5,000 ft. max.	Section 3.6.2.1
Streetscape Type	Conventional	Section 3.8.1.7

Building Types Allowed

General Commercial	Section 4.4.6.13
Civic Building	Section 4.4.6.15

Building Standards

Principle Building Height	4 stories max.	62 ft. max.
Accessory Structure Height	N/A	24 ft. max.

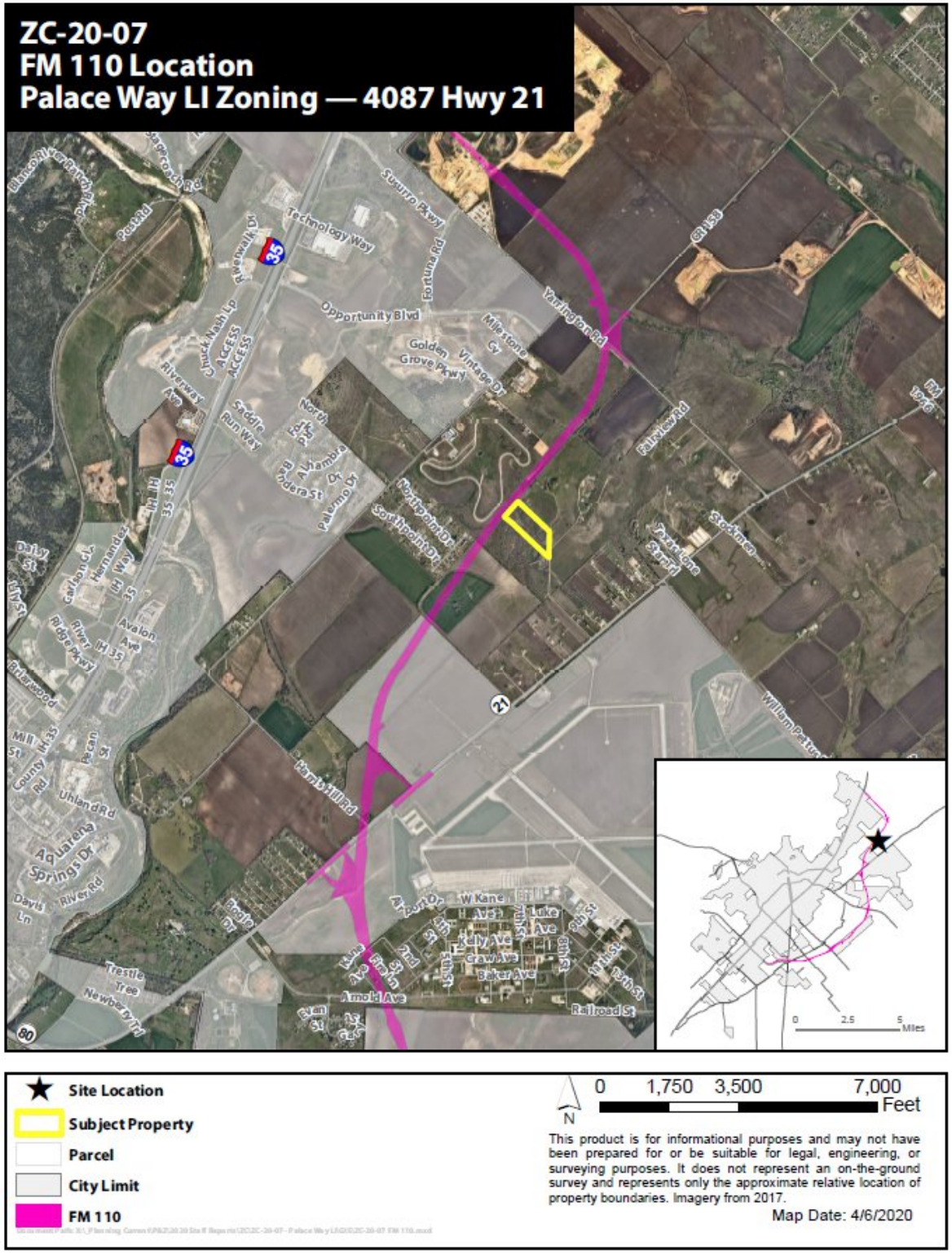
SAN MARCOS

Proposed FM 110

- Hays County / San Marcos / TxDOT
- East loop includes two travel lanes with potential of four lanes
- **Funding:** Transportation Reinvestment Zones (TRZs) which captures a portion of the increased value of development along the alignment

Preferred Scenario Employment Corridor

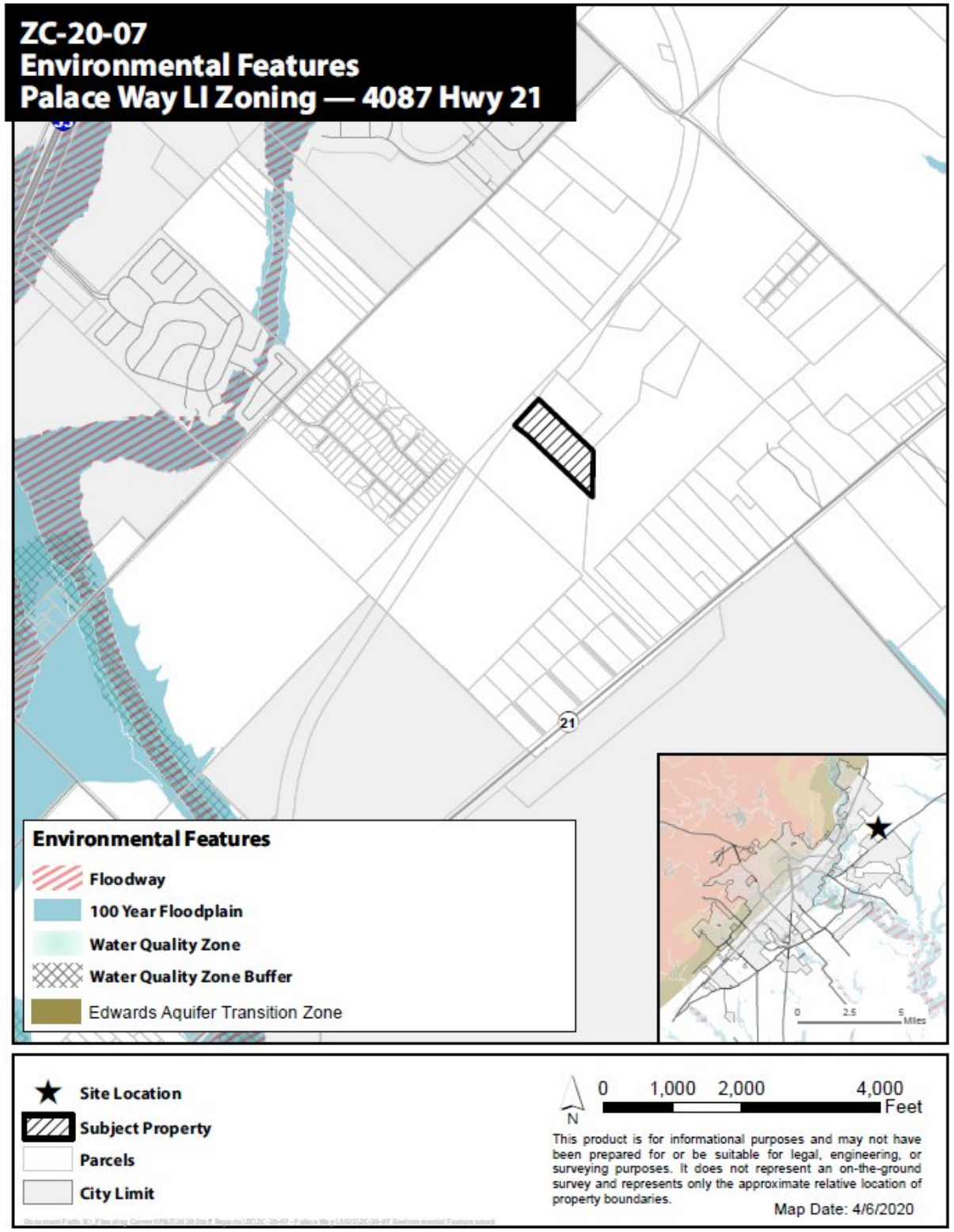
- **Employment Corridors:** "intended to serve major employment related land uses. Some mixture in uses including limited residential and supportive pedestrian and bicycle facilities should be incorporated."
- FM 110 abuts the subject property and may attract a diversity of uses seeking access and development along the roadway.



SAN MARCOS

Environmental Analysis

- Located in a low to moderately constrained area on the Land Use Suitability map
- Not located in floodplain
- Watershed Protection Plan Phase 2
  - Detention
  - Drainage
  - Environmental Reports

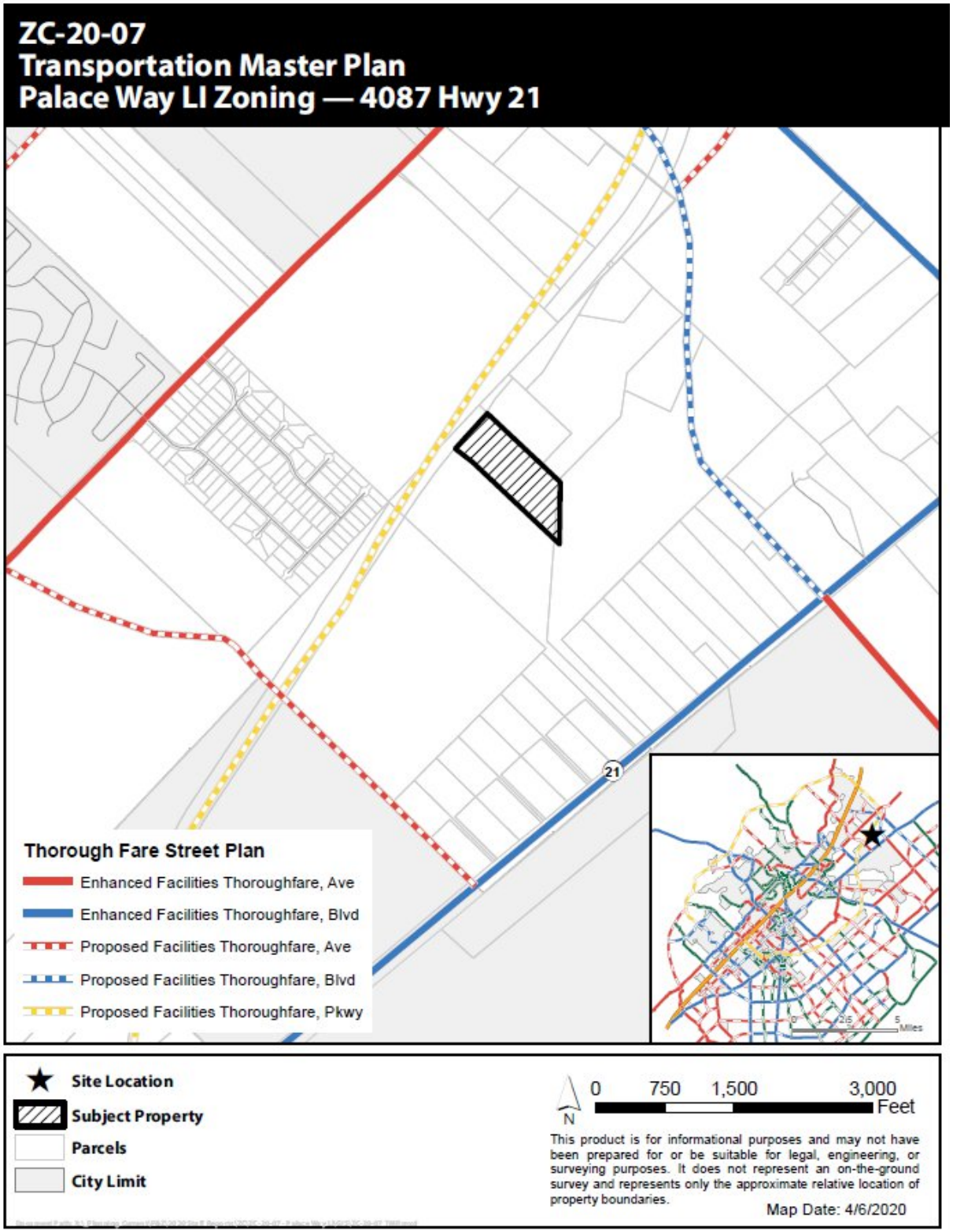


Additional Requirements

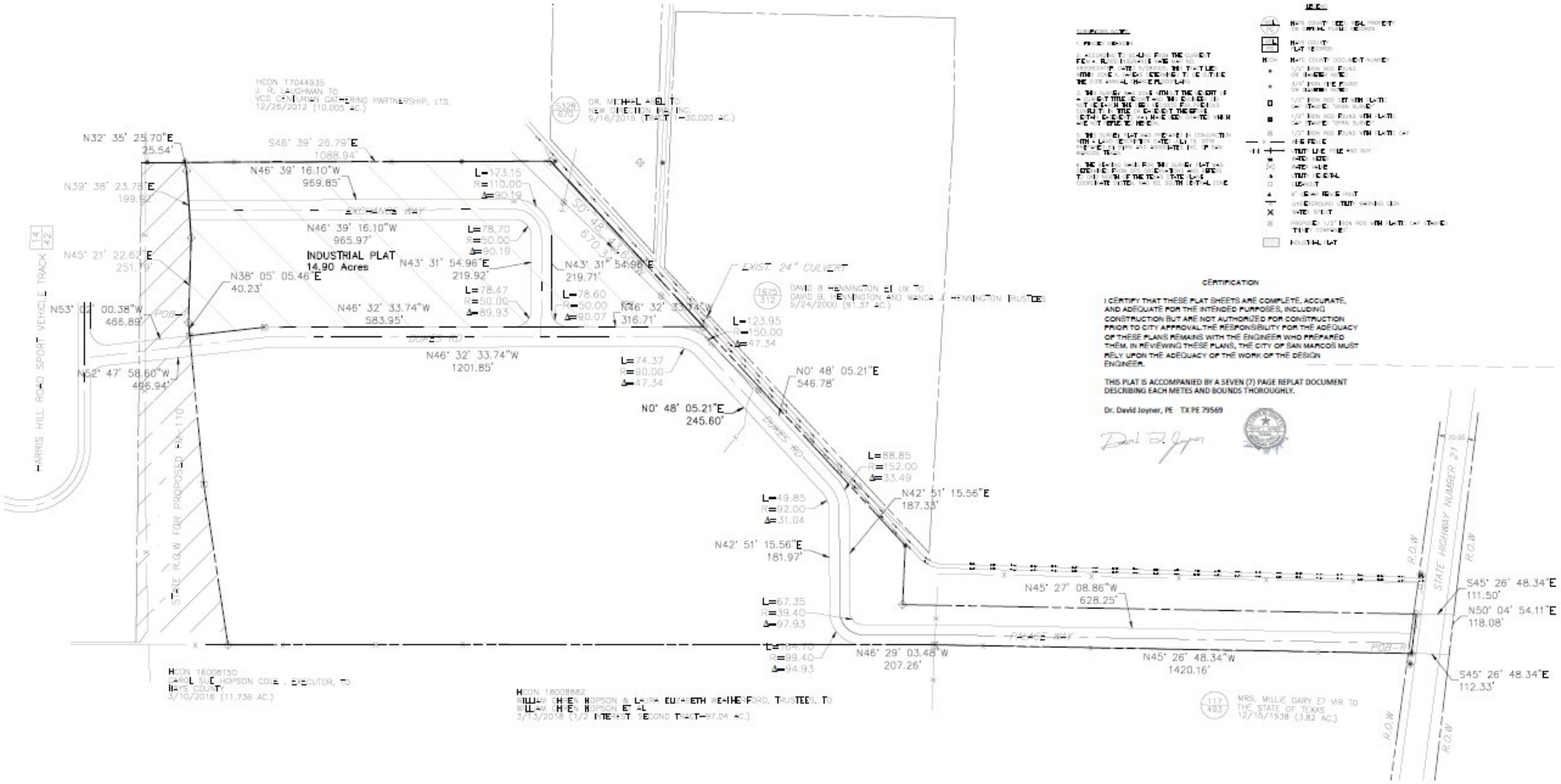
- **Street Requirements**
  - Transportation Master Plan
  - Block perimeter requirements (5,000 feet)
  - Bike facility requirements
  - Sidewalk connections
  - Traffic Impact Analysis (TIA)

- **Subdivision Requirements**
  - Subdivision plat in accordance with lot and block standards

- **Utility Requirements**
  - Extension of water and wastewater facilities in accordance with City standards



Proposed Plat (not approved)



CWTRAIL
PUBLIC NOTICE
40+ ACRE FARM HOUSE
AMAZING VIEWS / ROLLING HAY FIELDS
3 PONDS / GREAT TREES
512-656-5544 / 512-657-1731
FD LI
4/28/20
5/19/20
FDMH
4/28/20
5/19/20

Additional Analysis

- **Compatibility:** Light Industrial is not compatible with surrounding existing uses such as rural residential and agricultural land, however, the future FM 110 adjacent to the property will most likely attract a diverse array of uses.
- **Preferred Scenario:** “Light Industrial” is designated as “NP” Not Preferred within an “Area of Stability – Low Intensity” designation on the Preferred Scenario Map.
  - Alternatively, “Light Industrial” is to be “C” Considered in an Employment Area on the Preferred Scenario Map. While the subject property is not located in an “Employment Area”, it is located between two existing areas, Whisper development and the Municipal Airport.
- **FM 110:** The property is located along the proposed FM 110, which is designated as an “Employment Corridor” on the Preferred Scenario Map.
  - FM 110 is identified as a major transportation network and will be initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of development occurring along the alignment.

Staff Recommendation:

At their April 28, 2020 Meeting, the Planning and Zoning Commission recommended approval of the zoning change with a 8-0 vote.

The Development Code states that a request for Light Industrial zoning in an Area of Stability – Low Intensity designation is “Not Preferred” and requires additional scrutiny as outlined in the staff report.

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a **neutral recommendation** and leaves a decision of approval or denial of the request up to the City Council.

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Proposed Zoning:* **Light Industrial (LI)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	Light Industrial is intended to accommodate manufacturing and light industrial uses in order to promote economic viability, encourage employment growth, and limit the encroachment of non-industrial development within established industrial areas. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.
Uses	Primarily agricultural, residential, and public/institutional *(See Land Use Matrix)*	Primarily Industrial with some commercial and public/institutional *(See Land Use Matrix)*
Parking Location	No location standards	No location standards
Parking Standards	Depends on use	Depends on use. For example, warehouse and distribution uses require 1 space for each 2,000 square feet of gross floor area excluding office space, which shall be calculated separately depending on office use.
Max Residential Units per acre	0.4 units per acre (max)	Residential uses are not allowed
Occupancy Restrictions	N/A	N/A
Landscaping	Tree and shrub requirements	Tree and shrub requirements
Building Height (max)	2 stories (40 feet)	4 stories (62 feet)
Setbacks	50' minimum front; 20' min side; minimum rear setback is 20% of total lot depth	20' minimum front, side, and rear
Impervious Cover (max)	30%	80%
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area between sidewalk and street required.	Conventional Street: 6' sidewalk, street trees every 40' on center average, 7' planting area between sidewalk and street required.
Blocks	No Block Perimeter Required	5,000 ft. Block Perimeter max

Industrial Park

- 14 Acres
- 20-Warehouse Type Buildings
- 4,000-10,0000 Sq. Ft. each
- ½ Acre fenced lots
- Lease to small business

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY REZONING APPROXIMATELY 14.90 ACRES OF LAND LOCATED AT 4087 STATE HIGHWAY 21 FROM "FD" FUTURE DEVELOPMENT DISTRICT TO "LI" LIGHT INDUSTRIAL DISTRICT; INCLUDING PROCEDURAL PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

1. On April 28, 2020, the Planning and Zoning Commission of the City of San Marcos held a public hearing regarding a request to change the zoning designation from "FD" Future Development District to "LI" Light Industrial District for approximately 14.90 acres of land located at 4087 State Highway 21.

2. The Planning and Zoning Commission voted to recommend that the request be approved by the City Council.

3. The City Council held a public hearing on May 19, 2020 regarding the request.

4. All requirements pertaining to Zoning Map amendments have been met.

5. The City Council hereby finds and determines that the adoption of the following ordinance is in the interest of the public health, morals, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The Official Zoning Map of the City is amended to rezone the tract of land described in Exhibit A, attached hereto and made a part hereof, from "FD" Future Development District to "LI" Light Industrial District.

SECTION 2. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 3. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 4. This ordinance will take effect after its passage, approval and adoption on second reading.

PASSED AND APPROVED on first reading on May 19, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 2, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

EXHIBIT A

TRINITY GROUP
A Real Estate Development Service Company

INDUSTRIAL ZONING

STATE OF TEXAS - CITY OF SAN MARCOS

WHERHEAS, Palaceway Partners LLC owns a 59.89ac tract of land situated in the Thomas G. McGehee survey, A-11, Hays County, Texas. Conveyed in volume 723 page 39, Plat record 7042-19-2-c; Hays County, TX. Same being a tract of land described to Trinity Group as conveyed in Instrument number 9927062, official public records, Hays County, Texas. And being more particularly described by metes and bounds as follows: Grid north of the Texas state plane coordinate system, NAD 83, South central zone.

The proposed development divides the existing property into two plats for different zoning purposes. This industrial portion being 14.90 acres.

Beginning at 1/2" Iron rod with plastic cap found at north center of the property line said POB-I

THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, of the East side of the property and limiting with Right of way of Cow Trial. Drive a distance of 670.34 feet towards 1/2" Iron rod with plastic cap being the southeast corner of the industrial zone.

THENCE, North 46 degrees, 39 minutes and 26.79 seconds West, of the northeast corner of the property. Drive a distance of 1,088.94 feet towards 1/2" Iron rod with plastic cap located on the East side of the property and limiting with Right of way of Cow Trial

THENCE, South 32 degrees, 35 minutes and 25.70 seconds West, of 1/2" Iron rod with plastic cap located on the northeast side of the property. Drive a distance of 25.54 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 39 degrees, 38 minutes and 23.78 seconds West, of 1/2" Iron rod with plastic cap located on the northeast side of the property. Drive a distance of 199.92 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 45 degrees, 21 minutes and 22.62 seconds West, Drive a distance of 251.79 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 38 degrees, 05 minutes and 05.46 seconds West, Drive a distance of 40.23 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 53 degrees, 02 minutes and 00.38 seconds East, Drive a distance of 224.38 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 46 degrees, 32 minutes and 33.95 seconds East, Drive a distance of 1,220.67 feet towards 1/2" Iron rod with plastic cap, same being the Point of Beginning POB-I.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

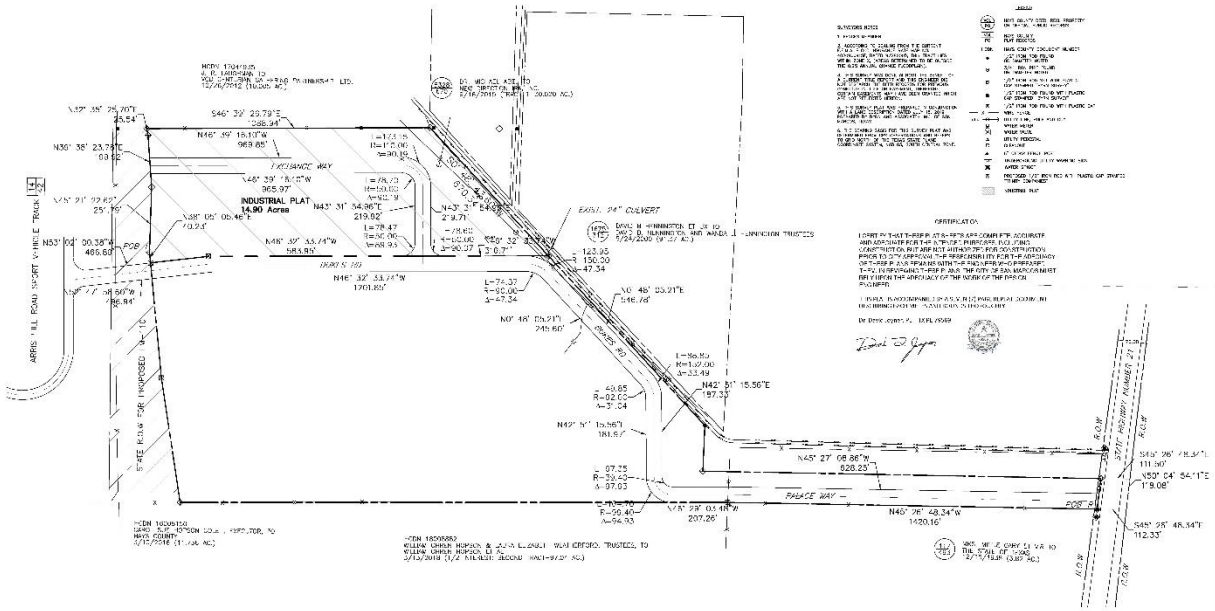
THAT, TRINITY GROUP, does hereby presents this Proposed Plat for zoning designation for the above described property as PALACE WAY DEVELOPMENT, an addition to the City of San Marcos, Texas. Said utility easements being hereby reserved for the mutual use and accommodation of all public utilities using or desiring to use same.

Dr. David L. Joyner, P.E
TX Firm 12656

STATE OF TEXAS
DAVID L. JOYNER
79569
LICENSED
PROFESSIONAL ENGINEER

April 28, 2020

838 Meyer Rd., NB, TX 78638-1503 • Ph. 830.303.3283
In Austin 512.807.7310 • Eagle Ford 830.303.3283
Houston 713.574.1949 • San Antonio 210.209.9976
www.trinitycompanies.biz



PROJECT NO. 12148	REVISIONS	DRAWN BY: D. Adase	SCALE 1" = 200'	DWG. NO. C-01	SHEET NO. PROPOSED PLAT FOR INDUSTRIAL DEVELOPMENT
TX Firm # 10056		REVIEWED BY: Trinity Group	0 100 200 Feet		
DATE Mar 2020		S. MANAGER: D. Joyner			

TRINITY GROUP
A REAL ESTATE SERVICES COMPANY

PALACE WAY DEVELOPMENT
Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

Zoning Request	4087 Hwy 21
ZC-20-07	

Summary

Request:	Zoning change from "FD" Future Development to "LI" Light Industrial		
Applicant:	Jim Glasgow 6531 Fox Run San Antonio, TX 78233	**Property Owner:**	Palace Way Partners, LLC 6531 Fox Run San Antonio, TX 78233

Notification

Application:	March 24, 2020	**Neighborhood Meeting:**	N/A
Published:	April 12, 2020	**# of Participants**	N/A
Posted:	April 10, 2020	**Personal:**	April 10, 2020
Response:	1 letter of opposition (attached in packet)		

Property Description

Legal Description:	+/- 14.90 acre tract out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County		
Location:	4087 Hwy 21		
Acreage:	14.90	**PDD/DA/Other:**	Pending Annexation
Existing Zoning:	"FD" Future Development	**Proposed Zoning:**	"LI" Light Industrial
Existing Use:	Vacant / Rural	**Proposed Use:**	Light Industrial
Preferred Scenario:	Area of Stability – Low Intensity	**Proposed Designation:**	Area of Stability – Low Intensity
CONA Neighborhood:	N/A	**Sector:**	N/A
Utility Capacity:	Developer is responsible for extended utilities.	**Floodplain:**	No
Historic District	N/A		

Surrounding Area

	Zoning	Existing Land Use	Preferred Scenario
North of Property:	ETJ	FM 110; Harris Hill Race Track	Area of Stability – Low Intensity
South of Property:	ETJ	Single Family / Rural / Agriculture	Area of Stability – Low Intensity
East of Property:	ETJ	Single Family / Rural / Agriculture	Area of Stability – Low Intensity
West of Property:	ETJ	Rural / Agriculture	Area of Stability – Low Intensity

Zoning Request	4087 Hwy 21
ZC-20-07	

Staff Recommendation

	Approval as Submitted	X	**Approval with Conditions / Alternate**		Denial

The Development Code states that a request for Light Industrial zoning in an Area of Stability – Low Intensity designation is "Not Preferred" and requires additional scrutiny as outlined in the staff report. The proposed zoning change to Light Industrial is not compatible with surrounding existing uses such as rural residential and agricultural land, however, the subject property's location abutting the proposed FM 110 San Marcos eastern loop may provide justification for support as it meets the intent of an "Employment Corridor" identified on the Preferred Scenario Map. FM 110 is identified as a major transportation network and will be initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of development occurring along the alignment.

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a neutral recommendation and leaves a decision of approval, denial, or a recommendation of a lesser zoning district up to the City Council.

Staff: Andrea Villalobos, AICP, CNU-A	**Title:** Senior Planner	**Date:** April 29, 2020

Commission Recommendation

	Approval as Submitted	X	**Approval with Conditions / Alternate**		Denial

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

1. (1) David Joyner (in favor)
2. (1) Paul Hennington (in opposition)

Recommendation from the Planning and Zoning Commission meeting held April 28, 2020:
A motion was made by Commissioner Haverland, seconded by Commissioner McCarty, to approve ZC-20-07. The motion carried 8-0.

- **For:** (8) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Haverland, Commissioner Dillon, Commissioner Moore, Commissioner Agnew, Commissioner Spell.
- **Against:** 0
- **Absent:** (1) Vice Chairperson Kelsey

Zoning Request	4087 Hwy 21
ZC-20-07	

History

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to existing single family and rural/agricultural property as well as adjacent to the Harris Hill Race Track. In addition, FM 110 is proposed to be located to the north of the property. The subject property has already dedicated right-of-way in order to provide for the future construction of FM 110.

The purpose of this zoning change to "Light Industrial" zoning is to allow the development of a 14 acre industrial warehouse project. According to the applicant, the project is designed for small businesses needing 4,000 to 10,000 square foot warehouse buildings on ½ acres lots for lease. The subject property is proposed to be subdivided into 20 ½ acre lots.

The applicant is also requesting a rezoning to Manufactured Home, "MH" for approximately 45 acres abutting the subject property to the west. This request is being considered as part of a separate zoning request (ZC-20-08). Both zoning requests are being processed concurrently with an annexation request for the property.

The City of San Marcos will provide wastewater services at the site and the Maxwell Water Supply Corporation will provide water service. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service.

Additional Analysis

Upon annexation, the property will be zoned "FD", the default classification for newly annexed land. The annexation request will be considered prior to the zoning change by City Council.

Analysis of the proposed zoning request includes deliberation of existing surrounding land uses, proposed transportation networks, and the goals and policies of the Comprehensive Plan. A few major points for consideration in the analysis are as follows:

- The proposed zoning change to Light Industrial is not compatible with surrounding existing uses such as rural residential and agricultural land, however, the future FM 110 (see attached FM 110 map) adjacent to the property will most likely attract a diverse array of uses.
- The subject property's request for "Light Industrial" is designated as "NP" Not Preferred within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map as part of the Comprehensive Plan. Alternatively, the Comprehensive Plan states that "Light Industrial" zoning is to be "C" Considered in an Employment Area on the Preferred Scenario Map. While the subject property is not located in an "Employment Area", it is located between two existing areas, Whisper development and the Municipal Airport.
- The subject property is located along the proposed FM 110, which is designated as an "Employment Corridor" on the Preferred Scenario Map.

- Hays County provides the following overview of the FM 110 project:

  This project continues the loop east of San Marcos and involves initially constructing two travel lanes (one in each direction) with 10-foot shoulders where no road currently exists for the approximately 11.3-mile corridor and includes an interchange at SH 21 and a railroad overpass at the Union Pacific Railroad tracks. As traffic increases over time, two additional travel lanes and additional interchanges would be constructed. Initial construction costs will be funded through Transportation Reinvestment Zones (TRZs) created by Hays County and the City of San Marcos to capture a portion of the increased value of development occurring along the alignment. Caldwell County will also contribute to the project cost. The County is funding and conducting project development simultaneously for the initial stage of all three sections. TxDOT will let and manage construction of the project. Water line relocations will be in construction contracts.

Additional details regarding this analysis is outlined in the staff report and the Comprehensive Plan Analysis checklist.

Comments from Other Departments	
Police	No issues with the proposed development.
Fire	No issues with the proposed development.
Public Services	No Comment
Engineering	No Comment

Zoning Request	4087 Hwy 21
ZC-20-07	

Evaluation			Compatibility of Uses & Density Criteria (Sec.4.1.2.5)
Consistent	Inconsistent	Neutral	
	X		**Helps prevent the impacts of high density uses on low density areas** *The subject property is located within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map as part of the Comprehensive Plan (see Preferred Scenario Map). "Special Districts", which include the Light Industrial zoning district, are "NP" Not Preferred within this designation on the Preferred Scenario Map. Where a zoning map amendment is Not Preferred, further scrutiny is required to determine consistency with the Comprehensive Plan based on the criteria in Section 2.5.1.4 and the district intent under Division 4, Chapter 4, Article 1.* *Per the Comprehensive Plan, "Special Districts" such as Light Industrial zoning are to be "Considered" in Employment Areas on the Preferred Scenario Map. The subject property is located near existing Employment Areas (Whisper subdivision to the north and the Airport to the south), however, the immediately surrounding property is primarily rural residential low density uses. See attached Preferred Scenario Map for a depiction of surrounding Employment Areas.*
		N/A	**Limits changes in neighborhood density categories unless directed by a small area plan or neighborhood character study** *Studies were not complete at the time of the request.*
	X		**Encourages more opportunities for home ownership** *The proposed Light Industrial zoning district would not allow for residential uses.*
	X		**Ensures a diversity of housing to serve citizens with varying needs and interests** *The proposed Light Industrial zoning district would not allow for residential uses.*

Zoning Request	4087 Hwy 21
ZC-20-07	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		X	**Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan and preferred scenario map** *Vision San Marcos Comprehensive Plan states that "Areas of Stability – Low Intensity" will generally maintain their existing character. The Comprehensive Plan states that "being located in an area of stability does not mean that these areas should or will not change. It means that any changes, whether new developments, zoning requests, or public improvements, should be carefully planned and implemented so that the character of the area remains." The current character of the area is agricultural and rural residential and does not complement the proposed Light Industrial zoning. However, these surrounding properties are located outside the city limits and the city does not have zoning authority to regulate the use of these properties. In addition, the proposed FM 110 abuts the subject property and may attract a diversity of uses seeking access and development along the roadway.* *The Preferred Scenario Map identifies FM 110 as an Employment Corridor. Employment Corridors are primarily intended to "serve major employment related land uses. Some mixture in uses including limited residential and supportive pedestrian and bicycle facilities should be incorporated." While the subject property is located adjacent to this corridor, the Comprehensive Plan states that "Special Districts", such as Light Industrial zoning are designated as "NP" Not Preferred on the Comprehensive Plan / District Translation Table within an "Area of Stability – Low Intensity" designation. Other potential zoning districts that are identified on the Comprehensive Plan as "C" Considered are Character Districts, such as CD-3, CD-4, or CD-5, etc., however, these districts do not allow many industrial or warehouse and distribution uses and therefore do not meet the needs of the applicant's proposed project.* *Lastly, the Comprehensive Plan states that "Land Use Suitability, preservation of agricultural lands, and floodplain management are the key factors to be considered when analyzing future development requests in Low Intensity Areas." The subject property is not located in an environmentally sensitive area and is within a low to moderately constrained area on the Land Use Suitability Map.*

Zoning Request	4087 Hwy 21
ZC-20-07	

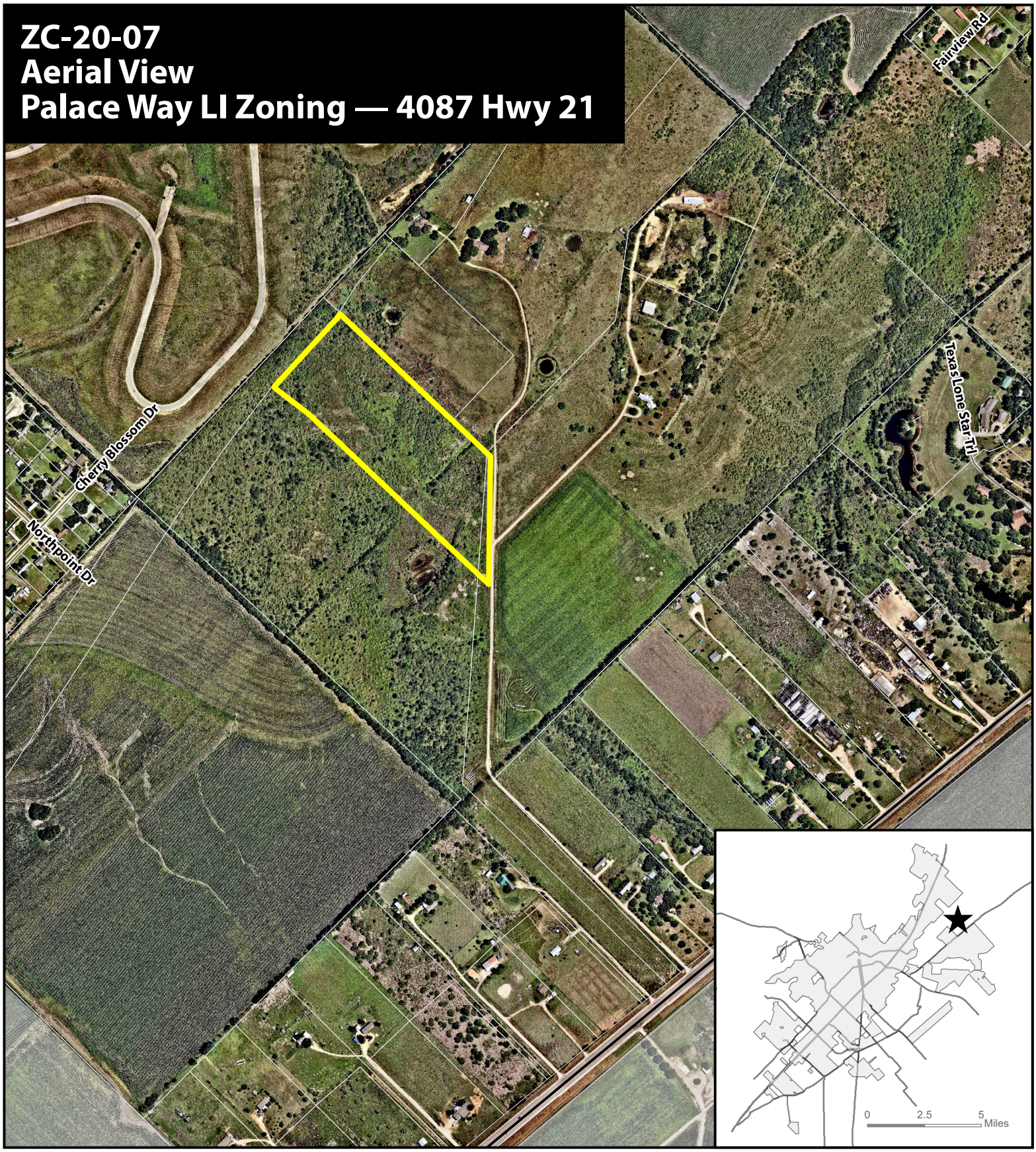
Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		N/A	**Whether the proposed zoning map amendment is consistent with any adopted small area plan or neighborhood character study for the area** *Studies were not complete at time of request.*
		X	**Whether the proposed zoning map amendment is consistent with any applicable development agreement in effect** *A development agreement is not required because the property is requesting annexation into the city limits.*
		X	**Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses shall be appropriate in the immediate area of the land to be reclassified** *Light Industrial zoning primarily allows for industrial uses with some allowances for agricultural and public/institutional uses and a few commercial uses such as professional office, urgent care, building material sales, indoor recreation, and gym/health clubs (see attached land use matrix comparison table). Light Industrial zoning is intended to "accommodate manufacturing and light industrial uses in order to promote economic vitality, encourage employment growth, and limit the encroachment of non-industrial development within established industrial areas. Development should be operated in a relatively quiet manner, and should not be obnoxious to nearby residential or commercial areas." The immediately surrounding area is not comprised of industrial uses and is primarily single-family, rural, and agricultural properties along with an outdoor entertainment use at the Harris Hill Race Track. However, the properties are currently located outside the city limits and the city does not have zoning authority to regulate the use of these properties. A rezoning to Light Industrial would require that all proposed uses meet the standards of the development code.*

Zoning Request	4087 Hwy 21
ZC-20-07	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		X	**Whether the proposed zoning will reinforce the existing or planned character of the area** *Approval of this zoning change would allow the property to develop in a manner that is "NP" Not Preferred according to the District Translation Table which states that "Special Districts", such as a Light Industrial zoning district, is Not Preferred within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map. The Zoning Translation Table states that zoning changes to Character Districts should be "C" Considered within an Area of Stability – Low Intensity designation. However, the planned FM 110 will alter the existing character of the surrounding area as it will be a major eastern transportation loop.*
X			**Whether the site is appropriate for the development allowed in the proposed district** *The property is vacant and shown to be in a low to moderately constrained area on the Land Use Suitability Map. The site will have access to the future FM 110 and will be required to construct roadways and utility infrastructure within the development consistent with the Light Industrial zoning district.*
		N/A	**Whether there are substantial reasons why the property cannot be used according to the existing zoning** *The property is currently not zoned as it is located outside of the City Limits.*
X			**Whether there is a need for the proposed use at the proposed location** *The proposed rezoning would allow primarily industrial uses with allowances for agricultural, public, and commercial uses. The subject property's location along FM 110 would allow for such uses to be developed in accordance with city standards with access to a major transportation thoroughfare.*
X			**Whether the City and other service providers will be able to provide sufficient public facilities and services including schools, roads, recreation facilities, wastewater treatment, water supply and stormwater facilities, public safety, and emergency services, while maintaining sufficient levels of service to existing development** *The property is not located within the City's water service area and is serviced by Maxwell Water Supply. The property is located approximately 4,300 feet from the City's wastewater service area. The*

			City is currently updating the wastewater service area and following the update the subject property will be located within this service area.
	Evaluation		Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
	X		**Whether the proposed rezoning will have a significant adverse impact on property in the vicinity of the subject property** *The surrounding property is primarily agricultural and rural residential and does not complement the proposed Light Industrial zoning.*
		N/A	**For requests to a Neighborhood Density District, whether the proposed amendment complies with the compatibility of uses and density in Section 4.1.2.5** *This request is not for a Neighborhood Density District.*
X			**The impact the proposed amendment has with regard to the natural environment, including the quality and quantity of water and other natural resources, flooding, and wildlife management** *The property is located within a low to moderately constrained area according to the Land Use Suitability Map. In addition, there is no floodplain on the property.*
		X	**Any other factors which shall substantially affect the public health, safety, morals, or general welfare** *The applicant is also requesting a rezoning to Manufactured Home, "MH" for approximately 45 acres abutting the subject property. This request is being considered as part of a separate zoning request (ZC-20-08). Both zoning requests are being processed concurrently with an annexation request for the property. While the request to MH zoning is not considered as part of the current zoning analysis it does serve as additional background information.*

ZC-20-07
Aerial View
Palace Way LI Zoning — 4087 Hwy 21



★ **Site Location**

Subject Property

Parcel

City Limit

N

0 400 800 1,600 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Imagery from 2017.

Map Date: 4/6/2020

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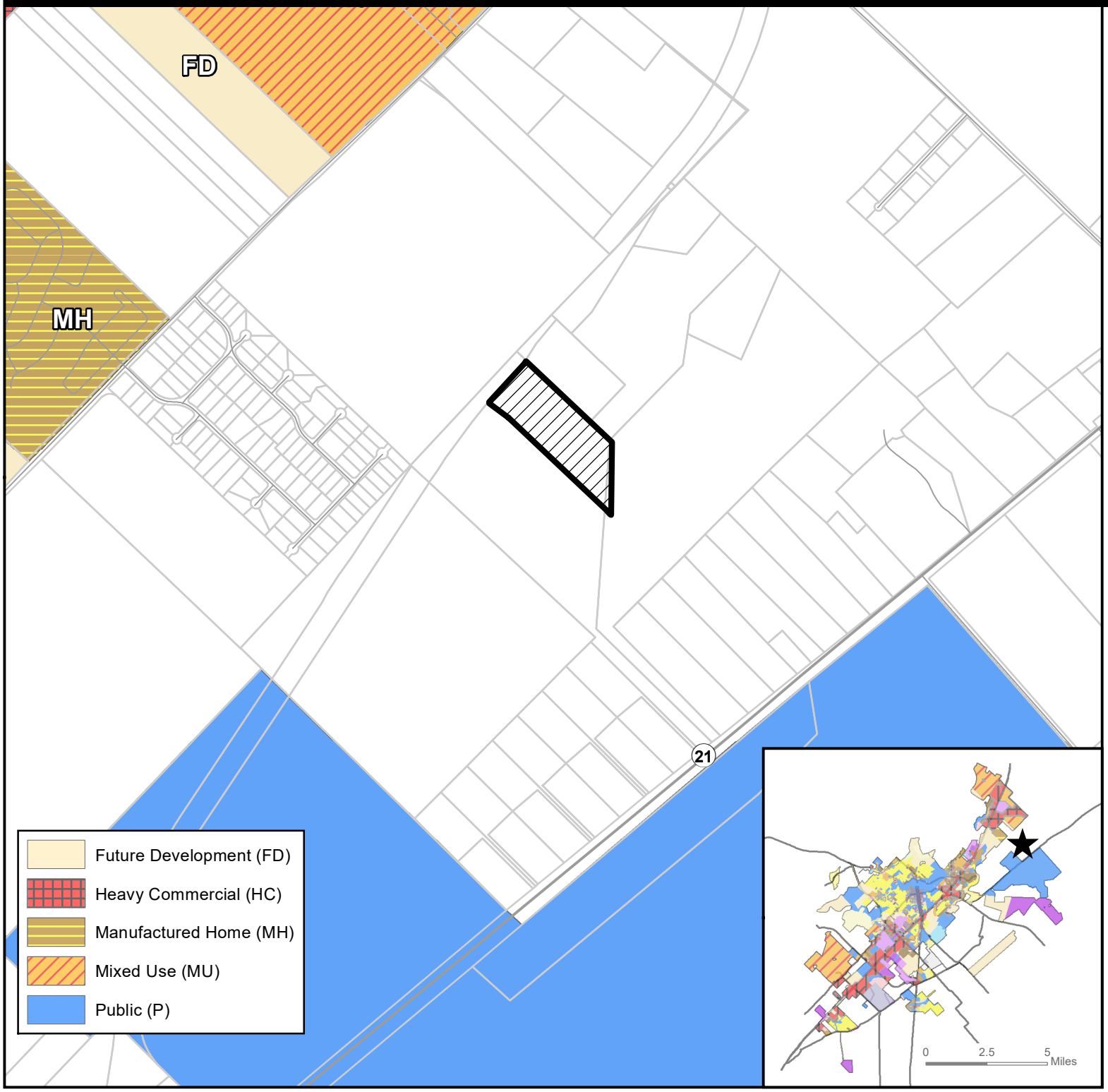
ZC-20-07
Zoning Map
Palace Way LI Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 750 1,500 3,000 Feet

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Map Date: 4/6/2020

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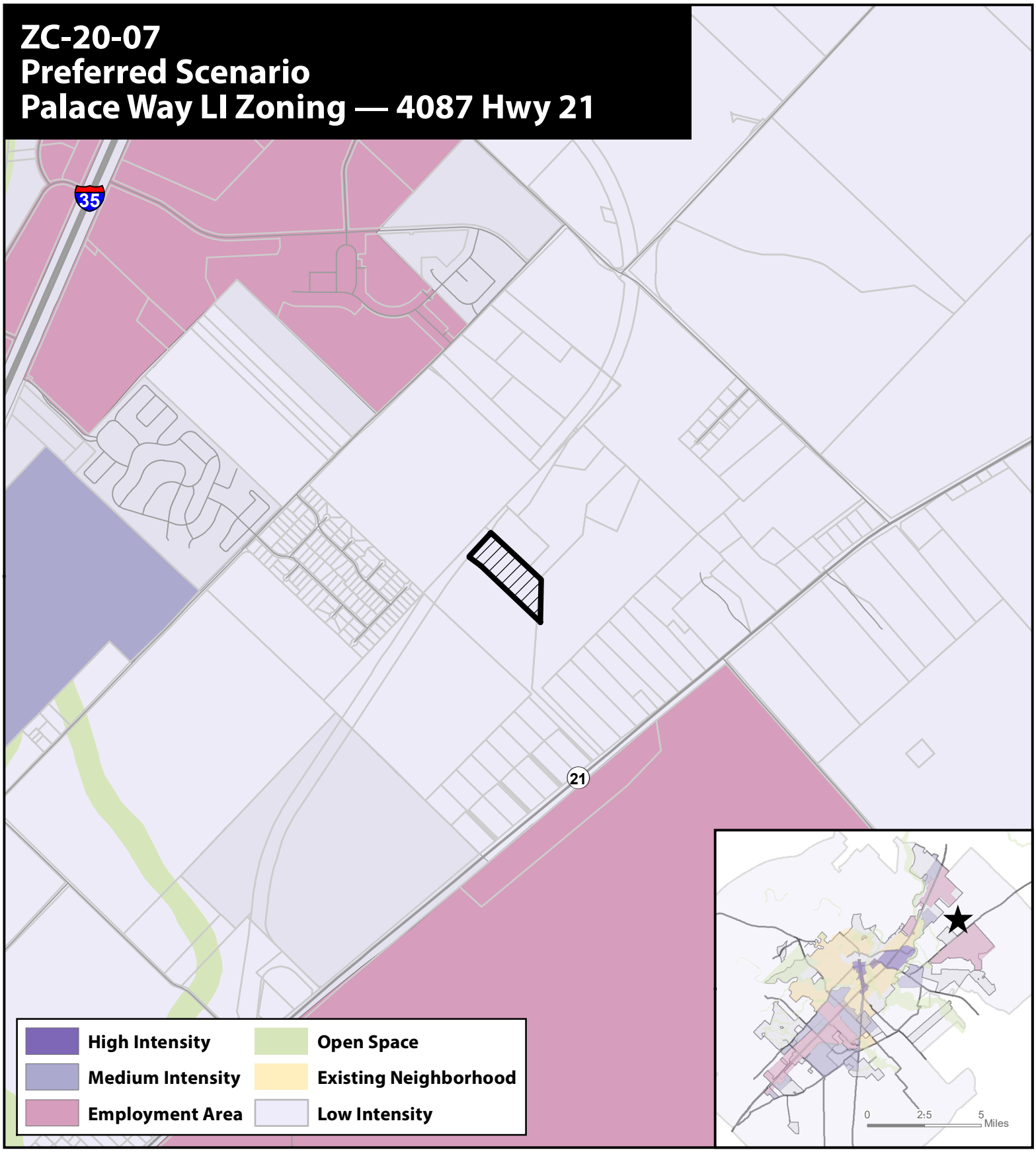
ZC-20-07
Preferred Scenario
Palace Way LI Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 1,200 2,400 4,800 Feet

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Map Date: 4/6/2020

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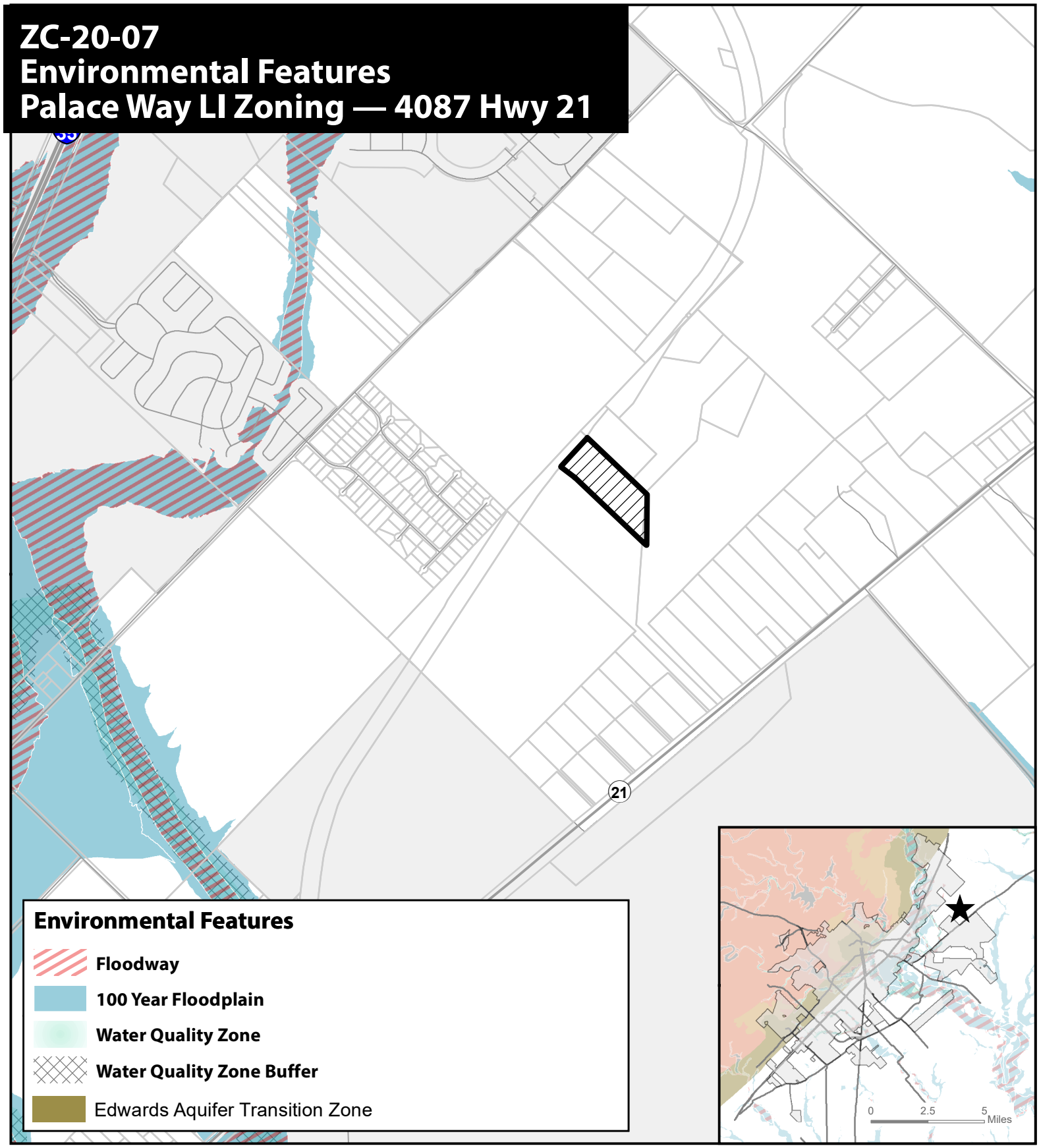
ZC-20-07
Environmental Features
Palace Way LI Zoning — 4087 Hwy 21



★ Site Location

Subject Property

Parcels

City Limit

N

0 1,000 2,000 4,000 Feet

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Map Date: 4/6/2020

Document Path: X:_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-07 - Palace Way LI\GIS\ZC-20-07 Environmental Features.mxd

ZC-20-07
Transportation Master Plan
Palace Way LI Zoning — 4087 Hwy 21

Site Location

Subject Property

Parcels

City Limit

N

0 750 1,500 3,000 Feet

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Map Date: 4/6/2020

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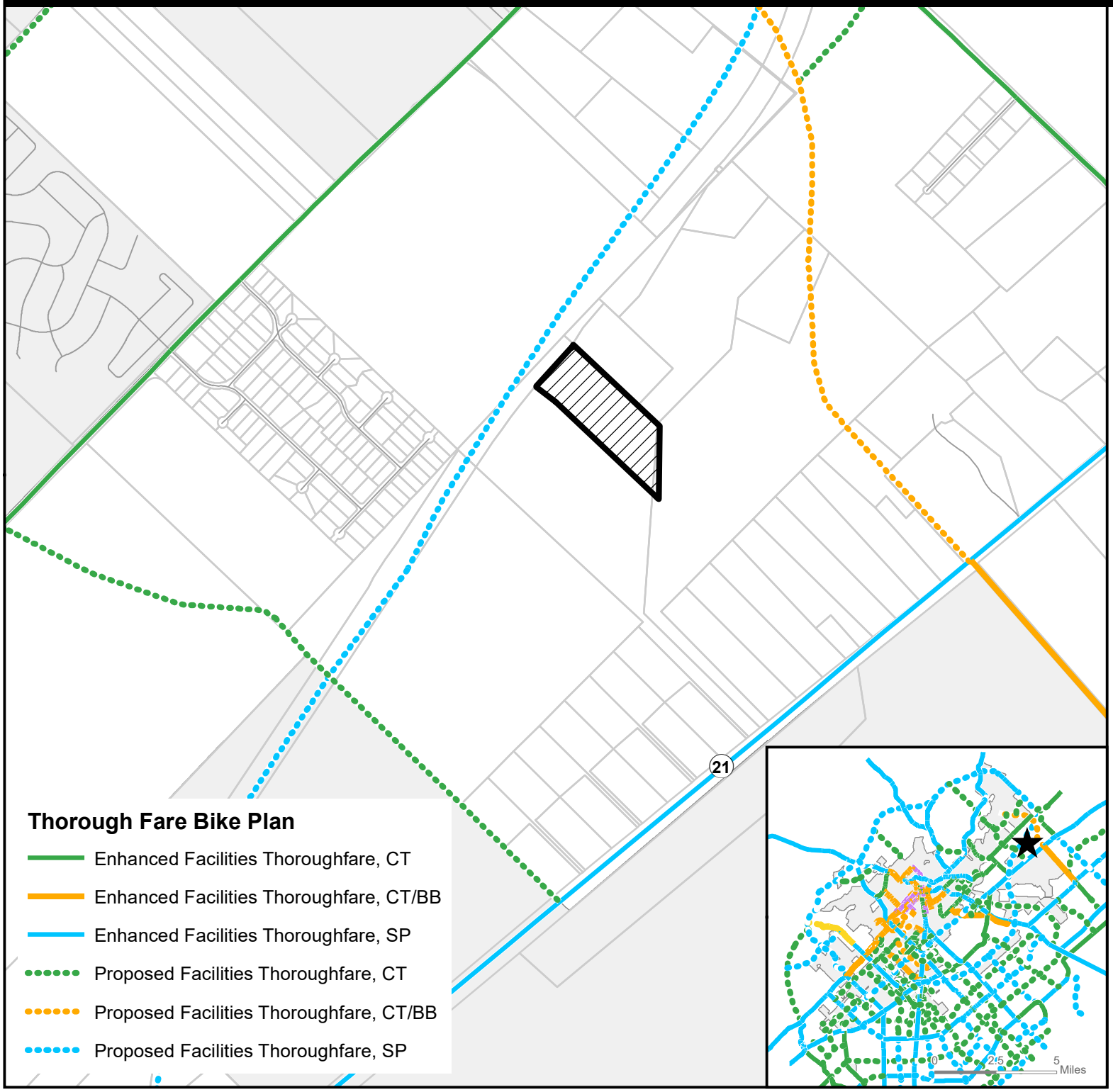
ZC-20-07
Transportation Master Plan - Bicycle Infrastructure
Palace Way LI Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 750 1,500 3,000 Feet

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Map Date: 4/6/2020

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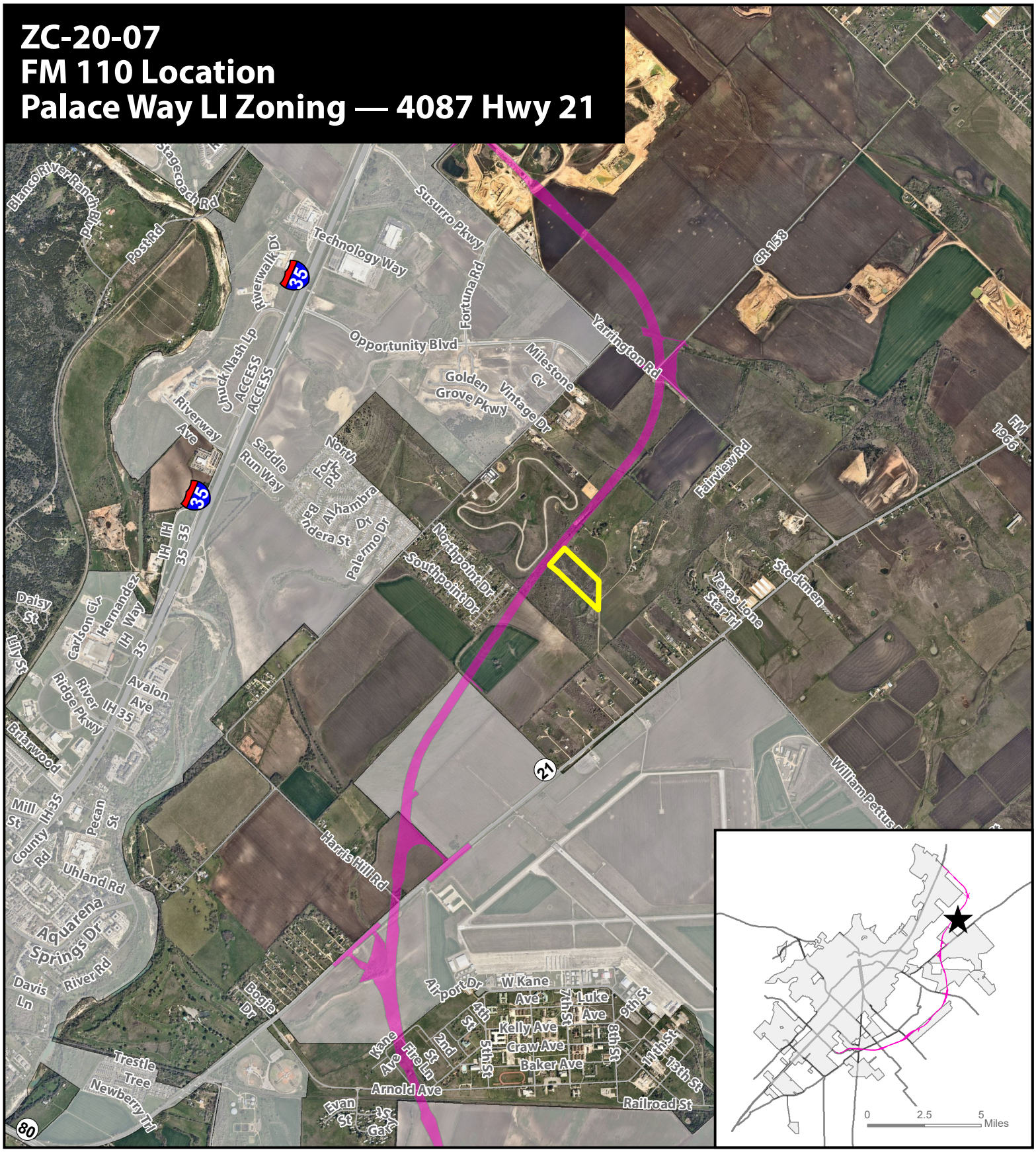
ZC-20-07
FM 110 Location
Palace Way LI Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcel

City Limit

FM 110

Document Path: X:_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-07 - Palace Way LI\GIS\ZC-20-07 FM 110.mxd

N

0 1,750 3,500 7,000 Feet

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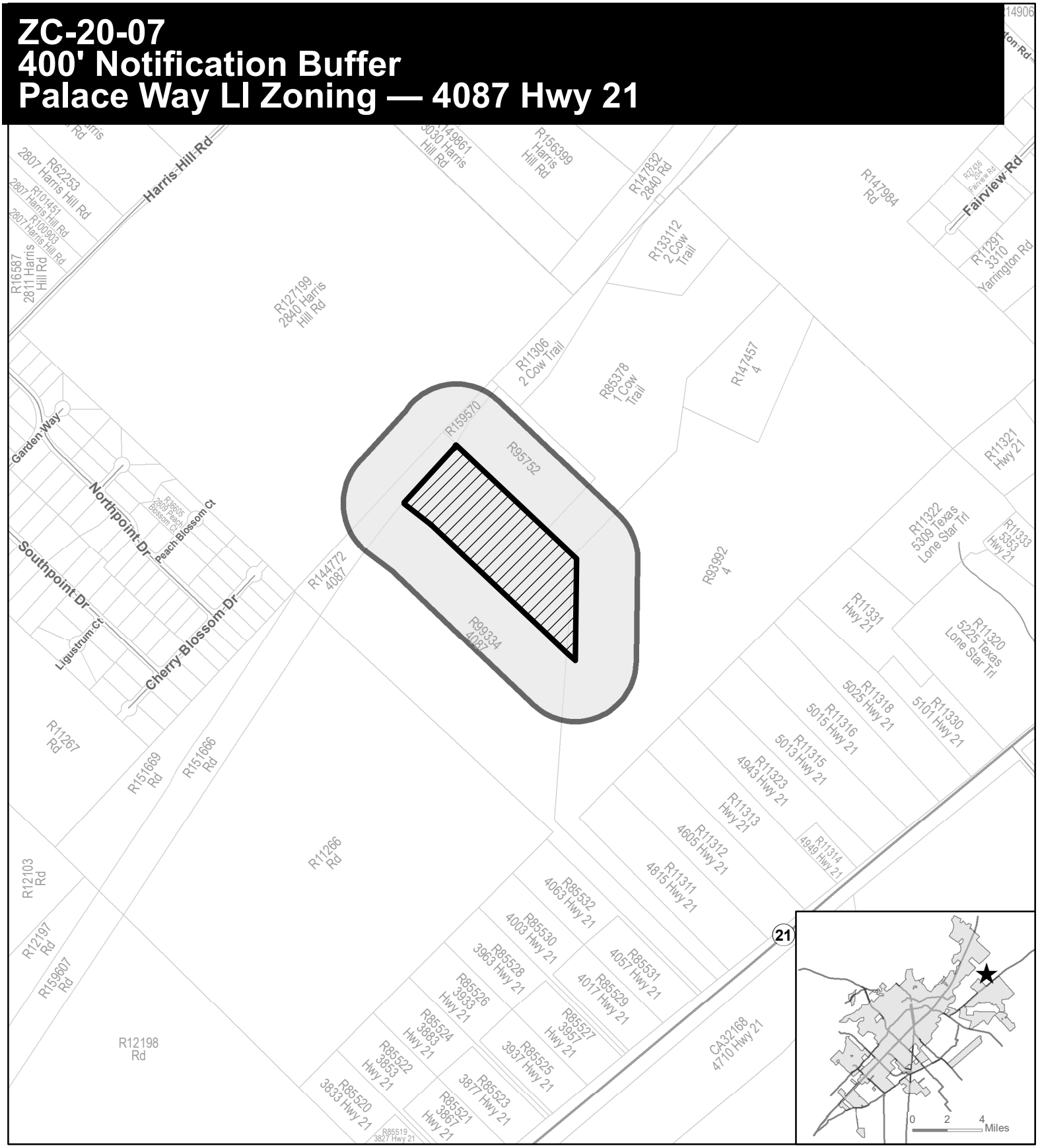
Map Date: 4/6/2020

ZC-20-07
400' Notification Buffer
Palace Way LI Zoning — 4087 Hwy 21



★ **Site Location**

Subject Property

400' Buffer

Parcel

City Limit

N

0 500 1,000 2,000 Feet

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Map Date: 4/7/2020

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Notification List (ZC-20-07)

Property	Site Address	Owner Name	Owner Address	Ownder Address 2	Owner City	Owner State	Owner Zip
127199	2840 HARRIS HILL	GOSSAMER TRUST II	REX B RIVERS TRUSTEE	19901 MOON DANCE LN	SPICEWOOD	TX	78669-6804
93992	4 COW TRAIL	HENNINGTON D B & W J LIVING TRUST	% HENNINGTON DAVID B & WANDA J TRUSTEES	PO BOX 693	SAN MARCOS	TX	78667-0693
85379	1 COW TRAIL	NEW DIRECTION IRA INC	% ROMANO EDWARD F IRA	P O BOX 607	WIMBERLEY	TX	78676
11304	4087 SH 21	PALACE WAY PARTNERS LLC	6531 FOX RUN		SAN ANTONIO	TX	78233-4706

Section 5.1.1.2 Land Use Matrix Future Development (FD) VS. Light Industrial (LI)

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Agricultural Uses																				
Barns or agricultural buildings	P	L	--	--	--	--	--	--	P	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.1
Stables	P	L	--	--	--	--	--	--	--	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.2
Community Garden	P	P	L	L	L	L	L	--	P	P	L	L	L	L	P	P	P	P	P	Section 5.1.2.3
Urban Farm	P	C	C	C	C	L	L	C	P	P	L	L	C	C	P	P	--	P	C	Section 5.1.2.4
Plant Nursery	L	--	--	--	--	--	--	P	--	L	--	--	P	P	P	P	P	--	P	Section 5.1.2.5
Accessory Uses and Structures																				
Accessory Building/Structure	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.1
Accessory Dwelling Unit	L	L	L	L	L	L	P	P	--	P	L	P	P	P	--	--	--	--	--	Section 5.1.3.1
Accessory Use, except as listed below:	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.2
Outdoor Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	L	P	--	L	Section 5.1.3.2
Outdoor Display	--	--	--	--	--	--	--	L	--	--	--	--	L	L	P	--	--	--	L	Section 5.1.3.2
Food Truck	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.3.1
Drive-thru or Drive-in	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.3.2
Home Occupation	L	L	L	L	L	L	L	--	--	L	L	L	--	--	--	--	--	--	--	Section 5.1.3.4
Family Home Care	P	P	P	P	P	P	P	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.3.5
Short Term Rental	L	L	L	L	L	L	L	P	--	L	L	P	P	P	--	--	--	L	P	Section 5.1.3.6
Residential Uses																				
Single Family Detached	P	L	L	L	L	L	L	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Cottage Court	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Two Family	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Single Family Attached	--	--	--	--	L	L	L	L	--	--	P	P	P	P	--	--	--	--	--	Section 5.1.4.1
Small Multi-Family (up to 9 units)	--	--	--	--	--	L	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Courtyard Housing (up to 24 units)	--	--	--	--	--	--	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Multi-family (10 or more units)	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Purpose Built Student Housing	--	--	--	--	--	--	--	--	--	--	--	--	C	C	--	--	--	--	--	Section 5.1.4.1
Manufactured Home	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1
Mobile Home Community	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Community Home	L	L	L	L	L	L	P	P	--	P	P	P	P	P	--	--	--	L	--	Section 5.1.4.12
Fraternity or Sorority Building	--	--	--	--	--	--	C	C	--	--	--	C	P	P	--	--	--	--	--	Section 5.1.4.12
Commercial Uses																				
Professional Office	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	--	--	P	Section 5.1.5.1
Medical, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.2
Urgent care, emergency clinic, or hospital	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	--	--	P	Section 5.1.5.2
Nursing/ retirement home	--	--	--	--	--	--	P	P	--	--	--	P	P	P	P	--	--	--	P	Section 5.1.5.2
Personal Services, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (indoor)	C	--	--	--	--	--	--	P	--	--	--	--	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (outdoor)	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.3
Funeral Home	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.3
Adult Oriented Businesses	See Section 18, Article 6 of the City Code																			
All Retail Sales, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.4
Gasoline Sales	--	--	--	--	--	--	--	L	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Truck stop	--	--	--	--	--	--	--	--	--	--	--	--	--	--	L	--	--	--	L	Section 5.1.5.4
Tattoo, body piercing	--	--	--	--	--	--	C	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Building material sales	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	P	P	--	P	Section 5.1.5.4
Vehicle Sales/ Rental	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Pawnshop	--	--	--	--	--	--	--	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Restaurant/ Bar, as listed below:																				
Eating Establishment	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.5
Bar	--	--	--	--	--	--	--	C	--	--	--	--	C	C	C	--	--	--	C	Section 5.1.5.5
Mobile Food Court	--	--	--	--	--	--	--	C	--	--	--	--	P	P	--	--	--	--	--	Section 5.1.5.5
Sale of Alcohol for on premise consumption	--	--	--	--	--	--	C	C	--	--	--	C	C	C	C	--	--	--	C	Section 5.1.5.5
Overnight Lodging, as listed below:																				Section 5.1.5.6
Bed and Breakfast (up to 8 rooms)	L	C	C	C	C	L	L	P	--	P	C	P	P	P	--	--	--	--	P	Section 5.1.5.6
Boutique Hotel (9 - 30 rooms)	--	--	--	--	--	--	C	P	--	--	--	P	P	P	--	--	--	--	P	Section 5.1.5.6

Table 5.1 Land Use Matrix

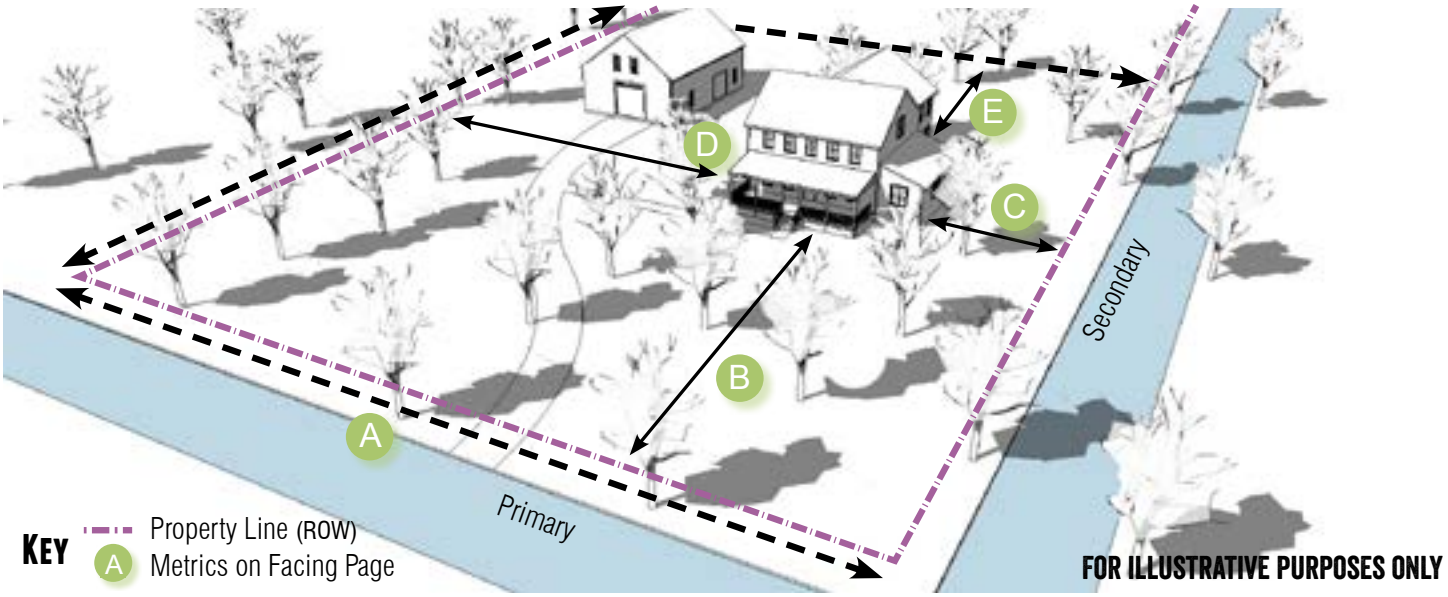
Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Hotel/ Motel (more than 30 rooms)	--	--	--	--	--	--	--	P	--	--	--	--	P	P	--	--	--	--	P	Section 5.1.5.6
Outdoor Recreation, except as listed below:	--	--	--	--	--	--	--	C	--	--	--	--	P	C	P	--	--	--	P	Section 5.1.5.7
Golf Course	C	C	C	C	C	C	C	C	C	C	C	C	C	C	--	--	--	C	C	Section 5.1.5.7
Traveler Trailers/ RVs Short Term stays	P	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	P	--	Section 5.1.5.7
Shooting Range	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.7
Indoor Recreation, except as listed below:	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.5.8
Gym/ Health club	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	P	--	P	Section 5.1.5.8
Smoking Lounge	--	--	--	--	--	--	--	C	--	--	--	--	P	C	--	--	--	--	P	Section 5.1.5.8
Charitable Gaming Facility	--	--	--	--	--	--	--	--	--	--	--	--	C	--	C	--	--	--	C	Section 5.1.5.8
Public & Institutional																				
Civic, except as listed below:	P	L	L	L	L	L	P	P	L	L	L	P	P	P	P	P	P	P	P	Section 5.1.6.1
Day Care Center	C	--	--	--	C	C	L	P	--	C	C	L	P	P	P	--	--	--	P	Section 5.1.6.1
Parks, Open Space, and Greenways	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.2
Minor Utilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.3
Major Utilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	C	C	C	--	--	Section 5.1.6.3
Antenna	See Section 5.1.6.3D																			
Industrial																				
Light Industrial	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	P	P	--	C	Section 5.1.7.1
Light Manufacturing	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.7.2
Vehicle Service, as listed below:																				Section 5.1.7.3
Car Wash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (minor)	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (major)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	--	C	Section 5.1.7.3
Warehouse & Distribution	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	P	Section 5.1.7.4
Waste-Related service	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	--	Section 5.1.7.5
Wholesale trade	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	P	Section 5.1.7.6
Self Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.7
Research and Development	--	--	--	--	--	--	--	--	--	--	--	--	C	C	P	P	P	--	C	Section 5.1.7.8
Wrecking/Junk Yard	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	Section 5.1.7.9

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Proposed Zoning:* **Light Industrial (LI)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	Light Industrial is intended to accommodate manufacturing and light industrial uses in order to promote economic viability, encourage employment growth, and limit the encroachment of non-industrial development within established industrial areas. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.
Uses	Primarily agricultural, residential, and public/institutional *(See Land Use Matrix)*	Primarily Industrial with some commercial and public/institutional *(See Land Use Matrix)*
Parking Location	No location standards	No location standards
Parking Standards	Depends on use	Depends on use. For example, warehouse and distribution uses require 1 space for each 2,000 square feet of gross floor area excluding office space, which shall be calculated separately depending on office use.
Max Residential Units per acre	0.4 units per acre (max)	Residential uses are not allowed
Occupancy Restrictions	N/A	N/A
Landscaping	Tree and shrub requirements	Tree and shrub requirements
Building Height (max)	2 stories (40 feet)	4 stories (62 feet)
Setbacks	50' minimum front; 20' min side; minimum rear setback is 20% of total lot depth	20' minimum front, side, and rear
Impervious Cover (max)	30%	80%
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	Allows a variety of lot sizes depending on Building Type.
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area between sidewalk and street required.	Conventional Street: 6' sidewalk, street trees every 40' on center average, 7' planting area between sidewalk and street required.
Blocks	No Block Perimeter Required	5,000 ft. Block Perimeter max

FD

SECTION 4.4.1.1 FUTURE DEVELOPMENT DISTRICT



General Description

The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.

Density

Units Per Gross Acre	.4 max.
Impervious Cover	30% max.

Transportation

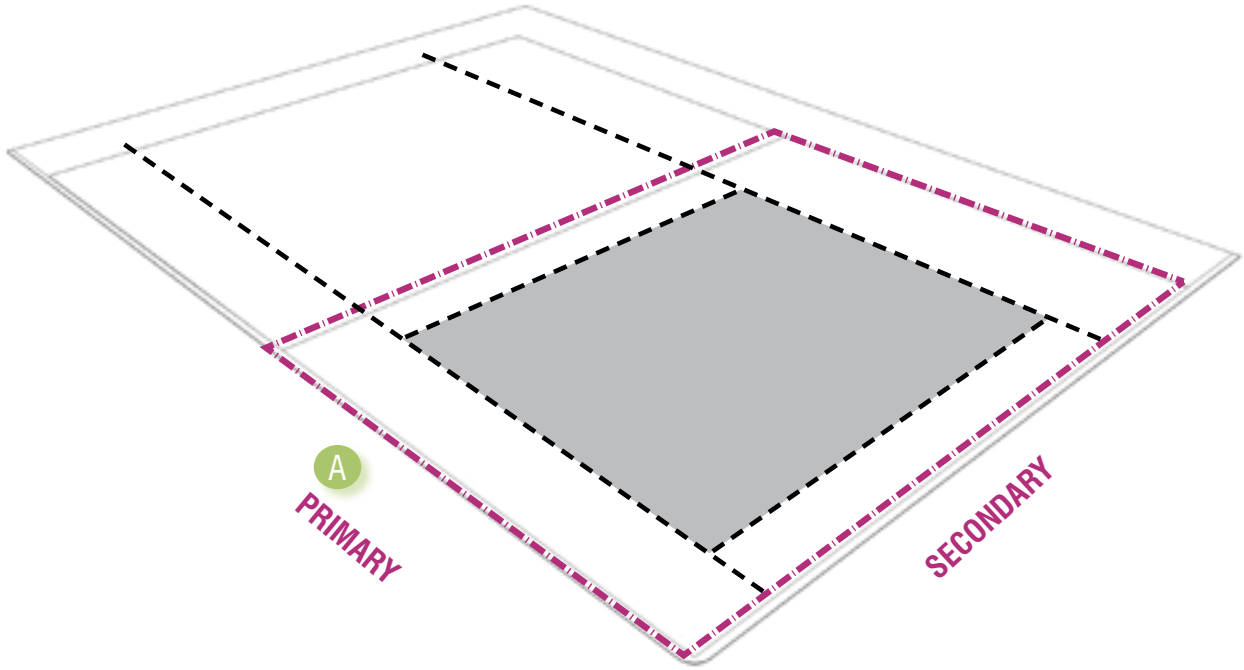
Streetscape Type	Residential	Section 3.8.1.10
Sidewalks are not required for lots greater than 1 acre		

Building Types Allowed

Accessory Dwelling	Section 4.4.6.1
House	Section 4.4.6.2
Civic	Section 4.4.6.15

LI

SECTION 4.4.5.3 LIGHT INDUSTRIAL



KEY

- Property Line (ROW)
- A Metrics on This and Facing Page
- Setbacks
- Building Footprint

District Intent Statements

LI is intended to accommodate manufacturing and light industrial uses in order promote economic viability, encourage employment growth, and limit the encroachment of non-industrial development within established industrial areas. Development should be operated in a relatively clean and quiet manner, and should not be obnoxious to nearby residential or commercial uses.

Density

Impervious Cover	80% max.

Transportation

Block Perimeter	5,000 ft. max.	Section 3.6.2.1
Streetscape Type	Conventional	Section 3.8.1.7

Building Types Allowed

General Commercial	Section 4.4.6.13
Civic Building	Section 4.4.6.15

Building Standards

Principle Building Height	4 stories max.	62 ft. max.
Accessory Structure Height	N/A	24 ft. max.

ZC-20-07 (Palace Way LI) Zoning Change Review **(By Comp Plan Element)**

LAND USE – Preferred Scenario Map / Land Use Intensity Matrix

	YES	NO (map amendment required)
Does the request meet the intent of the Preferred Scenario Map and the Land Use Intensity Matrix?	**X – It is "Not Preferred" but it does not require a Preferred Scenario Map Amendment**	

ECONOMIC DEVELOPMENT – Furthering the goal of the Core 4 through the three strategies

STRATEGY	SUMMARY		Supports	Contradicts	Neutral
Preparing the 21st Century Workforce	Provides / Encourages educational opportunities				**X**
Competitive Infrastructure & Entrepreneurial Regulation	Provides / Encourages land, utilities and infrastructure for business		**X**		
The Community of Choice	Provides / Encourages safe & stable neighborhoods, quality schools, fair wage jobs, community amenities, distinctive identity				**X**

ENVIRONMENT & RESOURCE PROTECTION – Land Use Suitability & Development Constraints

	1 (least)	2	3 (moderate)	4	5 (most)
Level of Overall Constraint	**X**	**X**	**X**	**X**	
Constraint by Class					
Cultural	**X**	**X**			
Edwards Aquifer	**X**				
Endangered Species	**X**				
Floodplains	**X**				
Geological	**X**				
Slope	**X**		**X**		
Soils	**X**	**X**		**X**	
Vegetation	**X**				
Watersheds		**X**			
Water Quality Zone	**X**				

ENVIRONMENT & RESOURCE PROTECTION – Water Quality Model Results

Located in Subwatershed:	**Morrison Creek Watershed**				
	0-25%	25-50%	50-75%	75-100%	100%+
Modeled Impervious Cover Increase Anticipated for watershed	**X**				
Notes: **The 2013 Comprehensive Plan did not predict any impervious cover changes to the Morrison Creek Watershed from the trend to the preferred scenario.**					

NEIGHBORHOODS – Where is the property located

CONA Neighborhood(s):	**N/A – Outside City Limits**
Neighborhood Commission Area(s):	**N/A – Outside City Limits**
Neighborhood Character Study Area(s):	**N/A**

PARKS, PUBLIC SPACES AND FACILITIES –Availability of parks and infrastructure

				YES	NO
Will Parks and / or Open Space be Provided? **Parkland dedication is not required for commercial uses, however, the project will be required to install sidewalk and streetscape infrastructure along proposed roadways.**					**X**
Will Trails and / or Green Space Connections be Provided? **The Transportation Master Plan requires a greenway along FM 110.**				**X**	
Maintenance / Repair Density	Low (maintenance)		Medium		High (maintenance)
Wastewater Infrastructure	**X**				
Water Infrastructure	**X**				
Public Facility Availability				YES	NO
Parks / Open Space within ¼ mile (walking distance)?					**X**
Wastewater service available? **Wastewater lines will be required throughout the development to service the property.**				**X**	
Water service available? **Water lines will be also required throughout the development to service the property.**				**X**	

TRANSPORTATION – Level of Service (LOS), Access to sidewalks, bicycle lanes and public transportation

		A	B	C	D	E	F
Existing Daily LOS	**Hwy 21**		**X**				
Existing Peak LOS	**Hwy 21**					**X**	
Preferred Scenario Daily LOS	**Hwy 21** **FM 110**				 **X**		**X**
Preferred Scenario Peak LOS	**Hwy 21** **FM 110**						**X** **X**
Note: The property will be required to meet the Transportation Master Plan and construct required streets per the Block Standards in the Development Code.							

	N/A	Good	Fair	Poor
Sidewalk Availability (Required to build.)	**X**			
Sidewalks will be required to be constructed at the time of development.				

	YES	NO
Adjacent to existing bicycle lane? **The development will be responsible for constructing required bike infrastructure within new proposed streets.**		**X**
Adjacent to existing public transportation route?		**X**

PLANNING AND DEVELOPMENT SERVICES

4/17/2020 **ZC-20-07**

Notice of Public Hearing
Zoning Change Request
"FD" Future Development to "LI" Light Industrial
4087 Hwy 21

Hold a public hearing and consider a request by Jim Glasgow, on behalf of Palace Way Partners, LLC., for a zoning change from "FD" Future Development to "LI" Light Industrial, or such other less intense zoning district classification as the City Council may approve, for approximately 14.90 acres, more or less, out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 Hwy 21.

The San Marcos Planning and Zoning Commission will consider the above request at an upcoming public hearing and will either approve or deny the request. This recommendation will be forwarded to the San Marcos City Council. Before making a decision, the Commission and Council will hold public hearings to obtain citizen comments. Because you are listed as the owner of property located within 400 feet of the subject property, we would like to notify you of the following public hearings and seek your opinion of the request:

- A public hearing will be conducted by the Planning and Zoning Commission via virtual meeting on **Tuesday, April 28, 2020** at **6:00 p.m.** You may join and participate in the public hearing using the following link: http://sanmarcostx.gov/541/PZ-Video-Archives

- A public hearing will be held at the City Council Meeting on **Tuesday, May 19, 2020** at **6:00 p.m.** in the Council Chambers in City Hall, 630 East Hopkins. If current orders related to COVID-19 are extended, virtual meeting information will be provided at the following website: https://sanmarcostx.gov/421/City-Council-Videos-Archives

All interested citizens are invited to attend and participate in the public hearing. If you cannot participate in the virtual public hearing of the Planning and Zoning Commission or the City Council meeting, but wish to comment, you may write to the below address. Your written comments will be given to the Planning & Zoning Commission and City Council if they are received before 5 PM on the day of the meeting.

Development Services-Planning
630 East Hopkins
San Marcos, TX 78666
planninginfo@sanmarcostx.gov

For more information regarding this request, contact the case manager, **Andrea Villalobos,** at **512.805.2623**. When calling, please refer to case number **ZC-20-07.**

As of the date of this notice, there are no other means of participating in the public hearing. However, please check for updates on the City's website at: www.sanmarcostx.gov to see if other means of participating in the public hearing become available.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov

PLANNING AND DEVELOPMENT SERVICES
Enclosure: Map (See Reverse)

ZONING CHANGE, OVERLAY OR ESTABLISHMENT OF A HISTORIC DISTRICT/LANDMARK APPLICATION

Updated: October, 2018

Case # ZC-____-____

CONTACT INFORMATION

Applicant's Name	JIM GLASGOW	Property Owner	PALACE WAY PARTNERS LLC
Applicant's Mailing Address	6531 FOX RUN SAN ANTONIO, TEXAS 78233	Owner's Mailing Address	6531 fox run San Antonio, Texas 78233
Applicant's Phone #	210-413-7230	Owner's Phone #	6531 fox runSan Antonio, Texas 78233
Applicant's Email	JEGLASGOW@YAHOO.COM	Owner's Email	6531 fox runSan Antonio, Texas 78233

PROPERTY INFORMATION

Subject Property Address(es): 4087 sTATE HWY 21 SAN MARCOS, TEXAS 78666

Legal Description: Lot _____ **Block** _____ **Subdivision** A0011 THOMAS G MCGEHEE SYRVEY PT 41

Total Acreage: 14.90 **Tax ID #: R** 11304

Preferred Scenario Designation: LIGHT INDSTRIAL **Existing Zoning:** N/A

Existing Land Use(s): AG

DESCRIPTION OF REQUEST

Proposed Zoning District(s): LI

Proposed Land Uses / Reason for Change:
TO ACCURE SEWER SERVICE FOR LIGHT INDUSTRIAL DEVELOPMENT

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee* $1,030 plus $100 per acre **Technology Fee $12** ***MAXIMUM COST $3,012***

**Existing Neighborhood Regulating Plan Included.*

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, _____ (owner) acknowledge that I am the rightful owner of the property located at _____ (address).

I hereby authorize _____(agent name) to file this application for _____ (application type), and, if necessary, to work with the Responsible Official / Department on my behalf throughout the process.

Signature of Property Owner: _____ Date: 3-7-2020

Printed Name: JIM E GLASGOW

Signature of Agent: _____ Date: _____

Printed Name: _____

AGREEMENT TO THE PLACEMENT OF NOTIFICATION SIGNS AND ACKNOWLEDGEMENT OF NOTIFICATION REQUIREMENTS

The City of San Marcos Development Code requires public notification in the form of notification signs on the subject property, published notice, and / or personal notice based on the type of application presented to the Planning Commission and / or City Council.

- Notification Signs: if required by code, staff shall place notification signs on each street adjacent to the subject property and must be placed in a visible, unobstructed location near the property line. It is unlawful for a person to alter any notification sign, or to remove it while the request is pending. However, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements. ***It shall be the responsibility of the applicant to periodically check sign locations to verify that the signs remain in place had have not been vandalized or removed. The applicant shall immediately notify the responsible official of any missing or defective signs. It is unlawful for a person to alter any notification sign, or to remove it while the case is pending; however, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements.***

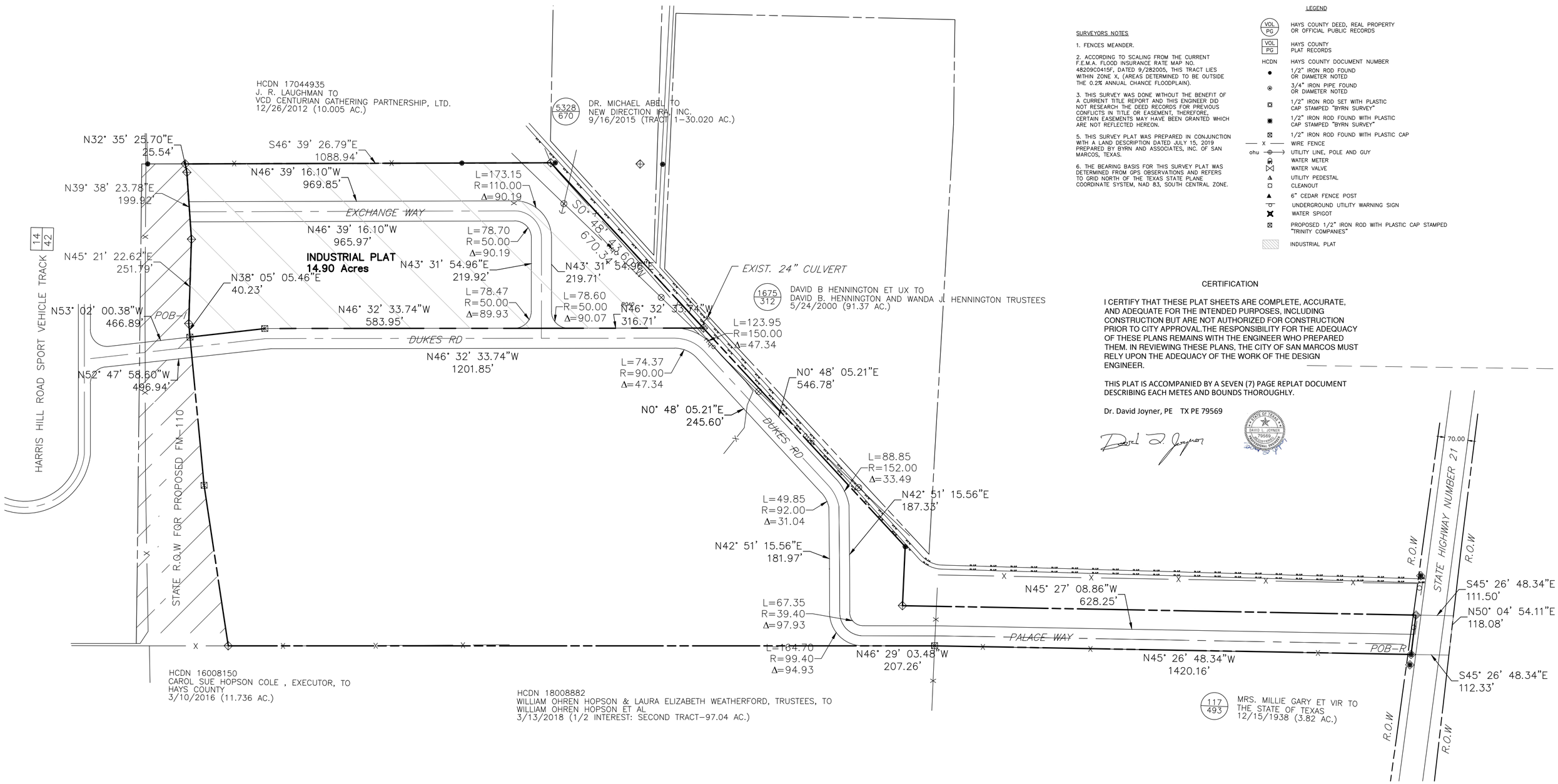
- Published Notice: if required by code, staff shall publish a notice in a newspaper of general circulation in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be published it may be at the expense of the applicant. The renotification fee shall be $88 plus an $12 technology fee.***

- Personal Notice: if required by code, staff shall mail personal notice in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be mailed it may be at the expense of the applicant. The renotification fee shall be $88 plus a $12 technology fee.***

I have read the above statements and agree to the required public notification, as required, based on the attached application. The City's Planning and Development Services Department staff has my permission to place signs, as required, on the property and I will notify City staff if the sign(s) is/are damaged, moved or removed. I understand the process of notification and public hearing and hereby submit the attached application for review by the City.

Signature: _____ Date: 3-7-20

Print Name: _____



SURVEYORS NOTES

1. FENCES MEANDER.

2. ACCORDING TO SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0415F, DATED 9/282005, THIS TRACT LIES WITHIN ZONE X, (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).

3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT AND THIS ENGINEER DID NOT RESEARCH THE DEED RECORDS FOR PREVIOUS CONFLICTS IN TITLE OR EASEMENT, THEREFORE, CERTAIN EASEMENTS MAY HAVE BEEN GRANTED WHICH ARE NOT REFLECTED HEREON.

5. THIS SURVEY PLAT WAS PREPARED IN CONJUNCTION WITH A LAND DESCRIPTION DATED JULY 15, 2019 PREPARED BY BYRN AND ASSOCIATES, INC. OF SAN MARCOS, TEXAS.

6. THE BEARING BASIS FOR THIS SURVEY PLAT WAS DETERMINED FROM GPS OBSERVATIONS AND REFERS TO GRID NORTH OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, SOUTH CENTRAL ZONE.

LEGEND

VOL / PG	HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
VOL / PG	HAYS COUNTY PLAT RECORDS
HCDN	HAYS COUNTY DOCUMENT NUMBER
●	1/2" IRON ROD FOUND OR DIAMETER NOTED
⊙	3/4" IRON PIPE FOUND OR DIAMETER NOTED
⊡	1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "BYRN SURVEY"
▣	1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "BYRN SURVEY"
⊠	1/2" IRON ROD FOUND WITH PLASTIC CAP
— X —	WIRE FENCE
ohu	UTILITY LINE, POLE AND GUY
	WATER METER
	WATER VALVE
	UTILITY PEDESTAL
	CLEANOUT
▲	6" CEDAR FENCE POST
	UNDERGROUND UTILITY WARNING SIGN
	WATER SPIGOT
⊠	PROPOSED 1/2" IRON ROD WITH PLASTIC CAP STAMPED "TRINITY COMPANIES"
	INDUSTRIAL PLAT

CERTIFICATION

I CERTIFY THAT THESE PLAT SHEETS ARE COMPLETE, ACCURATE, AND ADEQUATE FOR THE INTENDED PURPOSES, INCLUDING CONSTRUCTION BUT ARE NOT AUTHORIZED FOR CONSTRUCTION PRIOR TO CITY APPROVAL.THE RESPONSIBILITY FOR THE ADEQUACY OF THESE PLANS REMAINS WITH THE ENGINEER WHO PREPARED THEM. IN REVIEWING THESE PLANS, THE CITY OF SAN MARCOS MUST RELY UPON THE ADEQUACY OF THE WORK OF THE DESIGN ENGINEER.

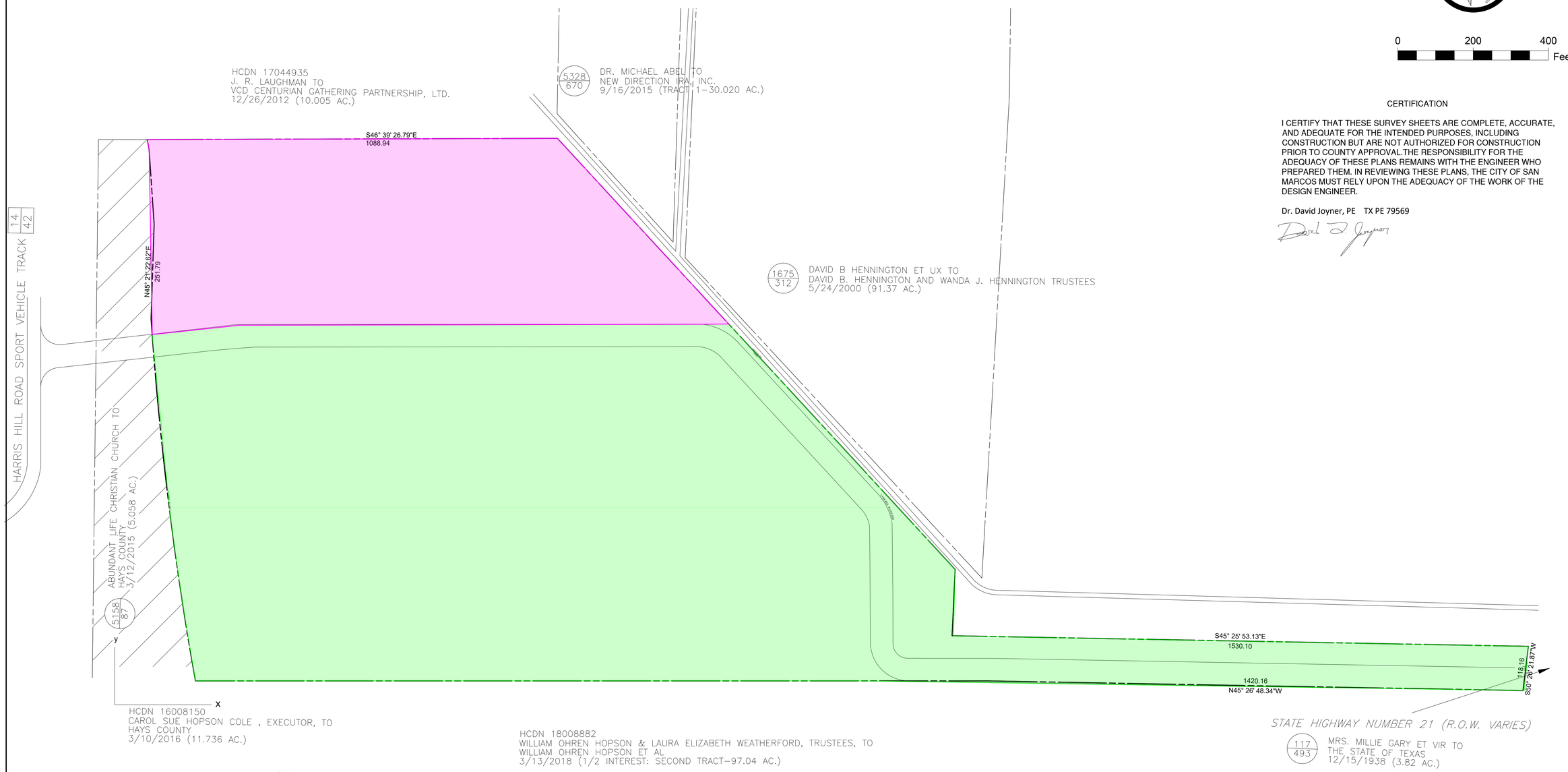
THIS PLAT IS ACCOMPANIED BY A SEVEN (7) PAGE REPLAT DOCUMENT DESCRIBING EACH METES AND BOUNDS THOROUGHLY.

Dr. David Joyner, PE TX PE 79569

PROJECT NO. 12148	REVISIONS	DRAWN BY D. Aldana	SCALE 1" = 200'	SHEET NO. C-01	SHEET NO. PROPOSED PLAT FOR INDUSTRIAL DEVELOPMENT
TX Firm # 12656		DESIGNED BY Trinity Group	0 100 200 Feet	VERSION A Unless otherwise noted this is scaled to fit a 18"x24" sheet	
DATE Mar 2020		CHECKED BY D. Joyner			

TRINITY GROUP
A REAL-ESTATE SERVICE COMPANY
"We Help Build Your Future"
838 MEYER RD. NEW BRAUNFELS, TX 78638
PH. (830) 303-3283. FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz

PALACE WAY DEVELOPMENT
Location:
4087 ST. HIGHWAY 21
San Marcos, Texas



0 200 400 Feet

CERTIFICATION

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Dr. David Joyner, PE TX PE 79569

SURVEYORS NOTES

1. FENCES MEANDER.

2. ACCORDING TO SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0415F, DATED 9/282005, THIS TRACT LIES WITHIN ZONE X, (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).

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6. THE BEARING BASIS FOR THIS SURVEY PLAT WAS DETERMINED FROM GPS OBSERVATIONS AND REFERS TO GRID NORTH OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, SOUTH CENTRAL ZONE.

LEGEND

VOL / PG	HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
VOL / PG	HAYS COUNTY PLAT RECORDS
HCDN	HAYS COUNTY DOCUMENT NUMBER
●	1/2" IRON ROD FOUND OR DIAMETER NOTED
⦿	3/4" IRON PIPE FOUND OR DIAMETER NOTED
⊠	1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "BYRN SURVEY"
◙	1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "BYRN SURVEY"
⊠	1/2" IRON ROD FOUND WITH PLASTIC CAP
—— X ——	WIRE FENCE
ohu —⊕—>	UTILITY LINE, POLE AND GUY
◒	WATER METER
⊘	WATER VALVE
△	UTILITY PEDESTAL
▢	CLEANOUT
▲	6" CEDAR FENCE POST
"O"	UNDERGROUND UTILITY WARNING SIGN
✕	WATER SPIGOT

NOTES CORRESPONDING TO SCHEDULE B OF TITLE COMMITMENT G.F. NO. 20190411 DATED MAY 2, 2019

10(c) WATERLINE EASEMENT RECORDED IN VOLUME 239, PAGE 222 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT TRACT ALTHOUGH THERE IS NOT ANY LOCATIVE INFORMATION PROVIDED IN DEED.

10(d) INGRESS EGRESS EASEMENT RECORDED IN VOLUME 340, PAGE 666 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT PROPERTY. THE GRAVEL DRIVE ON THE ADJACENT PROPERTY TO THE EAST FITS THE GENERAL DESCRIPTION GIVEN IN THE DEED.

10(e) STREET MAINTENANCE AGREEMENT RECORDED IN VOLUME 1301, PAGE 165 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS. THIS AGREEMENT IS FOR PROPERTIES WHICH WERE GRANTED EASEMENT RIGHTS TO USE COWTRAIL LANE. THE SUBJECT TRACT WAS NOT GRANTED EASEMENT RIGHTS SO THEREFORE IS NOT SUBJECT TO THIS AGREEMENT.

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
INDUSTRIAL PORTION	14.90ac
RESIDENTIAL PORTION	44.69ac

ZONING

HIGHWAY 21 LAND DEVELOPMENT

BEING A ZONING OF 59.59 ACRES, MORE OR LESS, IN THE THOMAS G. McGEHEE SURVEY, A-11, HAYS COUNTY, TEXAS

STATE OF TEXAS
DAVID L. JOYNER
79569
REGISTERED
PROFESSIONAL ENGINEER

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL ESTATE SERVICE COMPANY
658 MEYER RD. NEW BRAUNFELS, TX 78638
PH. (830) 303-3283, FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz
"We Help Build Your Future"

PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
3/32" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

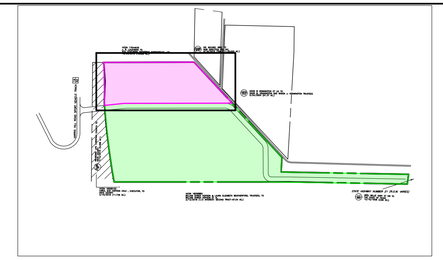
ZONING PLAN

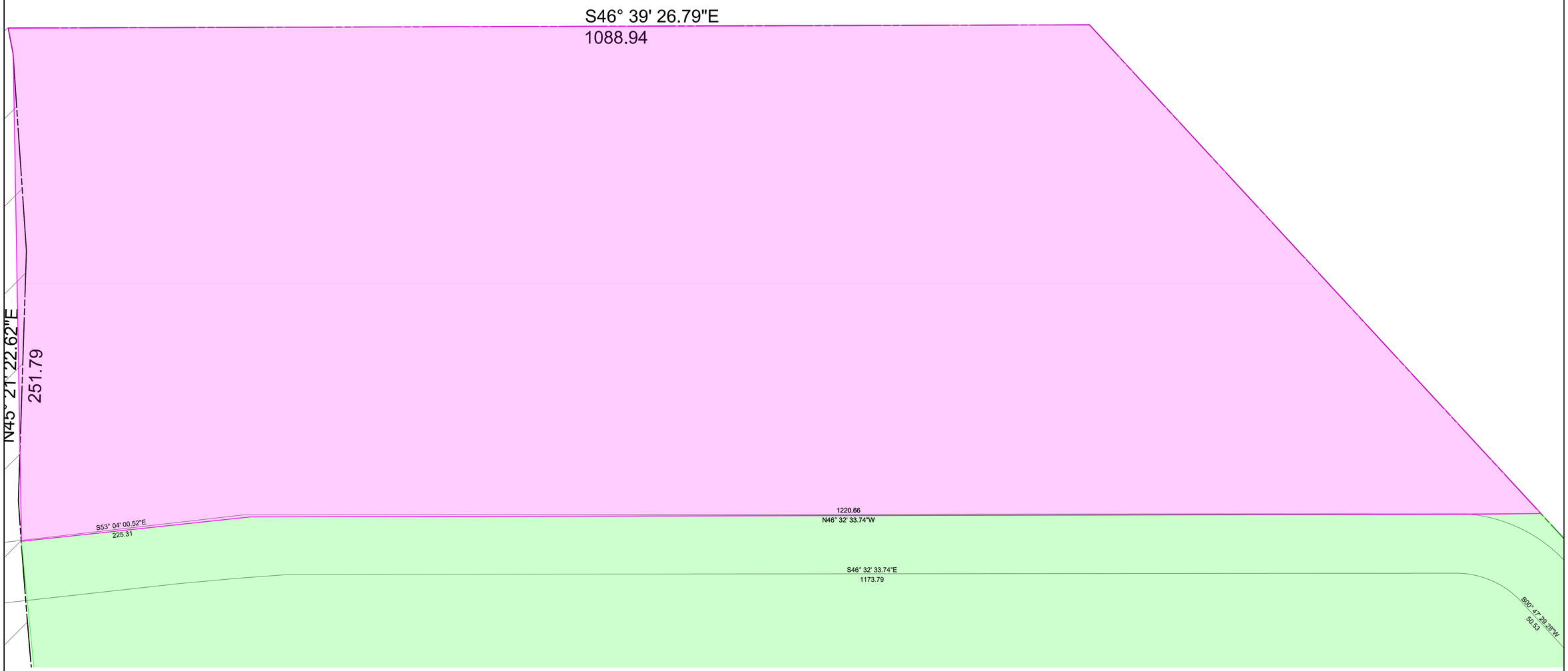
Unless otherwise noted this is scaled to fit a 24x 36" sheet.

SHEET NO.
C-01

VERSION A

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
INDUSTRIAL PORTION	14.90ac





0 100 200 Feet

DAVID L. JOYNER 79560 STATE OF TEXAS REGISTERED PROFESSIONAL ENGINEER

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL-ESTATE SERVICE COMPANY
838 MEYER RD, NEW BRAUNFELS, TX 78638
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PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
¼" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

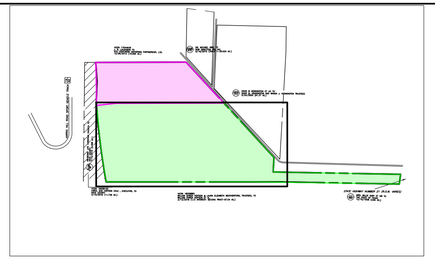
PROPOSED INDUSTRIAL ZONING

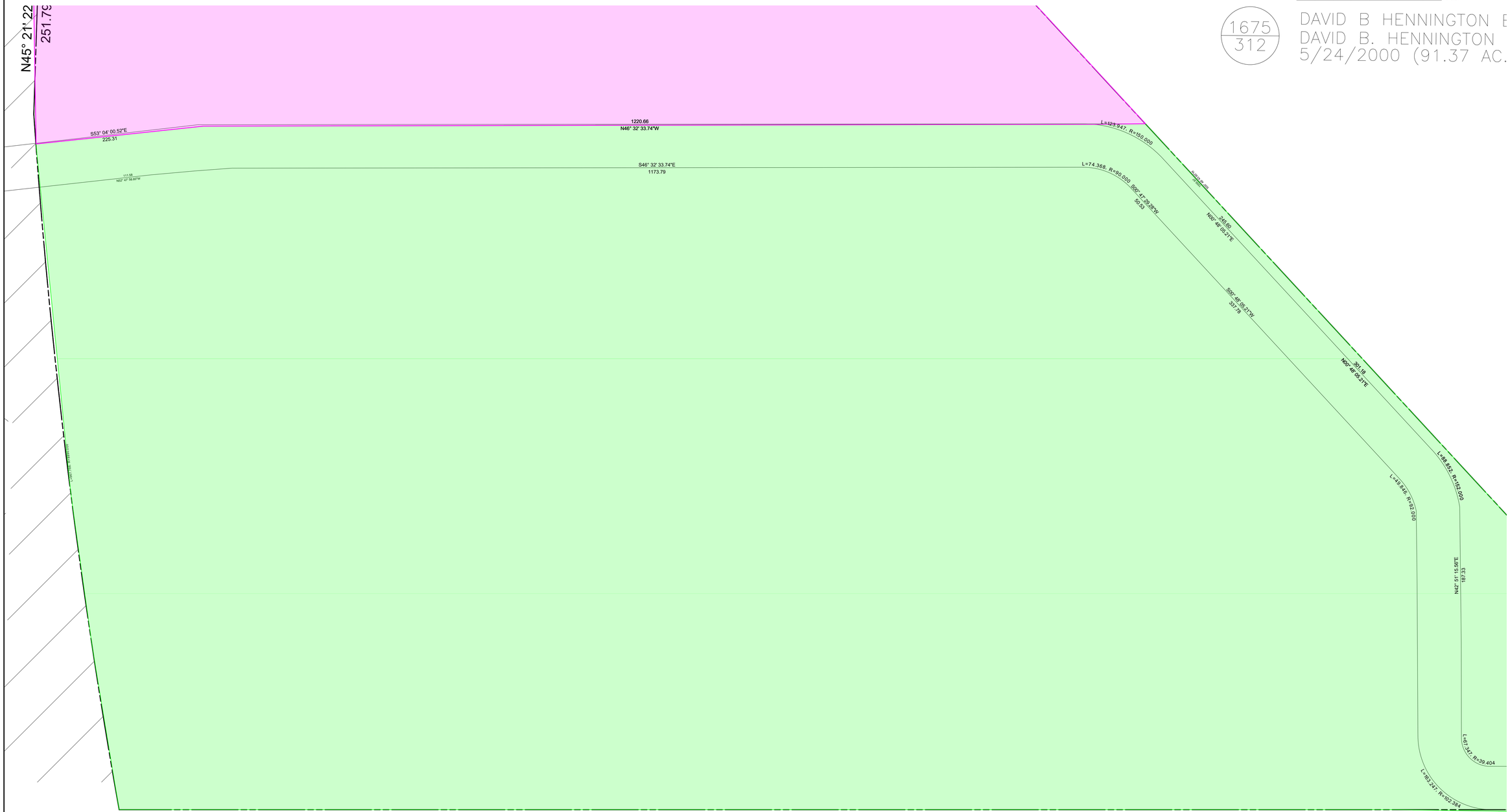
Unless otherwise noted this is scaled to fit a 24"x 36" sheet.

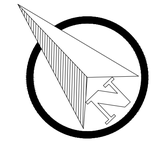
SHEET NO.
C-02

VERSION A

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
RESIDENTIAL PORTION	44.69ac







0 100 200 Feet

1675
312

DAVID B HENNINGTON E
DAVID B. HENNINGTON
5/24/2000 (91.37 AC.

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

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PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
3/16" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

PROPOSED RESIDENTIAL ZONING

Unless otherwise noted this is scaled to fit a 24"x 36" sheet.

SHEET NO.
C-03

VERSION A

INDUSTRIAL ZONING

STATE OF TEXAS - CITY OF SAN MARCOS

WHERHEAS, Palaceway Partners LLC owns a 59.89ac tract of land situated in the Thomas G. McGehee survey, A-11, Hays County, Texas. Conveyed in volume 723 page 39, Plat record 7042-19-2-c; Hays County, TX. Same being a tract of land described to Trinity Group as conveyed in Instrument number 9927062, official public records, Hays County, Texas. And being more particularly described by metes and bounds as follows: Grid north of the Texas state plane coordinate system, NAD 83, South central zone.

The proposed development divides the existing property into two plats for different zoning purposes. This industrial portion being 14.90 acres.

Beginning at 1/2" Iron rod with plastic cap found at north center of the property line said POB-I

THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, of the East side of the property and limiting with Right of way of Cow Trial. Drive a distance of 670.34 feet towards 1/2" Iron rod with plastic cap being the southeast corner of the industrial zone.

THENCE, North 46 degrees, 39 minutes and 26.79 seconds West, of the northeast corner of the property. Drive a distance of 1,088.94 feet towards 1/2" Iron rod with plastic cap located on the East side of the property and limiting with Right of way of Cow Trial

THENCE, South 32 degrees, 35 minutes and 25.70 seconds West, of 1/2" Iron rod with plastic cap located on the northeast side of the property. Drive a distance of 25.54 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 39 degrees, 38 minutes and 23.78 seconds West, of 1/2" Iron rod with plastic cap located on the northeast side of the property. Drive a distance of 199.92 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 45 degrees, 21 minutes and 22.62 seconds West, Drive a distance of 251.79 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 38 degrees, 05 minutes and 05.46 seconds West, Drive a distance of 40.23 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 53 degrees, 02 minutes and 00.38 seconds East, Drive a distance of 224.38 feet towards 1/2" Iron rod with plastic cap.

THENCE, South 46 degrees, 32 minutes and 33.95 seconds East, Drive a distance of 1,220.67 feet towards 1/2" Iron rod with plastic cap, same being the Point of Beginning POB-I.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT, TRINITY GROUP, does hereby presents this Proposed Plat for zoning designation for the above described property as PALACE WAY DEVELOPMENT, an addition to the City of San Marcos, Texas. Said utility easements being hereby reserved for the mutual use and accommodation of all public utilities using or desiring to use same.

Dr. David L. Joyner, P.E
TX Firm 12656

STATE OF TEXAS
DAVID L. JOYNER
79569
LICENSED
PROFESSIONAL ENGINEER

April 28, 2020

838 Meyer Rd., NB, TX 78638-1503 • Ph. 830.303.3283
In Austin 512.807.7310 • Eagle Ford 830.303.3283
Houston 713.574.1949 • San Antonio 210.209.9976
www.trinitycompanies.biz

19020883 RESTRICTIONS Total Pages: 3
Filed and Recorded: 6/20/19 2:35 PM

AMENDED DEED RESTRICTIONS

EXHIBIT B

Comes now Pastor Paul Buntyn the President of Abundant Life Christian Church, the Grantee under that certain Warranty Deed dated November 12, 1999 from C & G Development, Inc. to Abundant Life Christian Church which was recorded in the Deed Records of Hays County, Texas, Instrument Number 09927062 on or about November 15, 1999, which contained certain deed restrictions attached thereto as Exhibit B. According to the Warranty Deed, the Deed Restrictions can be amended by the Grantee or its successor in interest every twenty (20) years. Therefore, Pastor Paul Buntyn, President of Abundant Life Christian Church desires to replace and amend those Deed Restrictions and record these amended deed restrictions in Hays County, Texas.

Grantee Abundant Life Christian Church, or it successors, legal representatives, heirs successors and assigns, that any purchaser, corporate or individual, of this land shall have the authority to amend said restrictions at any time.

Therefore, the declarant herby declares that the deed restrictions shall revised as follows:

1. All tracts shall be used for residential and/or commercial development in accordance with the regulations then existing in Hays County, Texas.

2. There shall be no jails, prisons or penal institutions of any kind being erected on said land.

3. There shall be no farms that raise cattle, hogs and/or chickens or any other type of livestock or farm animal for mass production. The premises shall not be stocked with any livestock in such numbers that hereby create a nuisance.

4. There shall be no junk yards/dump sites of any sort being erected on said land. Motor vehicles without current license and registration, junk or wrecking yards, and automobiles, trucks or other vehicles used for parts are strictly prohibited.

5. There shall be no slaughterhouse of any sort being erected on the said land.

6. There shall be no shooting range or anything of the sort being erected on said land. The use or discharge of firearms, including (but not limited to) air powered guns, and the use or discharge of fireworks is expressly prohibited within the property.

7. Composting bins must be located and maintained in such a way that no odors are detectable from neighboring properties, and the bins must be maintained so they are not unsightly or unkept.

ABUNDANT LIFE CHRISTIAN CHURCH

Paul Buntyn

Pastor Paul Buntyn

STATE OF TEXAS)

COUNTY OF HAYS)

This instrument was acknowledged before me on June 7th, 2019 by Pastor Paul Buntyn.

SHEILA M. WALLGREN
Notary Public, State of Texas
Notary ID# 13134430-2
My Commission Expires
DECEMBER 8, 2021

Notary Public, State of Texas
My commission expires: 12-8-2021

PREPARED IN THE OFFICE OF:

DAVID K. SERGI AND ASSOCIATES, P.C.
329 S. Guadalupe St.
San Marcos, TX 78666
Tel: 512-392-5010
Fax: 512-392-5042

AFTER RECORDING RETURN TO:

DAVID K. SERGI AND ASSOCIATES, P.C.
329 S. Guadalupe St.
San Marcos, TX 78666
Tel: 512-392-5010
Fax: 512-392-5042

THE STATE OF TEXAS

COUNTY OF HAYS

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

19020883 RESTRICTIONS
06/20/2019 02:35:27 PM Total Fees: $30.00

Elaine H. Cárdenas

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas

From: Villalobos, Andrea
To: Villalobos, Andrea
Subject: FW: [EXTERNAL] Comments to be read aloud - Planning and Zoning Meeting
Date: Tuesday, April 28, 2020 8:57:49 AM

From: Paul Hennington
Sent: Tuesday, April 28, 2020 8:42 AM
To: Planning Info <PlanningInfo@sanmarcostx.gov>
Subject: [EXTERNAL] Comments to be read aloud - Planning and Zoning Meeting

To whom it may concern,

In reference to the Planning and Zoning Meeting tonight (April 28, 2020 at 6pm)

I would like the following read aloud to address both of the following agenda items:

- Agenda Items 9 (ZC-20-07)
- Agenda Item 10 (ZC-20-08)

My name is David Hennington. I live at 4 Cow Trail, San Marcos TX which is adjacent to the subject properties considered in this hearing.

I would like it to be known that these properties were originally all part of a 202 acre tract until a developer subdivided the property.

The developer put it in deed restrictions to limit the use of the land. This was filed with the Hays County Clerk on September 9th, 1999. I have attached a copy of the filing.

Some key points are as follows:

- All tracts shall be known and described as residential tracts and shall be used for residential purposes only.
- Double wide manufactured homes are permitted, but single wide manufactured homes are not allowed
- No tract shall be subdivided in a tract smaller than 5 acres
- These restrictions are originally effective for a term of 20 years from date of filing which occurred on September 9th, 1999.
- These deed restrictions shall be automatically extended for successive periods of 10 years.
- These deed restrictions may only be amended during the last year of such a 10 year period by an instrument signed by not less than 75% of the Tract owners.

I would like it known that I am contesting the proposed land use and zoning change. I believe that the deed restrictions are active and defensible against the proposed changes.

Two additional points to consider:

- Drainage: These properties drain runoff into a small creek that eventually runs through a culvert under Highway 21. It is already not unusual for heavy rains to cause flooding of the parcels near Cow Trail and 21. If they add more impervious ground cover (roads and parking), It could be catastrophic to those home owners unless a substantial civil engineering effort is conducted.

- Wildlife: The subject property is home to a wide variety of Birds, Reptiles, and Mammal species. Additionally, wild bees and other insects provide pollination for the surrounding agricultural properties. Commercial or dense residential development would have an ecological impact.

Thank you for the opportunity share these statements

Paul Hennington
4 Cow Trail
San Marcos, TX
(512) 632-7475

CAUTION: This email is from an EXTERNAL source. Links or attachments may be dangerous. Click the Phish Alert button above if you think this email is malicious .

This Deed is subject to the following covenants, conditions and restrictions:

1. All tracts shall be known and described as residential tracts and shall be used for residential purposes only. The premises shall not be stocked with any livestock in such numbers as to require heavy supplemental feeding thereby creating a nuisance. No fowls or animals shall be kept on the premises in such numbers or in such a manner as may be or may become a nuisance. No noxious, obnoxious or offensive activities of any kind shall be carried on or permitted on any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

2. No residence shall be erected, placed or permitted to remain on any Tract other than a detached single-family dwelling. A detached single-family dwelling shall consist of only one home, manufactured house or residence not to exceed two (2) stories in height.

A. Permanent Homes.

(1.) Each permanent site-built home and buildings shall be of new construction. Each home shall contain a minimum of 1,100 square feet of living area, exclusive of garages, carports, and porches.

(2.) The exterior of each permanent site-built home shall be complete within six (6) months of beginning construction.

B. Manufactured Homes.

(1.) All manufactured housing shall be double wide homes, no single wide manufactured homes will be allowed.

(2.) All manufactured homes must be skirted within thirty (30) days after placement on property with masonry or plaster.

(3.) Notwithstanding any other restrictions or limitations contained in this Section to the contrary, all manufactured homes shall be anchored to the land in the manner prescribed by the Texas Department of Licensing and Regulation.

(4.) No manufactured home of less than 1,100 square feet shall be allowed.

(5.) All manufactured homes shall be of new construction.

(6.) Roof surfaces shall be clear of weights, anchors, and/or other objects that my be placed thereon. Tires and other unsightly objects that may be placed on roofs are explicitly prohibited.

3. No detached single-family dwelling shall be located nearer than fifty (50) feet to a street line, nor nearer than fifty (50) feet to an interior property line, whether an original line or a subdividing line. For purposes of this restriction, eaves, steps and open porches shall not be considered as a part of a dwelling; however, this shall not be construed to permit any portion of a dwelling to encroach upon another Tract. If two or more tracts are combined as a single homesite then there shall be no setback or interior common lot lines.

4. No basement, tent, or other structure of a temporary nature, shack, barn, garage, or other outbuilding of whatever kind or nature, whether attached or detached, shall at any time be used on any Tract as a residence either temporarily or permanently.

5. No abandoned automobiles, trucks, or any other unsightly property or junk shall ever be kept, stored or placed on a Tract. All automobiles, trucks, vehicles, boats and recreation motor homes shall bear current license and motor vehicle inspection stickers.

6. No pets shall run loose. Pets shall be contained by fencing capable of containing such pet. Each pet must wear an identity collar identifying its owner as well as certification of current vaccination as required by law.

7. All trash shall be disposed of weekly. No Tract shall be used as a dumping ground for rubbish, trash or lawn clippings, and no garbage or other waste shall be kept except in sanitary containers. The premises and improvements thereon shall be maintained in a neat and orderly manner.

8. All mail boxes shall be of type and design and placed in a location approved by the U.S.

ORIGINAL DOCUMENT IN FILE

EXHIBIT "C"

Postmaster.

9. No Tract shall be subdivided in a tract smaller than 5.01 acres herein.

10. All anchoring devices, electrical, plumbing and telephone equipment and septic systems shall be installed in accordance with applicable Federal, State of Texas and local laws and ordinances.

11. Arches, awnings, carports, garages, porches, steps, storage building, etc. shall be erected permanently and be of sound construction; compatible in appearance with the dwelling. Fences shall be designed and erected in such a way as to be harmonious with the character of the property. Abandoned signs, rusty roofing metal and/or like materials shall not be used for fencing. No fence shall exceed six (6) feet in height.

12. Grantor, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions and reservations now or hereafter imposed by the Deed Restrictions. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

14. The covenants, conditions and restrictions of this Deed shall run with and bind the land, and shall inure to the benefit of, and be enforceable by, the Grantor or the Owner of any Tract subject to these Deed Restrictions, and their respective legal representatives, heirs, successors and assigns, and, unless amended as provided herein, shall be effective for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years. The covenants, conditions and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty percent (80%) of the Tract Owners; during any succeeding ten (10) year period, the covenants, conditions and restrictions of this Declaration may be amended during the last year of any such ten (10) year period by an instrument signed by not less than seventy-five percent (75%) of the Tract Owners. No amendment shall be effective until recorded in the Official Records of Hays County, Texas, nor until the approval of any governmental regulatory body which is required shall have been obtained.

ORIGINAL DOCUMENT ILLEGIBLE

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

EXHIBIT "C"

Lee Carlisle
9-9-99 03:41 PM 9921612
ROSE $21.00
LEE CARLISLE, County Clerk
HAYS COUNTY

E.L.

File #: Ord. 2020-36, **Version:** 1

AGENDA CAPTION:
Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-36, amending the Official Zoning Map of the City by rezoning approximately 44.99 acres of land located at 4087 State Highway 21, from “FD” Future Development District to “MH” Manufactured Home District; and including procedural provisions; and consider approval of Ordinance 2020-36, on the first of two readings.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding
Funds Required: n/a
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative:

N/A

Comprehensive Plan Element (s):

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☒ Land Use - Direct Growth, Compatible with Surrounding Uses

☒ Neighborhoods & Housing - Diversified housing options to serve citizens with varying needs and interests

☐ Parks, Public Spaces & Facilities - Choose an item.

☒ Transportation - Safe, Well coordinated transportation system implemented in an environmentally sensitive manner

☐ Core Services

☐ Not Applicable

Master Plan:

Vision San Marcos - A River Runs Through Us

Background Information:

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to existing single family and rural/agricultural property as well as adjacent to the Harris Hill Race Track and the San Marcos Regional Airport. In addition, FM 110 is proposed to be located to the north of the property. The subject property has already dedicated right-of-way in order to provide for the future construction of FM 110.

The purpose of this zoning change to “Manufactured Home” zoning is to allow the development of a Manufactured Home Park with approximately 250 spaces. According to the applicant, the community will have a club house with exercise gym, party room, and on site management offices. Additionally, the grounds will have a swimming pool, tennis courts, basketball court, community garden area, dog parks, playgrounds, a covered postal box center, and off-street parking. The applicant stated that the development will be a land-lease community with the residents owning their homes and renting the lots, however, up to 30% of the homes may be rental homes. The park will consist of a mix of single-wide and double-wide units ranging in size from 800 square feet to 1,400 square feet. Most homes will be 3-bedroom, 2-bath homes with some 2-bedroom, 2-bath homes.

The applicant is also requesting a rezoning to Light Industrial, “LI” for approximately 14 acres abutting the subject property to the east. This request is being considered as part of a separate zoning request (ZC-20-07). Both zoning requests are being processed concurrently with an annexation request for the property.

The City of San Marcos will provide wastewater services at the site and the Maxwell Water Supply Corporation will provide water service. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service.

Council Committee, Board/Commission Action:

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

1. (1) Jim Glasgow (in favor)
2. (1) Paul Hennington (in opposition)

Recommendation from the Planning and Zoning Commission meeting held April 28, 2020:

A motion was made by Commissioner McCarty, seconded by Commissioner Dillon, to approve ZC-20-08. The motion carried 7-0.

- **For:** (7) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Haverland, Commissioner Dillon, Commissioner Moore, Commissioner Agnew.
- **Against:** 0
- **Absent:** (2) Vice Chairperson Kelsey, Commissioner Spell.

Alternatives:

n/a

Recommendation:

The Development Code states that a request for Manufactured Home zoning in an Area of Stability - Low Intensity is “Not Preferred” and requires additional scrutiny as outlined in the staff report. The proposed zoning change to Manufactured Home is generally compatible with surrounding residential and rural residential uses, however, the proposed zoning will allow for a denser layout of units. The subject property’s location abutting the proposed FM 110 San Marcos eastern loop may create compatibility concerns with regards to residential uses along a major thoroughfare. FM 110 is identified as an “Employment Corridor” on the Preferred Scenario Map and is envisioned to have commercial or employment related uses. FM 110 will be initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of development occurring along the alignment.

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a **neutral** recommendation and leaves a decision of approval, denial, or a recommendation of a lesser zoning district up to the City Council.

powered by Legistar™

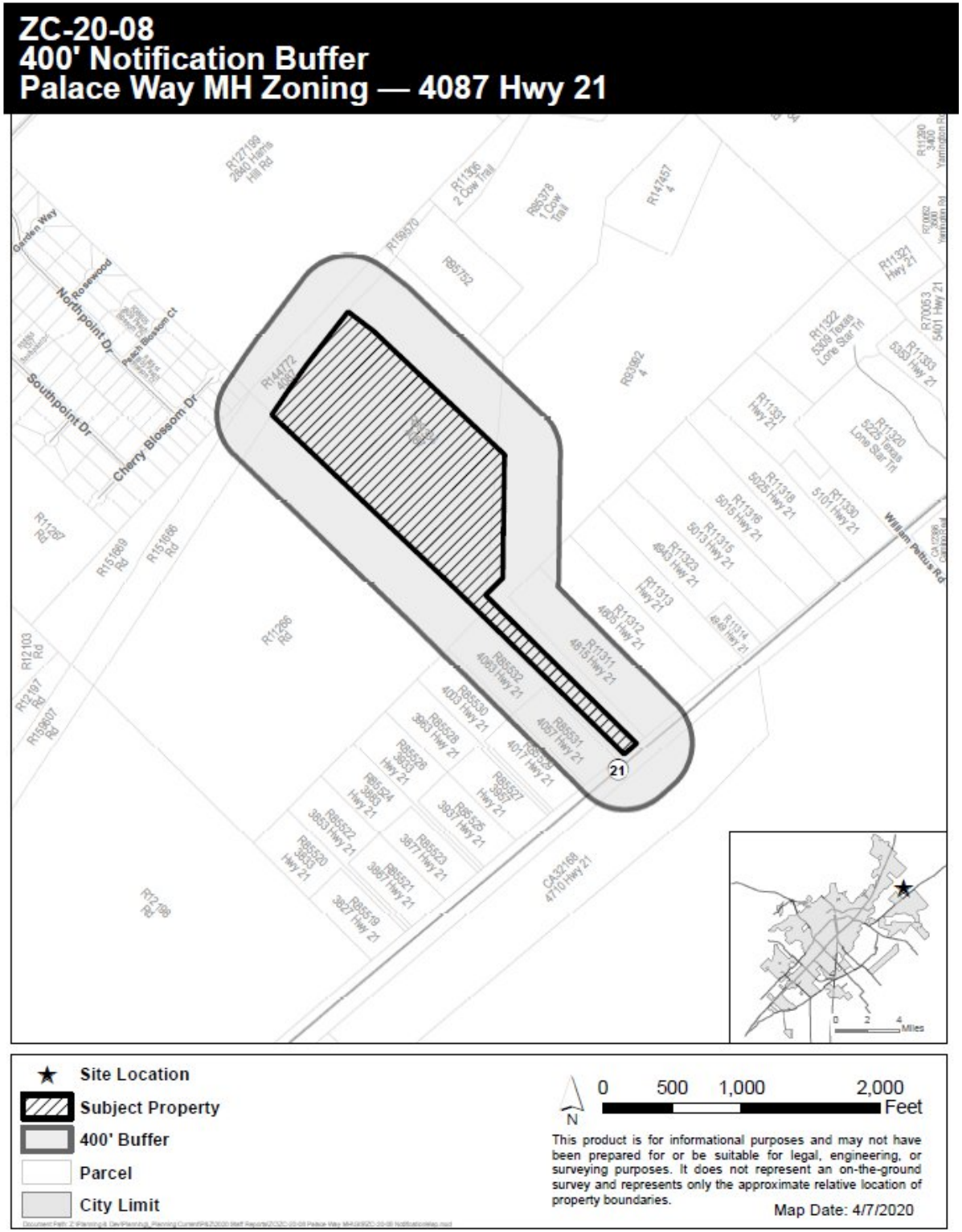
ZC-20-08 (Palace Way MH)

Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-XX, amending the Official Zoning Map of the City by rezoning approximately 44.99 acres, more or less, out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 Hwy 21, from “FD” Future Development District to “MH” Manufactured Home District; and including procedural provisions; and consider approval of Ordinance 2020-XX on the first of two readings.

SAN MARCOS

Location:

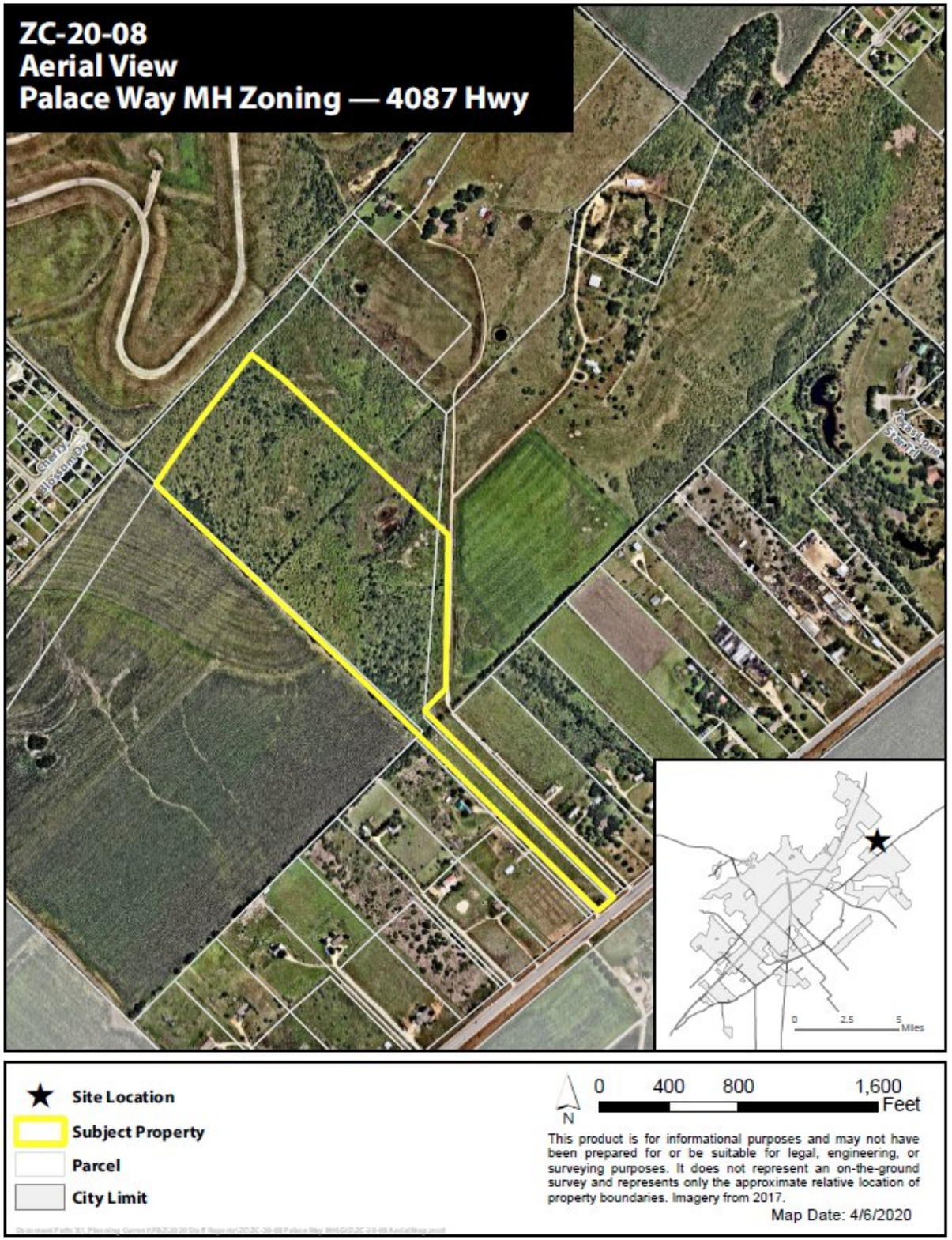
- Approximately 44.99 acres
- **Current Configuration:** Vacant / Agricultural land
- Surrounding uses include:
  - Single-family / rural (ETJ)
  - Agricultural
  - Harris Hill Race Track / proposed FM 110
  - San Marcos Regional Airport
- Located outside the City Limits (Extraterritorial Jurisdiction)



SAN MARCOS

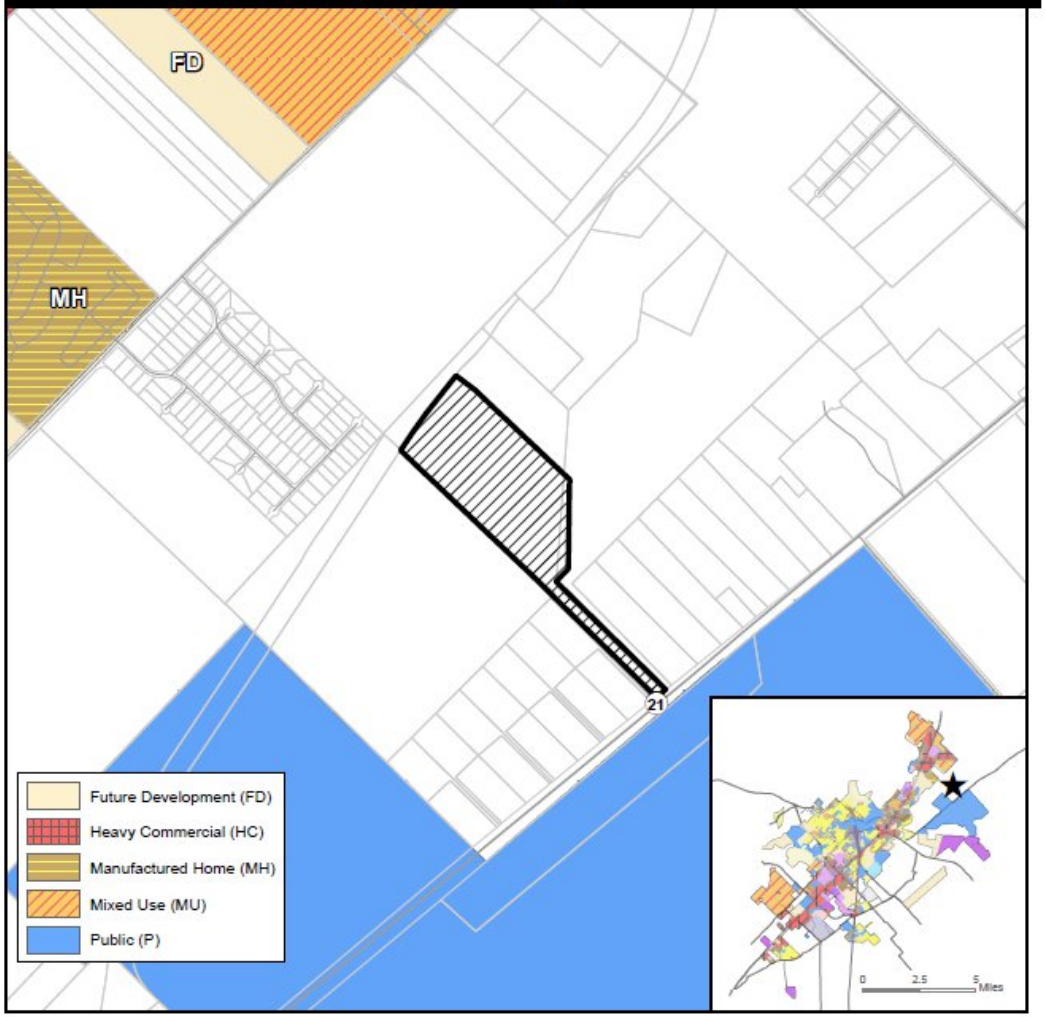
Context & History

- **Existing Zoning:** Outside City Limits (ETJ)
- **Proposed Zoning:** Manufactured Home (MH)
- Proposed MH zoning allows manufactured home or manufactured home/mobile home communities as well as travel trailers/RVs short term stays, agricultural or public uses
- Applicant is currently proposing a 250 unit manufactured home community with associated amenities.
- Annexation request is being processed concurrently for property located outside City Limits



SAN MARCOS

ZC-20-08
Zoning Map
Palace Way MH Zoning — 4087 Hwy 21



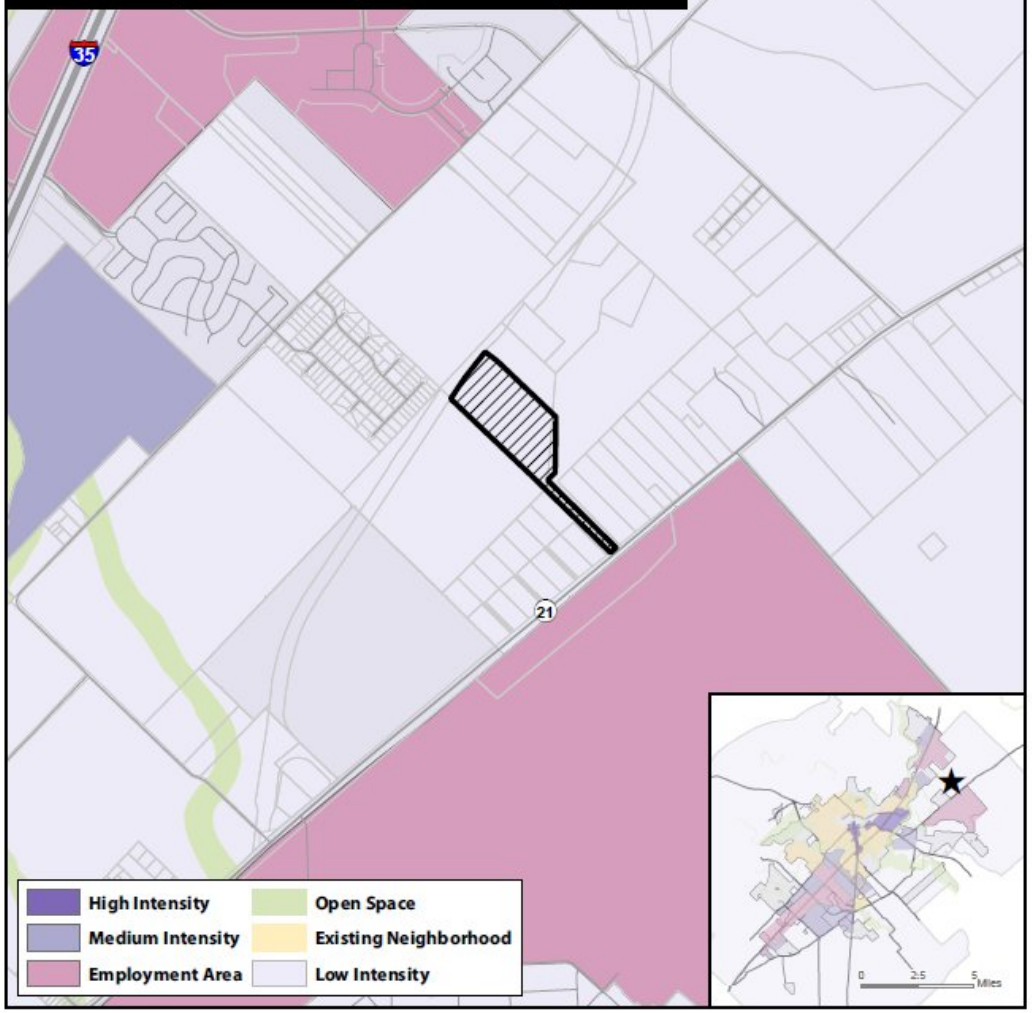
★ Site Location
Subject Property
Parcels
City Limit

N
0 750 1,500 3,000 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/6/2020

ZC-20-08
Preferred Scenario
Palace Way MH Zoning — 4087 Hwy 21

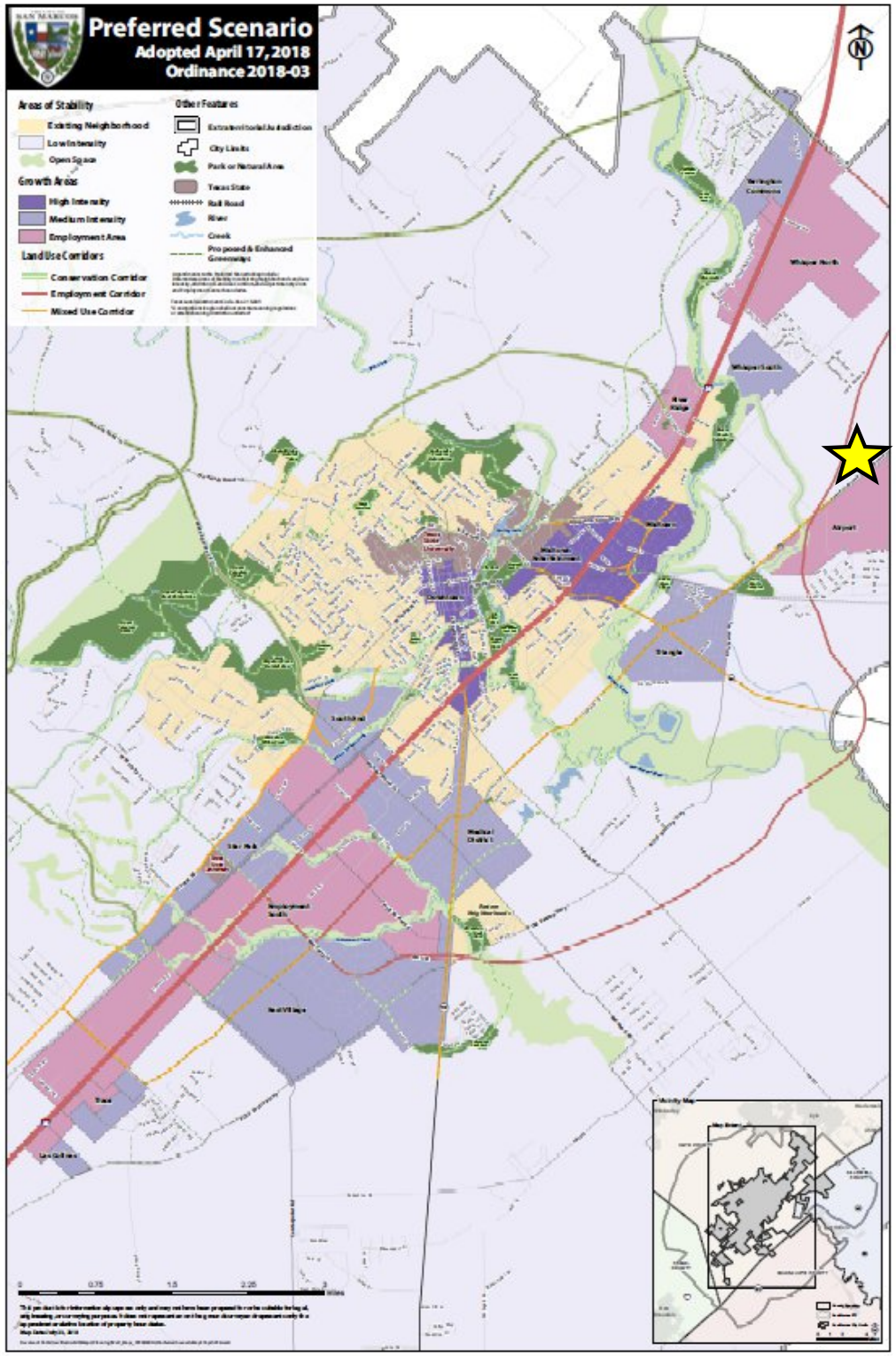


★ Site Location
Subject Property
Parcels
City Limit

N
0 1,200 2,400 4,800 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 4/6/2020



Comprehensive Plan Analysis

Step 1: Where is the property located on the Comprehensive Plan?

Located in an Area of Stability – Low Intensity

"Being located in an area of stability does not mean that these areas should or will not change. It means that any changes, whether new developments, zoning requests, or public improvements, should be carefully planned and implemented so that the character of the area remains." (Comprehensive Plan, pg. 77)

Comprehensive Plan Analysis

Step 2: Is the request consistent with the Comprehensive Plan / District Translation Table?

Applicant is requesting a "Special District" (Manufactured Home zoning) within a Area of Stability – Low Intensity.

TABLE 4.1 COMPREHENSIVE PLAN / DISTRICT TRANSLATION

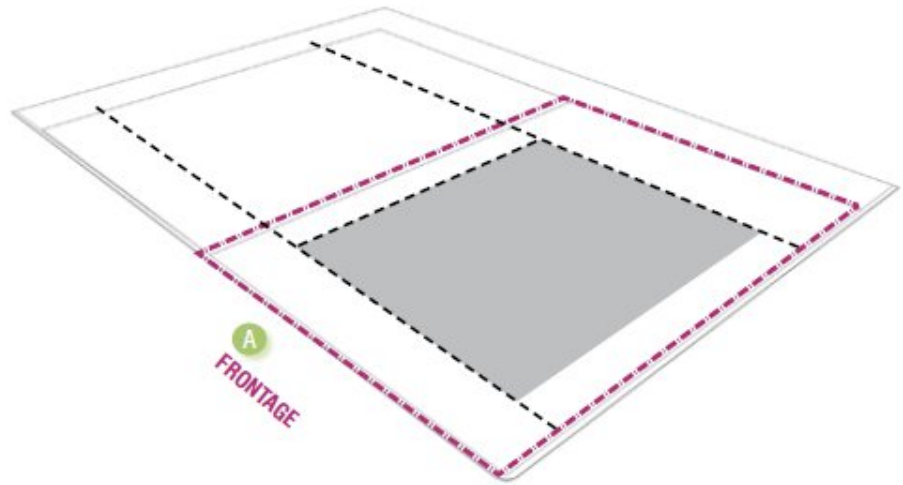
District Classification	Comprehensive Plan Designations					
	Open Space/ Agricultural	Low Intensity	Existing Neighborhood	Medium or High Intensity Zone	Employment Center	Corridor
Conventional Residential	NP	NP	C	--	--	--
Neighborhood Density Districts	NP	NP	See Section 4.1.2.4 - 4.1.2.5	NP	NP	C
Character Districts	NP	C	--	C	NP	C
Special Districts	--	NP	NP	NP	C	C
Legend	-- = Not Allowed (PSA Required)		NP=Not Preferred		C = Consider	

MH Zoning Analysis:

- MH zoning is intended for manufactured homes or manufactured home communities with associated standards
- **Allowable Building Types:** *N/A (this district is intended for manufactured homes / mobile homes)*
- **Allowable Uses:** *Community Garden, Urban Farm, accessory structures, manufactured home, mobile home community, travel trailers / RVs Short Term stays, various public and institutional uses*
- **Chapter 7, Article 6:** *standards for manufactured home parks such as access and circulation, parking, street lighting, fire safety, utilities, and recreational areas.*
- Surrounding area is comprised of generally rural single family and agricultural land as well as a major thoroughfare
- The city does not have zoning authority to regulate the use of surrounding property located outside the city limits.
- Proposed Industrial Zoning adjacent to the development (ZC-20-07)

MH

SECTION 4.4.5.5 MANUFACTURED HOME



KEY
- Property Line (ROW)
- A Metrics on This and Facing Page
- Setbacks
- Building Footprint

General Description
The Manufactured Home (MH) District is intended to implement appropriate standards for manufactured housing developments.

Density	
Units Per Gross Acre	9.0 max.
Impervious cover	75% max.

Transportation		
Block Perimeter	5,000 ft. max.	Section 3.6.2.1
Streetscape Type	Conventional	Section 3.8.1.7

Lot Standards	
Area of Manufactured Home Lot or Space	
Interior Lot or Space	3,200 sf min.
Corner Lot or Space	4,400 sf min.
Width of Manufactured Home Lot or Space (A)	
Interior Lot or Space	40 ft. min.
Corner Lot or Space	55 ft. min.
Depth of Manufactured Home Lot or Space	80 ft. min.

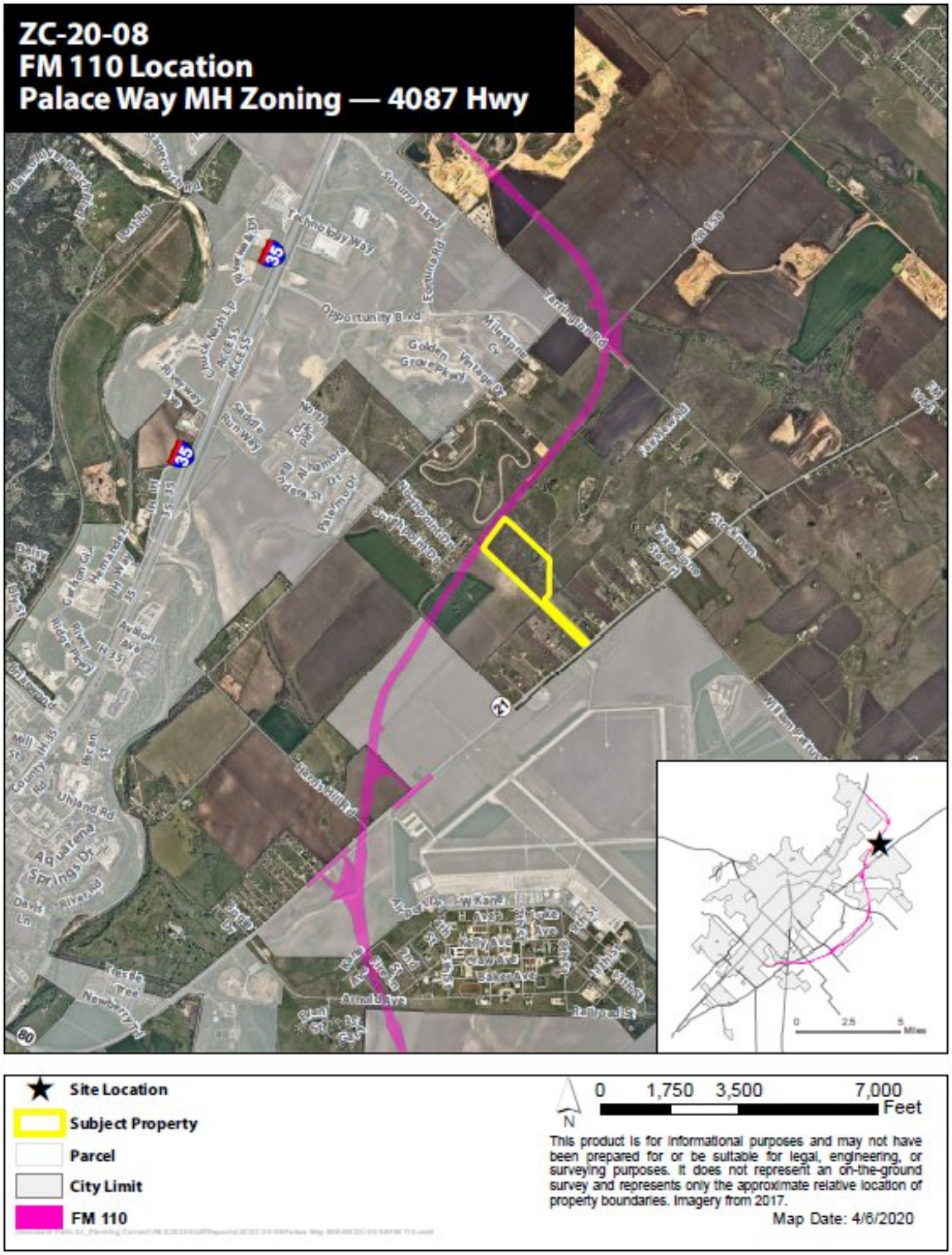
SAN MARCOS

Proposed FM 110

- Hays County / San Marcos / TxDOT
- East loop includes two travel lanes with potential of four lanes
- **Funding:** Transportation Reinvestment Zones (TRZs) which captures a portion of the increased value of development along the alignment

Preferred Scenario: Employment Corridor

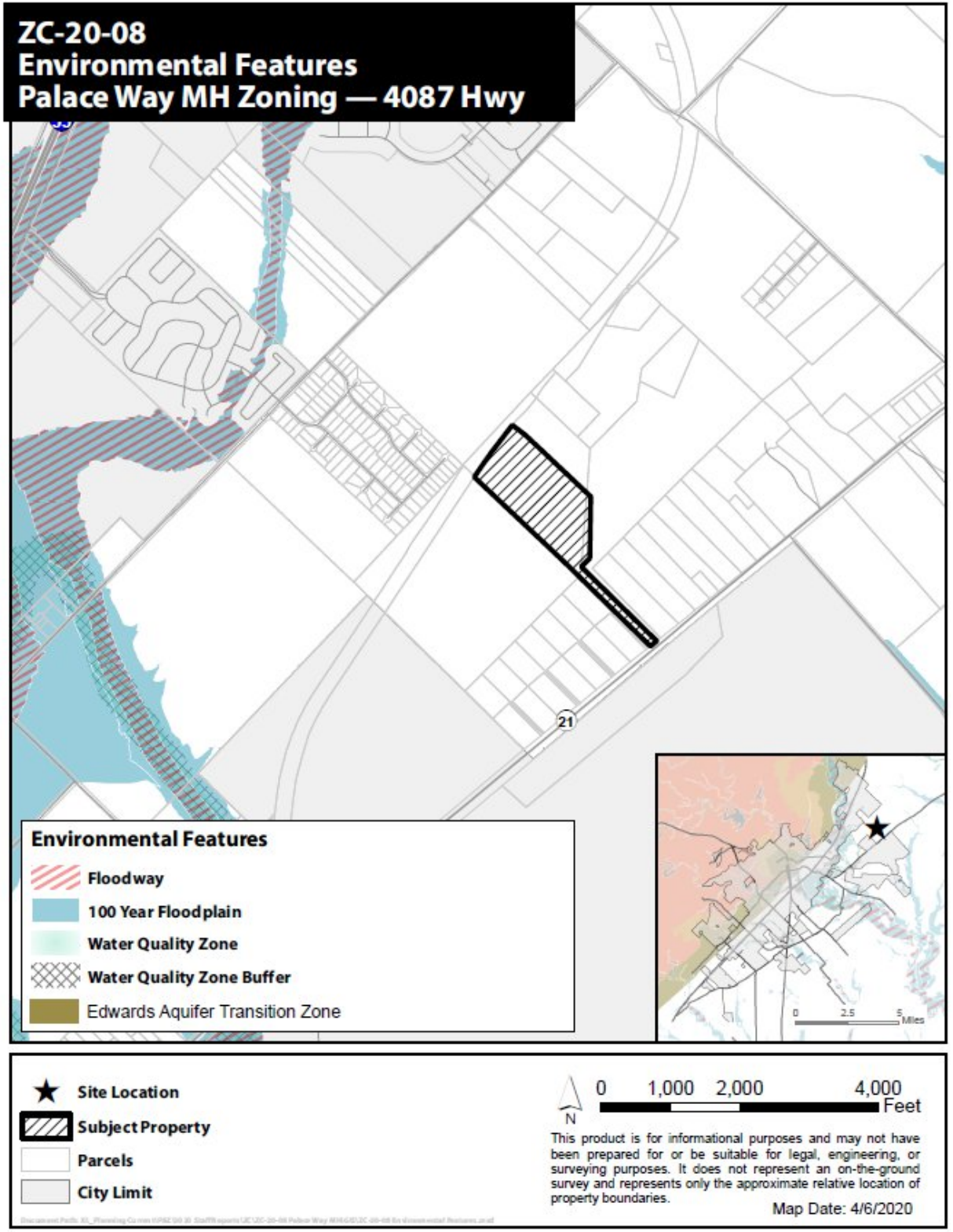
- **Employment Corridors:** "intended to serve major employment related land uses. Some mixture in uses including limited residential and supportive pedestrian and bicycle facilities should be incorporated."
- FM 110 abuts the subject property and may attract a diversity of uses seeking access and development along the roadway.



SAN MARCOS

Environmental Analysis

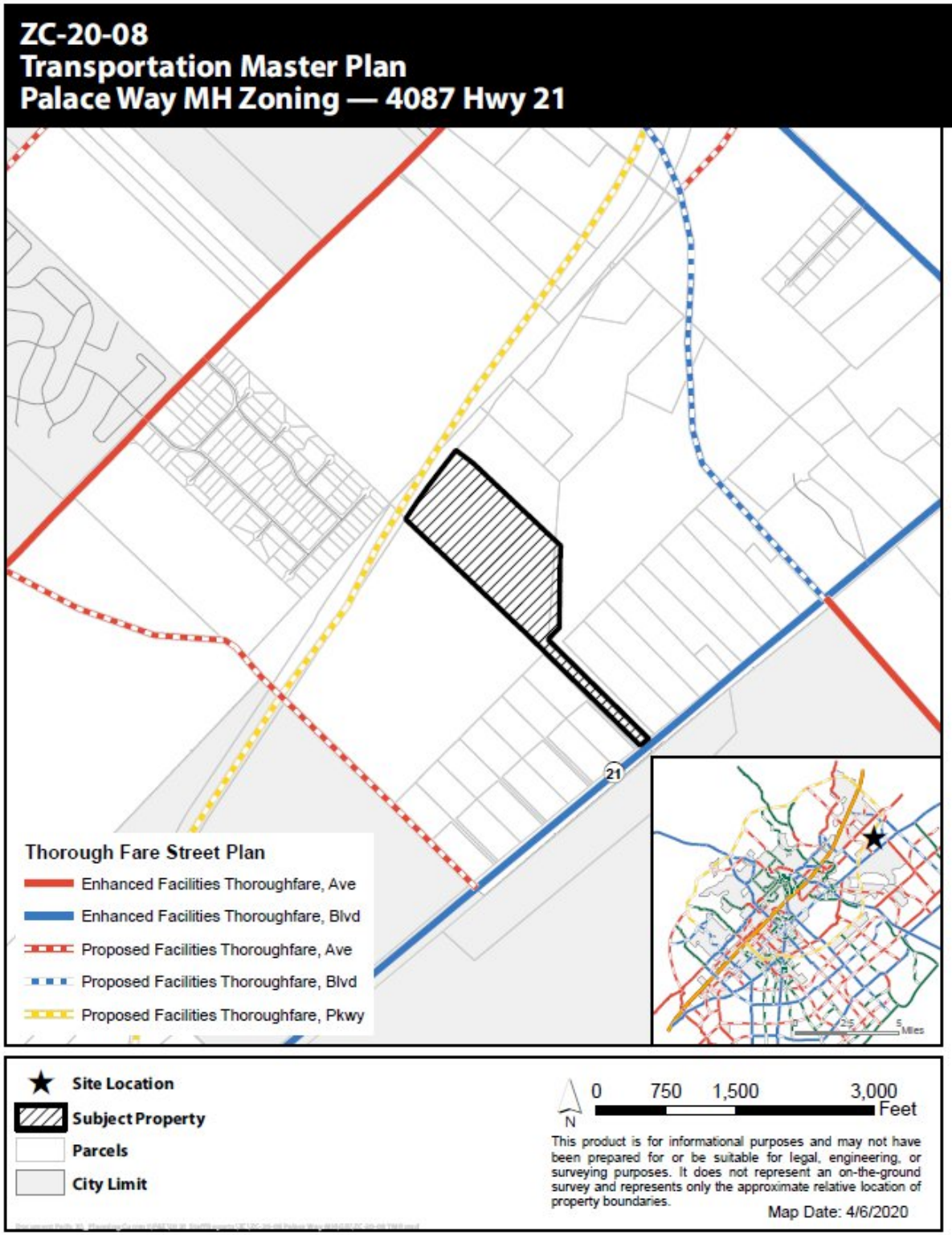
- Located in a low to moderately constrained area on the Land Use Suitability map
- Not located in floodplain
- Watershed Protection Plan Phase 2
  - Detention
  - Drainage
  - Environmental Reports



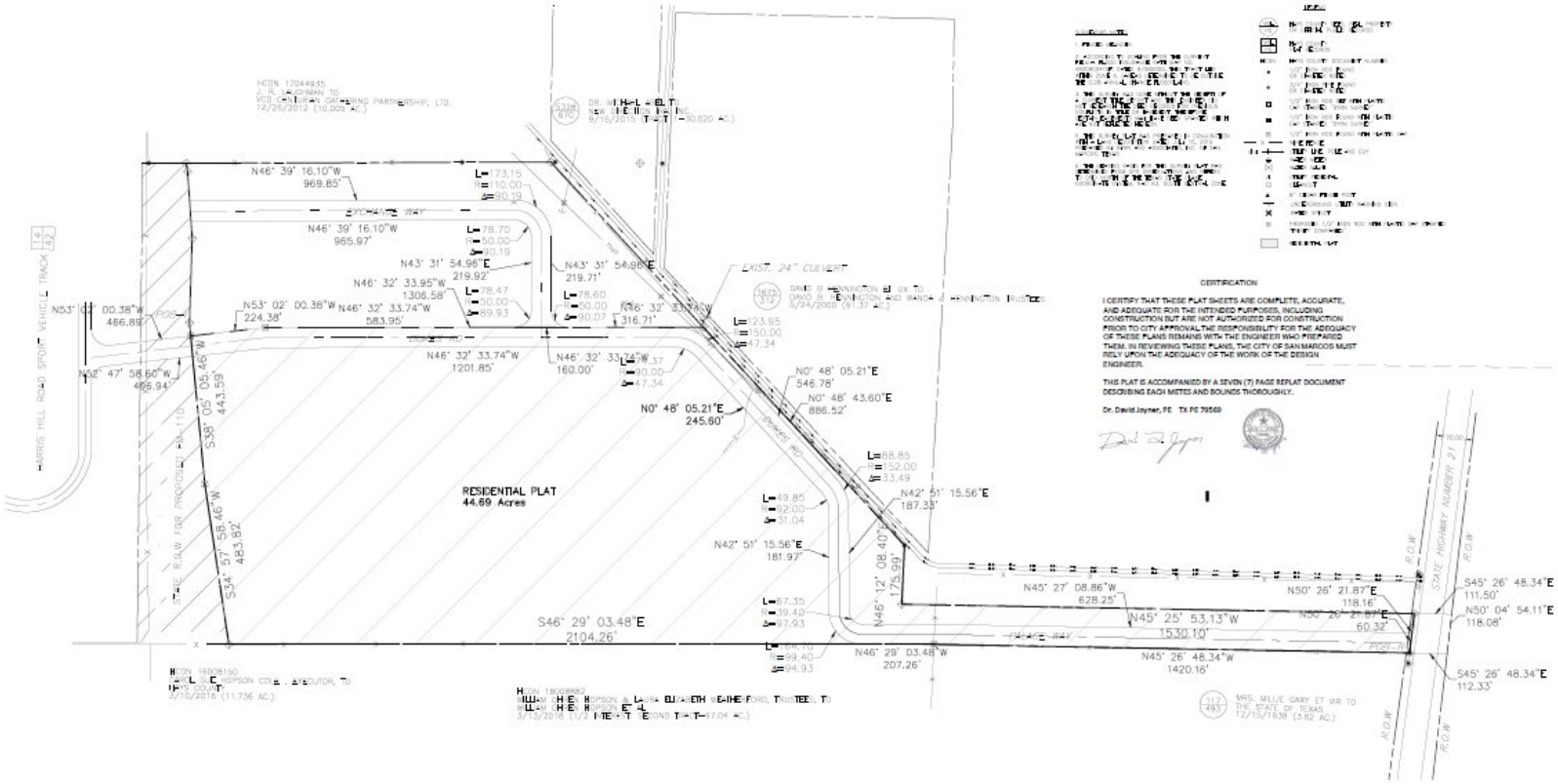
SAN MARCOS

Additional Requirements

- **Street Requirements**
  - Transportation Master Plan
  - Block perimeter requirements (5,000 feet)
  - Bike facility requirements
  - Sidewalk connections
  - Traffic Impact Analysis (TIA)
- **Subdivision Requirements**
  - Subdivision plat in accordance with lot and block standards
- **Utility Requirements**
  - Extension of water and wastewater facilities in accordance with City standards
- **Parkland Dedication / Development**



Proposed Plat (not approved)



PROJECT NO. 12148 TX Firm # 12656	REVISIONS	DRAWN BY D. Aldana	SCALE 1" = 200'	SHEET NO. C-02	SHEET NO. PROPOSED PLAT FOR RESIDENTIAL DEVELOPMENT
DATE Mar 2020		PREPARED BY Trinity Group			
		CHECKED BY D. Joyner			

TRINITY GROUP
A REAL-ESTATE SERVICE COMPANY

PALACE WAY DEVELOPMENT
Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

CWTRAIL
PUBLIC NOTICE
40+ ACRE FARM HOUSE
AMAZING VIEWS / ROLLING HAY FIELDS
3 PONDS / GREAT TREES
512-656-5544 / 512-657-1731
FD LI
4/28/20
5/19/20
FDMH
4/28/20
5/19/20

Additional Analysis

- **Compatibility:** While Manufactured Home is generally compatible with surrounding single-family land uses, it will be a much more dense residential product. In addition, the property's location along the future FM 110 may situate the property around future high density commercial or industrial uses.
- **Preferred Scenario:** "Manufactured Home" is designated as "NP" Not Preferred within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map.
  - Alternatively, "Manufactured Home" is to be "C" Considered in an Employment Area on the Preferred Scenario Map. While the subject property is not located in an "Employment Area", it is located between two existing areas, Whisper development and the Municipal Airport.
- **FM 110:** The property is located along the proposed FM 110, which is designated as an "Employment Corridor" on the Preferred Scenario Map.
  - FM 110 is identified as a major transportation network and will be initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of development occurring along the alignment.

Staff Recommendation:

At the April 28, 2020 Meeting the Planning and Zoning Commission recommended approval of the zoning change with a 7-0 vote.

The Development Code states that a request for Manufactured Home zoning in an Area of Stability – Low Intensity is “Not Preferred” and requires additional scrutiny outlined in detailed in the staff report.

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a **neutral recommendation** and leaves a decision of approval or denial of the request up to the City Council.

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Proposed Zoning:* **Manufactured Home (MH)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	The Manufactured Home (MH) District is intended to implement appropriate standards for manufactured housing developments.
Uses	Primarily agricultural, residential, and public/institutional *(See Land Use Matrix)*	Community Garden, Urban Farm, accessory structures, manufactured home, mobile home community, travel trailers / RVs Short Term stays, various public and institutional uses *(See Land Use Matrix)*
Parking Location	No location standards	No location standards
Parking Standards	Depends on use	Depends on use. For example, two parking spaces are required for each manufactured home site in accordance with the requirements for residential single family dwellings under Section 7.1.2.1 of the Development Code.
Max Residential Units per acre	0.4 units per acre (max)	9 units per acre (max)
Occupancy Restrictions	N/A	N/A
Landscaping	Tree and shrub requirements based on use	Tree and shrub requirements based on Multi-Family landscape requirements (20% landscape area)
Building Height (max)	2 stories (40 feet)	2 stories
Setbacks	50' minimum front; 20' min side; minimum rear setback is 20% of total lot depth	Measured from manufactured homes spaces. 10' minimum front; 5' minimum side; 20' minimum rear
Impervious Cover (max)	30%	75%
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	3,200 sf minimum lot area; 4,400 sf minimum lot area for corner lot; 40' minimum lot width; 55' minimum lot width for corner lot 80' minimum lot depth
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area between sidewalk and street required.	Conventional Street: 6' sidewalk, street trees every 40' on center average, 7' planting area between sidewalk and street required.
Blocks	No Block Perimeter Required	5,000 ft. Block Perimeter max

Palace Way Park

A MANUFACTURED HOME COMMUNITY

Quick Facts

- 230-240 Homes
- 5-Star Design
- Land-Lease Community
- On Site Management
- Quality Homes

Code Compliant

- San Marcos Manufactured Housing Code
- Hud & State Codes
- Set-up by state Licensed installers
- Inspected by the City, and our Engineering Firm

Affordable Housing

- 20-30% Less per month than renting a comparable size apartment.
- Builds Equity
- Average 14.2 Years

HUD

As one solution to the affordable housing issue.

The Department of Housing & Unban development is encouraging cities to add manufactured housing zoning to their planning by making it part of the block grant requirements.

Video

Showing the look and feel that the Palace Way park is being designed too

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY REZONING APPROXIMATELY 44.99 ACRES OF LAND LOCATED AT 4087 STATE HIGHWAY 21 FROM "FD" FUTURE DEVELOPMENT DISTRICT TO "MH" MANUFACTURED HOME DISTRICT; AND INCLUDING PROCEDURAL PROVISIONS.

RECITALS:

1. On April 28, 2020, the Planning and Zoning Commission of the City of San Marcos held a public hearing regarding a request to change the zoning designation from "FD" Future Development District to "MH" Manufactured Home District for approximately 44.99 acres of land located at 4087 State Highway 21.

2. The Planning and Zoning Commission voted to recommend that the request be approved by the City Council.

3. The City Council held a public hearing on May 19, 2020 regarding the request.

4. All requirements pertaining to Zoning Map amendments have been met.

5. The City Council hereby finds and determines that the adoption of the following ordinance is in the interest of the public health, morals, welfare and safety.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The Official Zoning Map of the City is amended to rezone the tract of land described in Exhibit A, attached hereto and made a part hereof, from "FD" Future Development District to "MH" Manufactured Home District.

SECTION 2. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 3. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 4. This ordinance will take effect after its passage, approval and adoption on second reading.

PASSED AND APPROVED on first reading on May 19, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 2, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

EXHIBIT A

TRINITY GROUP
A Real Estate Development Service Company

RESIDENTIAL ZONING

STATE OF TEXAS - CITY OF SAN MARCOS

WHERHEAS, Palace way Partners owns a 59.89ac tract of land situated in the Thomas G. McGehee survey, A-11, Hays County, Texas. Conveyed in volume 723 page 39, Plat records, Hays County, TX. Same being a tract of land described to Palaceway Partners as conveyed in Instrument number 9927062, official public records, Hays County, Texas. And being more particularly described by metes and bounds as follows: Grid north of the Texas state plane coordinate system, NAD 83, South central zone.

The proposed plat divides the property in two plats, the residential plat being 44.99 acres.

Beginning at 1/2" Iron rod with plastic cap found at southeast corner said POB-R same being southeast of Mrs. Millie Gary Et Vir to the State of Texas recorded in the public records Volume 117, Page 493. Hays County, Texas. And lying on the north Right of Way of the State Highway Number 21.

THENCE, North 50°, 26 minutes, 21.87 seconds East along the western right of way of State Highway 21. Drive a distance of 118.16 feet.

THENCE, North 45 degrees, 25 minutes and 53.13 seconds West, parallel with the adjacent gravel road said Cow Trail, drive a distance of 1,530.10 feet towards 1/2" " Iron rod with plastic cap.

THENCE, North 46 degrees, 12 minutes and 08.40 seconds East, towards the adjacent gravel road said Cow Trail, drive a distance of 175.99 feet towards 1/2" " Iron rod. Same lying on the left right of way of Cow Trial.

THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, with the west right of way of said Cow Trial. Drive a distance of 886.52 feet. Same being the northwest corner of the residential parcel.

THENCE, North 46 degrees, 32 minutes and 33.95 seconds West, same being the west side of the Industrial Plat and the right edge of road of Dukes Rd, drive a distance of 1,306.58 feet to 1/2" Iron rod with plastic cap stamped "Byrn Associates". Same being the west side of the Industrial plat.

`THENCE, North 53 degrees, 02 minutes and 00.38 seconds West, same being the west side of the Industrial Plat and the right edge of road of Dukes Rd, drive a distance of 224.38 feet to 1/2" Iron rod with plastic cap stamped "Trinity Companies". Same being the northwest corner of the Industrial plat.

THENCE, South 38 degrees, 05 minutes and 05.46 seconds West, of the northwest corner of the Industrial plat and the right edge of road of Dukes Rd, drive a distance of 483.82 feet to 1/2" Iron rod with plastic cap stamped "Byrn survey". And lying on the east right of way of the Harris Hill Road Sport Vehicle Track.

THENCE, South 34 degrees, 57 minutes and 58.46 seconds West, drive a distance of 438.82 feet to 1/2" Iron rod with plastic cap.

THENCE, South 46 degrees, 29 minutes and 03.48 seconds East, being the northwest corner of the proposed plat. drive a distance of 2104.26 feet to 1/2" Iron rod with plastic cap stamped "Trinity Companies.

THENCE, South 45 degrees, 26 minutes and 48.34 seconds East, being part of the left edge of road of Dukes road. Drive a distance of 1,420.16' towards POB-R, same being the west Right of Way of State Highway Number 21.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

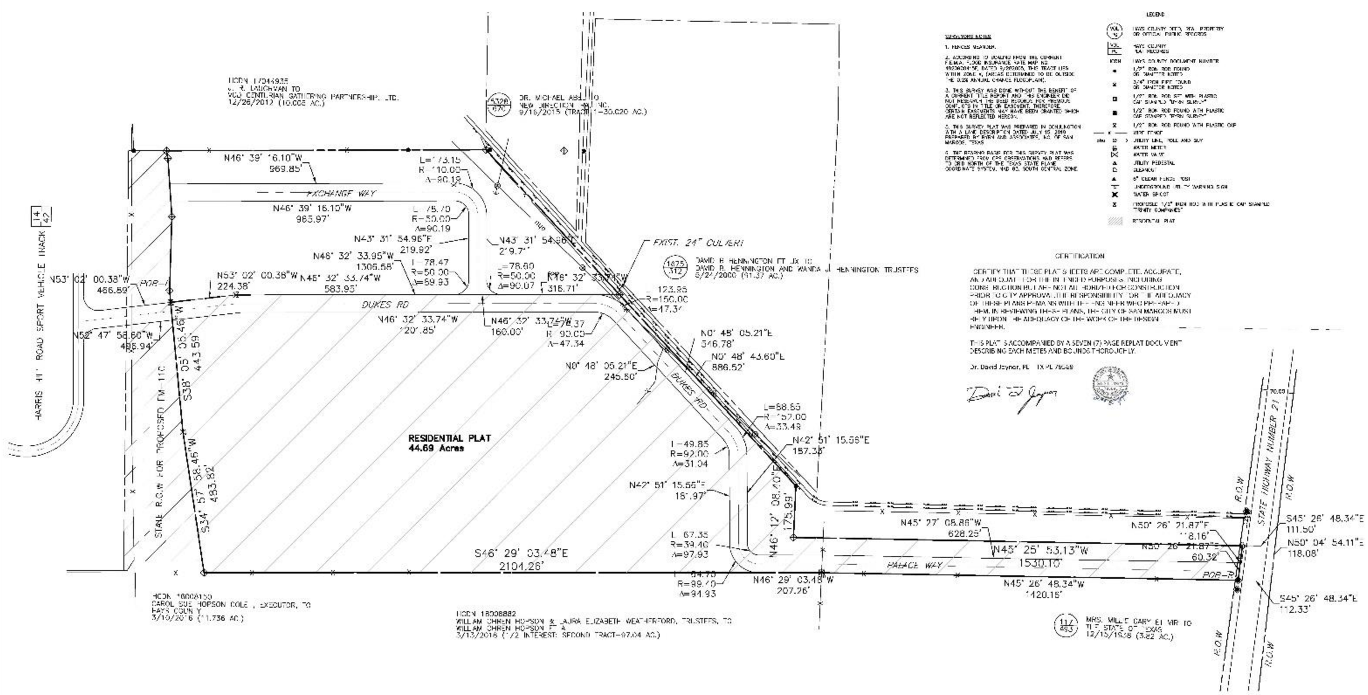
THAT, TRINITY GROUP, does hereby present this Proposed Plat designating the herein above described property as **PALACE WAY DEVELOPMENT**, an addition to the City of San Marcos, Texas. Said utility easements being hereby reserved for the mutual use and accommodation of all public utilities using or desiring to use same.

Dr. David L. Joyner, P.E
TX Firm 12656

STATE OF TEXAS
DAVID L. JOYNER
79569
LICENSED
PROFESSIONAL ENGINEER

April 28, 2020

838 Meyer Rd., NB, TX 78638-1503 • Ph. 830.303.3283
In Austin 512.807.7310 • Eagle Ford 830.303.3283
Houston 713.574.1949 • San Antonio 210.209.9976
www.trinitycompanies.biz



PROJECT NO. 12148	REV & CHG	DRAWN BY D. Aldana	SCALE 1" = 200'		SHEET NO. C-02	PROPOSED PLAT FOR RESIDENTIAL DEVELOPMENT
TX Firm # 12656		DESIGNED BY Trinity Group				
DATE Mar 2020		CHECKED BY D. Joyner				

TRINITY GROUP

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

Zoning Request	4087 Hwy 21
ZC-20-08	

Summary

Request:	Zoning change from "FD" Future Development to "MH" Manufactured Home		
Applicant:	Jim Glasgow 6531 Fox Run San Antonio, TX 78233	**Property Owner:**	Palace Way Partners, LLC 6531 Fox Run San Antonio, TX 78233

Notification

Application:	March 24, 2020	**Neighborhood Meeting:**	N/A
Published:	April 12, 2020	**# of Participants**	N/A
Posted:	April 10, 2020	**Personal:**	April 10, 2020
Response:	1 letter of opposition (included in packet)		

Property Description

Legal Description:	+/- 44.99 acre tract out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County		
Location:	4087 Hwy 21		
Acreage:	44.99	**PDD/DA/Other:**	Pending Annexation
Existing Zoning:	"FD" Future Development	**Proposed Zoning:**	"MH" Manufactured Home
Existing Use:	Vacant / Rural	**Proposed Use:**	Manufactured Home Park
Preferred Scenario:	Area of Stability – Low Intensity	**Proposed Designation:**	Area of Stability – Low Intensity
CONA Neighborhood:	N/A	**Sector:**	N/A
Utility Capacity:	Developer is responsible for extending utilities.	**Floodplain:**	No
Historic District	N/A		

Surrounding Area

	Zoning	Existing Land Use	Preferred Scenario
North of Property:	ETJ	FM 110; Harris Hill Race Track	Area of Stability – Low Intensity
South of Property:	"P" Public / Institutional	San Marcos Regional Airport	Growth Area – Employment Area
East of Property:	ETJ	Single Family / Rural / Agriculture	Area of Stability – Low Intensity
West of Property:	ETJ	Rural / Agriculture	Area of Stability – Low Intensity

Zoning Request	4087 Hwy 21
ZC-20-08	

Staff Recommendation

	Approval as Submitted	X	**Approval with Conditions / Alternate**		Denial

The Development Code states that a request for Manufactured Home zoning in an Area of Stability – Low Intensity is "Not Preferred" and requires additional scrutiny as outlined in the staff report. The proposed zoning change to Manufactured Home is generally compatible with surrounding residential and rural residential uses, however, the proposed zoning will all for a denser layout of units. The subject property's location abutting the proposed FM 110 San Marcos eastern loop may create compatibility concerns with regards to residential uses along a major thoroughfare. FM 110 is identified as an "Employment Corridor" on the Preferred Scenario Map and is envisioned to have commercial or employment related uses. FM 110 will be initially funded by a Transportation Reinvestment Zone (TRZ) to capture a portion of the increased value of development occurring along the alignment.

Due to the varying factors regarding current and future land configurations around the subject property, staff is providing a neutral recommendation and leaves a decision of approval, denial, or a recommendation of a lesser zoning district up to the City Council.

Staff: Andrea Villalobos, AICP, CNU-A	**Title:** Senior Planner	**Date:** April 29, 2020

Commission Recommendation

	Approval as Submitted	X	**Approval with Conditions / Alternate**		Denial

Planning and Zoning Commission Meeting: April 28, 2020

Speakers in favor or opposed:

1. (1) Jim Glasgow (in favor)
2. (1) Paul Hennington (in opposition)

Recommendation from the Planning and Zoning Commission meeting held April 28, 2020:
A motion was made by Commissioner McCarty, seconded by Commissioner Dillon, to approve ZC-20-08. The motion carried 7-0.

- **For:** (7) Chairperson Gleason, Commissioner Rand, Commissioner McCarty, Commissioner Haverland, Commissioner Dillon, Commissioner Moore, and Commissioner Agnew.
- **Against:** 0
- **Absent:** (2) Vice Chairperson Kelsey and Commissioner Spell

Zoning Request	4087 Hwy 21
ZC-20-08	

History

The subject property is currently located outside the City Limits in the Extraterritorial Jurisdiction (ETJ). The property is currently vacant and is adjacent to existing single family and rural/agricultural property as well as adjacent to the Harris Hill Race Track and the San Marcos Regional Airport. In addition, FM 110 is proposed to be located to the north of the property. The subject property has already dedicated right-of-way in order to provide for the future construction of FM 110.

The purpose of this zoning change to "Manufactured Home" zoning is to allow the development of a Manufactured Home Park with approximately 250 spaces. According to the applicant, the community will have a club house with exercise gym, party room, and on site management offices. Additionally, the grounds will have a swimming pool, tennis courts, basketball court, community garden area, dog parks, playgrounds, a covered postal box center, and off-street parking. The applicant stated that the development will be a land-lease community with the residents owning their homes and renting the lots, however, up to 30% of the homes may be rental homes. The park will consist of a mix of single-wide and double-wide units ranging in size from 800 square feet to 1,400 square feet. Most homes will be 3-bedroom, 2-bath homes with some 2-bedroom, 2-bath homes.

The applicant is also requesting a rezoning to Light Industrial, "LI" for approximately 14 acres abutting the subject property to the ease. This request is being considered as part of a separate zoning request (ZC-20-07). Both zoning requests are being processed concurrently with an annexation request for the property.

The City of San Marcos will provide wastewater services at the site and the Maxwell Water Supply Corporation will provide water service. The developer will be responsible for extending water and wastewater facilities through the site. Pedernales Electric Service will provide electric service.

Additional Analysis

Upon annexation, the property will be zoned "FD", the default classification for newly annexed land. The annexation request will be considered prior to the zoning change by City Council.

Analysis of the proposed zoning request includes deliberation of existing surrounding land uses, proposed transportation networks, and the goals and policies of the Comprehensive Plan. A few major points for consideration in the analysis are as follows:

- The proposed zoning change to "Manufactured Home" is generally compatible with surrounding residential uses, however, the proposed zoning will allow for a more dense product that was currently exists surrounding the property. With that said, the majority of the surrounding property is located outside the City Limits and the City does not have zoning authority to regulate the use of the property.
- The subject property's request for "Manufactured Home" is designated as "NP" Not Preferred within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map as part of the Comprehensive Plan. Alternatively, the Comprehensive Plan states that "Manufactured Home" zoning is to be "C" Considered in an Employment Area on the Preferred Scenario Map. While the

subject property is not located in an "Employment Area", it is located between two existing areas, Whisper development and the Municipal Airport.

- The subject property is located along the proposed FM 110 (see attached FM 110 map), which is designated as an "Employment Corridor" on the Preferred Scenario Map. While the general character of the surrounding area is rural residential, the future FM 110 adjacent to the property will most likely attract a diverse array of uses.
- Hays County provides the following overview of the FM 110 project:

> *This project continues the loop east of San Marcos and involves initially constructing two travel lanes (one in each direction) with 10-foot shoulders where no road currently exists for the approximately 11.3-mile corridor and includes an interchange at SH 21 and a railroad overpass at the Union Pacific Railroad tracks. As traffic increases over time, two additional travel lanes and additional interchanges would be constructed. Initial construction costs will be funded through Transportation Reinvestment Zones (TRZs) created by Hays County and the City of San Marcos to capture a portion of the increased value of development occurring along the alignment. Caldwell County will also contribute to the project cost. The County is funding and conducting project development simultaneously for the initial stage of all three sections. TxDOT will let and manage construction of the project. Water line relocations will be in construction contracts.*

Additional details regarding this analysis is outlined in the staff report and the Comprehensive Plan Analysis checklist.

Comments from Other Departments	
Police	No issues with the proposed development.
Fire	No issues with the proposed development.
Public Services	No Comment
Engineering	No Comment

Zoning Request	4087 Hwy 21
ZC-20-08	

Evaluation			Compatibility of Uses & Density Criteria (Sec.4.1.2.5)
Consistent	Inconsistent	Neutral	
	X		**Helps prevent the impacts of high density uses on low density areas** *The subject property is located within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map as part of the Comprehensive Plan (see Preferred Scenario Map). "Special Districts", which include the Manufactured Home zoning district, are "NP" Not Preferred within this designation on the Preferred Scenario Map. Where a zoning map amendment is Not Preferred, further scrutiny is required to determine consistency with the Comprehensive Plan based on the criteria in Section 2.5.1.4 and the district intent under Division 4, Chapter 4, Article 1.* *Per the Comprehensive Plan, "Special Districts" such as Manufactured Home zoning are to be "Considered" in Employment Areas on the Preferred Scenario Map. The subject property is located near existing Employment Areas (Whisper subdivision to the north and the Airport to the south), however, the immediately surrounding property is primarily rural residential low density uses. See attached Preferred Scenario Map for a depiction of surrounding Employment Areas.*
		N/A	**Limits changes in neighborhood density categories unless directed by a small area plan or neighborhood character study** *Studies were not complete at the time of the request.*
X			**Encourages more opportunities for home ownership** *The proposed Manufactured Home zoning district would allow for additional opportunities for homeownership as the property can be developed as either a Manufactured Home where a single family unit is located on a single legal lot, or as a Manufactured or Mobile Home Community, in which a site includes multiple units. In both cases, residents may have the ability to own their home.*
X			**Ensures a diversity of housing to serve citizens with varying needs and interests** *While the subject property will not offer a variety of residential Building Types and will be comprised of HUD-code manufactured homes, the proposed zoning does provide for additional housing units to the City's housing stock. In addition, Phase 2 of the Development Code amendments, proposed to add the new use of "Tiny Homes" to the Land Use Matrix as an allowable use in a Manufactured Home zoning district.*

Zoning Request	4087 Hwy 21
ZC-20-08	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
		X	**Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan and preferred scenario map** *Vision San Marcos Comprehensive Plan states that "Areas of Stability – Low Intensity" will generally maintain their existing character. The Comprehensive Plan states that "being located in an area of stability does not mean that these areas should or will not change. It means that any changes, whether new developments, zoning requests, or public improvements, should be carefully planned and implemented so that the character of the area remains." The current character of the area is agricultural and rural residential and the proposed zoning to Manufactured Home would allow for additional residential uses at a higher density than the surrounding area. The nearest MH zoning district is the Saddlebrook neighborhood which is a manufactured home community located along IH-35 and Harris Hill Road.* *The subject property is located adjacent to the proposed FM 110. The roadway may attract a diversity of uses seeking access and development along the roadway. The Preferred Scenario Map identifies FM 110 as an Employment Corridor. Employment Corridors are primarily intended to "serve major employment related land uses. Some mixture in uses including limited residential and supportive pedestrian and bicycle facilities should be incorporated." While the subject property is located adjacent to this corridor, the Comprehensive Plan states that "Special Districts", such as Manufactured Home zoning are designated as "NP" Not Preferred on the Comprehensive Plan / District Translation Table within an "Area of Stability – Low Intensity" designation. Other potential zoning districts that are identified on the Comprehensive Plan as "C" Considered are Character Districts, such as CD-3, CD-4, or CD-5, etc., however, these districts do not allow the use of HUD-code manufactured homes or communities and therefore do not meet the needs of the applicant's proposed project.* *Lastly, the Comprehensive Plan states that "Land Use Suitability, preservation of agricultural lands, and floodplain management are the key factors to be considered when analyzing future development requests in Low Intensity Areas." The subject property is not located in*

			an environmentally sensitive area and is within a low to moderately constrained area on the Land Use Suitability Map.
	Evaluation		**Criteria for Approval (Sec.2.5.1.4)**
Consistent	**Inconsistent**	**Neutral**	
		N/A	**Whether the proposed zoning map amendment is consistent with any adopted small area plan or neighborhood character study for the area** *Studies were not complete at time of request.*
		X	**Whether the proposed zoning map amendment is consistent with any applicable development agreement in effect** *A development agreement is not required because the property is requesting annexation into the city limits.*
	X		**Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses shall be appropriate in the immediate area of the land to be reclassified** *Manufactured Home zoning primarily intended for manufactured home or manufactured home/mobile home communities as well as travel trailers/RVs short term stays. There are some allowances for agricultural uses such as a community garden and urban farm, accessory structure, and public and institutional uses (see attached land use matrix comparison table). The Manufactured Home District is "intended to implement appropriate standards for manufactured housing developments". The immediately surrounding area is comprised of primarily single-family, rural, and agricultural properties along with an outdoor entertainment use at the Harris Hill Race Track, and the public/civic use of the Airport. However, the majority of surrounding property is located outside the city limits and the city does not have zoning authority to regulate the use of these properties.*
	X		**Whether the proposed zoning will reinforce the existing or planned character of the area** *Approval of this zoning change would allow the property to develop in a manner that is "NP" Not Preferred according to the District Translation Table which states that "Special Districts", such as a Manufactured Home zoning district, is Not Preferred within an "Area of Stability – Low Intensity" designation on the Preferred Scenario Map. The Zoning Translation Table states that zoning changes to Character Districts should be "C" Considered within an Area of Stability – Low Intensity designation. However, the planned FM 110 will alter the existing character of the surrounding area as it will be a major eastern transportation loop.*

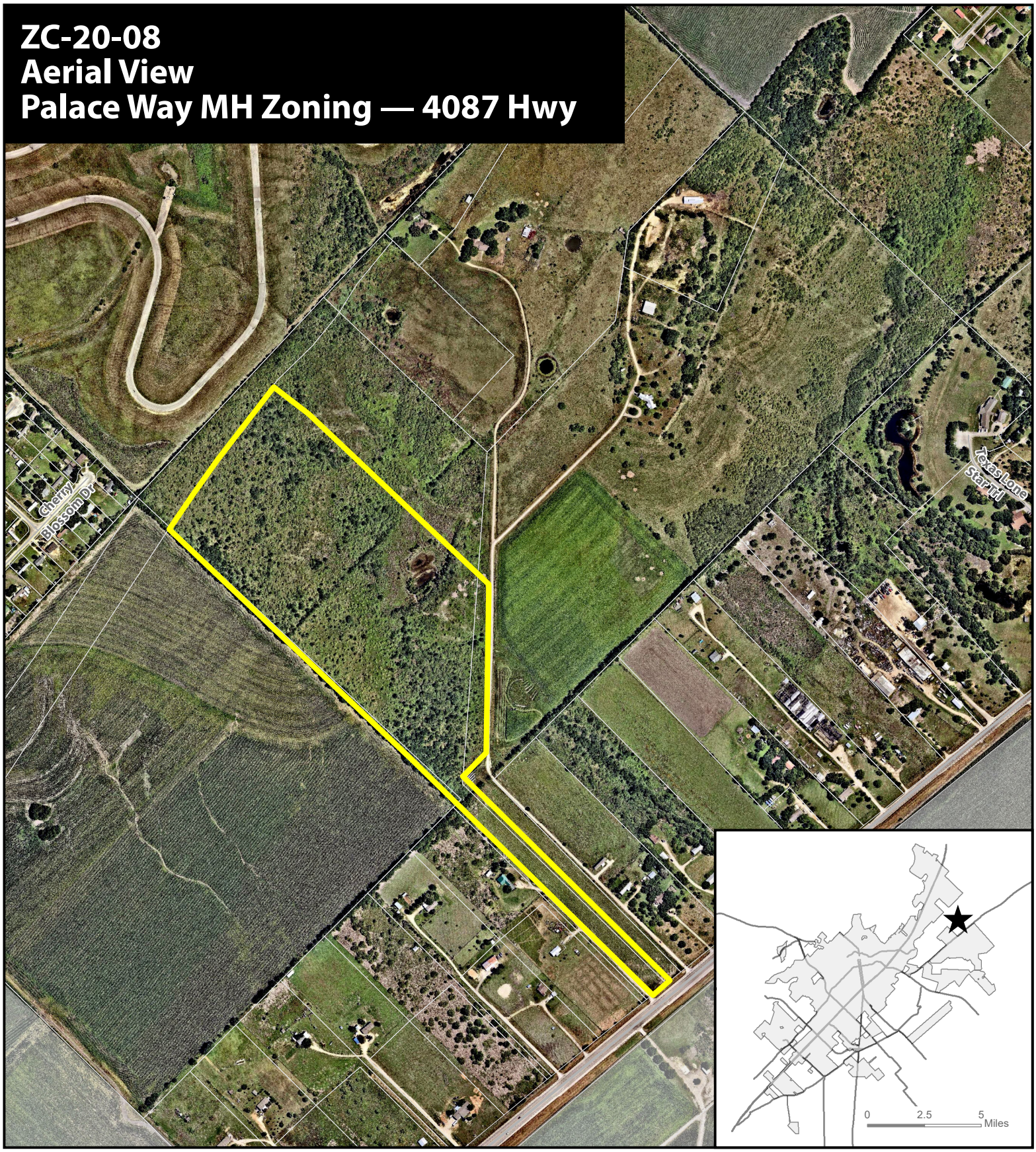
Zoning Request	4087 Hwy 21
ZC-20-08	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
X			**Whether the site is appropriate for the development allowed in the proposed district** *The property is vacant and shown to be in a low to moderately constrained area on the Land Use Suitability Map. The site will have access to the future FM 110 and will be required to construct roadways and utility infrastructure within the development consistent with the Manufactured Home zoning district. In addition, the property will be subject to Chapter 7, Article 6 of the Development code which outlines standards for manufactured home parks such as access and circulation, parking, street lighting, fire safety, utilities, and recreational areas.*
		N/A	**Whether there are substantial reasons why the property cannot be used according to the existing zoning** *The property is currently not zoned as it is located outside of the City Limits.*
X			**Whether there is a need for the proposed use at the proposed location** *The proposed rezoning would allow primarily residential uses with allowances for agricultural and public uses which is generally compatible with surrounding existing uses.*
X			**Whether the City and other service providers will be able to provide sufficient public facilities and services including schools, roads, recreation facilities, wastewater treatment, water supply and stormwater facilities, public safety, and emergency services, while maintaining sufficient levels of service to existing development** *The property is not located within the City's water service area and is serviced by Maxwell Water Supply. The property is not located in the City's wastewater service area but it is abutting it on Hwy 21. The City is currently updating the wastewater service area and following the update the subject property will be located within this service area.*
X			**Whether the proposed rezoning will have a significant adverse impact on property in the vicinity of the subject property** *The surrounding property is primarily agricultural and rural residential and generally complements the proposed Manufactured Home zoning.*
		N/A	**For requests to a Neighborhood Density District, whether the proposed amendment complies with the compatibility of uses and density in Section 4.1.2.5** *This request is not for a Neighborhood Density District.*

Zoning Request	4087 Hwy 21
ZC-20-08	

Evaluation			Criteria for Approval (Sec.2.5.1.4)
Consistent	Inconsistent	Neutral	
X			**The impact the proposed amendment has with regard to the natural environment, including the quality and quantity of water and other natural resources, flooding, and wildlife management** *The property is located within a low to moderately constrained area according to the Land Use Suitability Map. In addition, there is no floodplain on the property.*
		X	**Any other factors which shall substantially affect the public health, safety, morals, or general welfare** *The applicant is also requesting a rezoning to Light Industrial, "LI" for approximately 14 acres abutting the subject property. This request is being considered as part of a separate zoning request (ZC-20-07). Both zoning requests are being processed concurrently with an annexation request for the property. While the request to LI zoning is not considered as part of the current zoning analysis it does serve as additional background information.*

ZC-20-08
Aerial View
Palace Way MH Zoning — 4087 Hwy



★ **Site Location**

Subject Property

Parcel

City Limit

N

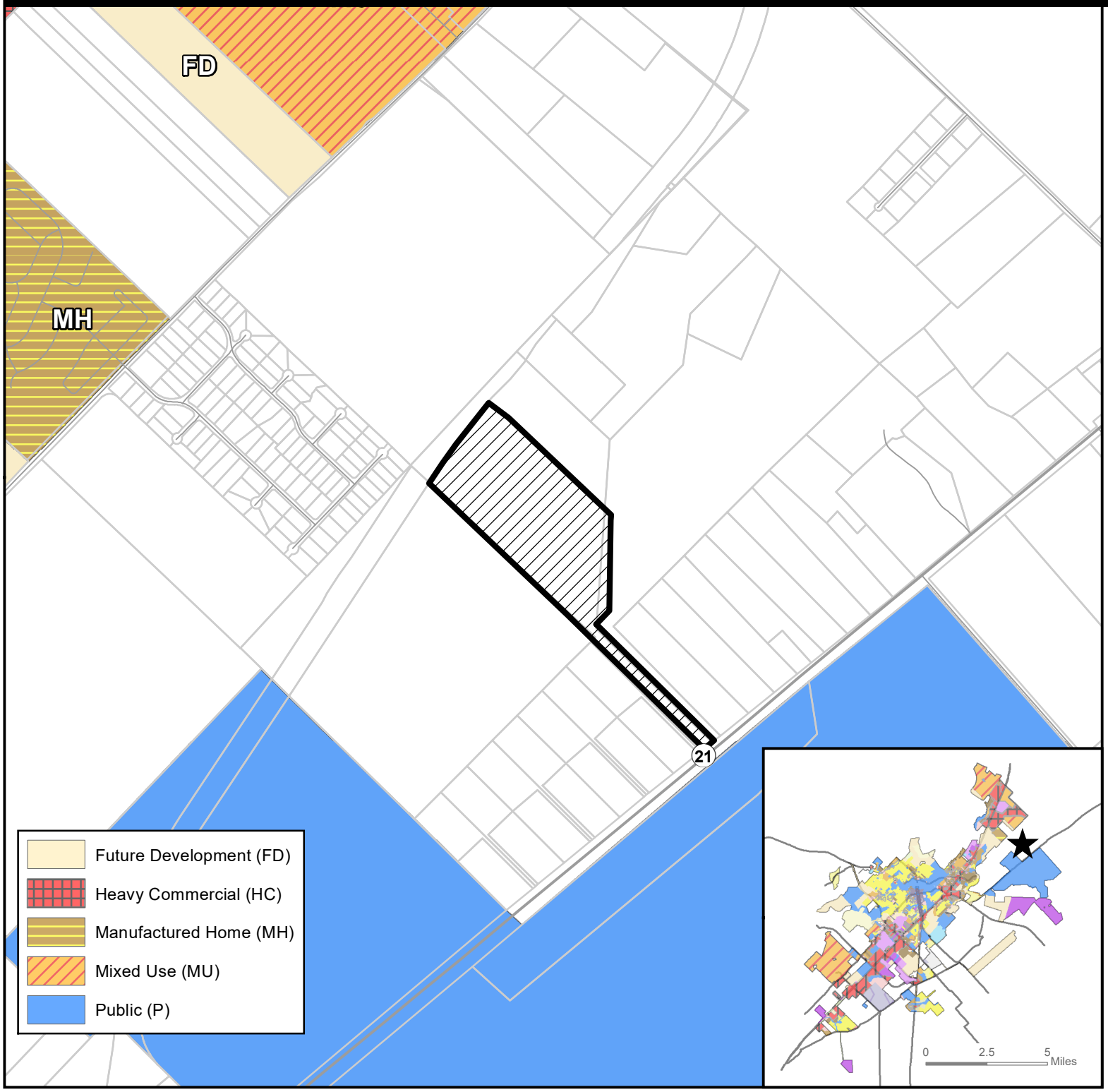
0 400 800 1,600 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Imagery from 2017.

Map Date: 4/6/2020

Document Path: X:_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-08 Palace Way MH\GIS\ZC-20-08 Aerial Map.mxd

ZC-20-08
Zoning Map
Palace Way MH Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 750 1,500 3,000 Feet

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Map Date: 4/6/2020

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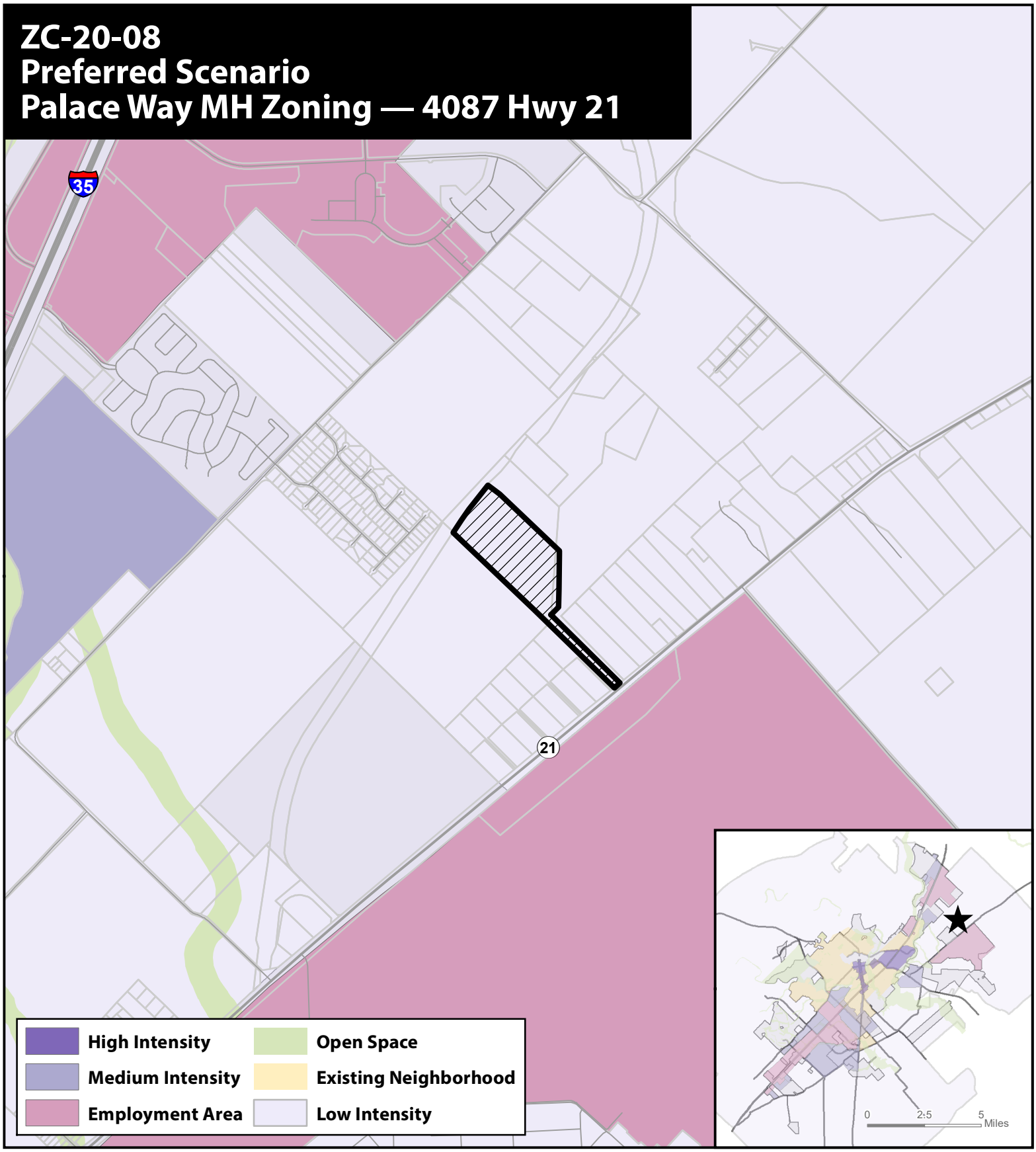
ZC-20-08
Preferred Scenario
Palace Way MH Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 1,200 2,400 4,800 Feet

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Map Date: 4/6/2020

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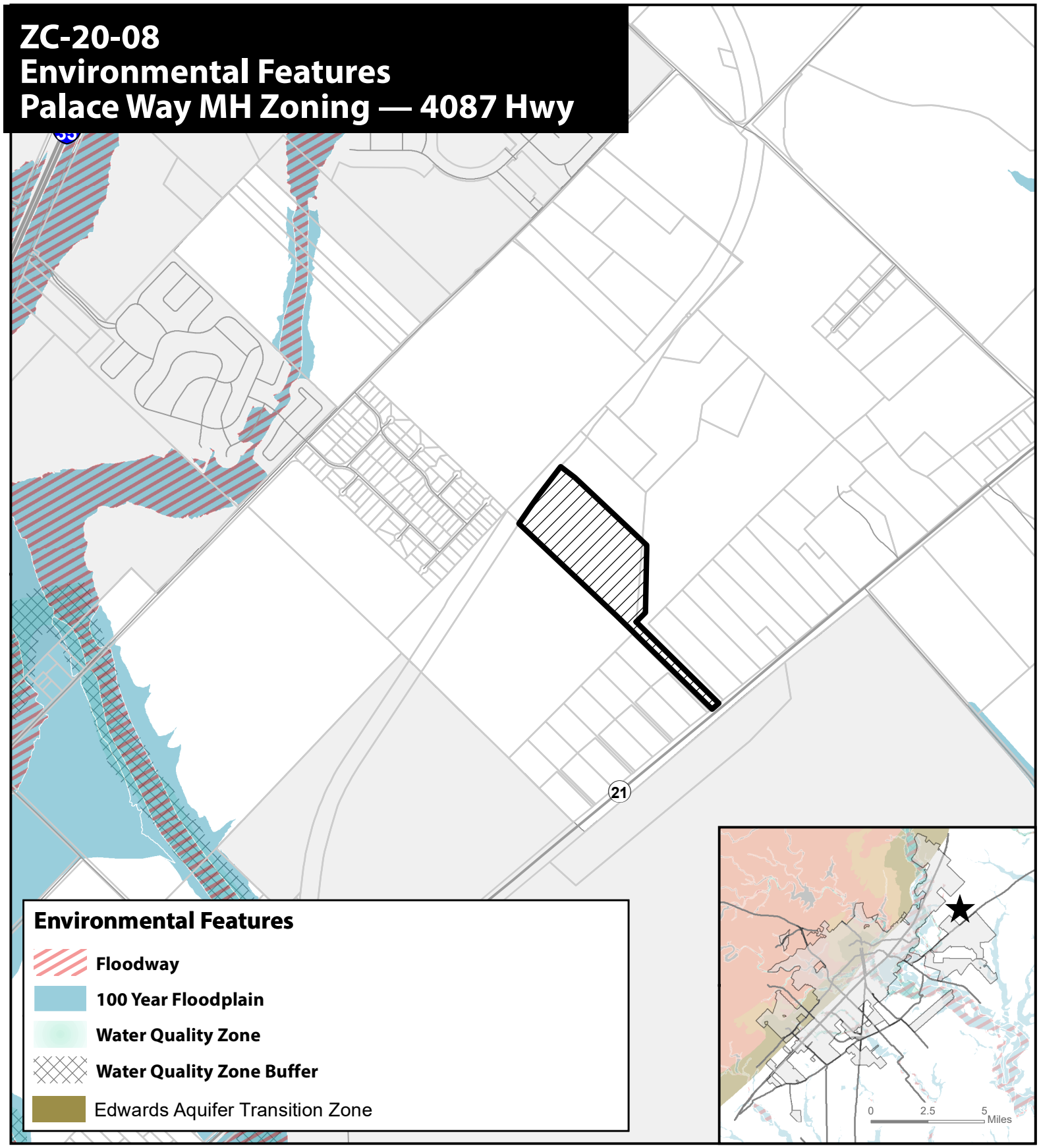
ZC-20-08
Environmental Features
Palace Way MH Zoning — 4087 Hwy



Environmental Features

- Floodway
- 100 Year Floodplain
- Water Quality Zone
- Water Quality Zone Buffer
- Edwards Aquifer Transition Zone

- Site Location
- Subject Property
- Parcels
- City Limit

N

0 1,000 2,000 4,000 Feet

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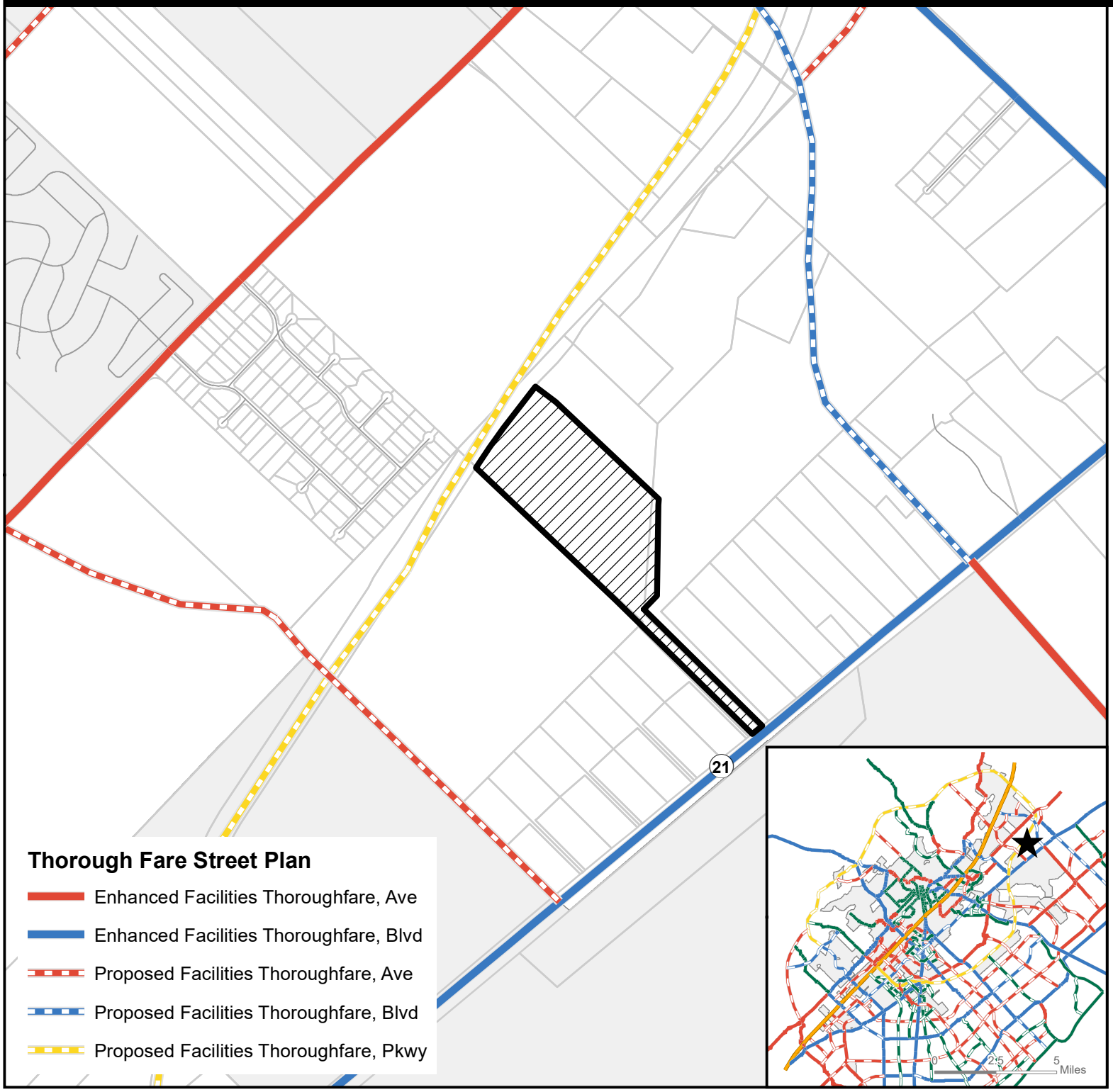
Map Date: 4/6/2020

Document Path: X:_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-08 Palace Way MH\GIS\ZC-20-08 Environmental Features.mxd

ZC-20-08
Transportation Master Plan
Palace Way MH Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 750 1,500 3,000 Feet

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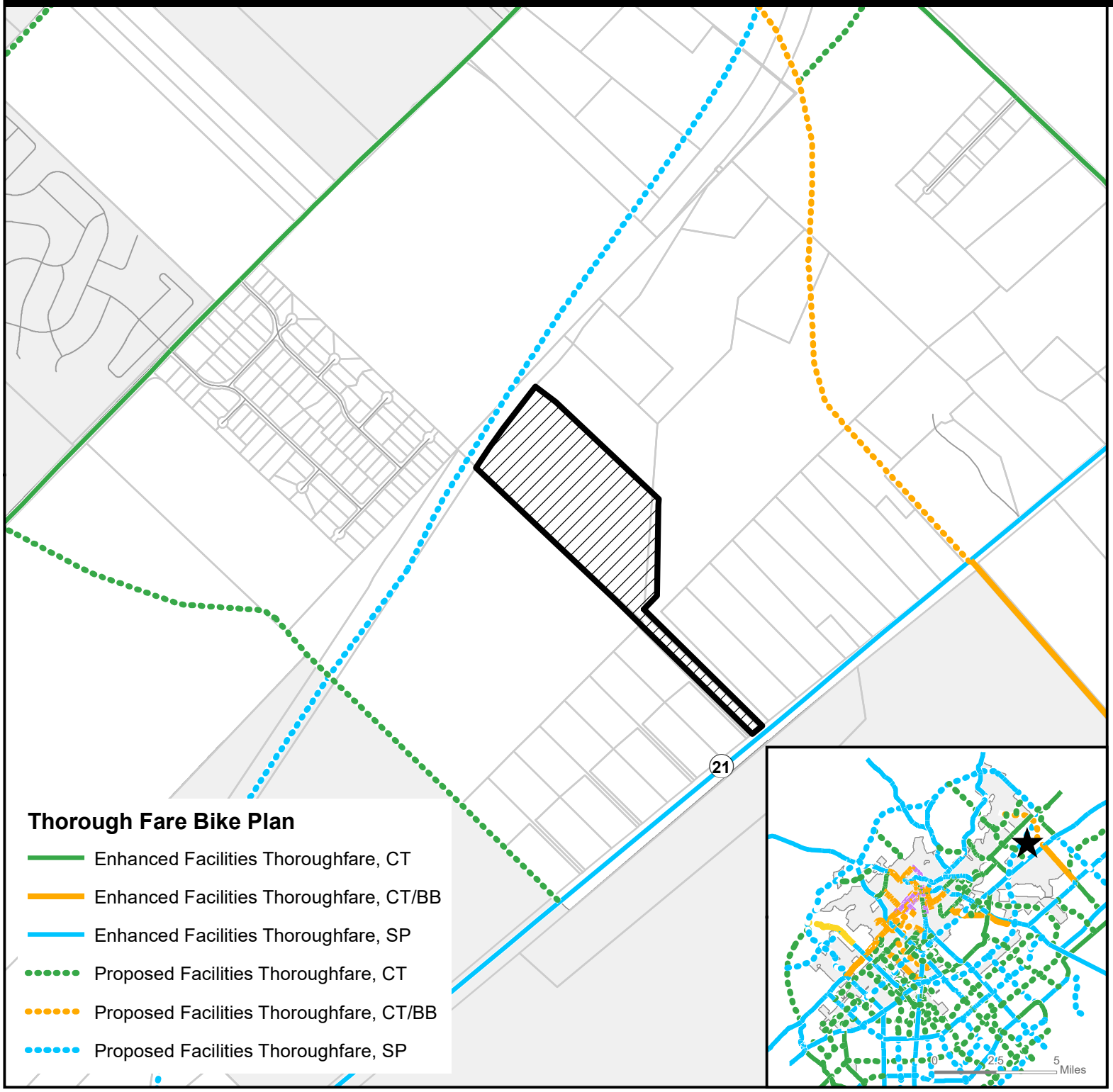
Map Date: 4/6/2020

Document Path: X:\ Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-08 Palace Way MH\GIS\ZC-20-08 TMP.mxd

ZC-20-08
Transportation Master Plan - Bicycle Infrastructure
Palace Way MH Zoning — 4087 Hwy 21



Site Location

Subject Property

Parcels

City Limit

N

0 750 1,500 3,000 Feet

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Map Date: 4/6/2020

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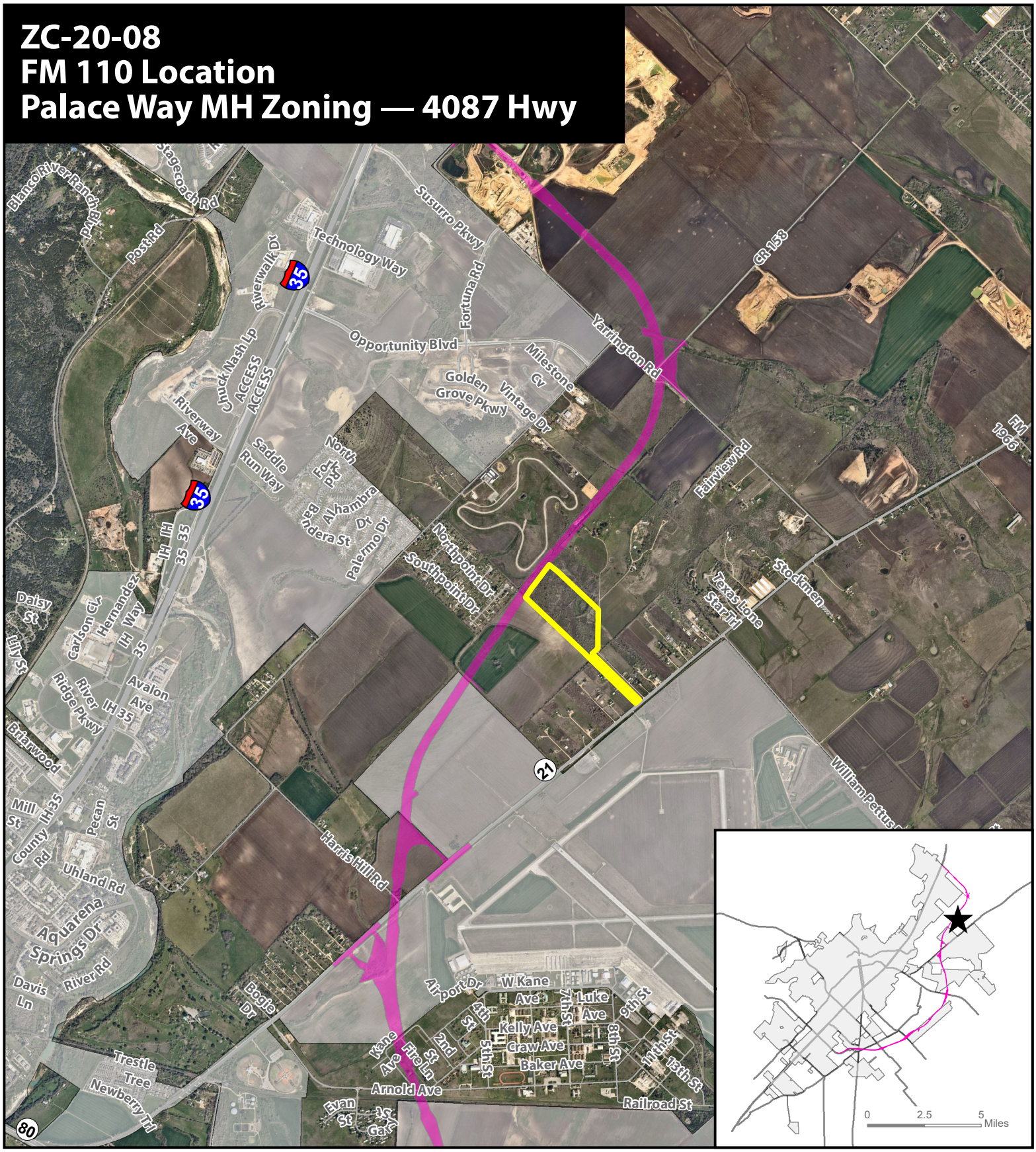
ZC-20-08
FM 110 Location
Palace Way MH Zoning — 4087 Hwy



Site Location

Subject Property

Parcel

City Limit

FM 110

N

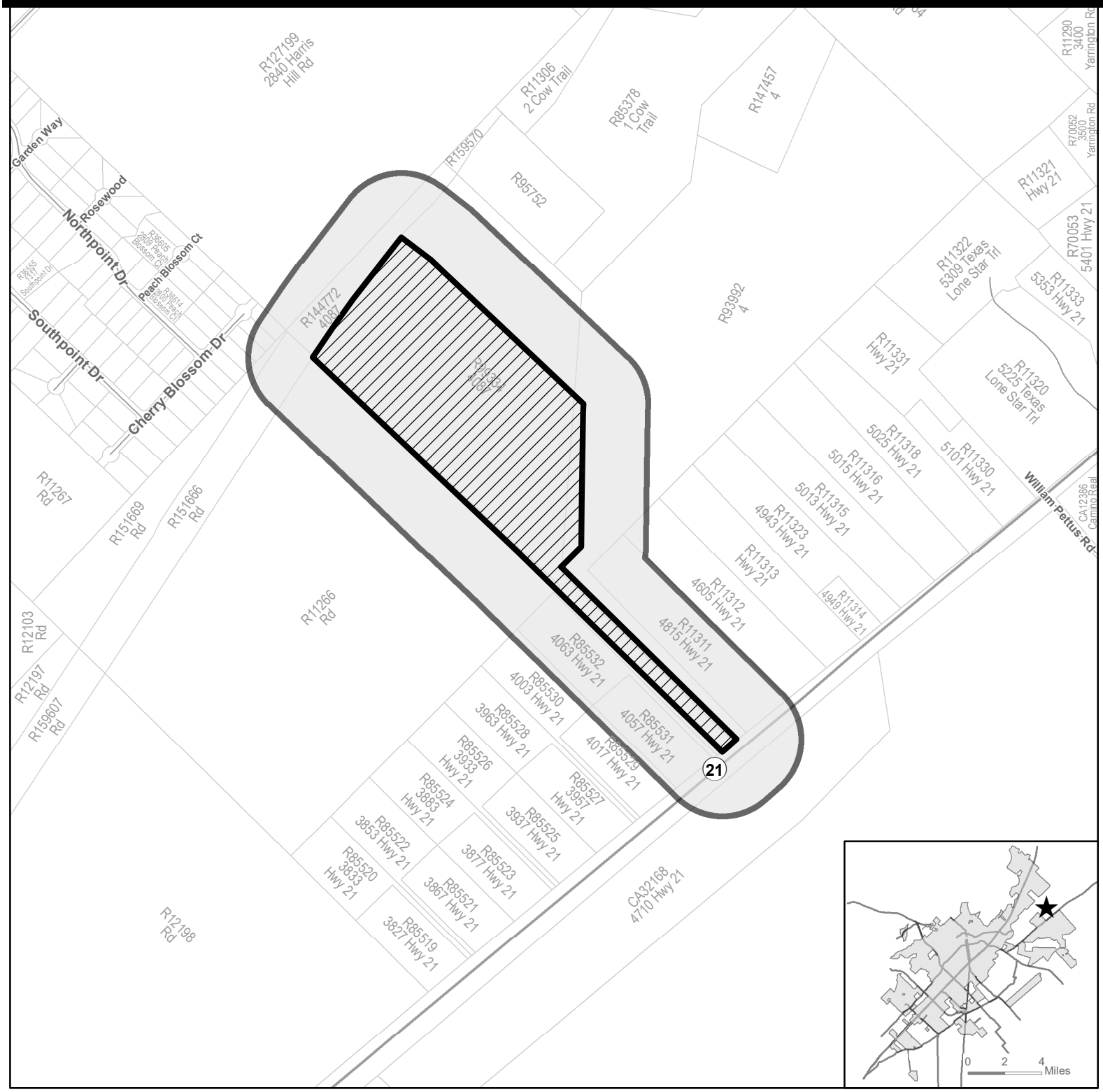
0 1,750 3,500 7,000 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Imagery from 2017.

Map Date: 4/6/2020

Document Path: X:_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-08 Palace Way MH\GIS\ZC-20-08 FM 110.mxd

ZC-20-08
400' Notification Buffer
Palace Way MH Zoning — 4087 Hwy 21



★ **Site Location**

Subject Property

400' Buffer

Parcel

City Limit

N

0 500 1,000 2,000 Feet

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Map Date: 4/7/2020

Document Path: Z:\Planning & Dev\Planning_Planning Current\P&Z\2020 Staff Reports\ZC\ZC-20-08 Palace Way MH\GIS\ZC-20-08 NotificationMap.mxd

Notification List (ZC-20-08)

Property ID	Site Address	Site Street Name	Owner Name	Owner Address	Owner Address 2	Owner City	Owner State	Owner Zip
11304	4087	SH 21	PALACE WAY PARTNERS LLC	6531 FOX RUN		SAN ANTONIO	TX	78233-4706
11311	4809-15	SH 21	LOHN CAROLYN ANN & LOHN LARRY L (ESTATE)	4809 AIRPORT HWY 21		MAXWELL	TX	78656
11312	4605	AIRPORT HWY 21	FORRESTER FAMILY PROPERTIES LLC	PO BOX 1648		SAN MARCOS	TX	78667
36623	2816	CHERRY BLOSSOM CT	DELGADO JOHN & ROSE	2816 CHERRY BLOSSOM CT		SAN MARCOS	TX	78666
36625	2808	CHERRY BLOSSOM	LANGFORD MICHAEL	2204 LESTER DR NE	APT 294	ALBUQUERQUE	NM	87112-2650
36627	2804	CHERRY BLOSSOM CT	GARCIA, ROLANDO, JR	2804 CHERRY BLOSSOM CT		SAN MARCOS	TX	78666-9308
85379	1	COW	NEW DIRECTION IRA INC	% ROMANO EDWARD F IRA	P O BOX 607	WIMBERLEY	TX	78676
85529	4017-B	SH 21	ZUNIGA MIGUEL & ELVA	61 CALLE DE TOBIAS		UHLAND	TX	78640-9303
85530	4003	SH 21	ZUNIGA MIGUEL E & ELVA	4003 HWY 21		SAN MARCOS	TX	78666
85531	4057	SH 21	RODRIGUEZ RICHARD ALAN & JESSICA ERIN &	RODRIGUEZ ROEL A	4057 STATE HWY 21	SAN MARCOS	TX	78666
85532	4063	SH 21	RIOJAS ROLANDO E & SARA A	4063 AIRPORT HWY 21		SAN MARCOS	TX	78666
93992	4	COW TRAIL	HENNINGTON D B & W J LIVING TRUST	% HENNINGTON DAVID B & WANDA J TRUSTEES	PO BOX 693	SAN MARCOS	TX	78667-0693
127199	2840	HARRIS HILL	GOSSAMER TRUST II	REX B RIVERS TRUSTEE	19901 MOON DANCE LN	SPICEWOOD	TX	78669-6804
11266			WEATHERFORD LAURA ELIZABET & HOPSON WILLIAM	& HOPSON ROSS & HOPSON KENNETH MOORE &	421 W SAN ANTONIO ST.	SAN MARCOS	TX	78666

ZC-20-08 (Palace Way MH) Zoning Change Review **(By Comp Plan Element)**

LAND USE – Preferred Scenario Map / Land Use Intensity Matrix

	YES	NO (map amendment required)
Does the request meet the intent of the Preferred Scenario Map and the Land Use Intensity Matrix?	**X – It is "Not Preferred" but it does not require a Preferred Scenario Map Amendment**	

ECONOMIC DEVELOPMENT – Furthering the goal of the Core 4 through the three strategies

STRATEGY	SUMMARY		Supports	Contradicts	Neutral
Preparing the 21st Century Workforce	Provides / Encourages educational opportunities				**X**
Competitive Infrastructure & Entrepreneurial Regulation	Provides / Encourages land, utilities and infrastructure for business				
The Community of Choice	Provides / Encourages safe & stable neighborhoods, quality schools, fair wage jobs, community amenities, distinctive identity				**X**

ENVIRONMENT & RESOURCE PROTECTION – Land Use Suitability & Development Constraints

	1 (least)	2	3 (moderate)	4	5 (most)
Level of Overall Constraint	**X**	**X**	**X**	**X**	
Constraint by Class					
Cultural	**X**	**X**			
Edwards Aquifer	**X**				
Endangered Species	**X**				
Floodplains	**X**				
Geological	**X**				
Slope	**X**		**X**		
Soils	**X**	**X**		**X**	
Vegetation	**X**				
Watersheds		**X**			
Water Quality Zone	**X**				

ENVIRONMENT & RESOURCE PROTECTION – Water Quality Model Results

Located in Subwatershed:	**Morrison Creek Watershed**				
	0-25%	25-50%	50-75%	75-100%	100%+
Modeled Impervious Cover Increase Anticipated for watershed	**X**				
Notes: **The 2013 Comprehensive Plan did not predict any impervious cover changes to the Morrison Creek Watershed from the trend to the preferred scenario.**					

NEIGHBORHOODS – Where is the property located

CONA Neighborhood(s):	**N/A – Outside City Limits**
Neighborhood Commission Area(s):	**N/A – Outside City Limits**
Neighborhood Character Study Area(s):	**N/A**

PARKS, PUBLIC SPACES AND FACILITIES –Availability of parks and infrastructure

				YES	NO
Will Parks and / or Open Space be Provided? **Parkland dedication and parkland development is required at the time of plat and is based on the number of units proposed. In addition, per Chapter 7, Article 6 of the Development Code, all manufactured home parks shall have a recreational area amounting to five percent of the total area of the manufactured home park.**				**X**	
Will Trails and / or Green Space Connections be Provided? **The Transportation Master Plan requires a greenway along FM 110.**				**X**	
Maintenance / Repair Density	Low (maintenance)		Medium		High (maintenance)
Wastewater Infrastructure	**X**				
Water Infrastructure	**X**				
Public Facility Availability				YES	NO
Parks / Open Space within ¼ mile (walking distance)?					**X**
Wastewater service available? **Wastewater lines will be required throughout the development to service the property.**				**X**	
Water service available? **Water lines will be also required throughout the development to service the property.**				**X**	

TRANSPORTATION – Level of Service (LOS), Access to sidewalks, bicycle lanes and public transportation

		A	B	C	D	E	F
Existing Daily LOS	**Hwy 21**		**X**				
Existing Peak LOS	**Hwy 21**					**X**	
Preferred Scenario Daily LOS	**Hwy 21** **FM 110**				 **X**		**X**
Preferred Scenario Peak LOS	**Hwy 21** **FM 110**						**X** **X**

Note: The property will be required to meet the Transportation Master Plan and construct required streets per the Block Standards in the Development Code.

	N/A	Good	Fair	Poor
Sidewalk Availability (Required to build.)	**X**			

Sidewalks will be required to be constructed at the time of development.

	YES	NO
Adjacent to existing bicycle lane? **The development will be responsible for constructing required bike infrastructure within new proposed streets.**		**X**
Adjacent to existing public transportation route?		**X**

Section 5.1.1.2 Land Use Matrix Future Development (FD) VS. Manufactured Home (MH)

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Agricultural Uses																				
Barns or agricultural buildings	P	L	--	--	--	--	--	--	P	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.1
Stables	P	L	--	--	--	--	--	--	--	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.2
Community Garden	P	P	L	L	L	L	L	--	P	P	L	L	L	L	P	P	P	P	P	Section 5.1.2.3
Urban Farm	P	C	C	C	C	L	L	C	P	P	L	L	C	C	P	P	--	P	C	Section 5.1.2.4
Plant Nursery	L	--	--	--	--	--	--	P	--	L	--	--	P	P	P	P	P	--	P	Section 5.1.2.5
Accessory Uses and Structures																				
Accessory Building/Structure	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.1
Accessory Dwelling Unit	L	L	L	L	L	L	P	P	--	P	L	P	P	P	--	--	--	--	--	Section 5.1.3.1
Accessory Use, except as listed below:	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.2
Outdoor Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	L	P	--	L	Section 5.1.3.2
Outdoor Display	--	--	--	--	--	--	--	L	--	--	--	--	L	L	P	--	--	--	L	Section 5.1.3.2
Food Truck	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.3.1
Drive-thru or Drive-in	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.3.2
Home Occupation	L	L	L	L	L	L	L	--	--	L	L	L	--	--	--	--	--	--	--	Section 5.1.3.4
Family Home Care	P	P	P	P	P	P	P	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.3.5
Short Term Rental	L	L	L	L	L	L	L	P	--	L	L	P	P	P	--	--	--	L	P	Section 5.1.3.6
Residential Uses																				
Single Family Detached	P	L	L	L	L	L	L	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Cottage Court	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Two Family	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Single Family Attached	--	--	--	--	L	L	L	L	--	--	P	P	P	P	--	--	--	--	--	Section 5.1.4.1
Small Multi-Family (up to 9 units)	--	--	--	--	--	L	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Courtyard Housing (up to 24 units)	--	--	--	--	--	--	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Multi-family (10 or more units)	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Purpose Built Student Housing	--	--	--	--	--	--	--	--	--	--	--	--	C	C	--	--	--	--	--	Section 5.1.4.1
Manufactured Home	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1
Mobile Home Community	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1

Table 5.1 Land Use Matrix

Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Community Home	L	L	L	L	L	L	P	P	--	P	P	P	P	P	--	--	--	L	--	Section 5.1.4.12
Fraternity or Sorority Building	--	--	--	--	--	--	C	C	--	--	--	C	P	P	--	--	--	--	--	Section 5.1.4.12
Commercial Uses																				
Professional Office	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	--	--	P	Section 5.1.5.1
Medical, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.2
Urgent care, emergency clinic, or hospital	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	--	--	P	Section 5.1.5.2
Nursing/ retirement home	--	--	--	--	--	--	P	P	--	--	--	P	P	P	P	--	--	--	P	Section 5.1.5.2
Personal Services, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (indoor)	C	--	--	--	--	--	--	P	--	--	--	--	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (outdoor)	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.3
Funeral Home	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.3
Adult Oriented Businesses	See Section 18, Article 6 of the City Code																			
All Retail Sales, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.4
Gasoline Sales	--	--	--	--	--	--	--	L	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Truck stop	--	--	--	--	--	--	--	--	--	--	--	--	--	--	L	--	--	--	L	Section 5.1.5.4
Tattoo, body piercing	--	--	--	--	--	--	C	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Building material sales	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	P	P	--	P	Section 5.1.5.4
Vehicle Sales/ Rental	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Pawnshop	--	--	--	--	--	--	--	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Restaurant/ Bar, as listed below:																				
Eating Establishment	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.5
Bar	--	--	--	--	--	--	--	C	--	--	--	--	C	C	C	--	--	--	C	Section 5.1.5.5
Mobile Food Court	--	--	--	--	--	--	--	C	--	--	--	--	P	P	--	--	--	--	--	Section 5.1.5.5
Sale of Alcohol for on premise consumption	--	--	--	--	--	--	C	C	--	--	--	C	C	C	C	--	--	--	C	Section 5.1.5.5
Overnight Lodging, as listed below:																				Section 5.1.5.6
Bed and Breakfast (up to 8 rooms)	L	C	C	C	C	L	L	P	--	P	C	P	P	P	--	--	--	--	P	Section 5.1.5.6
Boutique Hotel (9 - 30 rooms)	--	--	--	--	--	--	C	P	--	--	--	P	P	P	--	--	--	--	P	Section 5.1.5.6

Table 5.1 Land Use Matrix

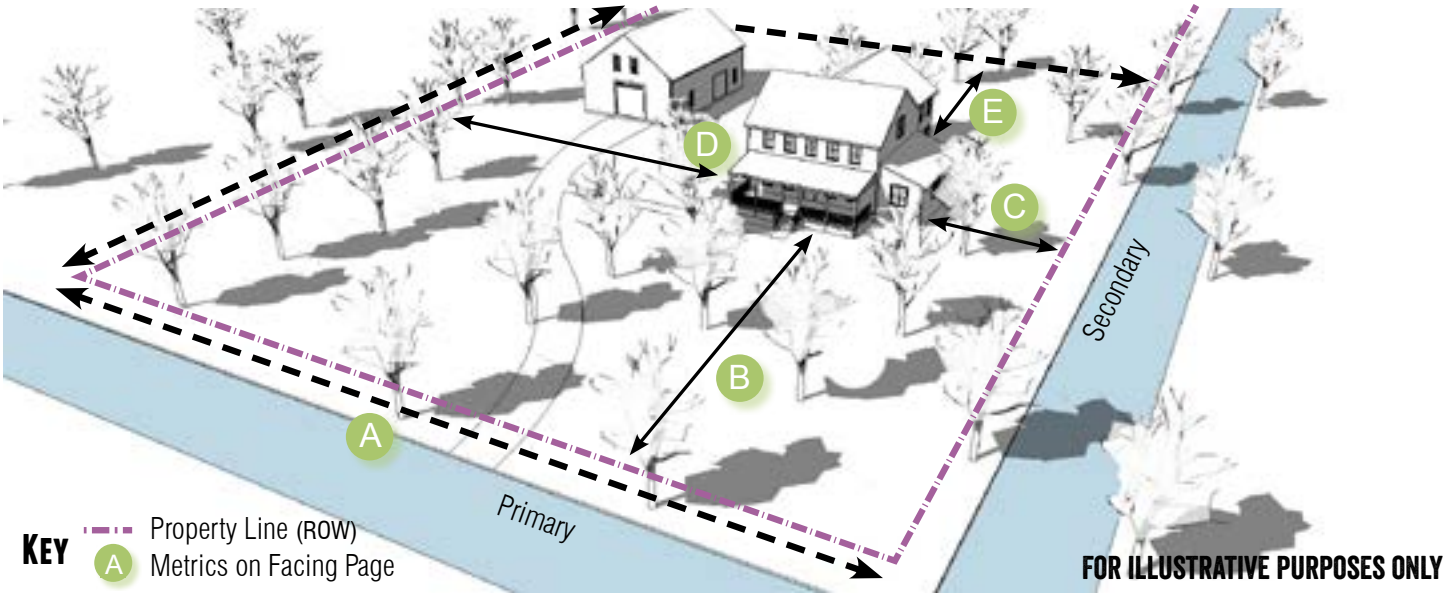
Types of Land Uses	Conventional Residential				Neighborhood Density Districts				Character Districts						Special Districts					Definition Use Standards
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH	EC	
Hotel/ Motel (more than 30 rooms)	--	--	--	--	--	--	--	P	--	--	--	--	P	P	--	--	--	--	P	Section 5.1.5.6
Outdoor Recreation, except as listed below:	--	--	--	--	--	--	--	C	--	--	--	--	P	C	P	--	--	--	P	Section 5.1.5.7
Golf Course	C	C	C	C	C	C	C	C	C	C	C	C	C	C	--	--	--	C	C	Section 5.1.5.7
Traveler Trailers/ RVs Short Term stays	P	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	P	--	Section 5.1.5.7
Shooting Range	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.7
Indoor Recreation, except as listed below:	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.5.8
Gym/ Health club	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	P	--	P	Section 5.1.5.8
Smoking Lounge	--	--	--	--	--	--	--	C	--	--	--	--	P	C	--	--	--	--	P	Section 5.1.5.8
Charitable Gaming Facility	--	--	--	--	--	--	--	--	--	--	--	--	C	--	C	--	--	--	C	Section 5.1.5.8
Public & Institutional																				
Civic, except as listed below:	P	L	L	L	L	L	P	P	L	L	L	P	P	P	P	P	P	P	P	Section 5.1.6.1
Day Care Center	C	--	--	--	C	C	L	P	--	C	C	L	P	P	P	--	--	--	P	Section 5.1.6.1
Parks, Open Space, and Greenways	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.2
Minor Utilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.3
Major Utilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	C	C	C	--	--	Section 5.1.6.3
Antenna	See Section 5.1.6.3D																			
Industrial																				
Light Industrial	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	P	P	--	C	Section 5.1.7.1
Light Manufacturing	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.7.2
Vehicle Service, as listed below:																				Section 5.1.7.3
Car Wash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (minor)	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (major)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	--	C	Section 5.1.7.3
Warehouse & Distribution	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	P	Section 5.1.7.4
Waste-Related service	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	--	Section 5.1.7.5
Wholesale trade	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	P	Section 5.1.7.6
Self Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.7
Research and Development	--	--	--	--	--	--	--	--	--	--	--	--	C	C	P	P	P	--	C	Section 5.1.7.8
Wrecking/Junk Yard	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	Section 5.1.7.9

Zoning District Comparison Chart

Topic	*Existing Zoning:* **Future Development (FD)**	*Proposed Zoning:* **Manufactured Home (MH)**
Zoning Description	The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.	The Manufactured Home (MH) District is intended to implement appropriate standards for manufactured housing developments.
Uses	Primarily agricultural, residential, and public/institutional *(See Land Use Matrix)*	Community Garden, Urban Farm, accessory structures, manufactured home, mobile home community, travel trailers / RVs Short Term stays, various public and institutional uses *(See Land Use Matrix)*
Parking Location	No location standards	No location standards
Parking Standards	Depends on use	Depends on use. For example, two parking spaces are required for each manufactured home site in accordance with the requirements for residential single family dwellings under Section 7.1.2.1 of the Development Code.
Max Residential Units per acre	0.4 units per acre (max)	9 units per acre (max)
Occupancy Restrictions	N/A	N/A
Landscaping	Tree and shrub requirements based on use	Tree and shrub requirements based on Multi-Family landscape requirements (20% landscape area)
Building Height (max)	2 stories (40 feet)	2 stories
Setbacks	50' minimum front; 20' min side; minimum rear setback is 20% of total lot depth	Measured from manufactured homes spaces. 10' minimum front; 5' minimum side; 20' minimum rear
Impervious Cover (max)	30%	75%
Lot Sizes	Allows a variety of lot sizes depending on Building Type.	3,200 sf minimum lot area; 4,400 sf minimum lot area for corner lot; 40' minimum lot width; 55' minimum lot width for corner lot 80' minimum lot depth
Streetscapes	Residential Street: 5' sidewalk for lots smaller than 1 acre, street trees every 40' on center average, 7' planting area between sidewalk and street required.	Conventional Street: 6' sidewalk, street trees every 40' on center average, 7' planting area between sidewalk and street required.
Blocks	No Block Perimeter Required	5,000 ft. Block Perimeter max

FD

SECTION 4.4.1.1 FUTURE DEVELOPMENT DISTRICT



General Description

The Future Development (FD) District is intended to serve as a temporary zoning district for properties that shall develop in the future, but have been newly annexed and/or are not yet ready to be zoned for a particular Use. Characterized by primarily agricultural use with woodlands and wetlands and scattered buildings.

Density

Units Per Gross Acre	.4 max.
Impervious Cover	30% max.

Transportation

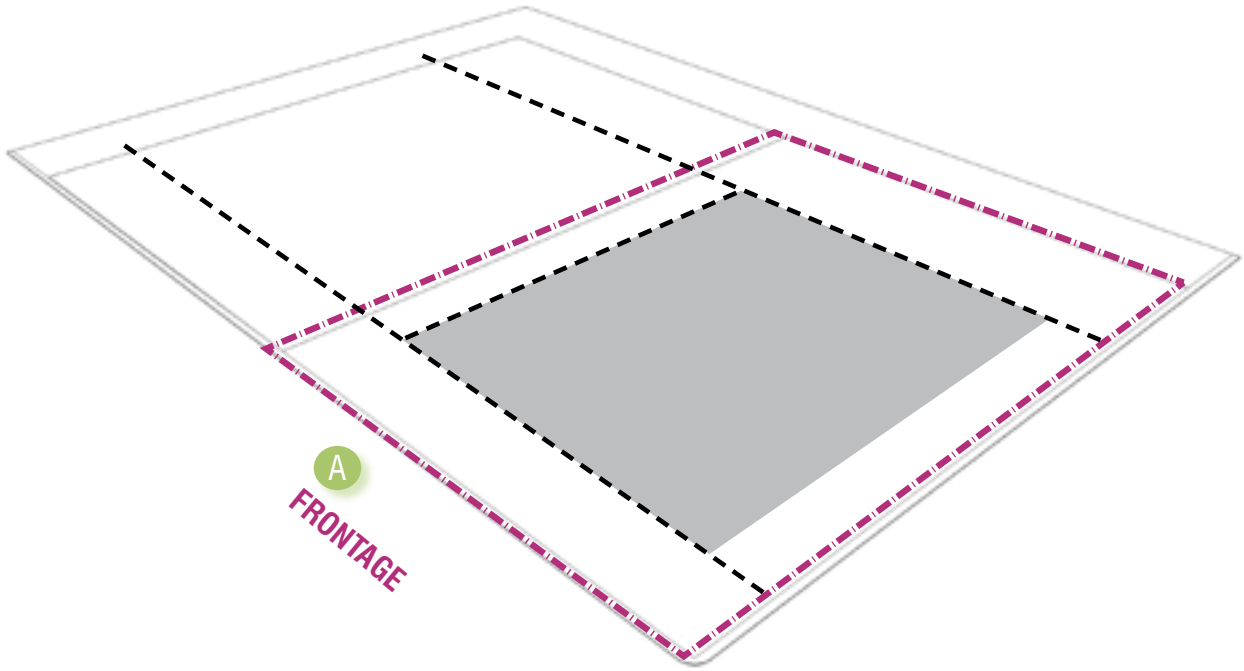
Streetscape Type	Residential	Section 3.8.1.10
Sidewalks are not required for lots greater than 1 acre		

Building Types Allowed

Accessory Dwelling	Section 4.4.6.1
House	Section 4.4.6.2
Civic	Section 4.4.6.15

MH

SECTION 4.4.5.5 MANUFACTURED HOME



KEY

- Property Line (ROW)
- A Metrics on This and Facing Page
- Setbacks
- Building Footprint

General Description

The Manufactured Home (MH) District is intended to implement appropriate standards for manufactured housing developments.

Density

Units Per Gross Acre	9.0 max.
Impervious cover	75% max.

Transportation

Block Perimeter	5,000 ft. max.	Section 3.6.2.1
Streetscape Type	Conventional	Section 3.8.1.7

Lot Standards

Area of Manufactured Home Lot or Space		
Interior Lot or Space	3,200 sf min.	
Corner Lot or Space	4,400 sf min.	
Width of Manufactured Home Lot or Space		A
Interior Lot or Space	40 ft. min.	
Corner Lot or Space	55 ft. min.	
Depth of Manufactured Home Lot or Space	80 ft. min.	

PLANNING AND DEVELOPMENT SERVICES

4/17/2020 **ZC-20-08**

Notice of Public Hearing
Zoning Change Request
"FD" Future Development to "MH" Manufactured Home
4087 Hwy 21

Hold a public hearing and consider a request by Jim Glasgow, on behalf of Palace Way Partners, LLC., for a zoning change from "FD" Future Development to "MH" Manufactured Home, or such other less intense zoning district classification as the City Council may approve, for approximately 44.69 acres, more or less, out of the Thomas G. McGehee Survey, Abstract No. 11, Hays County, located at 4087 Hwy 21.

The San Marcos Planning and Zoning Commission will consider the above request at an upcoming public hearing and will either approve or deny the request. This recommendation will be forwarded to the San Marcos City Council. Before making a decision, the Commission and Council will hold public hearings to obtain citizen comments. Because you are listed as the owner of property located within 400 feet of the subject property, we would like to notify you of the following public hearings and seek your opinion of the request:

- A public hearing will be conducted by the Planning and Zoning Commission via virtual meeting on **Tuesday, April 28, 2020** at **6:00 p.m.** You may join and participate in the public hearing using the following link: http://sanmarcostx.gov/541/PZ-Video-Archives

- A public hearing will be held at the City Council Meeting on **Tuesday, May 19, 2020** at **6:00 p.m.** in the Council Chambers in City Hall, 630 East Hopkins. If current orders related to COVID-19 are extended, virtual meeting information will be provided at the following website: https://sanmarcostx.gov/421/City-Council-Videos-Archives

All interested citizens are invited to attend and participate in the public hearing. If you cannot participate in the virtual public hearing of the Planning and Zoning Commission or the City Council meeting, but wish to comment, you may write to the below address. Your written comments will be given to the Planning & Zoning Commission and City Council if they are received before 5 PM on the day of the meeting.

Development Services-Planning
630 East Hopkins
San Marcos, TX 78666
planninginfo@sanmarcostx.gov

For more information regarding this request, contact the case manager, **Andrea Villalobos,** at **512.805.2623**. When calling, please refer to case number **ZC-20-08.**

As of the date of this notice, there are no other means of participating in the public hearing. However, please check for updates on the City's website at: www.sanmarcostx.gov to see if other means of participating in the public hearing become available.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov

PLANNING AND DEVELOPMENT SERVICES
Enclosure: Map (See Reverse)

ZONING CHANGE, OVERLAY OR ESTABLISHMENT OF A HISTORIC DISTRICT/LANDMARK APPLICATION

Updated: October, 2018

Case # ZC-____-____

CONTACT INFORMATION

Applicant's Name	Jim Glasgow	Property Owner	Palace Way Partners LLC
Applicant's Mailing Address	6531 Fox Run San Antonio, texas 78233	Owner's Mailing Address	6531 fox run San Antonio, Texas 78233
Applicant's Phone #	210-413-7230	Owner's Phone #	6531 fox runSan Antonio, Texas 78233
Applicant's Email	jeglasgow@yahoo.com	Owner's Email	6531 fox runSan Antonio, Texas 78233

PROPERTY INFORMATION

Subject Property Address(es): 4087 State Hwy 21, San Marcos , Texas 78666

Legal Description: Lot _____ **Block** _____ **Subdivision** A00011 Thomas g McGehee survey T-PT of 41,

Total Acreage: 44.69 **Tax ID #: R**11304

Preferred Scenario Designation: _____ **Existing Zoning:** N/A

Existing Land Use(s): ag

DESCRIPTION OF REQUEST

Proposed Zoning District(s): MH

Proposed Land Uses / Reason for Change:
Manufactured home community Development utilities

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee* $1,030 plus $100 per acre **Technology Fee $12** ***MAXIMUM COST $3,012***

**Existing Neighborhood Regulating Plan Included.*

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, _____ (owner) acknowledge that I am the rightful owner of the property located at _____ (address).

I hereby authorize _____(agent name) to file this application for _____ (application type), and, if necessary, to work with the Responsible Official / Department on my behalf throughout the process.

Signature of Property Owner: _____ Date: 3-7-2020

Printed Name: JIM E GLASGOW

Signature of Agent: _____ Date: _____

Printed Name: _____

AGREEMENT TO THE PLACEMENT OF NOTIFICATION SIGNS AND ACKNOWLEDGEMENT OF NOTIFICATION REQUIREMENTS

The City of San Marcos Development Code requires public notification in the form of notification signs on the subject property, published notice, and / or personal notice based on the type of application presented to the Planning Commission and / or City Council.

- Notification Signs: if required by code, staff shall place notification signs on each street adjacent to the subject property and must be placed in a visible, unobstructed location near the property line. It is unlawful for a person to alter any notification sign, or to remove it while the request is pending. However, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements. ***It shall be the responsibility of the applicant to periodically check sign locations to verify that the signs remain in place had have not been vandalized or removed. The applicant shall immediately notify the responsible official of any missing or defective signs. It is unlawful for a person to alter any notification sign, or to remove it while the case is pending; however, any removal or alteration that is beyond the control of the applicant shall not constitute a failure to meet notification requirements.***

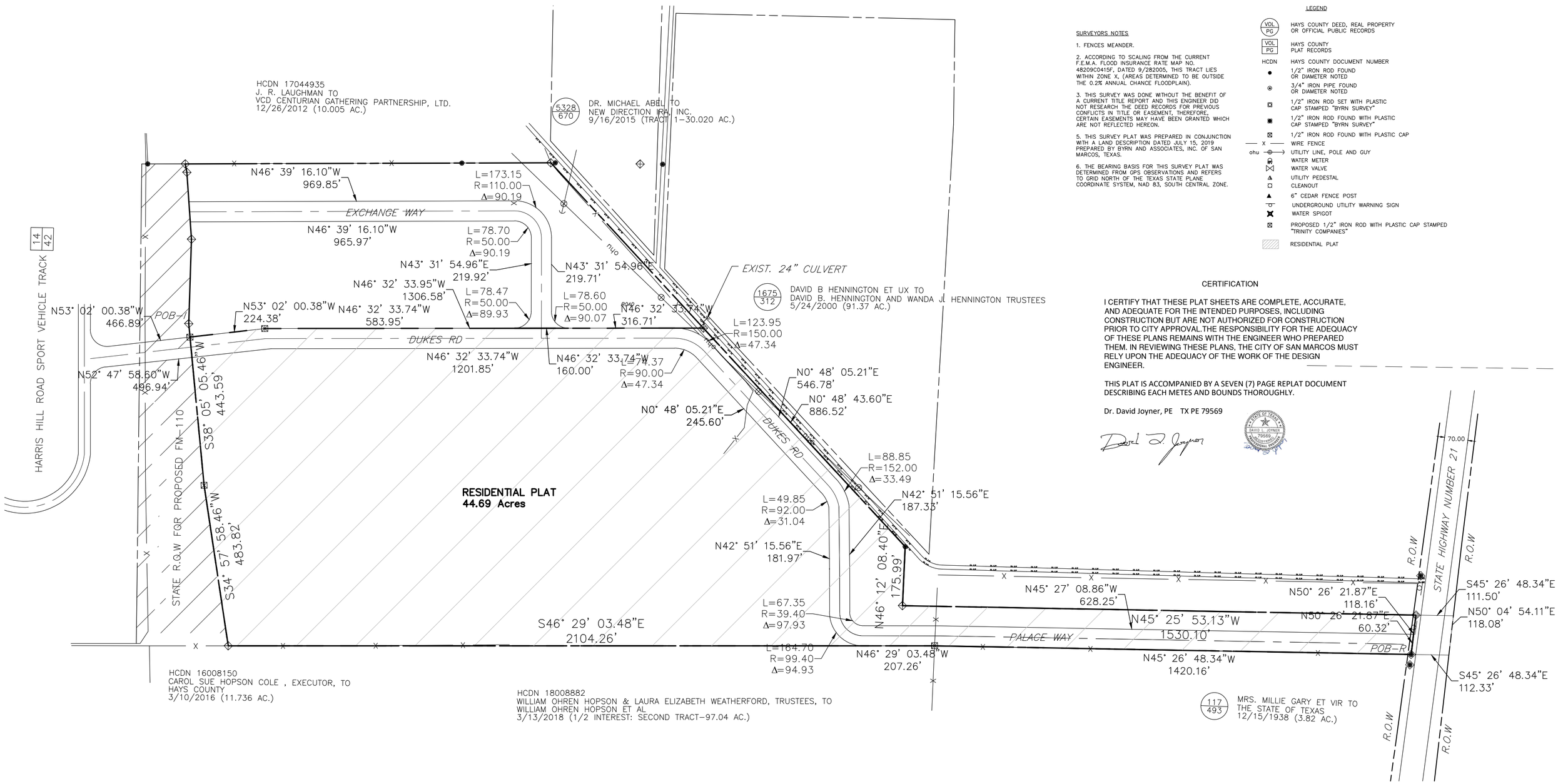
- Published Notice: if required by code, staff shall publish a notice in a newspaper of general circulation in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be published it may be at the expense of the applicant. The renotification fee shall be $88 plus an $12 technology fee.***

- Personal Notice: if required by code, staff shall mail personal notice in accordance with City Codes and the Texas Local Government Code. ***If, for any reason, more than one notice is required to be mailed it may be at the expense of the applicant. The renotification fee shall be $88 plus a $12 technology fee.***

I have read the above statements and agree to the required public notification, as required, based on the attached application. The City's Planning and Development Services Department staff has my permission to place signs, as required, on the property and I will notify City staff if the sign(s) is/are damaged, moved or removed. I understand the process of notification and public hearing and hereby submit the attached application for review by the City.

Signature: _____ Date: 3-7-20

Print Name: _____



SURVEYORS NOTES

1. FENCES MEANDER.

2. ACCORDING TO SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0415F, DATED 9/282005, THIS TRACT LIES WITHIN ZONE X, (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).

3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT AND THIS ENGINEER DID NOT RESEARCH THE DEED RECORDS FOR PREVIOUS CONFLICTS IN TITLE OR EASEMENT, THEREFORE, CERTAIN EASEMENTS MAY HAVE BEEN GRANTED WHICH ARE NOT REFLECTED HEREON.

5. THIS SURVEY PLAT WAS PREPARED IN CONJUNCTION WITH A LAND DESCRIPTION DATED JULY 15, 2019 PREPARED BY BYRN AND ASSOCIATES, INC. OF SAN MARCOS, TEXAS.

6. THE BEARING BASIS FOR THIS SURVEY PLAT WAS DETERMINED FROM GPS OBSERVATIONS AND REFERS TO GRID NORTH OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, SOUTH CENTRAL ZONE.

LEGEND

VOL / PG	HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
VOL / PG	HAYS COUNTY PLAT RECORDS
HCDN	HAYS COUNTY DOCUMENT NUMBER
●	1/2" IRON ROD FOUND OR DIAMETER NOTED
⊙	3/4" IRON PIPE FOUND OR DIAMETER NOTED
⊡	1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "BYRN SURVEY"
▣	1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "BYRN SURVEY"
⊠	1/2" IRON ROD FOUND WITH PLASTIC CAP
— X —	WIRE FENCE
ohu	UTILITY LINE, POLE AND GUY
	WATER METER
	WATER VALVE
	UTILITY PEDESTAL
	CLEANOUT
▲	6" CEDAR FENCE POST
	UNDERGROUND UTILITY WARNING SIGN
	WATER SPIGOT
⊠	PROPOSED 1/2" IRON ROD WITH PLASTIC CAP STAMPED "TRINITY COMPANIES"
	RESIDENTIAL PLAT

CERTIFICATION

I CERTIFY THAT THESE PLAT SHEETS ARE COMPLETE, ACCURATE, AND ADEQUATE FOR THE INTENDED PURPOSES, INCLUDING CONSTRUCTION BUT ARE NOT AUTHORIZED FOR CONSTRUCTION PRIOR TO CITY APPROVAL.THE RESPONSIBILITY FOR THE ADEQUACY OF THESE PLANS REMAINS WITH THE ENGINEER WHO PREPARED THEM. IN REVIEWING THESE PLANS, THE CITY OF SAN MARCOS MUST RELY UPON THE ADEQUACY OF THE WORK OF THE DESIGN ENGINEER.

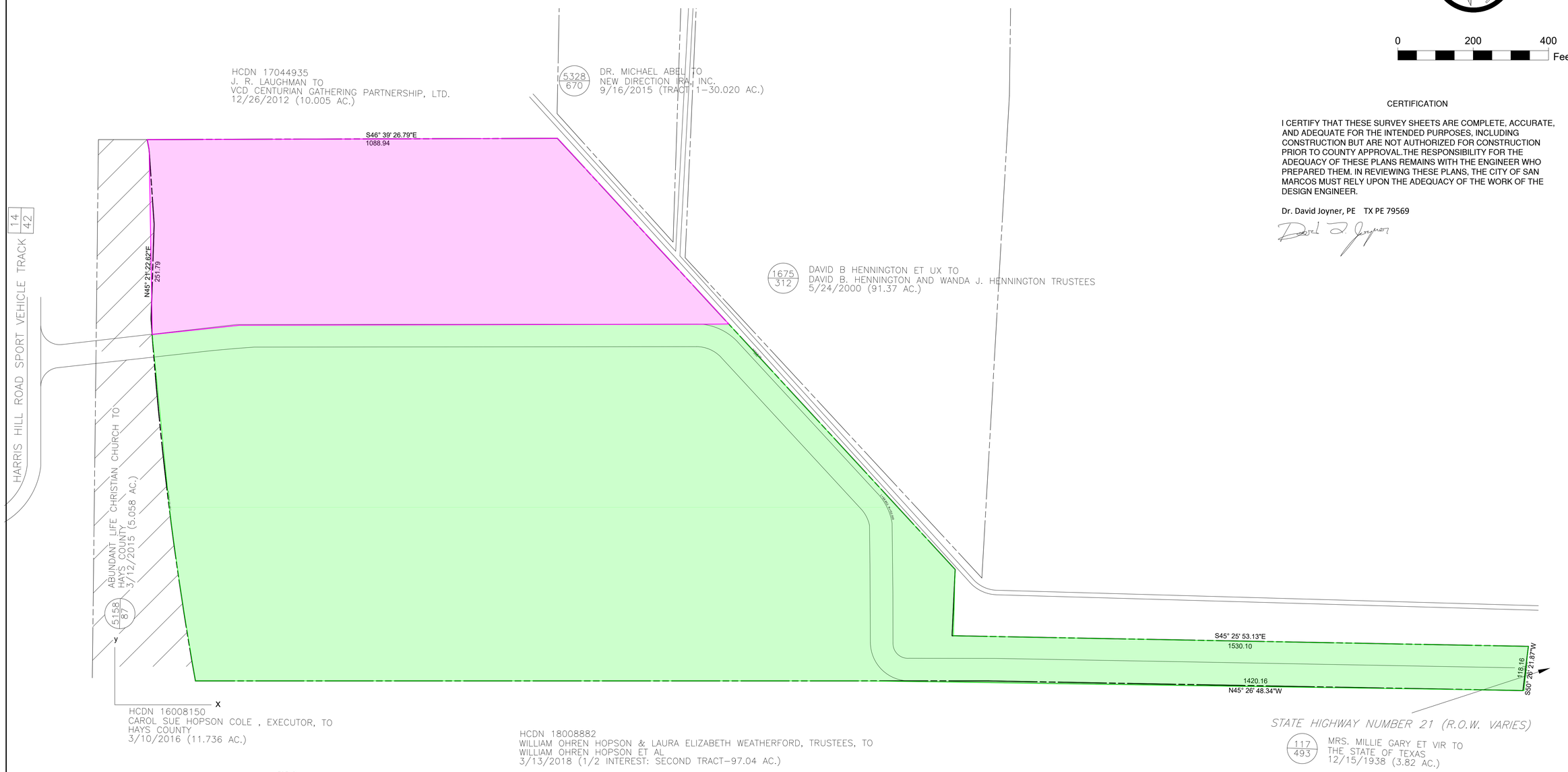
THIS PLAT IS ACCOMPANIED BY A SEVEN (7) PAGE REPLAT DOCUMENT DESCRIBING EACH METES AND BOUNDS THOROUGHLY.

Dr. David Joyner, PE TX PE 79569

PROJECT NO. 12148	REVISIONS	DRAWN BY D. Aldana	SCALE 1" = 200'	SHEET NO. C-02	SHEET NO. PROPOSED PLAT FOR RESIDENTIAL DEVELOPMENT
TX Firm # 12656		DESIGNED BY Trinity Group	0 100 200 Feet	VERSION A Unless otherwise noted this is scaled to fit a 18"x24" sheet	
DATE Mar 2020		CHECKED BY D. Joyner			

TRINITY GROUP
A REAL-ESTATE SERVICE COMPANY
"We Help Build Your Future"
838 MEYER RD. NEW BRAUNFELS, TX 78638
PH. (830) 303-3283. FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz

PALACE WAY DEVELOPMENT
Location:
4087 ST. HIGHWAY 21
San Marcos, Texas



0 200 400 Feet

CERTIFICATION

I CERTIFY THAT THESE SURVEY SHEETS ARE COMPLETE, ACCURATE, AND ADEQUATE FOR THE INTENDED PURPOSES, INCLUDING CONSTRUCTION BUT ARE NOT AUTHORIZED FOR CONSTRUCTION PRIOR TO COUNTY APPROVAL.THE RESPONSIBILITY FOR THE ADEQUACY OF THESE PLANS REMAINS WITH THE ENGINEER WHO PREPARED THEM. IN REVIEWING THESE PLANS, THE CITY OF SAN MARCOS MUST RELY UPON THE ADEQUACY OF THE WORK OF THE DESIGN ENGINEER.

Dr. David Joyner, PE TX PE 79569

SURVEYORS NOTES

1. FENCES MEANDER.

2. ACCORDING TO SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0415F, DATED 9/282005, THIS TRACT LIES WITHIN ZONE X, (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN).

3. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT AND THIS ENGINEER DID NOT RESEARCH THE DEED RECORDS FOR PREVIOUS CONFLICTS IN TITLE OR EASEMENT, THEREFORE, CERTAIN EASEMENTS MAY HAVE BEEN GRANTED WHICH ARE NOT REFLECTED HEREON.

5. THIS SURVEY PLAT WAS PREPARED IN CONJUNCTION WITH A LAND DESCRIPTION DATED JULY 15, 2019 PREPARED BY BYRN AND ASSOCIATES, INC. OF SAN MARCOS, TEXAS.

6. THE BEARING BASIS FOR THIS SURVEY PLAT WAS DETERMINED FROM GPS OBSERVATIONS AND REFERS TO GRID NORTH OF THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, SOUTH CENTRAL ZONE.

LEGEND

VOL / PG	HAYS COUNTY DEED, REAL PROPERTY OR OFFICIAL PUBLIC RECORDS
VOL / PG	HAYS COUNTY PLAT RECORDS
HCDN	HAYS COUNTY DOCUMENT NUMBER
●	1/2" IRON ROD FOUND OR DIAMETER NOTED
⦿	3/4" IRON PIPE FOUND OR DIAMETER NOTED
⊠	1/2" IRON ROD SET WITH PLASTIC CAP STAMPED "BYRN SURVEY"
◙	1/2" IRON ROD FOUND WITH PLASTIC CAP STAMPED "BYRN SURVEY"
⊠	1/2" IRON ROD FOUND WITH PLASTIC CAP
—— X ——	WIRE FENCE
ohu —⊕—>	UTILITY LINE, POLE AND GUY
◒	WATER METER
⊘	WATER VALVE
△	UTILITY PEDESTAL
▢	CLEANOUT
▲	6" CEDAR FENCE POST
"O"	UNDERGROUND UTILITY WARNING SIGN
✕	WATER SPIGOT

NOTES CORRESPONDING TO SCHEDULE B OF TITLE COMMITMENT G.F. NO. 20190411 DATED MAY 2, 2019

10(c) WATERLINE EASEMENT RECORDED IN VOLUME 239, PAGE 222 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT TRACT ALTHOUGH THERE IS NOT ANY LOCATIVE INFORMATION PROVIDED IN DEED.

10(d) INGRESS EGRESS EASEMENT RECORDED IN VOLUME 340, PAGE 666 OF THE HAYS COUNTY DEED RECORDS. MAY AFFECT SUBJECT PROPERTY. THE GRAVEL DRIVE ON THE ADJACENT PROPERTY TO THE EAST FITS THE GENERAL DESCRIPTION GIVEN IN THE DEED.

10(e) STREET MAINTENANCE AGREEMENT RECORDED IN VOLUME 1301, PAGE 165 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS. THIS AGREEMENT IS FOR PROPERTIES WHICH WERE GRANTED EASEMENT RIGHTS TO USE COWTRAIL LANE. THE SUBJECT TRACT WAS NOT GRANTED EASEMENT RIGHTS SO THEREFORE IS NOT SUBJECT TO THIS AGREEMENT.

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
INDUSTRIAL PORTION	14.90ac
RESIDENTIAL PORTION	44.69ac

ZONING

HIGHWAY 21 LAND DEVELOPMENT

BEING A ZONING OF 59.59 ACRES, MORE OR LESS, IN THE THOMAS G. McGEHEE SURVEY, A-11, HAYS COUNTY, TEXAS

STATE OF TEXAS
DAVID L. JOYNER
79569
REGISTERED
PROFESSIONAL ENGINEER

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL ESTATE SERVICE COMPANY
658 MEYER RD. NEW BRAUNFELS, TX 78638
PH. (830) 303-3283, FAX (972) 842-7001
www.trinitycompanies.biz trinity@trinitycompanies.biz
"We Help Build Your Future"

PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
3/32" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

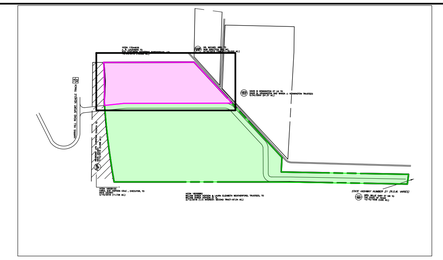
ZONING PLAN

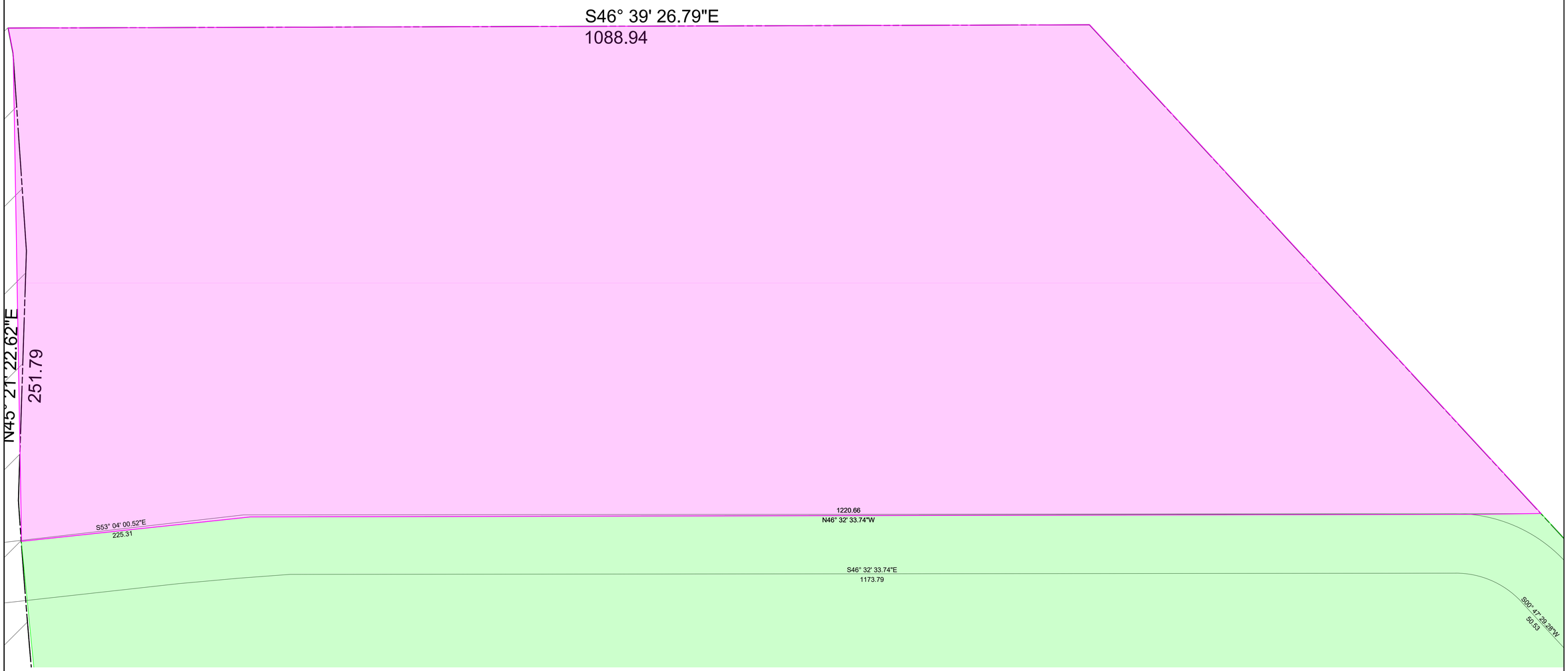
Unless otherwise noted this is scaled to fit a 24x 36" sheet.

SHEET NO.
C-01

VERSION A

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
INDUSTRIAL PORTION	14.90ac





0 100 200 Feet

DAVID L. JOYNER 79560 STATE OF TEXAS REGISTERED PROFESSIONAL ENGINEER

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
A REAL-ESTATE SERVICE COMPANY
838 MEYER RD, NEW BRAUNFELS, TX 78638
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PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
¼" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

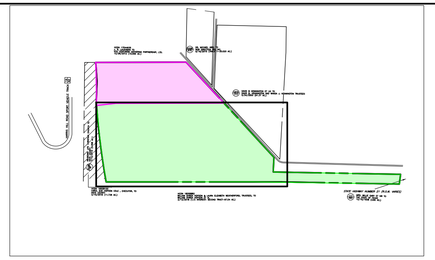
PROPOSED INDUSTRIAL ZONING

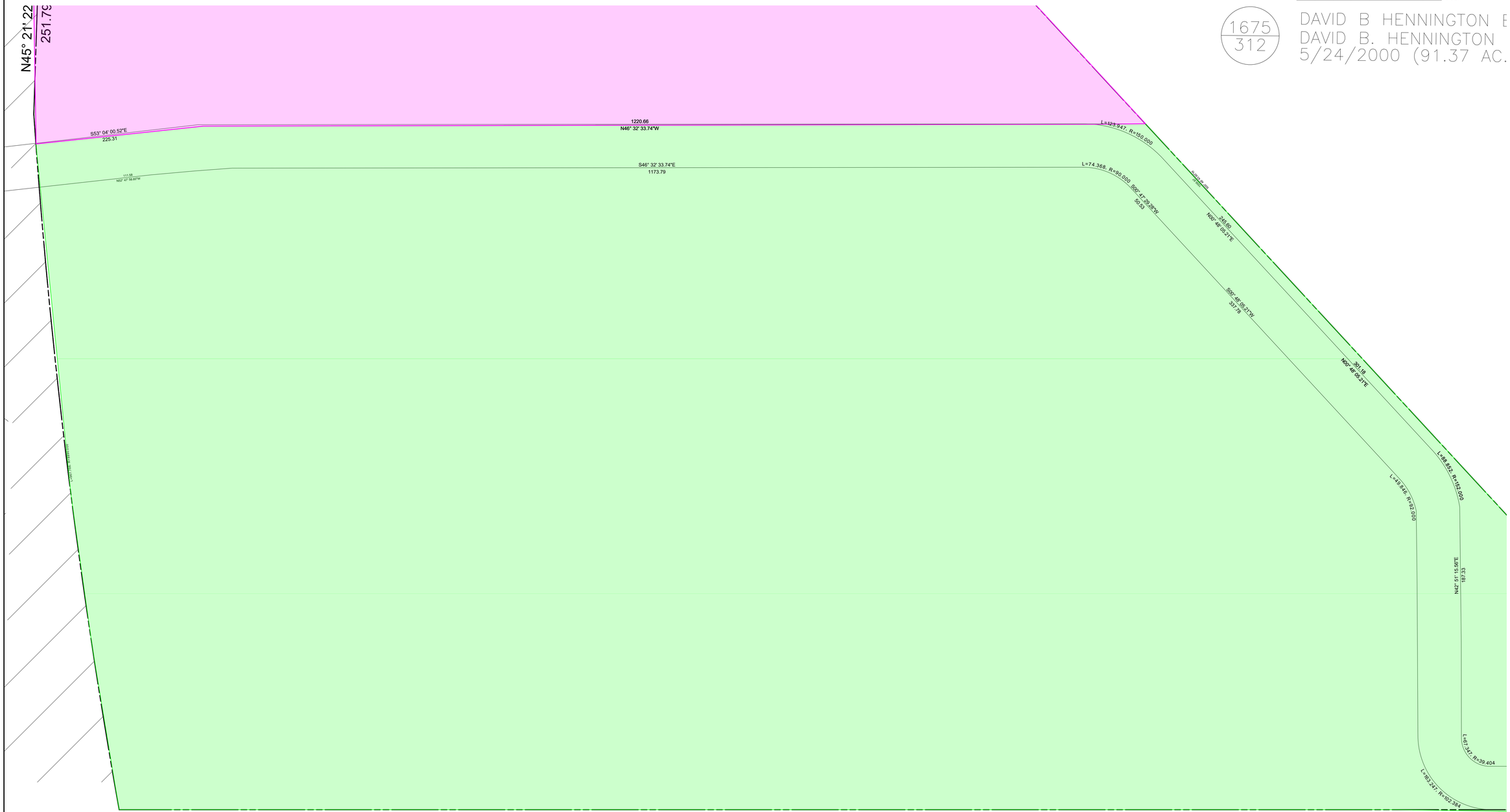
Unless otherwise noted this is scaled to fit a 24"x 36" sheet.

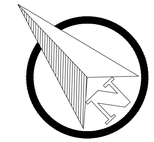
SHEET NO.
C-02

VERSION A

PROPOSED ZONING	
DESCRIPTION	AREA
TOTAL LOT	59.59ac
RESIDENTIAL PORTION	44.69ac







0 100 200 Feet

1675
312

DAVID B HENNINGTON E
DAVID B. HENNINGTON
5/24/2000 (91.37 AC.

PALACE WAY DEVELOPMENT

Location:
4087 ST. HIGHWAY 21
San Marcos, Texas

TRINITY GROUP
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"We Help Build Your Future"

PROJECT NO.
12418

REVISIONS

TX Firm # 12656

DATE
Feb 2020

SCALE
3/16" = 1'

DRAWN BY
D. Aldana

DESIGNED BY
Trinity Group

CHECKED BY
D. Joyner

PROPOSED RESIDENTIAL ZONING

Unless otherwise noted this is scaled to fit a 24"x 36" sheet.

SHEET NO.
C-03

VERSION A

19020883 RESTRICTIONS Total Pages: 3
Filed and Recorded: 6/20/19 2:35 PM

AMENDED DEED RESTRICTIONS

EXHIBIT B

Comes now Pastor Paul Buntyn the President of Abundant Life Christian Church, the Grantee under that certain Warranty Deed dated November 12, 1999 from C & G Development, Inc. to Abundant Life Christian Church which was recorded in the Deed Records of Hays County, Texas, Instrument Number 09927062 on or about November 15, 1999, which contained certain deed restrictions attached thereto as Exhibit B. According to the Warranty Deed, the Deed Restrictions can be amended by the Grantee or its successor in interest every twenty (20) years. Therefore, Pastor Paul Buntyn, President of Abundant Life Christian Church desires to replace and amend those Deed Restrictions and record these amended deed restrictions in Hays County, Texas.

Grantee Abundant Life Christian Church, or it successors, legal representatives, heirs successors and assigns, that any purchaser, corporate or individual, of this land shall have the authority to amend said restrictions at any time.

Therefore, the declarant herby declares that the deed restrictions shall revised as follows:

1. All tracts shall be used for residential and/or commercial development in accordance with the regulations then existing in Hays County, Texas.

2. There shall be no jails, prisons or penal institutions of any kind being erected on said land.

3. There shall be no farms that raise cattle, hogs and/or chickens or any other type of livestock or farm animal for mass production. The premises shall not be stocked with any livestock in such numbers that hereby create a nuisance.

4. There shall be no junk yards/dump sites of any sort being erected on said land. Motor vehicles without current license and registration, junk or wrecking yards, and automobiles, trucks or other vehicles used for parts are strictly prohibited.

5. There shall be no slaughterhouse of any sort being erected on the said land.

6. There shall be no shooting range or anything of the sort being erected on said land. The use or discharge of firearms, including (but not limited to) air powered guns, and the use or discharge of fireworks is expressly prohibited within the property.

7. Composting bins must be located and maintained in such a way that no odors are detectable from neighboring properties, and the bins must be maintained so they are not unsightly or unkept.

ABUNDANT LIFE CHRISTIAN CHURCH

Paul Buntyn

Pastor Paul Buntyn

STATE OF TEXAS)

COUNTY OF HAYS)

This instrument was acknowledged before me on June 7th, 2019 by Pastor Paul Buntyn.

SHEILA M. WALLGREN
Notary Public, State of Texas
Notary ID# 13134430-2
My Commission Expires
DECEMBER 8, 2021

Notary Public, State of Texas
My commission expires: 12-8-2021

PREPARED IN THE OFFICE OF:

DAVID K. SERGI AND ASSOCIATES, P.C.
329 S. Guadalupe St.
San Marcos, TX 78666
Tel: 512-392-5010
Fax: 512-392-5042

AFTER RECORDING RETURN TO:

DAVID K. SERGI AND ASSOCIATES, P.C.
329 S. Guadalupe St.
San Marcos, TX 78666
Tel: 512-392-5010
Fax: 512-392-5042

THE STATE OF TEXAS

COUNTY OF HAYS

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

19020883 RESTRICTIONS
06/20/2019 02:35:27 PM Total Fees: $30.00

Elaine H. Cárdenas

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas

RESIDENTIAL ZONING

STATE OF TEXAS - CITY OF SAN MARCOS

WHERHEAS, Palace way Partners owns a 59.89ac tract of land situated in the Thomas G. McGehee survey, A-11, Hays County, Texas. Conveyed in volume 723 page 39, Plat records, Hays County, TX. Same being a tract of land described to Palaceway Partners as conveyed in Instrument number 9927062, official public records, Hays County, Texas. And being more particularly described by metes and bounds as follows: Grid north of the Texas state plane coordinate system, NAD 83, South central zone.

The proposed plat divides the property in two plats, the residential plat being 44.99 acres.

Beginning at 1/2" Iron rod with plastic cap found at southeast corner said POB-R same being southeast of Mrs. Millie Gary Et Vir to the State of Texas recorded in the public records Volume 117, Page 493. Hays County, Texas. And lying on the north Right of Way of the State Highway Number 21.

THENCE, North 50°, 26 minutes, 21.87 seconds East along the western right of way of State Highway 21. Drive a distance of 118.16 feet.

THENCE, North 45 degrees, 25 minutes and 53.13 seconds West, parallel with the adjacent gravel road said Cow Trail, drive a distance of 1,530.10 feet towards 1/2" " Iron rod with plastic cap.

THENCE, North 46 degrees, 12 minutes and 08.40 seconds East, towards the adjacent gravel road said Cow Trail, drive a distance of 175.99 feet towards 1/2" " Iron rod. Same lying on the left right of way of Cow Trial.

THENCE, North 0 degrees, 48 minutes and 43.60 seconds East, with the west right of way of said Cow Trial. Drive a distance of 886.52 feet. Same being the northwest corner of the residential parcel.

THENCE, North 46 degrees, 32 minutes and 33.95 seconds West, same being the west side of the Industrial Plat and the right edge of road of Dukes Rd, drive a distance of 1,306.58 feet to 1/2" Iron rod with plastic cap stamped "Byrn Associates". Same being the west side of the Industrial plat.

`THENCE, North 53 degrees, 02 minutes and 00.38 seconds West, same being the west side of the Industrial Plat and the right edge of road of Dukes Rd, drive a distance of 224.38 feet to 1/2" Iron rod with plastic cap stamped "Trinity Companies". Same being the northwest corner of the Industrial plat.

THENCE, South 38 degrees, 05 minutes and 05.46 seconds West, of the northwest corner of the Industrial plat and the right edge of road of Dukes Rd, drive a distance of 483.82 feet to 1/2" Iron rod with plastic cap stamped "Byrn survey". And lying on the east right of way of the Harris Hill Road Sport Vehicle Track.

THENCE, South 34 degrees, 57 minutes and 58.46 seconds West, drive a distance of 438.82 feet to 1/2" Iron rod with plastic cap.

THENCE, South 46 degrees, 29 minutes and 03.48 seconds East, being the northwest corner of the proposed plat. drive a distance of 2104.26 feet to 1/2" Iron rod with plastic cap stamped "Trinity Companies.

THENCE, South 45 degrees, 26 minutes and 48.34 seconds East, being part of the left edge of road of Dukes road. Drive a distance of 1,420.16' towards POB-R, same being the west Right of Way of State Highway Number 21.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT, TRINITY GROUP, does hereby present this Proposed Plat designating the herein above described property as **PALACE WAY DEVELOPMENT**, an addition to the City of San Marcos, Texas. Said utility easements being hereby reserved for the mutual use and accommodation of all public utilities using or desiring to use same.

Dr. David L. Joyner, P.E
TX Firm 12656

STATE OF TEXAS
DAVID L. JOYNER
79569
LICENSED
PROFESSIONAL ENGINEER

April 28, 2020

838 Meyer Rd., NB, TX 78638-1503 • Ph. 830.303.3283
In Austin 512.807.7310 • Eagle Ford 830.303.3283
Houston 713.574.1949 • San Antonio 210.209.9976
www.trinitycompanies.biz

Applicant's Manufactured Home Community Video

The applicant provided the below video which displays an example of the manufactured home community being proposed:

https://drive.google.com/open?id=1KwvC_cuGMkngHo9mjVsBgW4N4jSRgrO0

From: Villalobos, Andrea
To: Villalobos, Andrea
Subject: FW: [EXTERNAL] Comments to be read aloud - Planning and Zoning Meeting
Date: Tuesday, April 28, 2020 8:57:49 AM

From: Paul Hennington
Sent: Tuesday, April 28, 2020 8:42 AM
To: Planning Info <PlanningInfo@sanmarcostx.gov>
Subject: [EXTERNAL] Comments to be read aloud - Planning and Zoning Meeting

To whom it may concern,

In reference to the Planning and Zoning Meeting tonight (April 28, 2020 at 6pm)

I would like the following read aloud to address both of the following agenda items:

- Agenda Items 9 (ZC-20-07)
- Agenda Item 10 (ZC-20-08)

My name is David Hennington. I live at 4 Cow Trail, San Marcos TX which is adjacent to the subject properties considered in this hearing.

I would like it to be known that these properties were originally all part of a 202 acre tract until a developer subdivided the property.

The developer put it in deed restrictions to limit the use of the land. This was filed with the Hays County Clerk on September 9th, 1999. I have attached a copy of the filing.

Some key points are as follows:

- All tracts shall be known and described as residential tracts and shall be used for residential purposes only.
- Double wide manufactured homes are permitted, but single wide manufactured homes are not allowed
- No tract shall be subdivided in a tract smaller than 5 acres
- These restrictions are originally effective for a term of 20 years from date of filing which occurred on September 9th, 1999.
- These deed restrictions shall be automatically extended for successive periods of 10 years.
- These deed restrictions may only be amended during the last year of such a 10 year period by an instrument signed by not less than 75% of the Tract owners.

I would like it known that I am contesting the proposed land use and zoning change. I believe that the deed restrictions are active and defensible against the proposed changes.

Two additional points to consider:

- Drainage: These properties drain runoff into a small creek that eventually runs through a culvert under Highway 21. It is already not unusual for heavy rains to cause flooding of the parcels near Cow Trail and 21. If they add more impervious ground cover (roads and parking), It could be catastrophic to those home owners unless a substantial civil engineering effort is conducted.

- Wildlife: The subject property is home to a wide variety of Birds, Reptiles, and Mammal species. Additionally, wild bees and other insects provide pollination for the surrounding agricultural properties. Commercial or dense residential development would have an ecological impact.

Thank you for the opportunity share these statements

Paul Hennington
4 Cow Trail
San Marcos, TX
(512) 632-7475

CAUTION: This email is from an EXTERNAL source. Links or attachments may be dangerous. Click the Phish Alert button above if you think this email is malicious .

This Deed is subject to the following covenants, conditions and restrictions:

1. All tracts shall be known and described as residential tracts and shall be used for residential purposes only. The premises shall not be stocked with any livestock in such numbers as to require heavy supplemental feeding thereby creating a nuisance. No fowls or animals shall be kept on the premises in such numbers or in such a manner as may be or may become a nuisance. No noxious, obnoxious or offensive activities of any kind shall be carried on or permitted on any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

2. No residence shall be erected, placed or permitted to remain on any Tract other than a detached single-family dwelling. A detached single-family dwelling shall consist of only one home, manufactured house or residence not to exceed two (2) stories in height.

A. Permanent Homes.

(1.) Each permanent site-built home and buildings shall be of new construction. Each home shall contain a minimum of 1,100 square feet of living area, exclusive of garages, carports, and porches.

(2.) The exterior of each permanent site-built home shall be complete within six (6) months of beginning construction.

B. Manufactured Homes.

(1.) All manufactured housing shall be double wide homes, no single wide manufactured homes will be allowed.

(2.) All manufactured homes must be skirted within thirty (30) days after placement on property with masonry or plaster.

(3.) Notwithstanding any other restrictions or limitations contained in this Section to the contrary, all manufactured homes shall be anchored to the land in the manner prescribed by the Texas Department of Licensing and Regulation.

(4.) No manufactured home of less than 1,100 square feet shall be allowed.

(5.) All manufactured homes shall be of new construction.

(6.) Roof surfaces shall be clear of weights, anchors, and/or other objects that my be placed thereon. Tires and other unsightly objects that may be placed on roofs are explicitly prohibited.

3. No detached single-family dwelling shall be located nearer than fifty (50) feet to a street line, nor nearer than fifty (50) feet to an interior property line, whether an original line or a subdividing line. For purposes of this restriction, eaves, steps and open porches shall not be considered as a part of a dwelling; however, this shall not be construed to permit any portion of a dwelling to encroach upon another Tract. If two or more tracts are combined as a single homesite then there shall be no setback or interior common lot lines.

4. No basement, tent, or other structure of a temporary nature, shack, barn, garage, or other outbuilding of whatever kind or nature, whether attached or detached, shall at any time be used on any Tract as a residence either temporarily or permanently.

5. No abandoned automobiles, trucks, or any other unsightly property or junk shall ever be kept, stored or placed on a Tract. All automobiles, trucks, vehicles, boats and recreation motor homes shall bear current license and motor vehicle inspection stickers.

6. No pets shall run loose. Pets shall be contained by fencing capable of containing such pet. Each pet must wear an identity collar identifying its owner as well as certification of current vaccination as required by law.

7. All trash shall be disposed of weekly. No Tract shall be used as a dumping ground for rubbish, trash or lawn clippings, and no garbage or other waste shall be kept except in sanitary containers. The premises and improvements thereon shall be maintained in a neat and orderly manner.

8. All mail boxes shall be of type and design and placed in a location approved by the U.S.

ORIGINAL DOCUMENT IN FILE

EXHIBIT "C"

Postmaster.

9. No Tract shall be subdivided in a tract smaller than 5.01 acres herein.

10. All anchoring devices, electrical, plumbing and telephone equipment and septic systems shall be installed in accordance with applicable Federal, State of Texas and local laws and ordinances.

11. Arches, awnings, carports, garages, porches, steps, storage building, etc. shall be erected permanently and be of sound construction; compatible in appearance with the dwelling. Fences shall be designed and erected in such a way as to be harmonious with the character of the property. Abandoned signs, rusty roofing metal and/or like materials shall not be used for fencing. No fence shall exceed six (6) feet in height.

12. Grantor, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions and reservations now or hereafter imposed by the Deed Restrictions. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

14. The covenants, conditions and restrictions of this Deed shall run with and bind the land, and shall inure to the benefit of, and be enforceable by, the Grantor or the Owner of any Tract subject to these Deed Restrictions, and their respective legal representatives, heirs, successors and assigns, and, unless amended as provided herein, shall be effective for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years. The covenants, conditions and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty percent (80%) of the Tract Owners; during any succeeding ten (10) year period, the covenants, conditions and restrictions of this Declaration may be amended during the last year of any such ten (10) year period by an instrument signed by not less than seventy-five percent (75%) of the Tract Owners. No amendment shall be effective until recorded in the Official Records of Hays County, Texas, nor until the approval of any governmental regulatory body which is required shall have been obtained.

ORIGINAL DOCUMENT ILLEGIBLE

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

EXHIBIT "C"

Lee Carlisle
9-9-99 03:41 PM 9921612
ROSE $21.00
LEE CARLISLE, County Clerk
HAYS COUNTY

E.L.

File #: Ord. 2020-37, **Version:** 1

AGENDA CAPTION:

Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-37, approved an update to the Service and Assessment Plan for the Whisper Public Improvement District; making a finding of special benefit to the property in the district, levying additional assessments against property with the district; establishing a lien on such property; approving an updated assessment roll for the district; providing for payment of the assessments in accordance with Chapter 372, Texas Local Government Code; providing for the method of assessment and the payment of the additional assessments; providing for penalties and interest on delinquent assessments; providing for a severability clause; providing an effective date; and providing for related matters; and consider approval of Ordinance 2020-37, on the first of two readings.

Meeting date: May 19, 2020

Department: Finance

Amount & Source of Funding

Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: October 2014 - Council approved term sheet, December 2015 - Term sheet amendment #1 extending date for submission of design plans to June 2016, September 2017 - Term sheet amendment #2 extending date for construction completion to September 2018 and increase of maximum annual assessment, January 2019 - Term sheet amendment #3 extending date for construction completion to May 2019 and create traffic impact analysis criteria, April 2020 - Term sheet amendment #4 referring all terms to the Amended and Restated Financing Agreement upon completion

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Whisper PID (public improvement district) will reimburse the developer for infrastructure, improvement and construction completed for: 28-acre business park, 285 acres of commercial development, 106 acres single family residential, 111 acres master retail and commercial center, and 50,000 square foot commercial spec building. Estimated addition to the tax roles at build out is $638.2M. A maximum of $14.6M in PID bonds will be issued to reimburse the developer for improvements that provide special benefit to the district.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

ORDINANCE NO. _____

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

WHEREAS, Subchapter A of Chapter 372 of the Texas Local Government Code (the "Act") allows for the creation of public improvement districts; and

WHEREAS, a petition was submitted and filed with the City Clerk (the "*City Clerk*") of the City of San Marcos, Texas (the "*City*") pursuant to the Act, requesting the creation of a public improvement district located within the corporate limits of the City to be known as Whisper Public Improvement District (the "*District*" or "*PID*") to provide public improvements within the District to include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the Act that are necessary for development of the District, which public improvements will include, but not be limited to, streets, roadway construction, water, wastewater, and drainage facilities and improvements, and other improvement projects; and

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

WHEREAS, on October 6, 2014, after due notice, the City Council (the "*City Council*") of the City held the public hearing in the manner required by law on the advisability of the improvement projects described in the petition as required by Section 372.009 of the Act and on October 6, 2014 the City Council made the findings required by Section 372.009(b) of the Act and, by Resolution No. 2014-143R (the "*Creation Resolution*"), adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of Creation Resolution, the City published notice of its authorization of the creation of the District in the *San Marcos Daily Record*, a newspaper of general circulation in the City; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Clerk within 20 days after the date of publication of such notice; and

WHEREAS, pursuant to the Act, the proposed assessment roll (the "*Assessment Roll*") and service and assessment plan were filed with the City Clerk; and

WHEREAS, the statutory notice of a public hearing was published on May 8, 2020, to consider the levy of the proposed assessments (the "*Assessments*") on real property within the District was published in the *San Marcos Daily Record*, a newspaper of general circulation in the City and was mailed to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, after notice was provided as required by the Act, the City Council on May 19, 2020 and June 2, 2020, held a public hearing to consider the levy of the proposed Assessments on property within the District, at which any and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the authorized improvements to be undertaken for the benefit of all property to be assessed within the District (the "*Authorized Improvements*"), the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the City Council finds and determines that the Assessment Roll and the Whisper Public Improvement District Service and Assessment Plan, in a form substantially similar to the attached Exhibit A, which final form shall be approved by the City Manager (the "*Service and Assessment Plan*"), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance, the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Clerk in opposition to the Service and Assessment Plan, the Actual Costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Roll, and the levy of the Assessments; and

WHEREAS, in connection with the levy of the Assessments, concurrently herewith, the owners (the "*Landowners*") of the privately-owned and taxable property located within the District will execute a landowner agreement, wherein the Landowners, among other things, approves and accepts this Ordinance and the Service and Assessment Plan, including the

Assessment Roll, consents to and accepts the levy of the Assessments against their property located within the District and agrees to pay the Assessments; and

WHEREAS, the City Council closed the hearing on June 2, 2020, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act; and

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

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

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

Section 2. The Service and Assessment Plan, attached hereto as Exhibit A has been presented to and reviewed by the City Council and the City Council hereby approves the Service and Assessment Plan and adopts the Service and Assessment Plan as the service plan and assessment plan for the District. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Service and Assessment Plan.

Section 3. The Authorized Improvements described in the preamble hereof include the major improvements that will benefit and serve all of the property within the District (the "Major Improvements"). The Major Improvements benefit and serve all of the property within the District and are set forth in Section III.A of the Service and Assessment Plan.

Section 4. The City Council hereby finds and determines upon the evidence presented in reference to the property located within the District that: (i) the enhancement and value to accrue to the District and the real and true owner or owners thereof by virtue of construction of the Major Improvements will be equal to or in excess of the amount of the cost of the proposed Major Improvements; (ii) that the apportionment of the costs of the Major Improvements and the Assessments here and below made are just and equitable and produce substantial equality, considering the benefits received and the burdens imposed thereby, and result in imposing equal shares of the cost of the Major Improvements on property similarly benefitted, and are in accordance with the laws of the State of Texas; (iii) the property assessed is specially benefitted by means of the said Major Improvements in the District in relation to the costs of such improvements; (iv) all procedures that have taken place heretofore with reference to the Major Improvements and Assessments are in all respects regular, proper, and valid; and (v) all prerequisites to the fixing of the assessment liens against the properties within the District, and the personal liability of the real and true owner or owners thereof, whether correctly named herein or not, have been in all things regularly and duly performed in compliance with the Act and the proceedings of the City Council. The cost of said Major Improvements is hereby

assessed and levied as a special assessment against such properties and the real and true owner or owners thereof in the amounts as described in Exhibit F of the Service and Assessment Plan attached hereto.

Section 5. There shall be and is hereby levied and assessed against the property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sums of money as listed in Exhibit F of the Service and Assessment Plan attached hereto and made a part hereof shown for each of the respective parcels of property, and the assessed against the same, and the owners thereof.

Section 6. The sums assessed against property located within the District and the real and true owners or owner thereof, whether the owner or owners be named or correctly named, or the properties be correctly described therein or not, together with interest thereon at the rate per annum when required as set forth in the Service and Assessment Plan and with reasonable attorney's fees and all costs and expenses of collection, if incurred, are hereby declared to be and made a first and prior lien upon the respective parcels of property against which same are assessed from and after this date, and a personal liability and charge against the real and true owner or owners thereof, whether or not such owner or owners be correctly named herein, paramount and superior to all other liens, claims or titles except for lawful claims for state, county, school district, or municipality ad valorem taxes; and that the sum so assessed shall be payable to the City or its assigns in accordance with the Assessment Roll attached as Exhibit F to the Service and Assessment Plan.

Section 7. (a) The levy of the Assessments shall be effective on the date of adoption of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Major Improvements to be assessed against the property within the District, shall be as set forth in the Service and Assessment Plan.

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

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

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

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

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

(h) The Annual Installments shall be reduced to equal the actual costs of repaying the related series of Bonds and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

Section 8. This Ordinance incorporates by reference all provisions and requirements of the Act.

Section 9. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 10. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

CONSIDERED AND APPROVED ON First Reading on the 19th day of MAY, 2020.

PASSED, APPROVED AND ADOPTED on Second Reading on the 2nd day of JUNE, 2020.

ATTEST: _____
Mayor

_____
City Clerk

[SEAL]

Exhibit A

WHISPER PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

(see attached)

Whisper
Public Improvement District

SERVICE AND ASSESSMENT PLAN
MAY 7, 2020

TABLE OF CONTENTS

Table of Contents 1
Introduction 3
Section I: Definitions 4
Section II: The District 10
Section III: Authorized Improvements 10
Section IV: Service Plan 12
Section V: Assessment Plan 13
Section VI: Terms of the Assessments 15
Section VII: Assessment Roll 20
Section VIII: Additional Provisions 20
List of Exhibits 22
Exhibit A-1 – District Legal Description 23
Exhibit A-2 – Tract #1 Legal Description 36
Exhibit A-3 – Tract #2 Legal Description 39
Exhibit A-4 – Tract #3 Legal Description 41
Exhibit A-5 – Tract #4 Legal Description 44
Exhibit A-6 – Tract #5 Legal Description 45
Exhibit B-1 – District Boundary Map 47
Exhibit B-2 – Tract #1 Boundary Map 48
Exhibit B-3 – Tract #2 Boundary Map 49
Exhibit B-4 – Tract #3 Boundary Map 50
Exhibit B-5 – Tract #4 Boundary Map 51
Exhibit B-6 – Tract #5 Boundary Map 52
Exhibit C – Authorized Improvements 53
Exhibit D – Service Plan – Five Year Plan 54
Exhibit E – Service Plan – Sources and Uses 55
Exhibit F – Assessment Roll 56
Exhibit G-1 – Annual Installments 57
Exhibit G-2 – Annual Installments for Tract #1 58

Exhibit G-3 – Annual Installments for Tract #2 59
Exhibit G-4 – Annual Installments for Tract #3 60
Exhibit G-5 – Annual Installments for Tract #4 61
Exhibit G-6 – Annual Installments for Tract #5 62
Exhibit H – Map of Major Improvements 63
Exhibit I – Land Use Matrix 64
Exhibit J – Notice of PID Assessment Termination 65

INTRODUCTION

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

On October 6, 2014 (the "**Creation Date**") the City passed and approved Resolution No. 2014-143R authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 706.1 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Since the Creation Date, the Developer and/ or one or more of the Owners has caused the conveyance or dedication of right-of-way and other Non-Benefitted Property for public improvements (including without limitation Authorized Improvements) so that the Assessed Property is less than the amount of the property within the District.

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

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

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

SECTION I: DEFINITIONS

"Actual Costs" means, with respect to the Authorized Improvements, (1) the costs incurred by or on behalf of the Developer for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, including a 4% construction management fee, (2) the costs incurred in preparing the construction plans for such Authorized Improvement, (3) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (4) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (5) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (6) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, (7) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and (8) payment of expenses incurred in the establishment, administration, and operation of the district. Amounts expended for costs described in subsection (3), (4), (7) and (8) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

"Additional Interest Rate" means the 0.50% additional interest rate charged on an Assessment as authorized by Section 372.018 of the PID Act.

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

"Amended and Restated Financing Agreement" means that certain Amended and Restated Financing Agreement between the City and the Owners dated _____, 2020 passed and approved by Resolution No. 2020-____, as amended.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the creation and operation of the District, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and

other consultants engaged by the City and advisors; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; and (7) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"Annual Service Plan Update" means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council, in accordance with the PID Act.

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

"Assessment" means the assessment levied against a Parcel, other than Non-Benefitted Property, and imposed pursuant to the Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means the ordinance adopted by the City Council in accordance with the PID Act that approves the Service and Assessment Plan and levies the Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

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

"Authorized Improvements" mean improvements authorized by Section 372.003 of the PID Act, as more specifically described in **Section III** and depicted on **Exhibit C**.

"City" means the City of San Marcos, Texas.

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

"County" means Hays County, Texas.

"Delinquent Collection Costs" mean, for an Assessed Property, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this SAP, including costs and expenses to foreclose liens.

"Developer" means Whisper Master Community Limited Partnership, Ltd., a Texas limited partnership.

"Developer District Formation Costs" mean the costs incurred by the Developer and associated with forming the District, levying the Assessments and issuing the PID Bonds.

"District" means the Whisper Public Improvement District, consisting of approximately 706.349 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

"District Formation and Bond Issuance Costs" mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, first year's Annual Collection Costs, underwriter discount, fees charged by the Texas Attorney General, Developer District Formation Costs, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

"Estimated Buildout Value" means the estimated buildout value of an Assessed Property, based on information from the Developer, which shall be verified by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value. In the case of single-family residential Lots, there shall be only one Lot Type. The Estimated Buildout Value for any single-family residential Assessed Property shall be calculated by using the average Estimated Buildout Value of all single-family residential Lots within the single-family residential Assessed Property, as calculated by the Administrator based on information provided by the Developer, verified by the Administrator and confirmed and approved by the City Council.

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

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

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, business park, retail, office, multi-family, single-family residential, buildout value, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, there shall be only one Lot Type.

"Major Improvements" mean the Authorized Improvements that benefit the entire District and are fully allocated to the Assessed Property.

"Maximum Assessment" means, for each Lot Type, an Assessment equal to the lesser of: (1) the amount calculated pursuant to **Section VI.A**, and (2) an amount that produces an average Annual Installment resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment shall be calculated at the time a final plat is recorded, issuance of a site development permit or units are created by a horizontal condominium regime, as applicable, or any other action that would cause the uses within a Parcel to differ from the uses shown on **Exhibit I**.

"Maximum Equivalent Tax Rate" means, for each Annual Installment, (i) $0.17 per $100 of Estimated Buildout Value for any single-family detached residential Parcels and (ii) $0.22 per $100 of Estimated Buildout Value with respect to any other individual Parcel.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from Authorized improvements as determined by the City Council.

"Owner(s)" means (i) Yarrington Partners, Ltd., a Texas limited partnership, (ii) 135 Residential Development, LLC, a Texas limited liability company, (iii) the Developer, (iv) Whisper Industrial 2019 QOZB, LLC, a Texas limited liability company, and (v) any successor owner of the property within the District, or any portion thereof, including a merchant builder, that intends to develop such property for the ultimate purpose of transfer to end users.

"Owners Association" means one or more property owners associations formed with respect to all or a portion of the Assessed Properties that may own, operate and/ or maintain some of the

Authorized Improvements and which the City acknowledges are approved and authorized by the City pursuant to Section 372.023(a)(3) of the PID Act.

"Parcel(s)" means a property, within the boundaries of the District, identified by either a tax map identification number assigned by the Hays 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 the County, or by any other means as determined by the City Council.

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

"PID Bonds" means those certain "City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2020 (Whisper Public Improvement District)", that are secured by Assessments.

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

"Prepayment Costs" mean interest, including Additional Interest if applicable, and Annual Collection Costs incurred up to the date of Prepayment.

"Remaining Property" shall have the meaning assigned to such term in **Section VI.F**.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan, as it may be modified, amended, supplemented, and updated from time to time.

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

"Taken Property" shall have the meaning assigned to such term in **Section VI.F**.

"Taking" shall have the meaning assigned to such term in **Section VI.F**.

"Tract #1" means approximately 115.686 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

"Tract #2" means approximately 16.560 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

“Tract #3” means approximately 130.641 acres located within the District, as shown on **Exhibit B-4** and more specifically described in **Exhibit A-4**.

“Tract #4” means approximately 391.493 acres located within the District, as shown on **Exhibit B-5** and more specifically described in **Exhibit A-5**.

“Tract #5” means approximately 51.969 acres located within the District, as shown on **Exhibit B-6** and more specifically described in **Exhibit A-6**.

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

SECTION II: THE DISTRICT

The District includes approximately 706.349 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Development of the District will occur in phases and subject to market demand, is currently anticipated to include 581 single-family homes, approximately 1,300 multi-family units and approximately 4,228,685 square feet of commercial, retail, business park, office and mixed-use space, as well as associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage and utilities to the property within the District.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Major Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City once accepted unless specifically stated below. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

A. Major Improvements

- *Road A*

  Opportunity Boulevard – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation, entrance monumentation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Road B*

  Fortuna Road – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls,

intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Lift Station & Wastewater Line D*
  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to the District.

- *Road C*
  Susurro Parkway – Improvements including subgrade stabilization (including subgrade treatment, lime stabilization, road base import and compaction), concrete and reinforcing steel for roadways and sidewalks, material and compaction testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, utility infrastructure, drainage infrastructure including drainage infrastructure flowing to the District detention pond shown on **Exhibit H**, street lighting, landscaping, irrigation and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide a benefit to each Lot within the District.

- *Offsite Wastewater Line B*
  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to the District.

- *Detention Pond*
  Improvements providing drainage, detention and water quality treatment of stormwater runoff serving the District and the other Major Improvements, including without limitation the detention basin, water quality facilities, and related drainage inlets, swales, storm sewers, culverts and outfall structures located in the area shown on **Exhibit H**. All related earthwork, excavation, erosion control, retaining walls, drainage infrastructure, landscaping, irrigation and re-vegetation of all disturbed areas within the detention pond area are included. The detention pond will provide a benefit to each Lot within the District.

- *Soft Costs/Construction Management*
  Includes engineering, geotechnical, permitting, inspection, surveying, design, and other professional fees and 4.0% construction management fee.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement*
  Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*
  Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount*
  Equals a percentage of the par amount of a particular series of PID Bonds.

- *Underwriter's Counsel*
  Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

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

- Developer District Formation Costs
  Expenses directly incurred by the Developer associated with forming the District, levying Assessments, and issuing the PID Bonds.

- *First Year Annual Collection Costs*
  Expenses directly associated with forming the District including first year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the projected costs and annual indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct certain Authorized Improvements. **Exhibit E** will be updated to show the amount required to fund the required

reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

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

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

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

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs of the Major Improvements shall be allocated to each Parcel in the District pro rata based on Estimated Buildout Value of all Parcels. The allocation of the Major Improvements is shown on **Exhibit C**. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

B. Assessments

Assessments will be levied on each Parcel within the Assessed Property according to the Assessment Roll, attached hereto as **Exhibit F**. The projected Annual Installments are shown on **Exhibit G-1**. The projected Annual Installments for Tract #1 are shown on **Exhibit G-2**. The projected Annual Installments for Tract #2 are shown on **Exhibit G-3**. The projected Annual Installments for Tract #3 are shown on **Exhibit G-4**. The projected Annual Installments for Tract

#4 are shown on **Exhibit G-5**. The projected Annual Installments for Tract #5 are shown on **Exhibit G-6**. In no case will the Assessment exceed the Maximum Assessment.

C. Findings of Special Benefit

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

- The cost of the Authorized Improvements equal $14,869,722 as shown on **Exhibit C**; and
- The Assessed Property receives special benefit equal to or greater than the Authorized Improvements; and
- Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5 comprise 100% of the Assessed Property, and will be allocated 100% of the Assessments levied for the Authorized Improvements, which equals $14,075,000 as shown on the Assessment Roll, attached as **Exhibit F;** and
- The special benefit (≥ $14,869,722) received by the Assessed Property from the Authorized Improvements is greater than the amount of Assessments ($14,075,000) levied on the Assessed Property for the Authorized Improvements; and
- At the time the City Council approved this Service and Assessment Plan, the Owners owned 100% of Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5. In a Landowner Agreement with the City, the Owners acknowledged that the Authorized Improvements confer a special benefit on Tract #1, Tract #2, Tract #3, Tract #4 and Tract #5 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owners ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Assessments on the Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type
D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
E= the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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

3. Upon Consolidation

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

The Assessment for any resulting Lot will not exceed the Maximum Assessment, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.B**.

B. True-up of Assessments if Maximum Assessment Exceeded

If, based on a final subdivision plat, the Assessment for any Lot Type exceeds the Maximum Assessment, the owner of the applicable Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment. If a Prepayment is required, the final subdivision plat of any Assessed Property shall not be recorded without a letter from the Administrator confirming that the Prepayment has been made. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefitted

Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefitted Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an Owners Association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund, relating to the PID Bonds, that are not expected to be used for purposes of the Project Fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments, as shown on **Exhibit F** and **Exhibit G-1 – Exhibit G-6**, to reflect the reduced Assessments.

E. Prepayment of Assessments

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

If an Assessment is pre-paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part

of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached as **Exhibit J**.

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

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

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

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the $100 Assessment, (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the

$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be $90 and the Annual Installments adjusted accordingly.

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

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

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G-1** shows the projected Annual Installments for the District. The projected Annual Installments for Tract #1 are shown on **Exhibit G-2**. The projected Annual Installments for Tract #2 are shown on **Exhibit G-3**. The projected Annual Installments for Tract #3 are shown on **Exhibit G-4**. The projected Annual Installments for Tract #4 are shown on **Exhibit G-5**. The projected Annual Installments for Tract #5 are shown on **Exhibit G-6**. In no case will the Assessment for a Lot Type exceed the Maximum Assessment. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the Annual Installments for the Assessed Property. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2021. Failure of an owner of Assessed Property to receive an invoice for an Annual Installment on the property tax bill or otherwise shall not relieve the owner of Assessed Property of the obligation to pay the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of an Assessed Property claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the sole and exclusive remedy of the owner of Assessed Property shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner, the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the

owner's notice of error and the Administrator's response at a public meeting, and within 30 days after adjourning such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, or the applicable Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

D. Severability

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

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Tract #1 Legal Description
Exhibit A-3	Tract #2 Legal Description
Exhibit A-4	Tract #3 Legal Description
Exhibit A-5	Tract #4 Legal Description
Exhibit A-6	Tract #5 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Tract #1 Boundary Map
Exhibit B-3	Tract #2 Boundary Map
Exhibit B-4	Tract #3 Boundary Map
Exhibit B-5	Tract #4 Boundary Map
Exhibit B-6	Tract #5 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan – Five Year Plan
Exhibit E	Service Plan – Sources and Uses
Exhibit F	Assessment Roll
Exhibit G-1	Annual Installments
Exhibit G-2	Annual Installments for Tract #1
Exhibit G-3	Annual Installments for Tract #2
Exhibit G-4	Annual Installments for Tract #3
Exhibit G-5	Annual Installments for Tract #4
Exhibit G-6	Annual Installments for Tract #5
Exhibit H	Map of Major Improvements
Exhibit I	Land Use Matrix
Exhibit J	Notice of PID Assessment Termination

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

Including that certain approximately 86.948 acre tract, as described below.

S. CRAIG HOLLMIG, INC.
CONSULTING ENGINEERS · SURVEYORS
410 N SEGUIN STREET
NEW BRAUNFELS, TEXAS 78130-6065

TEXAS SOCIETY OF PROFESSIONAL ENGINEERS
AMERICAN SOCIETY OF CIVIL ENGINEERS

TEXAS SURVEYORS ASSOCIATION
TELEPHONE (830) 625-8538 • FAX: (830) 885-8551

WATER SYSTEMS • SEWER SYSTEMS • SUBDIVISIONS • LAND PLANNING • STREETS • SURVEYING

FIELD NOTES
FOR
AN 86.948 ACRE TRACT

Being an 86.948 acre tract of land situated in the Joel Miner Survey, Abstract No. 321, Hays County, Texas, being a portion of that certain tract of land called 97.84 acres conveyed to Albert M. Walker, Trustee, by instrument recorded in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are referenced to a bearing of N 24° 08' 30" E between monumentation found along the Easterly right-of-way line of Interstate Highway 35 (basis is taken from Texas State Highway Department Right-of-Way Map), said 86.948 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a ½" iron pin set on the Northeasterly line of the above referenced 97.84 acre tract, same being a Southwesterly line of that certain tract now being a remainder of a 328.824 acre tract described in Volume 720, Page 152 of the Official Public Records of Hays County, Texas, said ½" iron pin set S 45° 57' 20" E 232.0 feet from a ¾" iron pipe found on the Easterly right-of-way line of Interstate Highway 35, for the North corner of the above referenced 97.84 acre tract, for a Northerly corner of this tract;

THENCE: Generally along an old meandering cedar post and wire fence (falling down), with a Southwesterly line of said 328.824 acre tract, the Northeasterly line of the above referenced 97.84 acre tract, S 45° 57' 20" E 1,913.50 feet to a ½" iron pin found for a Southwesterly corner of said 328.824 acre tract, situated on the Northwesterly line of a tract called 72.85 acres (Popham Tract), recorded in Volume 895, Page 450 of the Official Public Records of Hays County, Texas, for the East corner of the above referenced 97.84 acre tract, for the East corner of this tract;

THENCE: Generally with fence, along a Southeast line of the above referenced 97.84 acre tract, the Northwest line of said 72.85 acre tract, S 44° 19' 36" W 390.40 feet to a ½" iron pin found and S 44° 37' 31" W 551.28 feet to a ¾" iron pin found for the West corner of said 72.85 acre tract, same being the North corner of Saddle Brook Subdivision, a plat recorded in Volume 9, Pages 107-109 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Continuing along the Southeast line of the above referenced 97.84 acre tract, a Northwest line of said Saddle Brook Subdivision, generally along a wood fence, S 44°

16' 53" W 1,278.72 feet to a ½" iron pin set for an interior corner of Saddle Brook Subdivision, for the South corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, with a Northeasterly line of Saddle Brook Subdivision, N 46° 04' 27" W 1,232.19 feet to a ½" iron pin set on said Northeast line, for a Southwesterly corner of this tract;

THENCE: Leaving the Northeasterly line of Saddle Brook Subdivision, N 24° 08' 30" E 52.37 feet to a ½" iron pin set and N 59° 31' 04" W 90.55 feet to a ½" iron pin set on the Easterly right-of-way line of Interstate Highway 35, for a Southwest corner of this tract, being located N 24° 08' 30" E 30.0 feet from a ½" iron pin found for a corner of Saddle Brook Subdivision;

THENCE: Continuing with the Easterly right-of-way line of Interstate Highway 35, N 24° 08' 30" E 959.44 feet to a ½" iron pin set in the curving Southeast line of that certain 10.67 acre tract described in Deed from Kitty Page Yarrington to State of Texas, dated February 7, 1935, recorded in Volume 110, Page 219 of the Deed Records of Hays County, Texas, for a corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract (which is in conflict with the 10.67 acre tract), with the Southeast line of said 10.67 acre tract, in a curve to the right, having a radius of 2,925.00 feet, an arc length of 415.32 feet, a central angle of 08° 08' 07", and a chord bearing and distance of N 55° 56' 05" E 414.97 feet to a ½" iron pin set for an interior corner of this tract;

THENCE: Continuing with the remainder of said 10.67 acre tract, N 47° 55' 30" W 229.79 feet to a ½" iron pin found on the Easterly right-of-way line of Interstate Highway 35, for a corner of this tract;

THENCE: Continuing with said Easterly right-of-way line, N 24° 08' 30" E 851.42 feet to a ½" iron pin set in same, for the most Northwesterly corner of this tract;

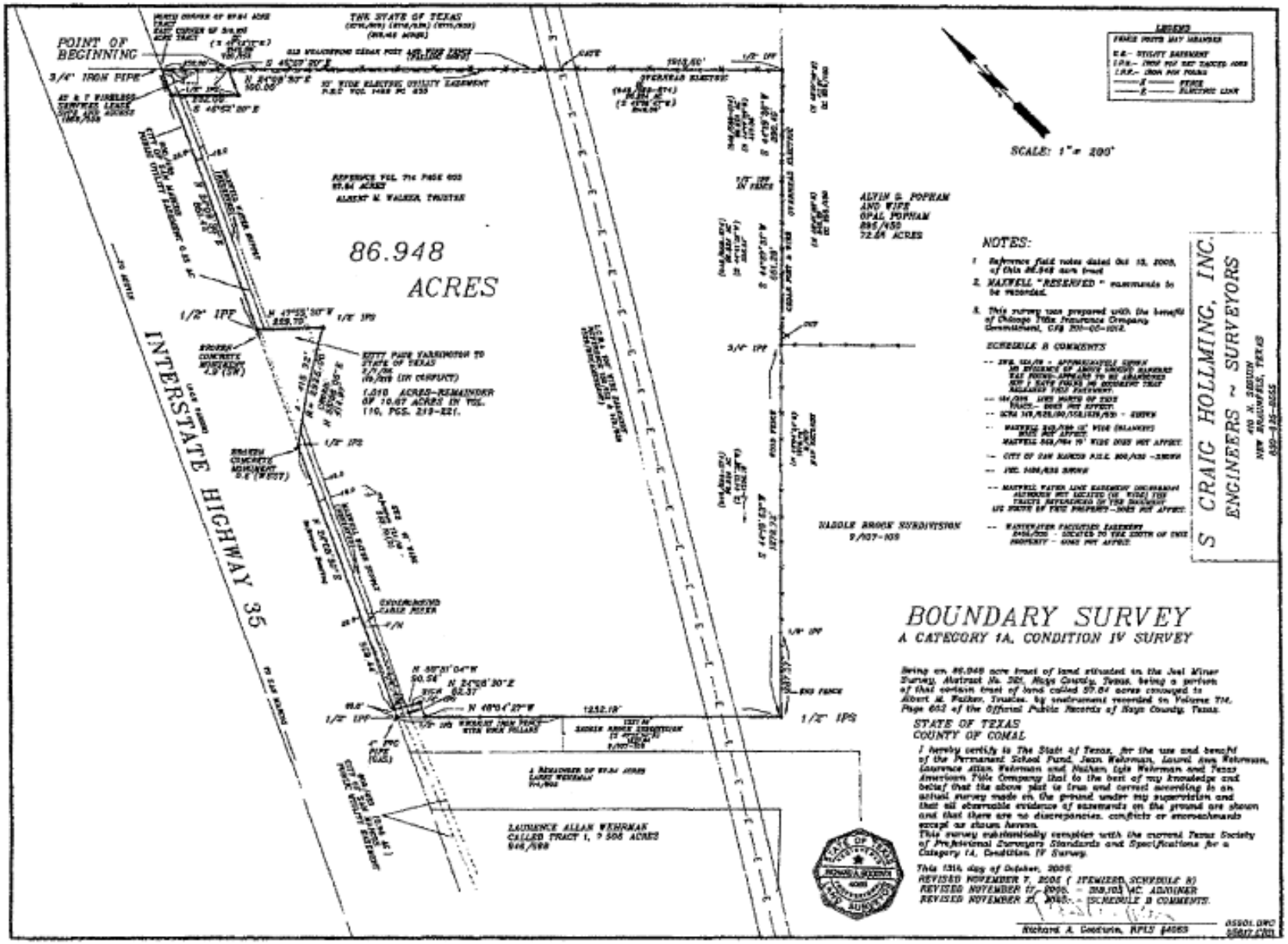
THENCE: Entering the above referenced 97.84 acre tract, S 45° 57' 20" E 232.00 feet to a ½" iron pin set for an interior corner of this tract and N 24° 08' 30" E 100.00 feet to the Point of Beginning and containing 86.948 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, October 13, 2005. Reference plat prepared this same date of this 86.948 acre tract.

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Job #05-901


POINT OF BEGINNING
3/4" IRON PIPE
THE STATE OF TEXAS
86.948 ACRES
INTERSTATE HIGHWAY 35
1/2" IPS
ALVIN G. POPHAM AND WIFE OPAL POPHAM
SCALE: 1" = 200'
NOTES:
S. CRAIG HOLLING, INC.
ENGINEERS ~ SURVEYORS
BOUNDARY SURVEY
A CATEGORY 1A, CONDITION IV SURVEY
STATE OF TEXAS
COUNTY OF COMAL
LAURENCE ALLAN WEHRMAN CALLED TRACT 1, 7.505 ACRES

Including that certain approximately 99.8 acre tract, as described below.

VICKREY & ASSOCIATES, Inc.
CONSULTING ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS

Being a 99.80 acre tract of land situated in the Joel Miner Survey, Abstract No. 321 in Hays County, Texas, being the same property called two 50 acre tracts of land conveyed to Jane Richmond Benasutti, Trustee of Thomas R. Richmond Testamentary Family Trust by Deed recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, and individually one-half interest to Victoria Elizabeth Richmond a/k/a Elizabeth L. Richmond by Deed recorded in Volume 850, Page 595 of the Deed Records of Hays County, Texas, said 99.80 acre tract being more particularly described by metes and bounds with all bearings being referenced to the North American Datum 1983, Texas Coordinate System, South Central Zone; Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a ½-inch iron rod found at the intersection of the Southwest line of County Road No. 159, known as Yarrington Road and the Northwest line of County Road No. 160, known as Harris Hill Road for the East corner of the herein described tract, said Beginning point having Texas South Central Grid Coordinates of (N=13,886,570.38, E= 2,327,818.81);

Thence: S 43°21'39" W, along the Northwest line of said County Road No. 160, a distance of 2086.12 feet to a found ½ inch iron rod with yellow cap, for a Northeast corner of a 318.105 acre tract of land recorded in Volume 2715, Page 533 of the Official Public Records of Hays County, Texas, being the South corner of the herein described tract;

Thence: N 46°11'01" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2092.35 feet to a found ½ inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract;

Thence: N 43°31'53" E, along a Southeasterly line of said 318.105 acre tract, passing the common corner of said 318.105 acre tract and a 201.496 acre tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas, at a distance of 818.94 feet, and continuing along the Southeast line of said 201.496 acre tract, for a total distance of 2075.38 feet, to a found ½" iron rod on the Southwest line of said County Road No. 159 and being the North corner of the herein described tract;

Thence: S 46°28'39" E, along said Southwest line of County Road No. 159, a distance of 2086.11 feet to the POINT OF BEGINNING and containing 99.80 acres of land, more or less.

Note: Survey Plat of even date accompanies this legal description.

Hal B. Lane 4/11/06

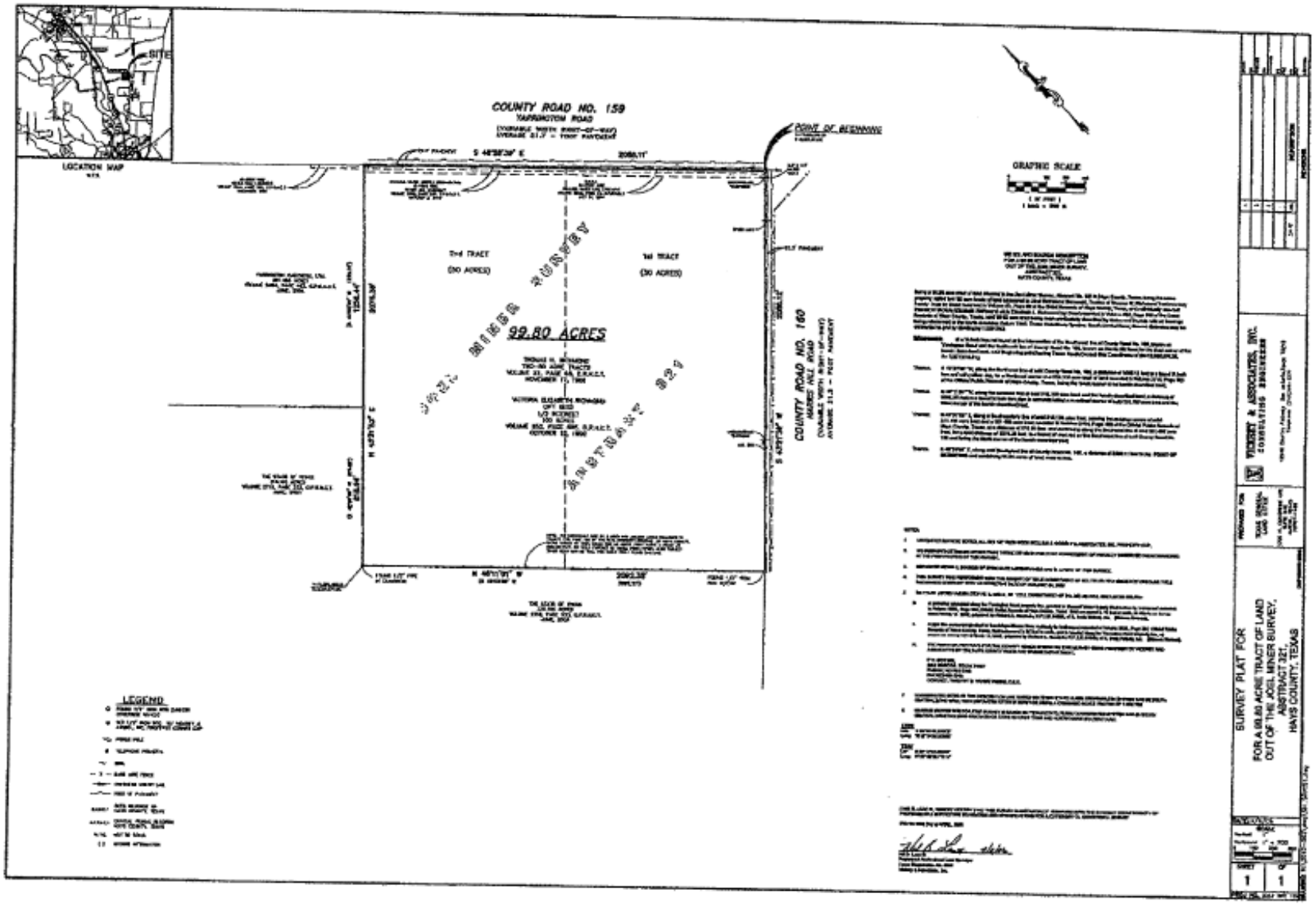
Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.

STATE OF TEXAS REGISTERED HAL B. LANE III 4690 PROFESSIONAL LAND SURVEYOR

Job No. 2042-002-104
gm 99.80 Acres 041106
April 6, 2006
April 11, 2006

N:\2042-002\M&B\99.80 Acres (FINAL) 041106.rtf

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271 • FAX 210-349-2561


COUNTY ROAD NO. 159
TAFRINOTON ROAD
POINT OF BEGINNING
LOCATION MAP
SITE
GRAPHIC SCALE
99.80 ACRES
COUNTY ROAD NO. 160
LEGEND
SURVEY PLAT FOR
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS

Including that certain approximately 318.105 acre tract, as described below.

Chaparral

Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-441-6987

2807 Manchaca Road
Building One
Austin, Texas 78704

318.105 ACRES
JOEL MINER SURVEY

A DESCRIPTION OF 318.105 ACRES IN THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN TRUSTEE'S DEED TO JIM McCROCKLIN, TRUSTEE, DATED MARCH 1, 1988, OF RECORD IN VOLUME 720, PAGE 152 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS; SAID 318.105 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" rebar found in the east right-of-way line of Interstate Highway 35 (right-of-way width varies) for the west corner of said 328.824 acre tract and the north corner of a 97.84 acre tract of land described in Volume 714, Page 603 of the Real Property Records of Hays County, Texas;

THENCE North 22°55'27" East, with the east right-of-way line of said IH-35 and the northwest line of the 328.824 acre tract, a distance of 1366.86 feet to a ½" rebar with cap set for the southwest corner of Lot 1, San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Plat Records of Hays County, Texas, from which a concrete highway monument found bears North 22°55'27" East, a distance of 2010.30 feet;

THENCE South 67°05'52" East, over and across the 328.824 acre tract with the southwest line of said San Marcos Technology Park, a distance of 1606.37 feet to a ½" rebar with cap set for an angle point in the north line of the 328.824 acre tract and the south corner of Lot 3, San Marcos Technology Park;

THENCE with the north line of the 328.824 acre tract and the southeast line of Lots 3 and 4, San Marcos Technology Park, the following three (3) courses:

1. North 43°06'54" East, a distance of 1113.31 feet to a ½" rebar found;
2. North 41°52'41" East, a distance of 231.92 feet to a ½" rebar found;
3. North 43°00'24" East, a distance of 894.26 feet to a ½" rebar found in the southwest line of a 214.40 acre tract of land described in Volume 773, Page 816 of the Real Property Records of Hays County, Texas, for the east corner of Lot 4, San Marcos Technology Park and the north corner of the 328.824 acre tract;

THENCE South 47°05'53" East, with the northeast line of the 328.824 acre tract

and the southwest line of said 214.40 acre tract, a distance of 2136.85 feet to a ½" rebar found for the south corner of the 214.40 acre tract and the northeast corner of the 328.824 acre tract and in the northwest line of a 100 acre tract of land described in Volume 52, Page 68 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 328.824 acre tract and the said 100 acres, the following two (2) courses:

1. South 42°49'26" West, a distance of 819.02 feet to a ½" iron pipe found for the west corner of the 100.00 acre tract;

2. South 46°53'58" East, a distance of 2092.27 feet to a ½" rebar with cap set in the northwest right-of-way line of County Road 160 (Harris Hill Road, right-of-way width varies) for the easternmost corner of the 328.824 acre tract;

THENCE with the northwest right-of-way line of said C.R. 160 and the southeast line of the 328.824 acre tract, the following six (6) courses:

1. South 43°41'13" West, a distance of 675.23 feet to a ½" rebar with cap set;

2. South 45°13'02" West, a distance of 369.18 feet to a ½" rebar with cap set;

3. South 45°38'13" West, a distance of 508.86 feet to a ½" rebar with cap set;

4. South 57°29'20" West, a distance of 74.15 feet to a ½" rebar with cap set;

5. South 33°18'43" West, a distance of 64.34 feet to a ½" rebar with cap set;

6. South 45°42'28" West, a distance of 395.47 feet to a ½" rebar found for the south corner of the 328.824 acre tract and the east corner of a 36.40 acre tract of land described in Volume 1435, Page 407 of the Official Public Records of Hays County, Texas;

THENCE North 47°04'03" West, with a southwest line of the 328.824 acre tract and the northeast line of said 36.40 acre tract, a distance of 3052.04 feet to a ½" rebar found for the north corner of the 36.40 acre tract;

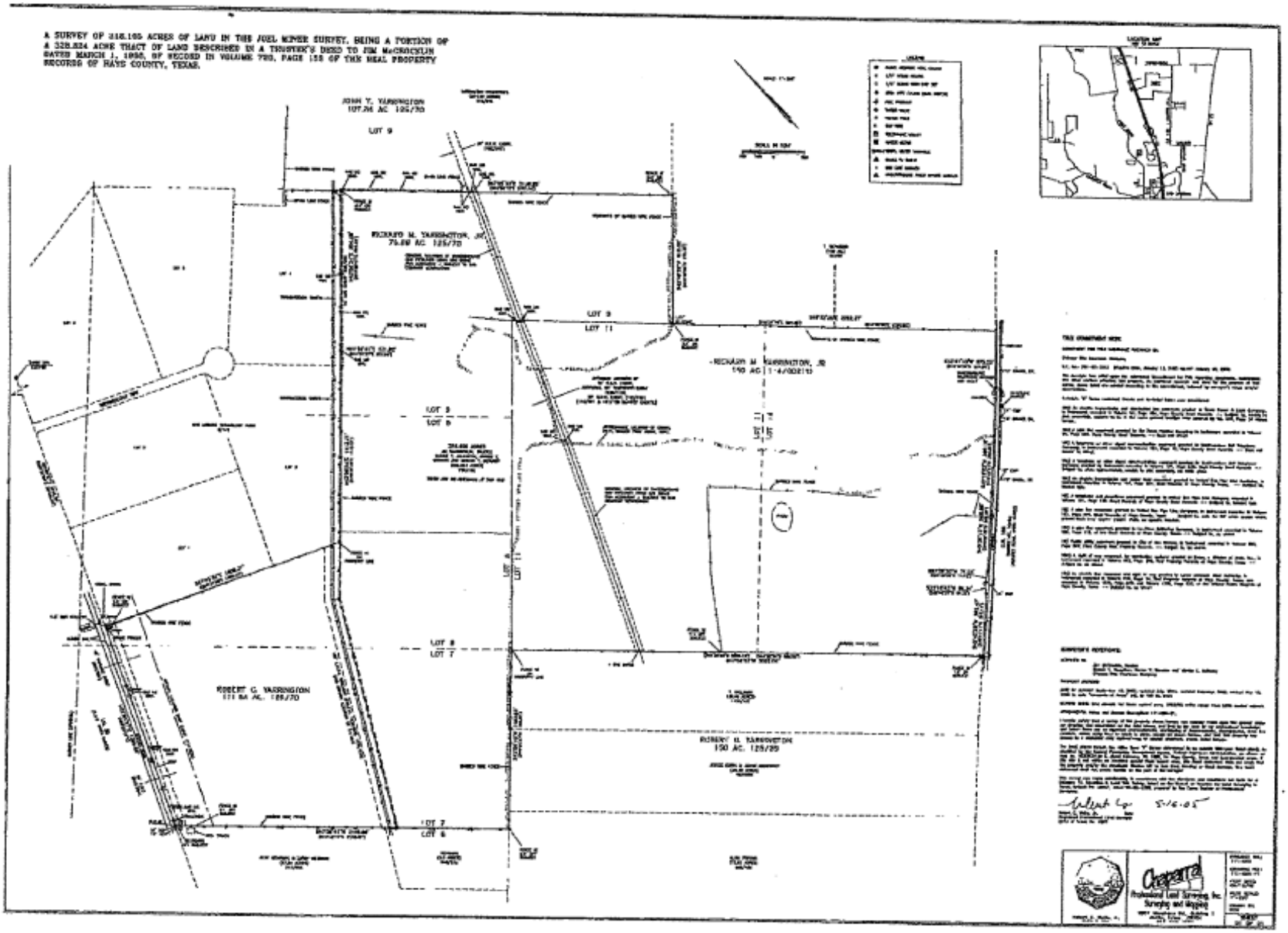
THENCE South 42°56'45" West, with a southwest line of the 328.824 acre tract and the northwest line of the 36.40 acre tract, passing at a distance of 521.59 feet a ½" rebar found for the west corner of the 36.40 acre tract and the north corner of a 36.40 acre tract described in Document No. 9924088 of the Official Public Records of Hays County, Texas, for a total distance of 1163.93 feet to a ½" rebar found for the east corner of a 6.6 acre tract described in Volume 946, Page 575 of the Official Public Records of Hays County, Texas, being in the northwest line of a 72.85 acre tract described in Volume 895, Page 450 of the Official Public Records of Hays County, Texas;

THENCE North 47°09'41" West, with a southwest line of the 328.824 acre tract and the northeast lines of said 6.6 acre tract and said 97.84 acre tract, a distance of 2145.66 feet to the **POINT OF BEGINNING**, containing 318.105 acres of land, more or less.

Surveyed on the ground September 12, 2003. Attachments: survey drawing 111-005-T1. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN Values from LCRA Control Network.

Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995

3-11-05


A SURVEY OF 318.195 ACRES OF LAND IN THE JOEL MINER SURVEY, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO JIM McCROCKLIN DATED MARCH 1, 1990, OF RECORD IN VOLUME 703, PAGE 158 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS.
JOHN T. YARRINGTON
107.24 AC 125/70
LOT 9
RICHARD M. YARRINGTON, JR
75.88 AC 125/70
LOT 9
LOT 11
RICHARD M. YARRINGTON, JR
140 AC
LOT 8
LOT 9
LOT 8
LOT 7
ROBERT G. YARRINGTON
111.84 AC. 125/70
ROBERT G. YARRINGTON
150 AC. 125/70
LOT 7
LOT 6
5-16-05
Professional Land Surveying, Inc.
Surveying and Mapping

Including that certain approximately 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Federnales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

Including that certain approximately 201.496 acre tract, save and except, that certain 85.81 acre tract, as described below.

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract herein;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

EXHIBIT A-2 – TRACT #1 LEGAL DESCRIPTION

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E – 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W – 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E – 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E – 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E – 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643

STATE OF TEXAS
REGISTERED
RICHARD A. GOODWIN
4069
PROFESSIONAL
LAND SURVEYOR

Richard A. Goodwin, RPLS #4069

Save and except, that certain 85.81 acre tract, as described below.

SPOT ON SURVEYING

1345 Elliott Ranch Rd., Buda Texas 78610

Texas Firm No. 10193894 - J/N:0019-15-005

FIELD NOTES-METES AND BOUNDS DESCRIPTION

BEING 85.81 ACRES OF LAND OUT OF THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT 201.496 ACRE TRACT OF LAND OUT OF THE WILLIAM WARD SURVEY NO. 3 AND THE JOEL MINER SURVEY AS DESCRIBED TO YARRINGTON PARTNERS, LTD. A TEXAS LIMITED PARTNERSHIP IN VOLUME 2494, PAGE 403, AS DOCUMENT NO. 04018594, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS, (O.P.R.H.C.TX.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a found iron rod with cap stamped "SAM INC.", being accepted as the most Southerly corner of the 3.275 Acres of land conveyed to Hays County from Yarrington Partners, LTD. In Document No. 14036525, recorded in Volume 5090, Page 263, O.P.R.H.C.TX., said point being accepted as an angle point in the Southwest and Northwest Right of Way limits of Yarrington Road;

THENCE S 43° 28' 13" W, 1239.58 feet, along the Northwest Right of Way of said Yarrington Road to a found 1/2" iron rod, down 4", accepted as an angle point in the Northwest and Southwest Right of Way limits of said Yarrington Road;

THENCE S 46° 29' 38" E, 535.61 feet, along the Southwest Right of Way limits of said Yarrington Road to a set iron rod and cap stamped, "SPOT ON SURVEYING", (SIRC) said point to be used as the TRUE POINT OF BEGINNING for the description of this 85.81 Acre tract hereon;

THENCE S 46° 29' 38" E, 3144.84 feet, continuing along the Southwest Right of Way limits of said Yarrington Road to a found 1/2" iron rod, down 6", accepted as the East corner of said 201.496 Acre tract also being the East corner of the 85.81 Acre tract described herein and accepted as the North corner of that 99.80 Acres conveyed to the State of Texas in Document No. 06017062, as recorded in Volume 2941, Page 851, O.P.R.H.C.TX.;

THENCE S 43° 31' 37" W, 1256.19 feet, along the common line of said 201.496 and 99.80 Acre tracts to a found 1/2" iron rod, flush, accepted as the South corner of said 201.496 Acre tract also being the South corner of the 85.81 Acre tract described herein and accepted as the East corner of that 318.105 Acres conveyed to the State of Texas in Document No. 05018360, as recorded in Volume 2715, Page 533, O.P.R.H.C.TX.;

THENCE N 46° 26' 03" W, 1315.46 feet, along the common line of said 201.496 and 318.105 Acre tracts to a found 1/2" iron rod, down 2", accepted as the Southerly limits of Gas easement described in Volume 801, Page 847, Deed Records, Hays County, Texas, D.R.H.C.TX., also being accepted as the Southwesterly limits of that 50 foot wide gas pipeline easement described in Volume 230, Page 120, Real Property Records, Hays County, Texas, R.P.R.H.C.TX. and being an angle point in the Southwesterly line of the 85.81 Acre tract described herein;

THENCE N 46° 18' 25" W, 1503.36 feet, along the Southwesterly line of said 201.496 Acre tract and the Northeasterly lines of said 318.105 Acre tract with the Northeasterly lines of Lot 4, of the San Marcos Technology Park, Subdivision as recorded in Volume 5, Page 147, Plat Records, Hays County, Texas, P.R.H.C.TX. and the 0.769 Acre tract to Pedernales Electric Cooperative, Inc. as recorded in Volume 826, Page 691, O.P.R.H.C.TX., to a found iron rod with cap stamped "BYRN SURVEYING", said point being accepted as the West corner of the 85.81 acre tract described herein also being accepted as the Southeasterly limits of that (ten) 10 foot wide easement to the City of San Marcos for waterline purposes as recorded in Volume 1207, Page 627, O.P.R.H.C.TX. and the Southeasterly limits of a (one hundred) 100 foot wide easement to the Lower Colorado River Authority (LCRA) as recorded in Volume 148, Page 570, D.R.H.C.TX., a found 3/4" iron pipe accepted as the East corner of Lot 5 of said San Marcos Technology Park, Subdivision falls N 46° 18' 25" W, 1.11 feet from said point for a witness corner;

THENCE N 28° 54' 22" E, 1291.61 feet, along the Easterly limits of said 10 foot and 100 foot wide easements to the POINT OF BEGINNING hereof, containing a calculated area of 3,738,047.2 sq. ft., 85.81 Acres, said field notes being described in accordance with a survey made on the ground by me or under my direction. All bearings shown are based on NAD 83 Texas State Plane Coordinate System, South Central Zone. All distances shown are surface or ground distances.

STATE OF TEXAS REGISTERED SCOTT A. HAHN 6375 PROFESSIONAL LAND SURVEYOR

Scott A. Hahn, RPLS 6375

January 19, 2016

Date

EXHIBIT A-3 – TRACT #2 LEGAL DESCRIPTION

FIELD NOTE DESCRIPTION
16.56 ACRES
JOEL MINOR SURVEY
HAYS COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 16.56 ACRES OF LAND OUT OF THE JOEL MINOR SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 318.05 ACRE TRACT DESCRIBED IN A DEED TO WHISPER MASTER COMMUNITY LIMITED PARTNERSHIP RECORDED IN DOCUMENT NUMBER 2016-16000334 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THE SAID 16.56 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

NOTE: All steel pins set cited herein are ½ inch diameter with cap marked Lenz & Assoc. All nails set cited herein are 60d with washer marked Lenz & Assoc. Bearings cited herein are based on the Texas Coordinate System of 1983 (NAD83), South Central Zone.

COMMENCING, at a ½ inch diameter steel pin found with cap marked DOUCET in the interior of the said 318.05 acre tract at the north end of a 25.00 foot radius curve on the west line of Fortuna Road, as dedicated by the plat of Whisper PID Improvements Plat, of record in Document Number 19030333 of the Plat Records of Hays County, Texas, from which a ½ inch diameter steel pin found with cap marked DOUCET on the north line of Opportunity Boulevard at the west end of said curve bears a chord bearing and distance of S 42°22'38" W, 35.36 feet;

THENCE, N 02°37'22" W, a distance of 841.73 feet, through the interior of the said 318.05 acre tract, along the west line of Fortuna Road, to a ½ inch diameter steel pin steel pin found with cap marked DOUCET;

THENCE, continuing with the west line of Fortuna Road with a curve to the right, having a central angle of 15°56'47", a radius of 535.00 feet, an arc of 148.90 feet and a chord bearing and distance of N 05°21'01" E, 148.42 feet to a steel pin set for the **PLACE OF BEGINNING** of the herein described tract;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, the following eight (8) courses and distances:

1) N 76°42'40" W, 39.59 feet to a steel pin set;
2) S 23°17'22" W, 293.17 feet to a steel pin set;
3) S 87°59'58" W, 668.17 feet to a steel pin set;
4) N 02°00'02" W, 205.93 feet to a steel pin set;
5) With a curve to the right, having a central angle of 25°17'23", a radius of 385.00 feet, an arc of 169.94 feet and a chord bearing and distance of N 10°38'40" E, 168.56 feet to a steel pin set;

6) N 23°17'22" E, 759.80 feet to a steel pin set;

7) S 66°42'38" E, 667.95 feet to a steel pin set;

8) S 46°14'43" E, 98.21 feet to a steel pin set on the west line of Fortuna Road, from which a ½ inch diameter steel pin found with cap marked Doucet bears N 23°17'48" E, 986.89 feet;

THENCE, continuing to traverse the interior of the said 318.05 acre tract, along the west line of Fortuna Road, the following two (2) courses and distances:

1) S 23°17'48" W, 397.99 feet to a steel pin found with cap marked Doucet;

2) With a curve to the left, having a central angle of 09°58'23", a radius of 535.00 feet, an arc of 93.13 feet and a chord bearing and distance of S 18°18'36" W, 93.01 feet to the **PLACE OF BEGINNING**, containing 16.56 acres of land, more or less.

This description prepared for the benefit of Whisper Industrial 2019 QOZB, LLC and Simmons Bank, an Arkansas State Charter Bank.

DECEMBER 30, 2019

Timothy A. Lenz
Lenz & Associates, Inc.
Firm Number 100290-00
4150 Freidrich Lane, Suite A-1
Austin, Texas 78744
(512) 443-1174

Whisper (16.56 ac).doc

STATE OF TEXAS
REGISTERED
TIMOTHY A. LENZ
4393
PROFESSIONAL
LAND SURVEYOR

EXHIBIT A-4 – TRACT #3 LEGAL DESCRIPTION

PROPERTY DESCRIPTION

FIELD NOTES FOR A 130.641 ACRE TRACT

Being a 130.641 acre tract of land, out of the Joel Miner Survey, Hays County, Texas, and being out of a 318.105 acre tract and a 99.800 tract, conveyed to Whisper Master Community Limited Partnership by a Deed Without Warranty recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, being more particularly described as follows:

COMMENCING at a point in the Northwesterly R.O.W. of County Road 160 (Harris Hill Road), being the intersection of the Southwesterly line of a 318.105 acre tract, conveyed to Whisper Master Community Limited Partnership by a Deed With Warranty recorded in Document No. 2016-16000334 in the Official Public Records of Hays County, Texas;

Thence **N 46°21'27" W**, a distance of **23.53** feet to the beginning point of said 318.105 acre tract;

Thence: Along the Southwesterly line of said 318.105 acre tract, **N 46°21'27" W**, a distance of **2,227.77** feet to the Southwesterly corner of said 318.105 acre tract;

Thence: Leaving said 318.105 acre tract and traversing thru the interior of the said 318.105 tract, **N 23°17'22" E**, a distance of **830.41** feet to an interior corner;

Thence: **N 50°54'24" E**, a distance of **84.97** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **408.50** feet to an interior corner;

Thence: **S 71°04'04" E**, a distance of **52.81** feet to an interior corner;

Thence: **S 89°50'45" E**, a distance of **111.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **70.50** feet to an interior corner;

Thence: **N 89°50'45" W**, a distance of **121.50** feet to an interior corner;

Thence: **N 00°09'15" E**, a distance of **365.15** feet to a corner point on the south right-of-way of Whisper Hills Blvd;

Thence: With the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **606.71** feet to a corner point on said south right-of-way;

Thence: Leaving said south right-of-way, **S 00°09'15" W**, a distance of **306.12** feet to an interior corner;

Thence: **S 87°13'46" W**, a distance of **121.90 feet** to an interior corner;

Thence: Along a curve to the right, an arc length of **9.27** feet, a radius of **181.50** feet, a chord bearing of **S 01°18'29" E** and a chord distance of **9.26** feet to an interior corner;

Thence: **S 00°09'15" W**, a distance of **73.16** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **160.33** feet to an interior corner;

Thence: **N 01°04'24" W**, a distance of **10.00** feet to an interior corner;

Thence: **N 88°55'36" E**, crossing the said 318.105 acre tract and said 99.800 acre tract boundary line a distance of 601.21 feet, thence continuing thru the said 99.800 acre tract for a total distance of **669.07** feet to an interior corner;

Thence: **N 00°09'15"** E, a distance of **65.73** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **144.19** feet, a radius of **2975.00** feet, a chord bearing of **N 01°14'03" W** and a chord distance of **144.18** feet to an interior corner;

Thence: **N 02°37'22" W**, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **N 47°37'24" W** and a chord distance of **35.36** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along the south right-of-way of Whisper Hills Blvd., **N 87°22'38" E**, a distance of **100.00** feet to a corner point;

Thence: Leaving said right-of-way along a curve to the left, an arc length of **39.27** feet, a radius of **25.00** feet, a chord bearing of **S 42°22'37" W** and a chord distance of **35.36** feet to an interior corner;

Thence: **S 02°37'22"** E, a distance of **166.05** feet to an interior corner;

Thence: Along a curve to the right, an arc length of **146.62** feet, a radius of **3025.00** feet, a chord bearing of **S 01°14'03"** E and a chord distance of **146.60** feet to an interior corner

Thence: **S 00°09'15" W**, a distance of **64.66** feet to an interior corner;

Thence: **N 88°55'36" E**, a distance of **361.77** feet to an interior corner ;

Thence: **S 46°21'27"** E, a distance of **214.73** feet to an interior corner;

Thence: **N 45°55'20"** E, a distance of **293.36** feet to an interior corner;

Thence: Along a curve to the left, an arc length of **143.55** feet, a radius of **262.00** feet, a chord bearing of **N 30°13'34" E** and a chord distance of **141.76** feet to an interior corner;

Thence: **N 14°31'48" E**, a distance of **256.58** feet to a corner point on the south right-of-way of said Whisper Hills Blvd.;

Thence: Along said south right-of-way a curve to the right, an arc length of **303.28** feet, a radius of **955.00** feet, a chord bearing of **S 75°48'18" E** and a chord distance of **302.01** feet to a corner point;

Thence: Leaving said south right-of-way, **S 14°31'48" W**, a distance of **258.35** feet to an interior corner;

Thence: Along a curve to the right an arc length of **79.50** feet, a radius of **564.00** feet, a chord bearing of **S 18°34'05" W** and a chord distance of **79.43** feet to an interior corner;

Thence: **S 46°21'27" E**, a distance of **582.83** feet a Northeast corner point;

Thence: **S 43°51'51" W**, crossing the said 99.800 acre tract and said 318.105 acre tract boundary line a distance of 847.96 feet, thence continuing thru the said 318.105 acre tract for a total distance of **1507.06** feet to a point;

Thence: A curve to the right, an arc length of **31.57** feet, a radius of **619.00** feet, a chord bearing of **S 45°19'32" W** and a chord distance of **31.57** feet to a point;

Thence: **S 46°47'12" W**, a distance of **1393.50** feet to the Point of Beginning and containing 130.641 acres, more or less.

March 28, 2019

EXHIBIT A-5 – TRACT #4 LEGAL DESCRIPTION

Being approximately 706.349 acres of land within the District as more particularly described in **Exhibit A-1**; SAVE AND EXCEPT the approximately 115.686-acre tract of land comprising Tract #1 as more particularly described in **Exhibit A-2;** SAVE AND EXCEPT the approximately 16.560-acre tract of land comprising Tract #2 as more particularly described in **Exhibit A-3;** SAVE AND EXCEPT the approximately 130.641-acre tract of land comprising Tract #3 as more particularly described in **Exhibit A-4;** SAVE AND EXCEPT the approximately 51.969-acre tract of land comprising Tract #3 as more particularly described in **Exhibit A-5**.

EXHIBIT A-6 – TRACT #5 LEGAL DESCRIPTION

PAPE-DAWSON ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR

A 51.969 acre, or 2,263,776 square feet more or less, tract of land out of a portion of that 85.81 acre tract described in Special Warranty Deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16011214 of the Official Public Records of Hays County, Texas, and out of a portion of that 99.80 acre tract described in Deed Without Warranty to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, situate in the Joel Miner Survey, Abstract 321, partially in the City of San Marcos, Hays County, Texas. Said 51.969 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found 1/2" iron rod marked "Spot On" on the southwest right-of-way line of County Road No. 159, variable width right-of-way (aka Yarrington Road), at the north corner of said WMCLP 85.81 acre tract, at an east corner of the Yarrington Partners, LTD tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas;

THENCE: S 46°29'26" E, along the southwest right-of-way line of said County Road No. 159, a distance of 1614.02 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", at the northeast corner of Fortuna Road, 70-foot wide public right-of-way, dedicated in Whisper PID Infrastructure Improvements Plat recorded in Document Number 19030333 of the Plat Records of Hays County, Texas, on the northeast line of said WMCLP 85.81 acre tract, for a northerly corner of the herein described tract, same being the POINT OF BEGINNING;

THENCE: S 46°29'26" E, continuing along the southwest right-of-way line of said County Road No. 159, at a distance of 1531.09 feet pass a found 1/2" iron rod for a northwest corner of said WMCLP 99.80 acre tract, for the southeast corner of said WMCLP 85.81 acre tract, and continuing for a total distance of 1938.27 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", on the northeast line of said WMCLP 99.80 acre tract, for the southeast corner of the herein described tract;

THENCE: S 43°30'22" W, departing the southwest line of said County Road No. 159, over and across said WMCLP 99.80 acre tract, a distance of 1256.46 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" for the south corner of the herein described tract;

TBPE Firm Registration #470 | TBPLS Firm Registration #10028800
San Antonio | Austin | Houston | Fort Worth | Dallas
Transportation | Water Resources | Land Development | Surveying | Environmental
2000 NW Loop 410, San Antonio, TX 78213 T: 210.375.9000 www.Pape-Dawson.com

THENCE: N 46°26'18" W, continuing over and across said WMCLP 99.80 acre tract, at a distance of 407.57 feet pass a found 1/2" iron rod at the southeast corner of a 318.105 acre tract described by deed to Whisper Master Community Limited Partnership (WMCLP) recorded in Document Number 2016-16000334 of the Official Public Records of Hays County, Texas, at the south corner of said WMCLP 85.81 acre tract, continuing for a total distance of 1579.85 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson" on the southeast right-of-way line of said Fortuna Road, for the west corner of the herein described tract;

THENCE: Along and with the southeast right-of-way line of said Fortuna Road, the following bearings and distances:

N 23°17'58" E, a distance of 1012.74 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 465.00 feet, a central angle of 20°12'33", a chord bearing and distance of N 33°24'15" E, 163.16 feet, for an arc length of 164.01 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

N 43°30'31" E, a distance of 123.99 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Northeasterly, along a tangent curve to the right, said curve having a radius of 20.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 88°30'31" E, 28.28 feet, for an arc length of 31.42 feet to the POINT OF BEGINNING and containing 51.969 acres partially in the City of San Marcos, Hays County, Texas. Said tract being described in conjunction with a survey made on the ground and a survey map prepared under job number 11152-04 by Pape-Dawson Engineers, Inc.

PREPARED BY:	Pape-Dawson Engineers, Inc.
DATE:	November 27, 2019
JOB NO.	11152-04
DOC. ID.	N:\CIVIL\11152-04\Word\11152-04 FN 51.969 AC.docx

STATE OF TEXAS
REGISTERED
G. E. BUCHANAN
4999
PROFESSIONAL
LAND SURVEYOR

12/02/2019

PAPE-DAWSON ENGINEERS

EXHIBIT B-1 – DISTRICT BOUNDARY MAP

WHISPER LAND USE PLAN

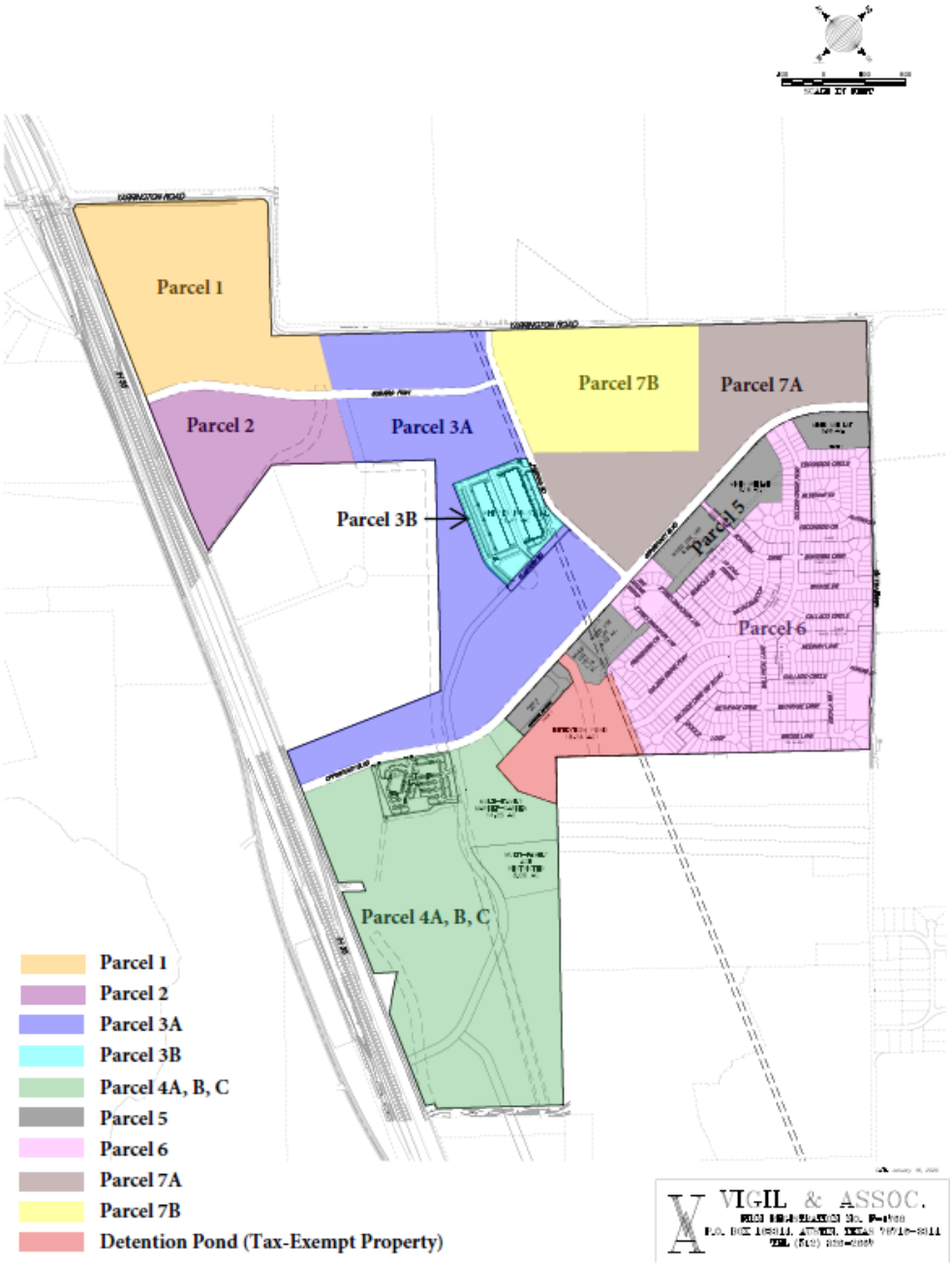


EXHIBIT B-2 – TRACT #1 BOUNDARY MAP

EXHIBIT B-3 – TRACT #2 BOUNDARY MAP

EXHIBIT B-4 – TRACT #3 BOUNDARY MAP

EXHIBIT B-5 – TRACT #4 BOUNDARY MAP

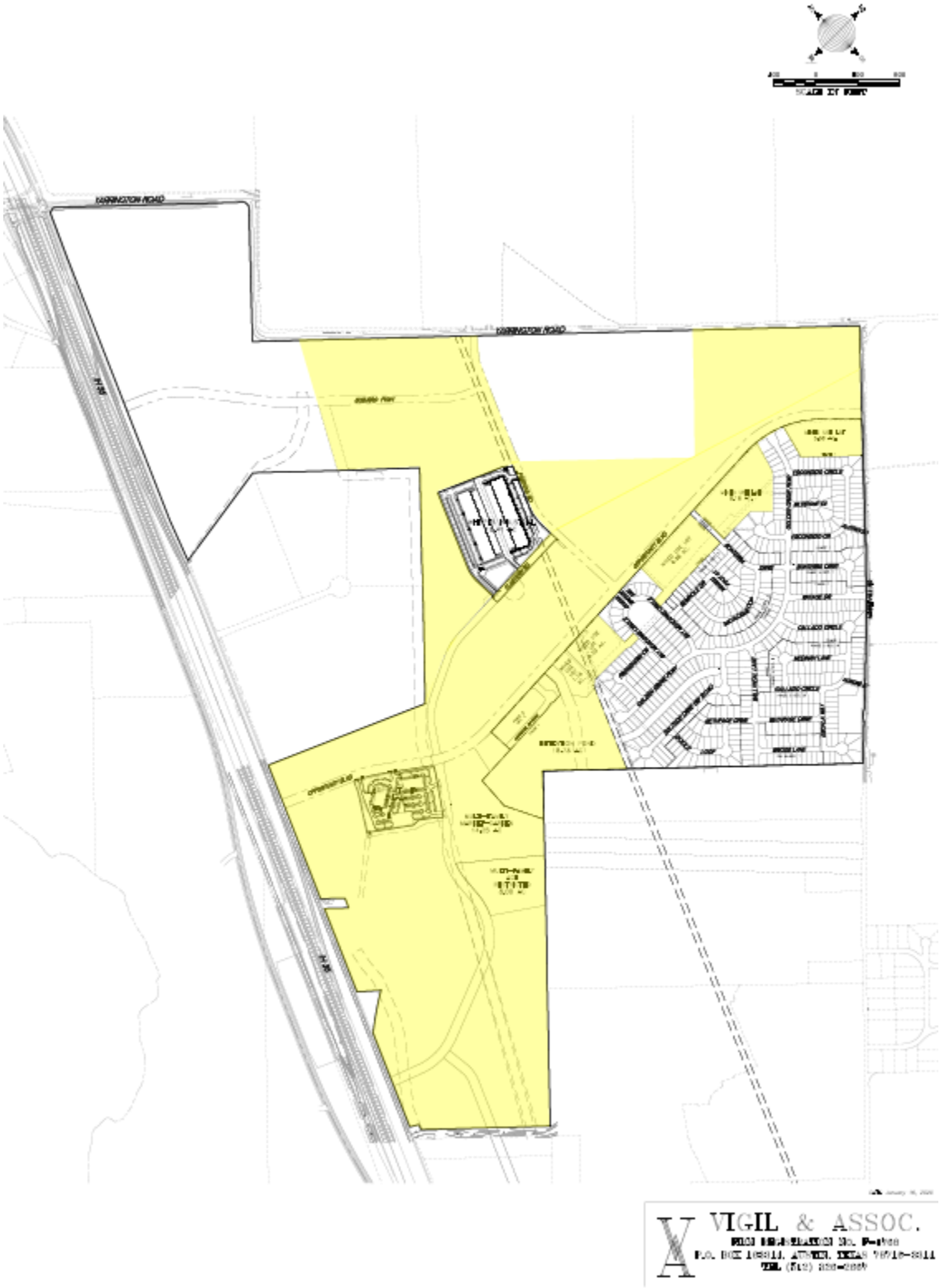


EXHIBIT B-6 – TRACT #5 BOUNDARY MAP

TRACT #5

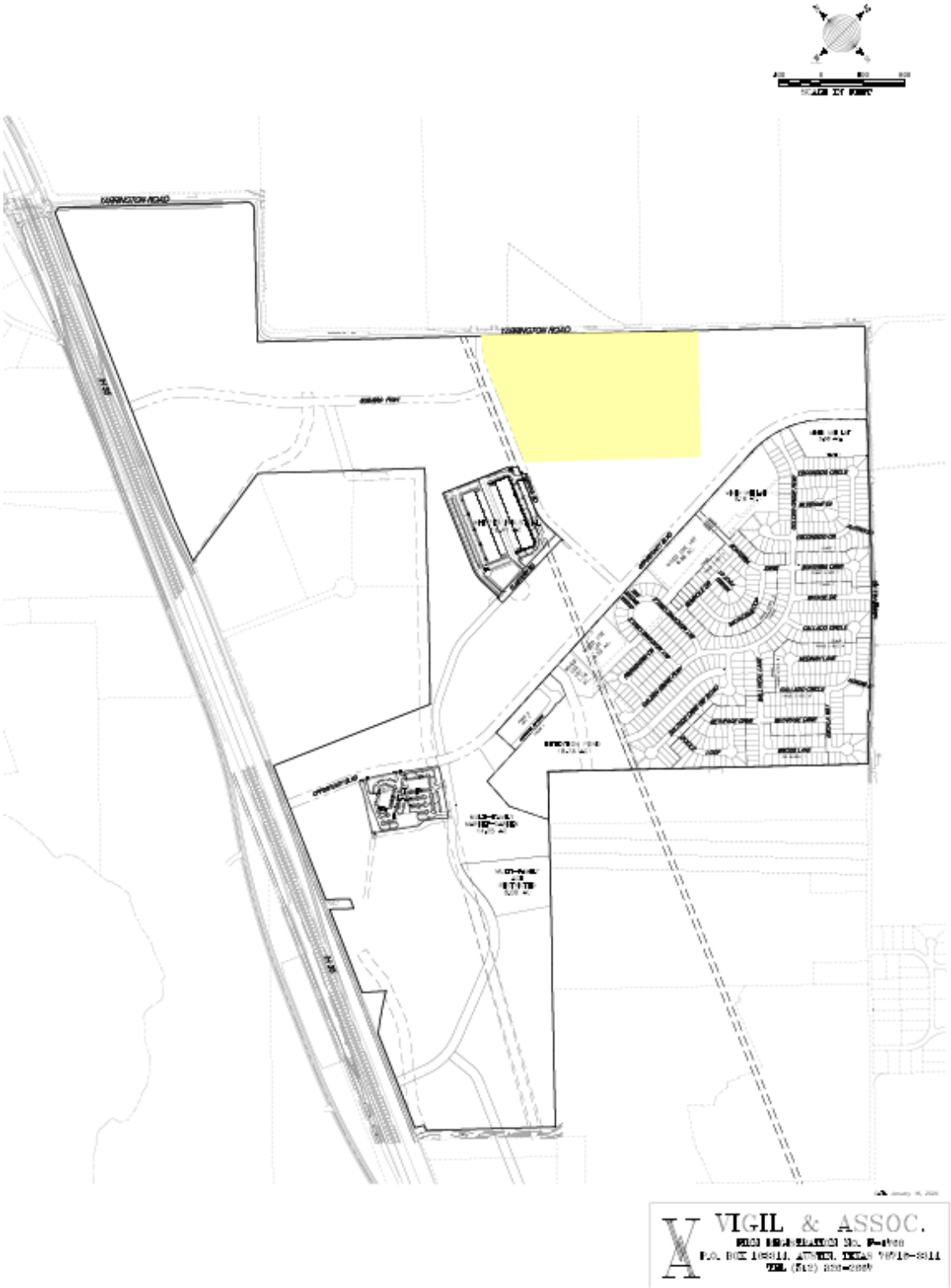


EXHIBIT C – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Whisper PID %	Whisper PID Cost
Major Improvements			
Road A [b]	$ 5,214,299	100.00%	$ 5,214,299
Road B [b]	2,179,637	100.00%	2,179,637
Lift Station & Wastewater Line D	285,746	100.00%	285,746
Road C [b]	2,284,880	100.00%	2,284,880
Offsite Wastewater Line B	315,750	100.00%	315,750
Detention Pond	209,699	100.00%	209,699
Construction Management (4%)	419,600	100.00%	419,600
Soft Costs	824,099	100.00%	824,099
	$ 11,733,710		$ 11,733,710
District Formation and Bond Issuance Costs			
Debt Service Reserve Fund	$ 1,066,556		$ 1,066,556
Capitalized Interest	562,706		562,706
Underwriter's Discount	281,500		281,500
Underwriter's Counsel	140,750		140,750
Cost of Issuance	844,500		844,500
Developer District Formation Costs	200,000		200,000
First Year Annual Collection Costs	40,000		40,000
	$ 3,136,012		$ 3,136,012
Total	**$ 14,869,722**		**$ 14,869,722**

Footnotes:

[a] Costs provided by Sundance Analytics dated April 27, 2020. Costs may not add due to rounding.

[b] Net of proportionate share of $1,592,682 in City cost participation.

EXHIBIT D – SERVICE PLAN – FIVE YEAR PLAN

Five Year Service Plan						
Installments Due		**1/31/2021**	**1/31/2022**	**1/31/2023**	**1/31/2024**	**1/31/2025**
Principal		$ -	$ 195,000	$ 205,000	$ 215,000	$ 225,000
Interest		840,556	840,556	830,075	819,056	807,500
Capitalized Interest		(420,278)	-	-	-	-
	(1)	$ 420,278	$ 1,035,556	$ 1,035,075	$ 1,034,056	$ 1,032,500
Annual Collection Costs	(2)	$ 40,800	$ 41,616	$ 42,448	$ 43,297	$ 44,163
Additional Interest Reserve	(3)	$ 70,375	$ 70,375	$ 69,400	$ 68,375	$ 67,300
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 531,453**	**$ 1,147,547**	**$ 1,146,923**	**$ 1,145,729**	**$ 1,143,963**

EXHIBIT E – SERVICE PLAN – SOURCES AND USES

Sources of Funds		
PID Bond Par	$	14,075,000
Developer Contribution [a]		794,722
Total Sources	**$**	**14,869,722**

Uses of Funds		
Major Improvements	$	11,733,710
District Formation and Bond Issuance Costs		
Debt Service Reserve Fund	$	1,066,556
Capitalized Interest		562,706
Underwriter's Discount		281,500
Underwriter's Counsel		140,750
Cost of Issuance		844,500
Developer District Formation Costs		200,000
First Year Annual Collection Costs		40,000
	$	**3,136,012**
Total Uses	**$**	**14,869,722**

Footnotes:

[a] Non-reimbursable to the Developer.

EXHIBIT F – ASSESSMENT ROLL

	Whisper PID	
Property ID	Outstanding Assessment	Annual Installment due 1/31/21
Tract #1	$ 2,083,452	$ 78,668
Tract #2	$ 337,519	$ 12,744
Tract #3	$ 2,784,116	$ 105,125
Tract #4	$ 7,672,311	$ 289,696
Tract #5	$ 1,197,602	$ 45,220
Total	**$ 14,075,000**	**$ 531,453**

Note: For billing purposes only, until a plat has been recorded within Tract #1, Tract #2, Tract #3, Tract #4 or Tract #5, the Annual Installment will be billed to each property ID within each Tract based on the Hays Central Appraisal District acreage.

[Will be updated to reflect all Property IDs within each Tract for billing purposes. Need to verify all new Property IDs are active and able to bill come 9/1/2020.]

EXHIBIT G-1 – ANNUAL INSTALLMENTS

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 142,428	$ (142,428)	$ -	$ -	$ -
2021	$ -	$ 840,556	$ (420,278)	$ 70,375	$ 40,800	$ 531,453
2022	$ 195,000	$ 840,556	$ -	$ 70,375	$ 41,616	$ 1,147,547
2023	$ 205,000	$ 830,075	$ -	$ 69,400	$ 42,448	$ 1,146,923
2024	$ 215,000	$ 819,056	$ -	$ 68,375	$ 43,297	$ 1,145,729
2025	$ 225,000	$ 807,500	$ -	$ 67,300	$ 44,163	$ 1,143,963
2026	$ 240,000	$ 795,406	$ -	$ 66,175	$ 45,046	$ 1,146,628
2027	$ 255,000	$ 782,506	$ -	$ 64,975	$ 45,947	$ 1,148,429
2028	$ 265,000	$ 768,800	$ -	$ 63,700	$ 46,866	$ 1,144,366
2029	$ 280,000	$ 754,556	$ -	$ 62,375	$ 47,804	$ 1,144,735
2030	$ 295,000	$ 739,506	$ -	$ 60,975	$ 48,760	$ 1,144,241
2031	$ 315,000	$ 723,650	$ -	$ 59,500	$ 49,735	$ 1,147,885
2032	$ 330,000	$ 704,750	$ -	$ 57,925	$ 50,730	$ 1,143,405
2033	$ 355,000	$ 684,950	$ -	$ 56,275	$ 51,744	$ 1,147,969
2034	$ 375,000	$ 663,650	$ -	$ 54,500	$ 52,779	$ 1,145,929
2035	$ 400,000	$ 641,150	$ -	$ 52,625	$ 53,835	$ 1,147,610
2036	$ 425,000	$ 617,150	$ -	$ 50,625	$ 54,911	$ 1,147,686
2037	$ 450,000	$ 591,650	$ -	$ 48,500	$ 56,010	$ 1,146,160
2038	$ 480,000	$ 564,650	$ -	$ 46,250	$ 57,130	$ 1,148,030
2039	$ 510,000	$ 535,850	$ -	$ 43,850	$ 58,272	$ 1,147,972
2040	$ 540,000	$ 505,250	$ -	$ 41,300	$ 59,438	$ 1,145,988
2041	$ 575,000	$ 472,850	$ -	$ 38,600	$ 60,627	$ 1,147,077
2042	$ 610,000	$ 437,631	$ -	$ 35,725	$ 61,839	$ 1,145,195
2043	$ 650,000	$ 400,269	$ -	$ 32,675	$ 63,076	$ 1,146,020
2044	$ 690,000	$ 360,456	$ -	$ 29,425	$ 64,337	$ 1,144,219
2045	$ 735,000	$ 318,194	$ -	$ 25,975	$ 65,624	$ 1,144,793
2046	$ 785,000	$ 273,175	$ -	$ 22,300	$ 66,937	$ 1,147,412
2047	$ 835,000	$ 225,094	$ -	$ 18,375	$ 68,275	$ 1,146,744
2048	$ 890,000	$ 173,950	$ -	$ 14,200	$ 69,641	$ 1,147,791
2049	$ 945,000	$ 119,438	$ -	$ 9,750	$ 71,034	$ 1,145,221
2050	$ 1,005,000	$ 61,556	$ -	$ 5,025	$ 72,454	$ 1,144,036
Total	**$ 14,075,000**	**$ 17,196,259**	**$ (562,706)**	**$ 1,407,425**	**$ 1,655,178**	**$ 33,771,156**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-2 – ANNUAL INSTALLMENTS FOR TRACT #1

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 21,082.84	$ (21,082.84)	$ -	$ -	$ -
2021	$ -	$ 124,423.32	$ (62,211.66)	$ 10,417.26	$ 6,039.42	$ 78,668.34
2022	$ 28,864.87	$ 124,423.32	$ -	$ 10,417.26	$ 6,160.21	$ 169,865.66
2023	$ 30,345.12	$ 122,871.84	$ -	$ 10,272.93	$ 6,283.41	$ 169,773.30
2024	$ 31,825.37	$ 121,240.79	$ -	$ 10,121.21	$ 6,409.08	$ 169,596.45
2025	$ 33,305.62	$ 119,530.17	$ -	$ 9,962.08	$ 6,537.26	$ 169,335.14
2026	$ 35,526.00	$ 117,740.00	$ -	$ 9,795.55	$ 6,668.01	$ 169,729.55
2027	$ 37,746.37	$ 115,830.47	$ -	$ 9,617.92	$ 6,801.37	$ 169,996.13
2028	$ 39,226.62	$ 113,801.60	$ -	$ 9,429.19	$ 6,937.39	$ 169,394.81
2029	$ 41,446.99	$ 111,693.18	$ -	$ 9,233.06	$ 7,076.14	$ 169,449.37
2030	$ 43,667.37	$ 109,465.40	$ -	$ 9,025.82	$ 7,217.67	$ 169,376.26
2031	$ 46,627.87	$ 107,118.28	$ -	$ 8,807.49	$ 7,362.02	$ 169,915.65
2032	$ 48,848.24	$ 104,320.60	$ -	$ 8,574.35	$ 7,509.26	$ 169,252.45
2033	$ 52,548.87	$ 101,389.71	$ -	$ 8,330.11	$ 7,659.44	$ 169,928.13
2034	$ 55,509.37	$ 98,236.78	$ -	$ 8,067.36	$ 7,812.63	$ 169,626.14
2035	$ 59,209.99	$ 94,906.22	$ -	$ 7,789.81	$ 7,968.89	$ 169,874.91
2036	$ 62,910.62	$ 91,353.62	$ -	$ 7,493.76	$ 8,128.26	$ 169,886.26
2037	$ 66,611.24	$ 87,578.98	$ -	$ 7,179.21	$ 8,290.83	$ 169,660.26
2038	$ 71,051.99	$ 83,582.31	$ -	$ 6,846.16	$ 8,456.64	$ 169,937.10
2039	$ 75,492.74	$ 79,319.19	$ -	$ 6,490.90	$ 8,625.78	$ 169,928.60
2040	$ 79,933.49	$ 74,789.62	$ -	$ 6,113.43	$ 8,798.29	$ 169,634.84
2041	$ 85,114.36	$ 69,993.61	$ -	$ 5,713.76	$ 8,974.26	$ 169,796.00
2042	$ 90,295.24	$ 64,780.36	$ -	$ 5,288.19	$ 9,153.74	$ 169,517.53
2043	$ 96,216.24	$ 59,249.78	$ -	$ 4,836.72	$ 9,336.82	$ 169,639.55
2044	$ 102,137.24	$ 53,356.53	$ -	$ 4,355.64	$ 9,523.56	$ 169,372.96
2045	$ 108,798.36	$ 47,100.63	$ -	$ 3,844.95	$ 9,714.03	$ 169,457.96
2046	$ 116,199.61	$ 40,436.72	$ -	$ 3,300.96	$ 9,908.31	$ 169,845.60
2047	$ 123,600.86	$ 33,319.50	$ -	$ 2,719.96	$ 10,106.47	$ 169,746.79
2048	$ 131,742.23	$ 25,748.95	$ -	$ 2,101.95	$ 10,308.60	$ 169,901.74
2049	$ 139,883.61	$ 17,679.73	$ -	$ 1,443.24	$ 10,514.78	$ 169,521.36
2050	$ 148,765.11	$ 9,111.86	$ -	$ 743.83	$ 10,725.07	$ 169,345.87
Total	**$ 2,083,451.60**	**$ 2,545,475.90**	**$ (83,294.50)**	**$ 208,334.06**	**$ 245,007.64**	**$ 4,998,974.69**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-3 – ANNUAL INSTALLMENTS FOR TRACT #2

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 3,415.42	$ (3,415.42)	$ -	$ -	$ -
2021	$ -	$ 20,156.58	$ (10,078.29)	$ 1,687.60	$ 978.39	$ 12,744.27
2022	$ 4,676.11	$ 20,156.58	$ -	$ 1,687.60	$ 997.95	$ 27,518.24
2023	$ 4,915.91	$ 19,905.24	$ -	$ 1,664.22	$ 1,017.91	$ 27,503.27
2024	$ 5,155.71	$ 19,641.01	$ -	$ 1,639.64	$ 1,038.27	$ 27,474.62
2025	$ 5,395.51	$ 19,363.89	$ -	$ 1,613.86	$ 1,059.04	$ 27,432.29
2026	$ 5,755.21	$ 19,073.88	$ -	$ 1,586.88	$ 1,080.22	$ 27,496.19
2027	$ 6,114.91	$ 18,764.54	$ -	$ 1,558.10	$ 1,101.82	$ 27,539.37
2028	$ 6,354.71	$ 18,435.86	$ -	$ 1,527.53	$ 1,123.86	$ 27,441.96
2029	$ 6,714.41	$ 18,094.29	$ -	$ 1,495.76	$ 1,146.34	$ 27,450.80
2030	$ 7,074.11	$ 17,733.39	$ -	$ 1,462.18	$ 1,169.26	$ 27,438.95
2031	$ 7,553.71	$ 17,353.16	$ -	$ 1,426.81	$ 1,192.65	$ 27,526.34
2032	$ 7,913.42	$ 16,899.94	$ -	$ 1,389.04	$ 1,216.50	$ 27,418.90
2033	$ 8,512.92	$ 16,425.13	$ -	$ 1,349.48	$ 1,240.83	$ 27,528.36
2034	$ 8,992.52	$ 15,914.36	$ -	$ 1,306.91	$ 1,265.65	$ 27,479.43
2035	$ 9,592.02	$ 15,374.81	$ -	$ 1,261.95	$ 1,290.96	$ 27,519.74
2036	$ 10,191.52	$ 14,799.29	$ -	$ 1,213.99	$ 1,316.78	$ 27,521.57
2037	$ 10,791.02	$ 14,187.79	$ -	$ 1,163.03	$ 1,343.11	$ 27,484.96
2038	$ 11,510.42	$ 13,540.33	$ -	$ 1,109.08	$ 1,369.98	$ 27,529.81
2039	$ 12,229.82	$ 12,849.71	$ -	$ 1,051.53	$ 1,397.38	$ 27,528.43
2040	$ 12,949.23	$ 12,115.92	$ -	$ 990.38	$ 1,425.32	$ 27,480.84
2041	$ 13,788.53	$ 11,338.97	$ -	$ 925.63	$ 1,453.83	$ 27,506.95
2042	$ 14,627.83	$ 10,494.42	$ -	$ 856.69	$ 1,482.91	$ 27,461.84
2043	$ 15,587.03	$ 9,598.46	$ -	$ 783.55	$ 1,512.56	$ 27,481.61
2044	$ 16,546.23	$ 8,643.76	$ -	$ 705.61	$ 1,542.82	$ 27,438.42
2045	$ 17,625.33	$ 7,630.30	$ -	$ 622.88	$ 1,573.67	$ 27,452.19
2046	$ 18,824.34	$ 6,550.75	$ -	$ 534.76	$ 1,605.15	$ 27,514.99
2047	$ 20,023.34	$ 5,397.76	$ -	$ 440.63	$ 1,637.25	$ 27,498.98
2048	$ 21,342.24	$ 4,171.33	$ -	$ 340.52	$ 1,669.99	$ 27,524.08
2049	$ 22,661.14	$ 2,864.12	$ -	$ 233.81	$ 1,703.39	$ 27,462.46
2050	$ 24,099.95	$ 1,476.12	$ -	$ 120.50	$ 1,737.46	$ 27,434.03
Total	**$ 337,519.16**	**$ 412,367.10**	**$ (13,493.71)**	**$ 33,750.12**	**$ 39,691.24**	**$ 809,833.90**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-4 – ANNUAL INSTALLMENTS FOR TRACT #3

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 28,173.00	$ (28,173.00)	$ -	$ -	$ -
2021	$ -	$ 166,266.89	$ (83,133.44)	$ 13,920.58	$ 8,070.48	$ 105,124.50
2022	$ 38,572.13	$ 166,266.89	$ -	$ 13,920.58	$ 8,231.89	$ 226,991.48
2023	$ 40,550.19	$ 164,193.63	$ -	$ 13,727.72	$ 8,396.52	$ 226,868.06
2024	$ 42,528.24	$ 162,014.06	$ -	$ 13,524.97	$ 8,564.45	$ 226,631.73
2025	$ 44,506.30	$ 159,728.17	$ -	$ 13,312.33	$ 8,735.74	$ 226,282.54
2026	$ 47,473.39	$ 157,335.96	$ -	$ 13,089.80	$ 8,910.46	$ 226,809.60
2027	$ 50,440.47	$ 154,784.26	$ -	$ 12,852.43	$ 9,088.67	$ 227,165.83
2028	$ 52,418.53	$ 152,073.08	$ -	$ 12,600.23	$ 9,270.44	$ 226,362.28
2029	$ 55,385.62	$ 149,255.59	$ -	$ 12,338.14	$ 9,455.85	$ 226,435.19
2030	$ 58,352.71	$ 146,278.61	$ -	$ 12,061.21	$ 9,644.97	$ 226,337.49
2031	$ 62,308.82	$ 143,142.15	$ -	$ 11,769.44	$ 9,837.87	$ 227,058.28
2032	$ 65,275.91	$ 139,403.62	$ -	$ 11,457.90	$ 10,034.62	$ 226,172.05
2033	$ 70,221.05	$ 135,487.07	$ -	$ 11,131.52	$ 10,235.31	$ 227,074.96
2034	$ 74,177.17	$ 131,273.81	$ -	$ 10,780.42	$ 10,440.02	$ 226,671.41
2035	$ 79,122.31	$ 126,823.18	$ -	$ 10,409.53	$ 10,648.82	$ 227,003.84
2036	$ 84,067.46	$ 122,075.84	$ -	$ 10,013.92	$ 10,861.80	$ 227,019.01
2037	$ 89,012.60	$ 117,031.79	$ -	$ 9,593.58	$ 11,079.03	$ 226,717.01
2038	$ 94,946.78	$ 111,691.03	$ -	$ 9,148.52	$ 11,300.61	$ 227,086.94
2039	$ 100,880.95	$ 105,994.23	$ -	$ 8,673.78	$ 11,526.63	$ 227,075.59
2040	$ 106,815.12	$ 99,941.37	$ -	$ 8,169.38	$ 11,757.16	$ 226,683.03
2041	$ 113,738.32	$ 93,532.46	$ -	$ 7,635.30	$ 11,992.30	$ 226,898.39
2042	$ 120,661.53	$ 86,565.99	$ -	$ 7,066.61	$ 12,232.15	$ 226,526.28
2043	$ 128,573.76	$ 79,175.47	$ -	$ 6,463.30	$ 12,476.79	$ 226,689.33
2044	$ 136,485.99	$ 71,300.33	$ -	$ 5,820.44	$ 12,726.33	$ 226,333.08
2045	$ 145,387.25	$ 62,940.57	$ -	$ 5,138.01	$ 12,980.85	$ 226,446.67
2046	$ 155,277.54	$ 54,035.59	$ -	$ 4,411.07	$ 13,240.47	$ 226,964.67
2047	$ 165,167.83	$ 44,524.85	$ -	$ 3,634.68	$ 13,505.28	$ 226,832.64
2048	$ 176,047.15	$ 34,408.32	$ -	$ 2,808.84	$ 13,775.39	$ 227,039.69
2049	$ 186,926.46	$ 23,625.43	$ -	$ 1,928.61	$ 14,050.89	$ 226,531.39
2050	$ 198,794.81	$ 12,176.18	$ -	$ 993.97	$ 14,331.91	$ 226,296.88
Total	**$ 2,784,116.37**	**$ 3,401,519.44**	**$ (111,306.44)**	**$ 278,396.80**	**$ 327,403.70**	**$ 6,680,129.87**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-5 – ANNUAL INSTALLMENTS FOR TRACT #4

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 77,637.56	$ (77,637.56)	$ -	$ -	$ -
2021	$ -	$ 458,188.89	$ (229,094.45)	$ 38,361.55	$ 22,240.16	$ 289,696.16
2022	$ 106,294.89	$ 458,188.89	$ -	$ 38,361.55	$ 22,684.96	$ 625,530.30
2023	$ 111,745.91	$ 452,475.53	$ -	$ 37,830.08	$ 23,138.66	$ 625,190.18
2024	$ 117,196.93	$ 446,469.20	$ -	$ 37,271.35	$ 23,601.44	$ 624,538.91
2025	$ 122,647.95	$ 440,169.86	$ -	$ 36,685.36	$ 24,073.47	$ 623,576.63
2026	$ 130,824.48	$ 433,577.54	$ -	$ 36,072.12	$ 24,554.94	$ 625,029.07
2027	$ 139,001.01	$ 426,545.72	$ -	$ 35,418.00	$ 25,046.03	$ 626,010.76
2028	$ 144,452.03	$ 419,074.41	$ -	$ 34,723.00	$ 25,546.95	$ 623,796.39
2029	$ 152,628.56	$ 411,310.12	$ -	$ 34,000.74	$ 26,057.89	$ 623,997.31
2030	$ 160,805.09	$ 403,106.33	$ -	$ 33,237.59	$ 26,579.05	$ 623,728.07
2031	$ 171,707.13	$ 394,463.06	$ -	$ 32,433.57	$ 27,110.63	$ 625,714.38
2032	$ 179,883.66	$ 384,160.63	$ -	$ 31,575.03	$ 27,652.85	$ 623,272.16
2033	$ 193,511.21	$ 373,367.61	$ -	$ 30,675.61	$ 28,205.90	$ 625,760.33
2034	$ 204,413.25	$ 361,756.94	$ -	$ 29,708.06	$ 28,770.02	$ 624,648.26
2035	$ 218,040.80	$ 349,492.14	$ -	$ 28,685.99	$ 29,345.42	$ 625,564.35
2036	$ 231,668.35	$ 336,409.69	$ -	$ 27,595.79	$ 29,932.33	$ 625,606.16
2037	$ 245,295.90	$ 322,509.59	$ -	$ 26,437.45	$ 30,530.98	$ 624,773.91
2038	$ 261,648.96	$ 307,791.84	$ -	$ 25,210.97	$ 31,141.59	$ 625,793.36
2039	$ 278,002.02	$ 292,092.90	$ -	$ 23,902.72	$ 31,764.43	$ 625,762.07
2040	$ 294,355.07	$ 275,412.78	$ -	$ 22,512.71	$ 32,399.72	$ 624,680.28
2041	$ 313,433.64	$ 257,751.48	$ -	$ 21,040.94	$ 33,047.71	$ 625,273.77
2042	$ 332,512.21	$ 238,553.67	$ -	$ 19,473.77	$ 33,708.66	$ 624,248.32
2043	$ 354,316.29	$ 218,187.30	$ -	$ 17,811.21	$ 34,382.84	$ 624,697.64
2044	$ 376,120.37	$ 196,485.42	$ -	$ 16,039.63	$ 35,070.49	$ 623,715.92
2045	$ 400,649.96	$ 173,448.05	$ -	$ 14,159.02	$ 35,771.90	$ 624,028.94
2046	$ 427,905.06	$ 148,908.24	$ -	$ 12,155.77	$ 36,487.34	$ 625,456.41
2047	$ 455,160.16	$ 122,699.06	$ -	$ 10,016.25	$ 37,217.09	$ 625,092.56
2048	$ 485,140.77	$ 94,820.49	$ -	$ 7,740.45	$ 37,961.43	$ 625,663.14
2049	$ 515,121.38	$ 65,105.62	$ -	$ 5,314.74	$ 38,720.66	$ 624,262.40
2050	$ 547,827.50	$ 33,554.44	$ -	$ 2,739.14	$ 39,495.07	$ 623,616.15
Total	**$ 7,672,310.51**	**$ 9,373,714.99**	**$ (306,732.01)**	**$ 767,190.17**	**$ 902,240.62**	**$ 18,408,724.29**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT G-6 – ANNUAL INSTALLMENTS FOR TRACT #5

Installments Due 1/31	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
2020 [b]	$ -	$ 12,118.76	$ (12,118.76)	$ -	$ -	$ -
2021	$ -	$ 71,520.58	$ (35,760.29)	$ 5,988.01	$ 3,471.56	$ 45,219.86
2022	$ 16,592.00	$ 71,520.58	$ -	$ 5,988.01	$ 3,540.99	$ 97,641.58
2023	$ 17,442.88	$ 70,628.76	$ -	$ 5,905.05	$ 3,611.81	$ 97,588.50
2024	$ 18,293.75	$ 69,691.20	$ -	$ 5,817.84	$ 3,684.04	$ 97,486.84
2025	$ 19,144.62	$ 68,707.91	$ -	$ 5,726.37	$ 3,757.73	$ 97,336.63
2026	$ 20,420.93	$ 67,678.89	$ -	$ 5,630.65	$ 3,832.88	$ 97,563.35
2027	$ 21,697.24	$ 66,581.27	$ -	$ 5,528.54	$ 3,909.54	$ 97,716.58
2028	$ 22,548.11	$ 65,415.04	$ -	$ 5,420.05	$ 3,987.73	$ 97,370.93
2029	$ 23,824.42	$ 64,203.08	$ -	$ 5,307.31	$ 4,067.48	$ 97,402.29
2030	$ 25,100.72	$ 62,922.52	$ -	$ 5,188.19	$ 4,148.83	$ 97,360.27
2031	$ 26,802.47	$ 61,573.35	$ -	$ 5,062.69	$ 4,231.81	$ 97,670.32
2032	$ 28,078.78	$ 59,965.21	$ -	$ 4,928.68	$ 4,316.45	$ 97,289.10
2033	$ 30,205.96	$ 58,280.48	$ -	$ 4,788.28	$ 4,402.77	$ 97,677.49
2034	$ 31,907.70	$ 56,468.12	$ -	$ 4,637.25	$ 4,490.83	$ 97,503.90
2035	$ 34,034.88	$ 54,553.66	$ -	$ 4,477.71	$ 4,580.65	$ 97,646.90
2036	$ 36,162.06	$ 52,511.57	$ -	$ 4,307.54	$ 4,672.26	$ 97,653.43
2037	$ 38,289.24	$ 50,341.84	$ -	$ 4,126.73	$ 4,765.70	$ 97,523.52
2038	$ 40,841.86	$ 48,044.49	$ -	$ 3,935.28	$ 4,861.02	$ 97,682.65
2039	$ 43,394.47	$ 45,593.98	$ -	$ 3,731.07	$ 4,958.24	$ 97,677.76
2040	$ 45,947.09	$ 42,990.31	$ -	$ 3,514.10	$ 5,057.40	$ 97,508.90
2041	$ 48,925.14	$ 40,233.48	$ -	$ 3,284.37	$ 5,158.55	$ 97,601.54
2042	$ 51,903.19	$ 37,236.82	$ -	$ 3,039.74	$ 5,261.72	$ 97,441.48
2043	$ 55,306.68	$ 34,057.75	$ -	$ 2,780.22	$ 5,366.96	$ 97,511.61
2044	$ 58,710.17	$ 30,670.21	$ -	$ 2,503.69	$ 5,474.30	$ 97,358.37
2045	$ 62,539.09	$ 27,074.22	$ -	$ 2,210.14	$ 5,583.78	$ 97,407.23
2046	$ 66,793.45	$ 23,243.70	$ -	$ 1,897.44	$ 5,695.46	$ 97,630.05
2047	$ 71,047.81	$ 19,152.60	$ -	$ 1,563.48	$ 5,809.37	$ 97,573.26
2048	$ 75,727.61	$ 14,800.92	$ -	$ 1,208.24	$ 5,925.56	$ 97,662.32
2049	$ 80,407.41	$ 10,162.60	$ -	$ 829.60	$ 6,044.07	$ 97,443.67
2050	$ 85,512.64	$ 5,237.65	$ -	$ 427.56	$ 6,164.95	$ 97,342.80
Total	**$ 1,197,602.36**	**$ 1,463,181.55**	**$ (47,879.05)**	**$ 119,753.85**	**$ 140,834.43**	**$ 2,873,493.13**

[a] Interest is calculated at a 5.83% rate for illustration purposes.

[b] Capitalized Interest for Annual Installment due 1/31/20 funds the 9/1/20 interest payment in full.

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

EXHIBIT H – MAP OF MAJOR IMPROVEMENTS

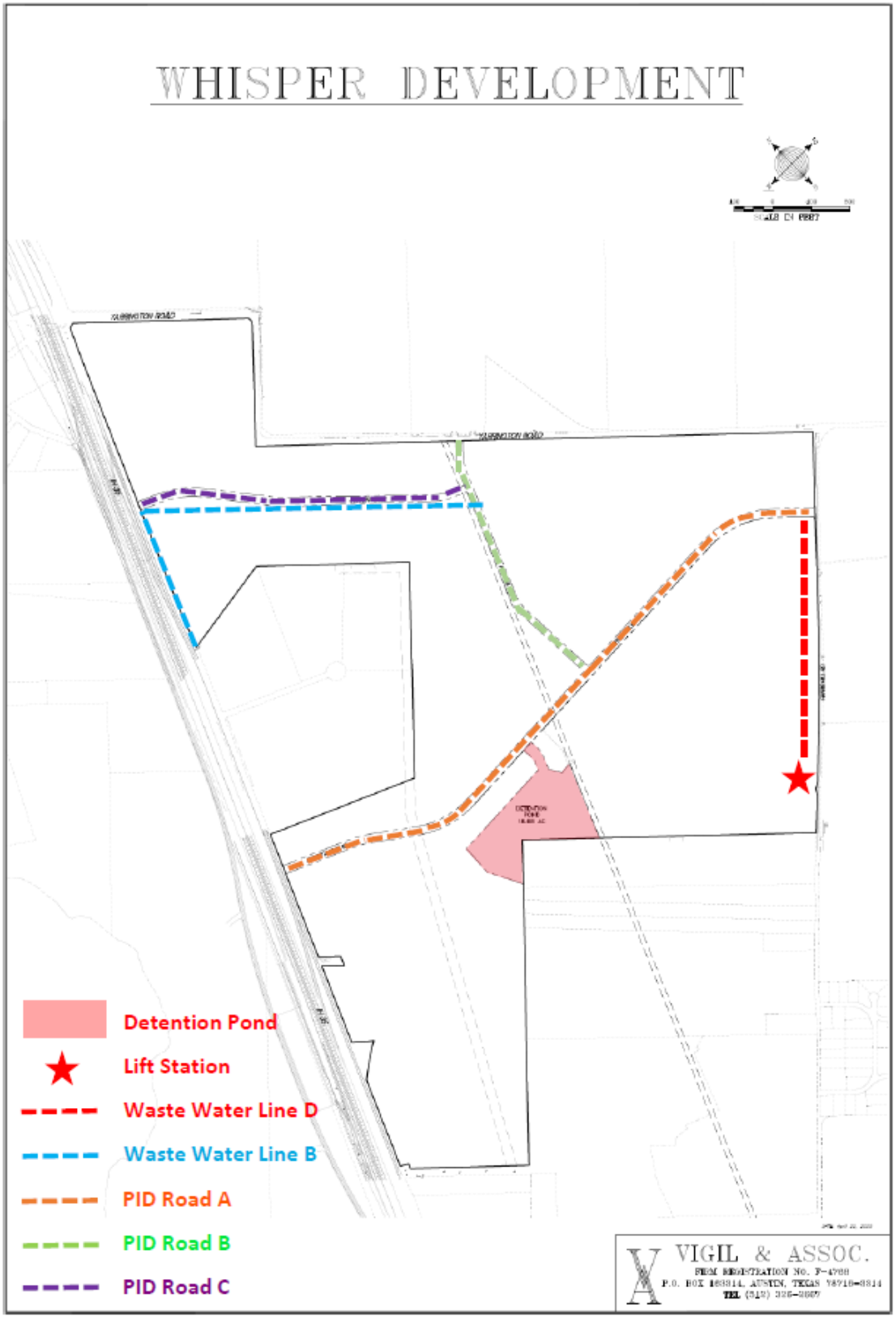


EXHIBIT I – LAND USE MATRIX

Parcel	Lot Description	Acreage [a]	Units/SF	AV Per Unit/SF	Total Assessed Value
TRACT #1					
1	Retail/Commercial	69.393	500,000	$ 125	$ 62,500,000
2	Retail/Commercial	46.293	375,000	$ 100	$ 37,500,000
TRACT #2					
3B	Business Park	16.560	180,000	$ 90	$ 16,200,000
TRACT #3					
6	Single Family	130.641	581	$ 230,000	$ 133,630,000
TRACT #4 [b]					
3A	Business Park	121.280	950,000	$ 90	$ 85,500,000
4A	Commercial	81.993	300,000	$ 110	$ 33,000,000
4B	Office	49.290	375,000	$ 150	$ 56,250,000
4C	Multi-Family	32.900	1,300	$ 85,000	$ 110,500,000
5	Mixed Use	33.370	110,000	$ 100	$ 11,000,000
7A	Business Park	72.660	800,000	$ 90	$ 72,000,000
TRACT #5					
7B	Business Park	51.969	638,685	$ 90	$ 57,481,650
	Total	**706.349**			**$ 675,561,650**

Footnotes:

[a] Acres shown are rounded. Actual acreages per Tract are shown in Exhibits A-2, A-3, A-4, A-5 and A-6.

[b] Approximately 20 acres within Parcel 4 of Tract #4 is planned to be used as a detention pond. Such 20 acres of land is Non-Benefitted Property and is not subject to an Assessment.

EXHIBIT J – NOTICE OF PID ASSESSMENT TERMINATION

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

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
Hays County
712 S. Stagecoach Trail
San Marcos, TX 78666

Re: City of San Marcos Lien Release documents for filing

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

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

City of San Marcos
Attn: [City Secretary]
630 E. Hopkins
San Marcos, TX 78666

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
630 E. Hopkins
San Marcos, TX 78666

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

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

RECITALS

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

WHEREAS, on or about October 6, 2014, the City Council for the City, approved Resolution No. 2014-143R, creating the Whisper Public Improvement District; and

WHEREAS, the Whisper Public Improvement District consists of approximately 706.1 contiguous acres located within the City; and

WHEREAS, on or about _____, 2020, the City Council, approved Ordinance No. ____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Whisper Public Improvement District; and

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

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

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

RELEASE

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

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

CITY OF SAN MARCOS, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF HAYS §

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

_____
Notary Public, State of Texas

File #: Res. 2020-105R, **Version:** 1

AGENDA CAPTION:
Receive a Staff presentation and hold a Public Hearing to receive comments for or against Resolution 2020-105R, approving a Consolidated Plan for fiscal years 2020-2024 that provides guidance for annual Community Development Block Grant ("CDBG") allocations; authorizing the City Manager, or his designee, to act as the Official Representative of the City in matters related to the CDBG Program; declaring an effective date, and consider approval of Resolution 2020-105R.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: On March 3, 2020, City Council receive a staff presentation regarding City Council priority needs for drafting the 2020-2024 Consolidated Plan and commented on the proposed renewal of the Citizen Participation Plan, and provided direction to the City Manager.

City Council Strategic Initiative: [Please select from the dropdown menu below]
Workforce Housing
Workforce Development
City Facilities

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]
☒ Economic Development - Choose an item.
☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☒ Neighborhoods & Housing - Choose an item.

☒ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The federal department of Housing and Urban Development (HUD) requires the creation of a Consolidated Plan that sets strategic priorities and goals for next five years of HUD grant funding, identifies types of activities the City will fund, and acts as the foundation for future one-year Action Plans. HUD grants received by San Marcos that are included in this Plan are CDBG Entitlement, CDBG-DR (Disaster Recovery), CDBG-MIT (Mitigation), and the new CDBG-CV (Coronavirus Response). Priority needs for the CDBG-DR and CDBG-MIT have been recently reviewed by City Council as part of their action planning processes, and those are included in the Consolidated Plan for each of those grants. Potential uses for CDBG-CV funding will be included in an amendment to the 2019 Action Plan, to be considered separately, and have been included in very general terms in this Consolidated Plan.

On March 3, 2020, after considering public comments received, the City Council selected the following as the Priority Needs for the 2020-2024 CDBG Entitlement program:

- Affordable Housing
- Public Services
- Public Facilities

The draft 2020-2024 Consolidated Plan was published for public comment on March 13, 2020, for the public comment period from March 15 - April 14, 2020. After publication, additional information was received from consultations with public services providers and incorporated into the draft. In addition, the data included in the draft was refined using the CPD Maps tool provided by HUD. No comments were received.

In March and April, as the need for response to the effects of the COVID-19 pandemic became clear, the federal government passed legislation providing additional funding for CDBG through CDBG20-CARES , and HUD published guidance on the use of CDBG funds for COVID-19 response.

In order to provide the broadest possible availability to fund future programs in response to the COVID-19 pandemic, staff recommends adding Economic Development as a Priority Need. With the addition of this Priority Need, City Council can consider funding programs annually in all four categories, plus the category

Urgent Need.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends approval of the resolution.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A CONSOLIDATED PLAN FOR FISCAL YEARS 2020-2024 THAT PROVIDES GUIDANCE FOR ANNUAL COMMUNITY DEVELOPMENT BLOCK GRANT ("CDBG") ALLOCATIONS; AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO ACT AS THE OFFICIAL REPRESENTATIVE OF THE CITY IN MATTERS RELATED TO THE CDBG PROGRAM; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. As part of the U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant Program ("CDBG") the City is required to approve a Consolidated Plan (the "Plan") establishing funding priorities for the City every five years. As the last Plan was approved for the years 2015-2019, the City must now approve a Plan for fiscal years 2020-2024.

2. In compliance with HUD regulations, a 30-day citizen comment period was provided.

3. The City Council, having held a public hearing on the Plan in order to receive and consider citizen comments, wishes to approve the Plan for fiscal years 2020-2024.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The adoption and publication of the Plan for fiscal years 2020-2024 as presented to the City Council on this date is approved.

PART 2. The City Manager, or his designee, is designated as the official representative of the City authorized to act in all matters related to the CDBG Program, submission of the Plan and all understandings and assurances contained in the Plan, and to provide additional information as required on behalf of the City.

PART 3. This resolution shall be in full force and effect from and after its passage.

ADOPTED on May 19, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

CITY COUNCIL MEETING

Tuesday, May 19, 2020

5 Year Consolidated Plan for HUD Federal Grants

Staff presentation
Public hearing, Council decision

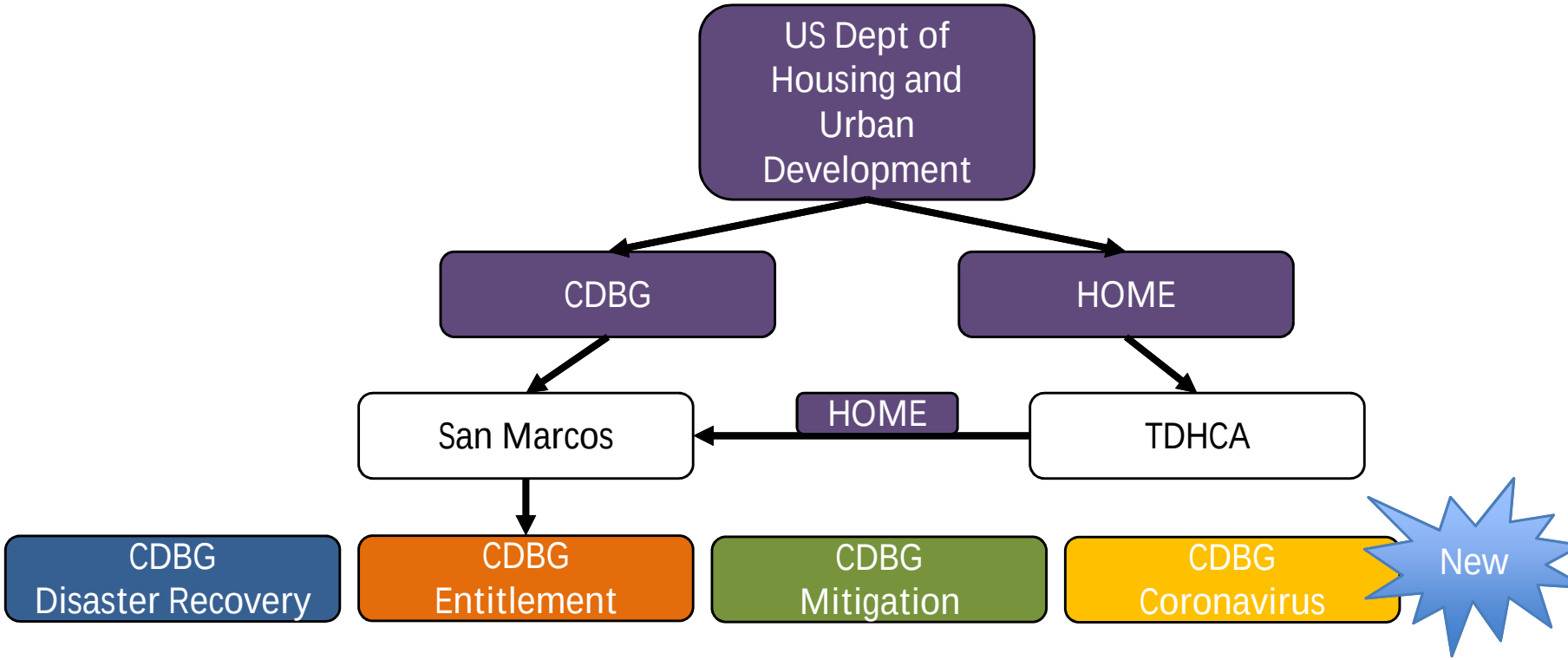
Presentation Overview

HUD Federal Grants

Consolidated Plan

- **Purpose**
- **Updates since March 3, 2020 presentation**
- **Proposed additional Priority Need**
- **Next Steps**

HUD Federal Grants



CDBG Mission

The mission of the CDBG Program is to promote the development of viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate incomes.

5 Year Consolidated Plan

CDBG Disaster Recovery | CDBG Entitlement | CDBG Mitigation | CDBG Coronavirus

Purpose of the Consolidated Plan:

To set priority categories of needs for a HUD grant

- ✓CDBG Disaster Recovery – done!
- ✓CDBG Mitigation – done!
- ❑CDBG Entitlement – now needed!
- ❑CDBG-CV – now needed!

5 Year Consolidated Plan

CDBG Entitlement

CDBG Coronavirus

CURRENT PROCESS – 5 Year Consolidated Plan

February	• Review data • Conduct outreach
March	• Request City Council direction on priorities for CDBG Entitlement funds • Post draft Consolidated Plan for public comment
April	• Add CDBG-CV
May	• Request City Council approval of the Consolidated Plan

5 Year Consolidated Plan

CDBG Entitlement | CDBG Coronavirus

NEXT STEPS – CDBG 2020 Action Plan

April	Hold stakeholder workshop and citizen workshop
May	Review applications
June	Hold public hearing on possible funding allocations
July	Post draft action plan for public comment
August	Request City Council approval of Action Plan and project funding allocations

CDBG Entitlement

National Objectives: Allowed Activities

- Benefiting people with incomes below 80% of area median (70% of program funding)
  - Project that benefits an area where at least 51% meet the income limit
  - Public service where at least 51% of the clients meet the income limit
  - Housing – single family or apartments
  - Jobs created where at least 51% are held by people who meet the income limit
- Prevention and Elimination of Slum and Blight
- Urgent Need

CDBG Entitlement

Notes on Requirements

HUD Allocation for Program Year 2020-2021:
$722,904

70% must benefit low-moderate income people.

No more than 15% can be used for Public Services.

No more than 20% can be used for Administration.

CDBG Coronavirus

Notes on Requirements

HUD Allocation: $425,261

Only for response to impacts of the coronavirus.

No 15% cap on Public Services for this or any other funds used for coronavirus response.

5 Year Consolidated Plan

CDBG Entitlement | CDBG Coronavirus

Staff Recommendation for Priority Needs:

Affordable Housing

Such as housing rehabilitation or reconstruction, land acquisition, accessibility improvements, homebuyer loans, weatherization, transitional housing

Public Services

Such as programs for senior citizens, abuse victims, youth, children, homeless, treatment of drug or alcohol abuse, workforce skills development

Public Facilities

Such as parks, community centers, community gardens, bus shelters

NEW - Economic Development

Such as job-related incentives for small businesses

2020-2024 Consolidated Plan Staff Recommendation

Staff recommends that City Council approve a Resolution adopting the 2020-2024 Consolidated Plan as presented, authorizing the City Manager to act as the Official Representative of the City in matters related to CDBG Programs and Action Plans, and declaring an effective date.

Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction - The Five-Year Consolidated Plan

The Consolidated Plan serves as a five-year road map with goals and strategies to address housing and other needs of low- and moderate-income residents. This plan is a result of input from citizens, community partners, and research to determine needs. The Community Initiatives Division of the Planning and Development Services Department of the City of San Marcos administers and supports programs and projects selected though public processes for the expenditure of federal grant funds. The Five-Year Consolidated Plan serves as the application for funding that is required by the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG) Entitlement Funds. This Consolidated Plan will provide guidance for San Marcos for the period of October 1, 2020 through September 30, 2025 for those funds. The City of San Marcos must submit a consolidated plan every five years to illustrate not only its housing and public services needs but also a coordinated plan to meet those needs. Through an annual application process, the City partners with non-profit entities to implement specific actions associated with the strategies and goals in this Consolidated Plan for CDBG Entitlement Funds.

This Consolidated Plan also provides a summary statement of goals and activities for the other federal grants received by the City of San Marcos through HUD: CDBG-DR Disaster Recovery and CDBG-MIT Mitigation. The City of San Marcos has been awarded more than $33 million in funding through the Community Development Block Grant-Disaster Recovery (CDBG-DR) program. The funds will help provide for remaining unmet housing, economic development, and infrastructure needs that resulted from two floods in 2015, during which more than 1,558 homes and 35 businesses were damaged or destroyed. The City has also been awarded more than $24 million in funding from Community Development Block Grant-Mitigation (CDBG-MIT) program to fund mitigation projects that will lower the risk of impacts from future disasters.

At the time of approval of this Consolidated Plan, HUD is in process of issuing guidance on the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which makes funding available through a new CDBG Program, “CDBG-CV”. This program is also incorporated into this 2020-2024 Consolidated Plan. HUD has allocated $425,261 to the City of San Marcos, for which the City must submit an action plan for proposed activities. This funding is to prevent, prepare for, and respond to impacts of the Coronavirus.

OMB Control No: 2506-0117 (exp. 06/30/2018)

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The Needs Assessment section covers in detail the housing affordability and social service needs found in the City of San Marcos through public surveys and research of available data.

Many apartments in San Marcos are marketed to students using a "rent by the room" model. When the rooms are totaled the cost of the apartments is higher than would be achieved by renting the apartment as a whole. The prevalence of this model reduces the supply of apartments geared toward families, thereby increasing its cost as well. The high cost of rental housing in San Marcos creates instability and an increased risk of homelessness as a by-product. Overall, 11% of San Marcos residents—12% of homeowners and 10% of renters—who participated in the 2018 San Marcos Housing Survey have a friend or family member living with them due to a lack of housing. When asked why, nearly every person responded that they "Cannot afford the monthly rent of the places that are available to rent in San Marcos." (2018 San Marcos Housing Survey, Root Policy Research)

Very low-income homeowners living in aging housing have limited resources for maintaining and repairing their homes. If no repairs are made serious deficiencies can leave the home uninhabitable creating a risk of homelessness or overcrowding. The low- or extremely low-income households with at least one person 75 years or older are also in danger of becoming homeless or having to double-up with families or friends as options for affordable living decrease and assisted living is not affordable. (2018 San Marcos Housing Survey, Root Policy Research)

The most common housing problems in San Marcos are:

- High rent with low incomes (housing cost burden)
- Condition and accessibility of existing housing stock. Overall, about one-third of all renters and nine percent of owners in the city said their home was in fair or poor conditions (2018 San Marcos Housing Survey)
- Displacement prevention. According to the 2018 San Marcos Housing Survey, in the past five years, nearly one in five (18%) San Marcos renters experienced displacement – having to move from a home when they did not want to. The most common factors were rent increases, flood damage (including damage from the 2015 Flood), cost of utilities, and landlord selling the home.

Some, but not all, homeless people can find shelter. Three agencies provide shelters for specific homeless populations in San Marcos: (a) the Southside Community Center operates an emergency family shelter; (b) the Hays-Caldwell Women's Center accepts victims of

OMB Control No: 2506-0117 (exp. 06/30/2018)

domestic violence – women, men, adults and children; and (c) the Greater San Marcos Youth Council accepts youth ages 5 to 17 who are at-risk, homeless, neglected, or abused.

The three top non-housing priority needs in the 2020 Consolidated Plan survey were in the public services category, with 59% of respondents ranking youth programs as a high priority, followed by homeless services at 49%, and services for abuse victims at 46%. Forty-four percent (44%) considered job training to be a high priority, followed by transportation for the elderly and disabled at 43%, and neighborhood sidewalks at 38%.

In response to the identified needs, the City of San Marcos has chosen the following as the three top priorities for CDBG Entitlement funding over the next five years:

- Affordable Housing
- Public Services
- Public Facilities

Affordable Housing and Public Services as priority categories provide for the common themes found in the surveys and data. Choosing Public Facilities offers the ability to improve City parks or community centers to improve the overall well-being of citizens. Estimated funding allocations and goals for the next five years in these categories can be found in Section SP-45 below, along with the funding allocations for the CDBG-DR and CDBG-MIT grants.

After the designation of the above three priority needs, and during the time the Consolidated Plan was posted for public comment prior to its adoption, the COVID-19 pandemic developed. HUD issued a Quick Guide to CDBG Eligible Activities to Support Infectious Disease Response on March 19, 2020. In order to provide the broadest possible availability to fund future programs in response to the COVID-19 pandemic, Economic Development was added to this Consolidated Plan as a Priority Need for CDBG Entitlement funds, and if necessary the category “Urgent Need” will be added to the 2020-2021 CDBG Entitlement Action Plan. In addition, the 2019 CDBG Entitlement Action Plan may be amended to include CDBG-CV funding so that it may be used immediately as well during the period covered by this 2020-2024 Consolidated Plan.

3. Evaluation of past performance

In the past five years the City has received approximately $600,000 per year in CDBG Entitlement Funds. In the years 2015-2019, the following has been achieved, with results from the 2019-2020 program year pending.

OMB Control No: 2506-0117 (exp. 06/30/2018)

PRIORITY	ACTIVITY	BENEFICIARY
Affordable Housing	Home Rehab	42
	Down Payments	16
	Land for a New Home	1
	Rental Assistance	6
Public Services	Parks & Rec Scholarships	363
	CASA	270
	Women's Shelter Renovation	516
Public Facilities	Park Improvements	3 parks
Demolition	Spot Slum and Blight	1

CDBG Entitlement Funding has been spent as allocated except in the following programs:

- Funding for Spot Slum and Blight removal was reallocated to housing rehabilitation when the City decided to allocate $200,000 from the Community Enhancement Fee to removal of unsafe structures.
- An Emergency Repair program was funded in 2018 but is on hold pending hiring replacements for staff in the Community Initiatives Division.
- Funds for acquisition of land on which to build affordable housing has been difficult to spend due to the lack of lots that are priced low enough to make construction of affordable houses feasible.

All funded projects addressed one of the High Priorities identified as a community need in the City's previous five-year plan. The City has consistently expended less than 20% of the annual allocation on program administration, which complies with the program regulations. The City's annual program is operated in compliance with its Citizen Participation Plan.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Through the CDBG-DR program, several housing rehabilitation, replacement, and reimbursement programs were funded to help the city recover from flood damage sustained in 2015, as well as major infrastructure projects to reduce the risk of future flooding. Infrastructure design continues at this time. Several homes have been reconstructed, and the reimbursement program should be started shortly.

CDBG-MIT funding was recently made available by HUD. The City has completed the required action plan that must be submitted to HUD for approval before funds will be released, and is working though the comments from HUD.

CDBG-CV funding has been allocated to the City but not yet received. It will provide for response to the COVID-19 pandemic.

4. Summary of citizen participation process and consultation process

Regarding citizen outreach, the City has conducted a survey and held a public meeting. City staff have also met with the public housing authority and representative public housing residents, and will continue to incorporate comments as they are received.

5. Summary of public comments

One hundred and ninety-two people responded to the survey. The three top priority needs requested in the survey were in the public services category, with 59% of respondents ranking youth programs as a high priority, followed by homeless services at 49% and services for abuse victims at 46%. However, by CDBG –Entitlement regulations we are only allowed to spend 15%, or $108,000 on Public Services. So, what other categories were ranked as high priority by respondents? Forty-four 44% considered job training to be a high priority, followed by transportation for the elderly and disabled at 43%, and neighborhood sidewalks at 38%.

In the comments, the most needed public service cited was for youth and children, including recreational programs and services for abused children (10 comments). Services related to mental health and seniors were also important (5 comments each), as well as for families and homeless (4 comments each). Affordable housing was the single most needed item, with 30 comments. Infrastructure comments mentioned hike and bike trails, bus routes, and parking downtown. Public facilities comments mostly referred to additional park and recreation facilities. Comments on economic development centered on vocational training (8 comments).

Comments were also received from public service providers consulted. They stressed the need for affordable housing, and for transitional housing for those coming out of shelters or institutions. In addition, greater amounts of funding for social services are needed for all the organizations.

OMB Control No: 2506-0117 (exp. 06/30/2018)

6. Summary of comments or views not accepted and the reasons for not accepting them

Some comments received during the Consolidated Plan process and the process for the development of the CDBG-MIT Action Plan were specific ideas for projects and programs. These comments will be incorporated into the next planning steps for each of those documents.

7. Summary

San Marcos faces the dual needs of affordable housing and increased income. In the midst of that, a network of social service providers do what they can to provide for daily needs with the funding available. The CDBG Entitlement funds received by the City help support specific programs and projects to help alleviate some of the pressure created by these circumstances.

CDBG-DR funds are in process of providing assistance for people whose homes were damaged in the floods.

CDBG-DR and CDBG-MIT funding together are also providing much needed stormwater infrastructure and planning to reduce the risk of future flooding.

CDBG-CV funding has been allocated to the City but not yet received. It will provide for response to the COVID-19 pandemic.

OMB Control No: 2506-0117 (exp. 06/30/2018)

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

The City of San Marcos receives Community Development Block Grant Entitlement funds (CDBG), CDBG-DR Disaster Recovery funds (CDBG-DR), and CDBG-MIT Mitigation funds (CDBG-MIT). In addition, funding has been allocated to the City for CDBG-CV for response to the COVID-19 pandemic. These grant programs are administered by the Community Initiatives Administrator in the Planning and Development Services Department.

Table 1 – Responsible Agencies

Agency Role	Name	Department/Agency
Community Initiatives Administrator – administers CDBG, CDBG-DR, CDBG-MIT, CDBG-CV	Carol Griffith	City of San Marcos Planning and Development Services Department

The San Marcos City Council is the governing body for the City, with the City Manager or his designee authorized to act on behalf of the Council in matters pertaining to the CDBG, CDBG-DR, CDBG-MIT, and CDBG-CV grants.

The City's Planning and Development Services Department - Community Initiatives Division staff members are responsible for the day-to-day administration of the three grants. Draws from the IDIS and DRGR systems, and financial reporting, are handled through the City's Finance Department.

The City may contract with outside professionals to assist the city staff in the implementation of any of the HUD grants: CDBG, CDBG-DR, CDBG-MIT, and CDBG-CV. For example, the City has contracted in the past for housing application review, and the City’s Engineering Department is working with outside engineering and construction firms for infrastructure projects utilizing CDBG-DR and CDBG-MIT funds.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Consolidated Plan Public Contact Information

For more information contact:
Carol Griffith, Community Initiatives Administrator
630 East Hopkins, San Marcos TX 78666
e-mail: CGriffith@sanmarcostx.gov
Phone: 512-393-8147
www.sanmarcostx.gov/cdbg

OMB Control No: 2506-0117 (exp. 06/30/2018)

PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)

1. Introduction

The 2020-2024 Consolidated Plan was developed in accordance with the City's Citizens Participation Plan, which was reviewed by the San Marcos City Council on March 3, 2020.

The City conducted an outreach campaign as part of the preparation of the plan that included a public workshop held February 19, 2020, a public hearing on March 3, 2020, and a community-wide survey available from February 2-23, 2020. These efforts were focused on gathering input for setting the Priority Needs for the 2020-2024 Consolidated Plan, reviewing the Citizen Participation Plan, and discussing Fair Housing issues. Outreach consisted of press releases, a display ad, social media postings, emailed invitations and survey links, and articles in the local newspaper, the San Marcos Daily Record.

Assistance for disabled persons and those with limited English proficiency were publicized with each notice and meeting. Key documents and notices were translated into Spanish for publication at the same time as the English versions, and a Spanish translator was available at the meetings.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City's CDBG staff works closely with the San Marcos Public Housing Authority (SMPHA) and local organizations that provide services to our residents by sharing information on grant and training opportunities, as well as providing data about the community. The City waives development and permit fees for SMPHA projects and the construction of affordable housing by Habitat for Humanity. The City provides over $500,000 annually in City funds to local non-profit organizations. The City holds an open application process which allows housing and public service providers an equal opportunity to apply for City and CDBG funding. The City has participated in the construction and renovation of public facilities which serve the community, including the local women's shelter, and has updated park facilities near public housing. In addition, the City created a Housing Task Force comprised of individuals from the community to assist in creating a Strategic Housing Action Plan to address the city's housing affordability challenges. The Task Force included representatives from housing-related non-profit organizations, including the San Marcos Housing Authority, Habitat for Humanity, Southside Community Center, and HomeAid. The City has just created a Council Committee on Homelessness to continue to enhance coordination among providers.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The City of San Marcos and Hays County are covered under the Texas Balance of State Continuum of Care run by the Texas Homeless Network. The City works closely with the local non-profit organizations that provide shelter to specific targeted homeless populations and provide specific assistance in various forms to the homeless. In addition, the San Marcos City Council created a Council Committee on Homelessness in February, 2020 to begin to address homelessness in San Marcos and create necessary partnerships.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City of San Marcos does not receive ESG funds.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

See table below.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 2 – Agencies, Groups, Organizations Who Participated			
Agency/Group/Organization	**Type**	**Section Addressed**	**How was the group consulted**
Southside Community Center	Services – Children, homeless, housing	Housing Need Assessment; Homeless Needs; Non-Homeless Special Needs	Called then sent a questionnaire
Greater San Marcos Youth Council	Services – Children	Housing Needs Assessment, Homeless Needs-Unaccompanied Youth & Strategy	Called then sent a questionnaire
San Marcos Public Housing Authority	Housing, PHA, Services-Housing, Children. Elderly persons	Housing Needs Assessment, Public Housing Needs	Conversed with Executive Director, met and led activity with Family Self Sufficiency participants
Hays Caldwell Women's Center	Services-Children, Persons with Disabilities, Victims of Domestic Violence	Housing Needs Assessment, Homeless Strategy	Called then sent a questionnaire
Community Action of Central Texas	Services-Children, elderly, persons with HIV/AIDS, homeless, education	Homeless Needs – Families With Children, Homeless Strategy, Non-Homeless Special Needs, Anti-Poverty Strategy	Called then sent a questionnaire
Hays County Veterans Services Office	County Government	Homeless Needs – Veterans, Lead-Based Paint Strategy	Called then sent a questionnaire
Greater San Marcos Partnership	Business Leaders	Economic Development Market Analysis	Met to discuss the Economic Development Market Analysis section
CASA of Central Texas	Services – Children, Child Welfare Agency	Homeless Needs – Unaccompanied Youth, Non-Homeless Special Needs	Called then sent a questionnaire

OMB Control No: 2506-0117 (exp. 06/30/2018)

Rural Capital Area Workforce Solutions	Workforce Development	Economic Development Market Analysis	Conversed with Chief Strategy Officer about the Economic Development Market Analysis section
HomeAid	Housing Services	Housing Needs Assessment, Homeless Needs	Called then sent a questionnaire
Scheib Center	Mental Health and Mental Disability Services	Non-Homeless Special Needs, Homeless Needs	Called then sent a questionnaire
HOME Center of Central Texas	Services – Homeless	Homeless Needs	Contacted about Point in Time Count
Texas Homeless Network	Services – Homeless Continuum of Care	Homeless Needs	Virtual meeting

Identify any Agency Types not consulted and provide rationale for not consulting – Not Applicable.

Other local/regional/state/federal planning efforts considered when preparing the Plan: See table below.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 3 – Other local/regional/state/federal planning efforts considered when preparing the Plan		
Name of Plan	**Lead Organization**	**How do the goals of your Strategic Plan overlap with the goals of each plan?**
2020-2029 Capital Improvements Program	Engineering and Capital Improvements – City of San Marcos	• Coordination with CDBG-DR and CDBG-MIT projects • Funded vs Needed Park Improvements
2020 CDBG-MIT Action Plan	Planning and Development Services - City of San Marcos	• Infrastructure projects
2019 Update of the Affordable / Workforce Housing Policy	Planning and Development Services - City of San Marcos	• Affordable housing • Homebuyer assistance • Removal of regulatory barriers • Housing Renovation • Increase supply of sites available for new affordable housing
2019 Draft Workforce Housing Strategic Housing Action Plan	Planning and Development Services - City of San Marcos	• Affordable Housing • Expand opportunities for housing • Preserve and enhance existing housing stock • Leverage community and regional partners • Quantify and meet the housing need of current and future residents
2019 Parks, Recreation and Open Space Master Plan	Parks and Recreation – City of San Marcos	• Community Park Development • Acquisition of Park Land / Green Spaces • Trails
2018 Update to the 2015-2020 CAPCOG Comprehensive Economic Development Strategy	Capital Area Council of Governments	• Regional data, including home values, wages, job creation • Workforce development, entrepreneurship, and place building strategies and performance measures
2019 Housing Needs Assessment	Planning and Development Services - City of San Marcos	• Identified core housing needs

OMB Control No: 2506-0117 (exp. 06/30/2018)

2018 Stormwater Master Plan	Engineering and Capital Improvements – City of San Marcos	• Coordination with CDBG-DR and CDBG-MIT projects
2018 Transportation Master Plan	Engineering and Capital Improvements – City of San Marcos	• Bus shelters
2017 Analysis of Impediments to Fair Housing	Planning and Development Services - City of San Marcos	• Provided recommendations for actions related to affordable and fair housing issues
2017 CDBG-DR Action Plan	Planning and Development Services - City of San Marcos	• Housing programs • Infrastructure projects
2015 Vision 2020 5 Year Economic Development Plan	Greater San Marcos Partnership	• Supporting Job Growth in Target Sectors • Optimizing Local Talent Base
2013 Vision San Marcos: A River Runs Through Us (Comprehensive Plan)	Planning and Development Services – City of San Marcos	• Diversified housing options • Stable neighborhoods that are protected from blight • Public facilities and infrastructure that support economic development • Social services funding – including programs that help homeless and mental health
2013 Youth Master Plan	Parks and Recreation – City of San Marcos	• Increase economic opportunities and workforce training • Support child development • Provide access to developmental activities
2012 Arts Master Plan	Parks and Recreation – City of San Marcos	• Community cultural and performing arts center • Neighborhood recreation centers
2008 Downtown Master Plan	Planning and Development Services – City of San Marcos	• Assists with prioritizing community needs

OMB Control No: 2506-0117 (exp. 06/30/2018)

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))

Texas State University is located in San Marcos, and the students are actively involved in community projects. The University works directly with the San Marcos Public Housing Authority to implement resident training programs and youth enrichment. In addition students conduct the annual "Bobcat Build" program that provides a day of service for more than 4,500 volunteers at more than 300 jobsites, with the goal of strengthening the bond between the University and the community. The painting and general clean-up provided by the students complements the City's CDBG entitlement housing programs and code enforcement efforts.

Most of San Marcos is located in Hays County, which provides a variety of services, some (such as infrastructure projects) in coordination with the City, and some particular to the County, such as the Veterans Services Office. The Veterans Services Office coordinates services for homeless veterans with the local non-profit service providers. In addition, the County coordinated the creation of the Hays County Hazard Mitigation Plan, from which the City of San Marcos Annex formed the basis for the CDBG-MIT action plan.

Workforce Solutions Rural Capital Area is the state-designated workforce development board, and works closely with both the City's Economic Development Manager and the Greater San Marcos Partnership, which is contracted to do economic development for the City. Workforce Solutions also works with non-profits such as Community Action Partners to create or fund training classes offered locally.

San Marcos is located within the regional planning area of the Capital Area Council of Governments (CAPCOG), which among other things offers training for local government emergency management staff, creates the areas Comprehensive Economic Development Study (CEDS), and provides some data collection for the region. The Area Agency on Aging is housed at CAPCOG as well, providing services that complement the goals of the Consolidated Plan.

OMB Control No: 2506-0117 (exp. 06/30/2018)

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

Citizen participation has been an essential element of this plan. An invitation to participate in the public workshop held February 19, 2020, and the survey regarding priority needs and fair housing issues, was emailed to 574 people, and they were asked to distribute it to others. Included in the 574 original emails were representatives of agencies that serve seniors, veterans, and the general public; organizations centered on education, real estate, regional and county government, transit, small business, and economic development; churches, mortgage lenders, and neighborhood groups; and participants in recent public outreach regarding affordable housing and disaster recovery efforts. The Greater San Marcos Partnership economic development organization forwarded the email to all its members, the City's senior services coordinator forwarded it to 373 program participants, and it was sent to all followers of the City's Planning and Development Services Department webpage. City staff liaisons sent the survey link to all members of the City's boards and commissions. Availability of the survey was also publicized through social media. The survey was in English and Spanish. Paper copies of the survey were available at the City library and City Hall. Eleven people attended the public workshop and 192 responded to the survey.

The same workshop was also held with members of the SMPHA's Family Self Sufficiency Program, with attendees.

A public hearing regarding the potential priority needs to be designated for CDBG funds in the Consolidated Plan was held at the City Council meeting March 3, 2020.

The three top priority needs stated in the survey were in the public services category, with 59% of respondents ranking youth programs as a high priority, followed by homeless services at 49% and services for abuse victims at 46%. However, by CDBG –Entitlement regulations we are only allowed to spend 15%, or $108,000 on Public Services. Regarding the other categories that were ranked as high priority by respondents: 44% considered job training to be a high priority, followed by transportation for the elderly and disabled at 43%, and neighborhood sidewalks at 38%. In the comments, the most needed public service cited was for youth and children, including recreational programs and services for abused children (10 comments). Services related to mental health and seniors were also important (5 comments each), as well as for families and homeless (4 comments each). Affordable housing was the single most needed item, with 30 comments. Infrastructure comments mentioned hike and bike trails, bus routes, and parking downtown. Public

OMB Control No: 2506-0117 (exp. 06/30/2018)

facilities comments mostly referred to additional park and recreation facilities. Comments on economic development centered on vocational training (8 comments).

The survey drilled into more detail on housing issues and also asked questions about Fair Housing practices. Sixty-six percent of respondents considered the cost of housing to be a serious issue, and 60% said the lack of affordable housing, including various housing types, was a serious issue. Fifty-six percent considered local incomes to be too low compared to the price of available housing. Regarding fair housing issues, 33% of respondents believe there is a serious need for mediation, and 28% ranked the need for housing consumers to know their rights and issues with predatory lending as serious. Happily, unfair treatment, for example based on race or disability status, is not seen by most as a serious problem here.

The draft Consolidated Plan was posted for public comment on the City's webpage from March 15, 2020 through April 14, 2020, along with a summary in English and Spanish. Its availability for review was publicized in a display ad in the local newspaper, the San Marcos Daily Record, a press release Marcy 13, 2020, and through social media posts in the City's various outlets.

AFTER 30 DAY COMMENT PERIOD: ADD COMMENTS RECEIVED ON THE DRAFT CONSOLIDATED PLAN, AND THE PUBLIC HEARING TO ADOPT THE FINAL

AFTER ACTION PLANNING PROCESS: ADD PUBLICITY AND PUBLIC PARTICIPATION FOR THE ACTION PLAN, COMMENTS RECEIVED, AND ADOPTION OF THE FINAL

The CDBG-DR Action Plan had its own public participation process in 2016 and 2017. Four public meetings were held to gather input, and a survey was distributed, with all materials translated into Spanish. The City's disaster recovery team established a CDBG-DR Needs Task Force. The Task Force was made up of impacted citizens, community leaders, and representatives from human service organizations, and served to assist the City in identifying and articulating the needs of our community. Finally, in March of 2017, the staff conducted surveys—including door-to-door surveys of 307 owner-occupied households and mailed surveys to the owners of 293 rental properties – of people impacted by the floods to ensure that the CDBG-DR Action Plan was consistent with remaining needs in the Community. One hundred and twenty survey responses were received. Through these venues, the majority of participants indicated a preference for spending CDBG-DR funding on infrastructure projects in order to avoid repetitive loss in the future and which would support rehabilitation of homes instead of buyout. The City supported that preference by allocating a majority of the

OMB Control No: 2506-0117 (exp. 06/30/2018)

CDBG-DR funding to infrastructure projects that would mitigate risk of future flooding, as well as allocating a smaller portion to address the home repair and reconstruction needs of those directly impacted by the 2015 floods.

In August 2019, the City was allocated additional federal funding through a CDBG-MIT grant. The City created an Action Plan for that grant through a separate public participation process. The City's outreach strategy was to target the greatest number of residents and interested parties via social media and newspaper ads. Two hundred and twenty-three people participated in a survey that was provided in English and Spanish, and was open October 11-30, 2019. The survey asked participants to rank potential mitigation activities. City staff held a town hall meeting October 29, 2019 from 10am-7pm to answer questions, provide information, and receive comments. Public meetings were also widely advertised and held December 17, 2019, and February 12, 2020. The draft CDBG-MIT Action Plan was available for comment from January 13, 2020, through February 27, 2020, in both electronic and paper formats. A public hearing was held at the City Council meeting March 3, 2020, to receive comments on the draft CDBG-MIT Action Plan, and the Plan was adopted by the City Council at that meeting. Eleven comments were received: three in support, especially for repetitive loss infrastructure and land preservation, and eight proposing specific projects within the categories in the Action Plan, which are under staff review.

Comments received and survey results are included in the appendices and were incorporated into the draft Consolidated Plan, the 2020 Action Plan, the CDBG-DR Action Plan, and the CDBG-MIT Action Plan as applicable.

The major objective of the citizen participation process has been to ensure that the diverse needs of the city residents, agencies, and business owners have been heard, and that the broadest range of responses to that need have been explored. This outreach made available to the beneficiaries and potential beneficiaries of CDBG, CDBG-DR, and CDBG-MIT program and project information on the available funding and the choices for spending it, and requested specific input that would guide each plan. Comments and suggestions received have been considered at each step in the process of creating the action plans and the consolidated plan. Priorities have been set and projects and programs funded specifically to address public input, in balance with the data from the various studies and plans which have also informed the City's funding choices.

CDBG-CV funds will be incorporated into the City's funding stream through an amendment to the 2019 CDBG Entitlement Action Plan; however, they are included here because the activities and programs will necessarily continue into the period covered by the 2020-2024 Consolidated Plan. The Citizen Participation Plan has been amended to include the provisions for the public process required for the CDBG-CV program, and all outreach will be conducted according to the Citizen Participation Plan as amended.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Citizen Participation Outreach: See table below

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received
1	Public Meetings – CDBG-DR Action Plan 04/12/16, 04/16/16, 07/06/16, 04/24/17	All San Marcos citizens, agencies, and businesses; in particular those directly affected by the 2015 flood events.	19 written comments; more than 100 attended meetings	A majority of citizens commenting indicated a preference for spending funding on infrastructure projects in order to avoid repetitive loss in the future.
2	Survey – CDBG-DR Action Plan 2017	Homes directly impacted by 2015 floods	120 respondents	Preference for infrastructure projects to lower the risk of future flooding, and for rehabilitation instead of buyout
3	Survey – 2019 Housing Needs Assessment 2018	San Marcos residents and commuters	817 non-student residents, 616 college student residents, 451 commuters who work here, 101 commuters who go to Texas State	Core Housing Needs: • Rentals for residents earning <$25,000 • Displacement prevention • Homes priced <$200,000 • Ownership product diversity • Improved condition and accessibility of existing housing stock
4	Public Meetings – CDBG-MIT Action Plan 10/29/19 12/17/19 02/12/20 03/03/20	All San Marcos citizens, agencies, and businesses; in particular those directly affected by the 2015 flood events.	10/29-25 attendees 12/17 – 1 attendee 02/12 - 11 attendees 03/03 – 0 attendees	Support for the plan, especially infrastructure projects that will mitigate the risk of future flooding
5	Survey – CDBG-MIT Action Plan October, 2019	All San Marcos citizens, agencies, and businesses	223 respondents	Support for the plan, especially infrastructure projects that will mitigate the risk of future flooding

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received
6	Public Meetings – Consolidated Plan 02/19/20 03/01/20 03/03/20	All San Marcos citizens, agencies, and businesses	02/19 – 8 attendees 03/01 – 6 attendees 03/03 – 0 attendees	• Lack of housing affordability compared to income • Need for home maintenance and accessibility in existing stock • Desire for workforce development to increase income
7	Survey – Consolidated Plan February, 2020	All San Marcos citizens, agencies, and businesses	192 respondents	Top priority needs are public services for youth, homeless, and abuse victims. Top priority needs in other categories are affordable housing, job training, and transportation for the elderly and disabled.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Needs Assessment

NA-05 Overview

Needs Assessment Overview

The City's Analysis of Impediments to Fair Housing was updated in July 2017, at the time CDBG-DR funds were allocated to the City, to reflect changes to the community and impacts from the storm. Staff conducted 14 Interviews of leaders of social services groups working with low income populations and civil rights interests to get a general perception from the community on previously identified impediments and other limits on fair housing choice. They also interviewed three key City staff members and held a public meeting to receive comments.

In addition, the City solicited extensive community involvement in the City's Housing Needs Assessment that was published in March 2019. Consultant Root Policy Research and staff worked with the City's Workforce Housing Task Force and Issue Specific Working Groups better to understand housing issues and challenges.

Information for this summary was derived using statistics from the U. S. Census Bureau's American Community Survey (ACS), the 2018 San Marcos Housing Needs Assessment and the Housing Study Survey conducted by Root Policy Research as part of the Strategic Housing Action Plan development, as well as from the data provided by HUD.

San Marcos has a very young demographic with 39% of the population falling in the range of 18 to 24, and 18% within the 25 to 34 age bracket (2010 Census, 2017 5-Year ACS, Root Policy Research) – not surprising since San Marcos is home to Texas State University with a student enrollment of 38,661. Only seven percent of the population in San Marcos is over 65 (2010 Census, 2017 5-Year ACS, Root Policy Research).

In San Marcos 72% of all housing units are rented, with only 28% owner occupied (2017 5-Year ACS). This upside-down ratio probably reflects the high percentage of young adults who are less likely to be ready/able to purchase a home.

From Charts:

Based on 20,155 total households from all income brackets including both renter and owner-occupied units:

- 1% live in substandard housing without complete plumbing and/or complete kitchens.
- 1% are considered to be "severely overcrowded" with more than 1.51 persons per room.
- 2% are considered to be "overcrowded" with 1.01 to 1.5 persons per room.
- 30% have a cost burden of over 50% (92% renters)

OMB Control No: 2506-0117 (exp. 06/30/2018)

- 22% have a cost burden over 30%, but less than 50% (76% are renters)

Of all housing problems, only a high cost burden on housing expenses is a serious problem for most San Marcos residents, especially for those who rent.

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

Table 5 - Housing Needs Assessment Demographics			
Demographics	**Base Year: 2009**	**Most Recent Year: 2015**	**% Change**
Population	44,894	54,715	22%
Households	16,462	20,155	22%
Median Income	$26,585.00	$28,923.00	9%

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Top Needs – 2017 Analysis of Impediments to Fair Housing

Affordable housing remains a key impediment to fair housing choice. The MSA median income was $76,800. As was discussed earlier, 85.7% of San Marcos households are under the MSA median income. The median income of $24,142 for San Marcos rental households is below the extremely low family of four income limit of $24,250 or 30% of the MSA median income. Rents are increasing; the median contract rent increased from $644 to $939 in the City's Analysis of Impediments to Fair Housing. In addition, 67.4% of renters exceed the HUD target of affordability of no more than 30% of gross income going to housing costs. Additional housing stock is needed as well as some assistance to make rents more affordable. Public awareness of the FHA is still an issue. In addition to looking for additional community training, the City should make the process easier by highlighting how to file a Fair Housing complaint readily on the website. Links to the Texas Workforce Commission should be included in both English and Spanish. The City should also outline which staff and public volunteers would benefit from training on the new AFFH rule and provide this training as soon as possible.

Top Needs – 2019 Housing Needs Assessment

Primary findings indicate the following core housing needs in San Marcos:

- Additional affordable rentals for residents earning less than $25,000. Between 2000 and 2017, the city lost 2,800 private market rentals affordable to households earning less than $25,000 per year due to price increases. At the same time, the city gained 2,230 more residents earning less than $25,000. The loss of affordable rentals and increase in low income households increased the gap between demand and supply of affordable rentals.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Currently, San Marcos has a shortage of 5,950 rental units priced affordably for renters earning less than $25,000 per year. Those households reflect about 3,190 non-student renter households and 2,760 student renters that do not receive financial assistance from parents to help cover housing costs.

Market indicators suggest that families with children and large households may have a particularly difficult time finding affordable rentals that meet their needs. Only seven percent of non-student apartments have three or more bedrooms and median rent for three and four bedroom rentals is between $1,300 and $1,450.

- Displacement prevention. According to survey results, in the past five years, nearly one in five (18%) San Marcos renters experienced displacement—having to move from a home when they did not want to move. The most common factors were rent increases, flood damage—including damage from the 2015 Flood—cost of utilities, and landlord selling the home.

  Overall, 11% of San Marcos residents—12% of homeowners and 10% of renters—who participated in the survey have a friend or family member living with them due to a lack of affordable rental housing.

  In addition to a lack of affordable housing to rent or buy, stakeholders believe that bad credit and criminal history are barriers to securing housing. As shown in the resident survey, it is not unusual for residents to form large households or to live in multigenerational arrangements to manage housing costs or due to lack of available units; occupancy limits make it difficult for these households to meet the need of their family and comply with this regulation.

- Starter homes and family homes priced near or below $200,000 and increased ownership product diversity. San Marcos has experienced substantial increase in home prices since 2000, with particularly sharp increases in the last five years. Median incomes, however, have not kept pace. In 2017-2018, San Marcos' median sale price was $256,600—lower than the Austin metro and some surrounding communities but still out of reach for many San Marcos residents. Stakeholders identified families with household incomes of $60,000 to $80,000 to have the greatest unmet affordable housing need, for both rental and ownership products. The ownership gaps analysis supports this indicated a shortage of homes affordable to households earning $75,000 or less.

  Increasing the variety of product types in San Marcos (smaller single-family homes and single family attached products) may help meet this need. Attached homes in San Marcos sell for lower price points and they sell faster than detached homes on average indicating relatively high demand for these more affordable alternative unit types. Median price for attached homes was $180,500 in 2017-2018, compared to $259,000 for detached homes and attached homes averaged 25 days on market before sale compared

OMB Control No: 2506-0117 (exp. 06/30/2018)

to 74 days for detached. San Marcos has a shortage of "missing middle" products, which often serve as a gateway to homeownership for residents. Contributing to this shortage is the difficulty in developing such units in residential neighborhoods in San Marcos due to zoning code barriers.

As illustrated by survey results, San Marcos residents, especially homeowners, are not inclined to agree that housing types other than single family homes are appropriate in their neighborhoods. Stakeholders believe that much of the resistance among single family homeowners against more dense development is as a hedge against large student housing developments. As the City considers efforts to increase ownership product diversity and affordability, it will be essential to help convey the benefits of these products and mitigate existing neighborhood concerns.

- Improve condition and accessibility of existing housing stock. Overall, about one-third of all renters and nine percent of owners in the city said their home was in fair or poor condition. Though most residents do live in housing that is in good condition, the need for improvements has a disproportionate impact on vulnerable populations. For example, San Marcos families with children under the age of 18 who rent (49%) and renters whose household includes a member with a disability (44%) are more likely to assess their housing as in fair or poor condition than other groups.

  Two in five San Marcos residents with disabilities and in-home accessibility needs (43%) live in housing that does not meet their accessibility needs. The most common accessibility improvements needed were ramps, grab bars in bathroom, and wider doorways.

  Working to improve condition and accessibility will help serve existing residents but also attract new residents to the city. Among non-student in-commuters who considered San Marcos, one in three chose to live elsewhere because the "housing I could afford was lower quality and/or needed repairs/improvements."

Data

The Consolidated Plan's Housing Needs Assessment is based on data provided by HUD through the Comprehensive Housing Affordability Strategy (CHAS) data, with supplemental data from the 2018 San Marcos Housing Market Study Survey, conducted by Root Policy Research, when available. Although the CHAS is dated, it provides a glimpse of the housing needs within the city.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 6 - Total Households										
	0-30% HAMFI	**% of whole**	**>30-50% HAMFI**	**% of whole**	**>50-80% HAMFI**	**% of whole**	**>80-100% HAMFI**	**% of whole**	**>100% HAMFI**	**% of whole**
Total Households	**6,535**		**4,035**		**4,020**		**1,540**		**3,955**	
Small Family Households	**970**	15%	**905**	22%	**1305**	32%	**565**	37%	**1560**	39%
Large Family Households	**295**	5%	**125**	3%	**210**	5%	**165**	11%	**315**	8%
Household contains at least one person 62-74 years of age	**450**	7%	**320**	8%	**405**	10%	**275**	18%	**625**	16%
Household contains at least one person age 75 or older	**485**	7%	**305**	8%	**200**	5%	**60**	4%	**325**	8%
Households with one or more children 6 years old or younger	**695**	11%	**315**	8%	**600**	15%	**105**	7%	**415**	10%

Data Source: 2011-2015 CHAS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Housing Needs Summary Tables

Table 7 – Housing Problems – Households with One of the Listed Needs										
	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	120	15	15	0	**150**	0	45	10	0	**55**
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	90	60	0	10	**160**	15	0	0	0	**15**
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	155	85	70	0	**310**	25	15	15	25	**80**
Housing cost burden greater than 50% of income (and none of the above problems)	4,090	1,430	95	0	**5,615**	325	55	110	15	**505**
Housing cost burden greater than 30% of income (and none of the above problems)	385	1,545	1,375	200	**3,505**	270	270	385	130	**1,055**

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 7 – Housing Problems – Households with One of the Listed Needs										
	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Zero/negative Income (and none of the above problems)	735	0	0	0	**735**	0	0	0	0	**0**

Data Source: 2011-2015 CHAS

Table 8 – Housing Problems – Households with One or More Severe Housing Problems										
	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	4,455	1,595	185	10	6,245	370	115	135	40	660
Having none of four housing problems	550	1,785	2,760	930	6,025	415	540	945	560	2,460
Household has negative income, but none of the other housing problems	735	0	0	0	735	0	0	0	0	0

Data Source: 2011-2015 CHAS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 9 – Housing Problems – Cost Burden > 30%								
	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	750	620	265	1,635	160	90	270	520
Large Related	210	75	10	295	15	25	45	85
Elderly	410	280	190	880	265	120	155	540
Other	3,450	2,170	1,030	6,650	170	89	15	274
Total need by income	4,820	3,145	1,495	9,460	610	324	485	1,419

Data Source: 2011-2015 CHAS

Table 10 – Housing Problems – Cost Burden > 50%								
	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	605	240	0	845	65	20	20	105
Large Related	80	45	0	125	0	0	0	0
Elderly	365	60	15	440	105	25	85	215
Other	3,295	1,135	95	4,525	155	4	0	159
Total need by income	4,345	1,480	110	5,935	325	49	105	479

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 10 – Housing Problems – Cost Burden > 50%								
	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total

Data Source: 2011-2015 CHAS

Table 11 – Housing Problems – Crowding (More than One Person Per Room)										
	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	235	85	70	0	390	25	10	0	0	35
Multiple, unrelated family households	10	25	0	0	35	15	4	15	25	59
Other, non-family households	0	40	0	10	50	4	0	0	0	4
Total need by income	245	150	70	10	475	44	14	15	25	98

Data Source: 2011-2015 CHAS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 12– Crowding Information								
	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Describe the number and type of single person households in need of housing assistance.

As the charts above show, 6,924 non-related households in San Marcos have a cost burden that exceeds 30%, and 4,684 non-related households have a cost burden that exceeds 50%. The majority of these are renters. By contrast, there are only 54 non-family households who live in overcrowded (more than one per room) conditions. The 2013-17 ACS indicates that 33.1% of the population are individuals living alone and 13% of the population has less than a high school diploma. Median rent is $966/mo. (ACS 2017) with median non-family income $2,113/mo. Since 2000, rents have increased by nearly $250 per month or by $4,100 per year. This compares with an increase in median income of a renter of $7,300. Over half of the increase in renter median income is now going toward rent. (Root Policy Research).

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

The Hays-Caldwell Women's Center, and non-profit organization, provides services to victims of family violence, dating violence, sexual assault, and child abuse. The Center provided shelter to 260 women and children during program year October 1, 2018 – September 30, 2019. Center staff estimate that 100 families who are victims of abuse need housing assistance annually.

Regarding disability, a review of the 2012-2016 CHAS--Table 6 data shown in the table below shows the estimated number of households where at least one person has a self-care or independent living limitation. Households with self-care or independent living limitations and incomes less than 80% AMI may be more likely than the general population to need housing assistance, including provision of accessibility improvements. This indicates that up to 1,245 individuals may need some form of housing assistance.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 13 – Household Income by Type of Occupancy			
Households where at least one member has a self-care or independent living limitation	**Renter Occupied**	**Owner Occupied**	**Total**
Households w/income at or below 30% AMI	500	145	**645**
Households w/income above 30% but less than 50% AMI	235	65	**300**
Households w/income above 50% but less than 80% AMI	110	190	**300**
Households w/income above 80% AMI	130	270	**400**

Data Source: 2012-2016 Comprehensive Housing Affordability Strategy Data Table 6

What are the most common housing problems?

- High rent with low incomes (housing cost burden)
- Condition and accessibility of existing housing stock. Overall, about one-third of all renters and nine percent of owners in the city said their home was in fair or poor conditions (2018 San Marcos Housing Survey)
- Displacement prevention. According to the 2018 San Marcos Housing Survey, in the past five years, nearly one in five (18%) San Marcos renters experienced displacement – having to move from a home when they did not want to. The most common factors were rent increases, flood damage—including damage from the 2015 Flood—cost of utilities, and landlord selling the home.

Are any populations/household types more affected than others by these problems?

By using the total number of housing units (20,155) compared to specific populations as shown on the above charts, we find:

- 70% of “Other” household renters have a cost burden that exceeds 30%
- 76% of “Other” household renters have a cost burden that exceeds 50%

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

OMB Control No: 2506-0117 (exp. 06/30/2018)

Approximately nine percent of all households with an annual income at or below 50% AMI have children six years old or younger. In addition, college-aged adults and single mothers had the lowest median incomes, both below $30,000 (2017 5-Year ACS and Root Policy Research). It is generally accepted that households should not pay more than 50% of their incomes in housing costs. This "severe" level of cost burden puts households at high risk of homelessness—and also restricts the extent to which households can contribute to the local economy.

In addition, households with children under age 18 had the following characteristics as identified through the 2018 Housing Survey as part of the San Marcos Housing Needs Assessment:

- 26% received financial support from family or friends;
- One in five (19%) households with children under age 18 cut back on kids' education or activities (e.g., stopped preschool, stopped sports);
- 23% avoided needed medical treatment;
- 23% used a credit card or other form of debt to pay housing costs;
- 10% applied for public assistance; and
- 10% got food from a food pantry.

There is a lack of homeless prevention dollars in San Marcos. The City does not receive rapid re-housing assistance or Emergency Solutions Grant funds. The City does not have resources to provide this form of assistance.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

At risk populations are those with a housing cost burden of 50% or more in San Marcos. Per the 2019 Housing Needs Assessment, it is generally accepted that households should not pay more than 50% of their incomes in housing costs. This "severe" level of cost burden puts households at high risk of homelessness—and also restricts the extent to which households can contribute to the local economy. Housing costs include rent or mortgage, basic utilities, mortgage insurance, home owners' association fees, and property taxes.

OMB Control No: 2506-0117 (exp. 06/30/2018)

The housing cost burden for San Marcos residents was generated in the 2019 Housing Needs Assessment by pulling information from the 2017 Five Year American Community Survey.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The high cost of rental housing in San Marcos creates instability and an increased risk of homelessness as a by-product. Very low income homeowners living in aging housing have limited resources for maintaining and repairing their homes; if no repairs are made serious deficiencies can leave the home uninhabitable creating a risk of homelessness or overcrowding. The low or extremely low income households with at least one person 75 years or older are also in danger of becoming homeless or having to double-up with families or friends as options for affordable living decrease and assisted living is not affordable.

Overall, 11% of San Marcos residents—12% of homeowners and 10% of renters—who participated in the survey have a friend or family member living with them due to a lack of housing. When asked why, nearly every person responded that they "Cannot afford the monthly rent of the places that are available to rent in San Marcos." (2018 San Marcos Housing Survey, Root Policy Research)

Discussion

The housing needs in San Marcos center around the lack of affordable housing – especially rental units. Between 2000 and 2017, the city lost 2,800 private market rentals affordable to households earning less than $25,000 per year due to price increases. At the same time, the city gained 2,230 more residents earning less than $25,000. The loss of affordable rentals and increase in low income households increased the gap between demand and supply of affordable rentals (2018 San Marcos Housing Needs Assessment, Root Policy Research).

Though few units are lacking plumbing or kitchen facilities, there is a need for minor to moderate housing rehabilitation to prevent further deterioration as well as a need to demolish and reconstruct unsafe/unsound housing.

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The disproportionately greater need based on racial or ethnic group can be measured by the differences of the percent of low-to-moderate-income among the groups as well as the differences of housing units with problems by income among the groups. The table below shows these comparisons and the discussion at the end explains the disparities.

0%-30% of Area Median Income

Table 14 – Disproportionally Greater Need 0 - 30% AMI

Housing Problems➔	Has one or more of four housing problems	% of whole	Has none of the four housing problems	% of whole	Household has no/negative income, but none of the other housing problems	% of whole
Jurisdiction as a whole	**5,480**		**315**		**735**	
White	**3,015**	55%	**140**	44%	**535**	73%
Black / African American	**215**	4%	**0**	0%	**0**	0%
Asian	**25**	0%	**0**	0%	**35**	5%
American Indian, Alaska Native	**0**	0%	**0**	0%	**0**	0%
Pacific Islander	**0**	0%	**0**	0%	**0**	0%
Hispanic	**2,120**	39%	**175**	56%	**165**	22%
Other/Unknown	**105**	2%	**0**	0%	**0**	0%

Data Source: 2011-2015 CHAS

OMB Control No: 2506-0117 (exp. 06/30/2018)

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Table 15 – Disproportionally Greater Need 30% - 50% AMI						
Housing Problems➔	**Has one or more of four housing problems**	**% of whole**	**Has none of the four housing problems**	**% of whole**	**Household has no/negative income, but none of the other housing problems**	**% of whole**
Jurisdiction as a whole	**3,520**		**510**		**0**	na
White	**1,990**	57%	**200**	39%	**0**	na
Black / African American	**120**	3%	**20**	4%	**0**	na
Asian	**50**	1%	**0**	0%	**0**	na
American Indian, Alaska Native	**0**	0%	**0**	0%	**0**	na
Pacific Islander	**0**	0%	**0**	0%	**0**	na
Hispanic	**1,195**	34%	**290**	57%	**0**	na
Other/Unknown	**165**	5%	0	0%	0	na

Data Source: 2011-2015 CHAS

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Table 16 – Disproportionally Greater Need 50% - 80% AMI						
Housing Problems➔	**Has one or more of four housing problems**	**% of whole**	**Has none of the four housing problems**	**% of whole**	**Household has no/negative income, but none of the other housing problems**	**% of whole**
Jurisdiction as a whole	2,080		1,945		0	na
White	1,110	53%	1,175	60%	0	na

OMB Control No: 2506-0117 (exp. 06/30/2018)

Black / African American	20	1%	45	2%	0	na
Asian	15	1%	20	1%	0	na
American Indian, Alaska Native	0	0%	0	0%	0	na
Pacific Islander	0	0%	0	0%	0	na
Hispanic	910	44%	675	35%	0	na
Other/Unknown	25	1%	30	2%	0	na

Data Source: 2011-2015 CHAS

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

Table 17 – Disproportionally Greater Need 80% - 100% AMI

Housing Problems➔	Has one or more of four housing problems	% of whole	Has none of the four housing problems	% of whole	Household has no/negative income, but none of the other housing problems	% of whole
Jurisdiction as a whole	390		1,150		0	na
White	175	45%	585	51%	0	na
Black / African American	0	0%	70	6%	0	na
Asian	80	21%	15	1%	0	na
American Indian, Alaska Native	0	0%	0	0%	0	na
Pacific Islander	0	0%	0	0%	0	na
Hispanic	130	33%	460	40%	0	na
Other/Unknown	5	1%	20	2%	0	na

Data Source: 2011-2015 CHAS

OMB Control No: 2506-0117 (exp. 06/30/2018)

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

HUD defines a disproportionately greater housing as follows: when a racial or ethnic group experiences housing problems at a rate 10 percentage points or greater than does the income level as a whole. The 2011-2015 CHAS data tables below summarize the percentages of each racial and ethnic group that is tracked by HUD and their experience with specific housing problems, segmented by adjusted Median Family Income (AMI) levels. The four housing problems considered are:

- Lack of complete kitchen facilities
- Lack of complete plumbing facilities
- Overcrowding (more than one person per room)
- Housing cost burden greater than 30%

Income classifications are:

- 0% to 30% AMI = extremely low income
- 31% to 50% AMI = low income
- 51% to 80% AMI = moderate income
- 81% to 100% AMI = middle income

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 18 – Percent Income by Race					
Income category	**White**	**African American**	**Hispanic**	**Asian**	**American Indian / Alaska Native**
% of Total Households (16,120 total households in all incomes)	55% (8,925)	3% (490)	38% (6,120)	2% (240)	0
% Extremely Low-Income (0-30% AMI) (8,675 total households)	57% (3,690)	3% (215)	38% (2,460)	0.9% (60)	0
% Low Income (30-50% AMI)(3,200 total households)	54% (2,190)	3% (140)	37% (1,485)	1% (50)	0
% Moderate Income (50-80% AMI)(3,190 total households)	57% (2,285)	2% (65)	39% (1,585)	0.9% (35)	0
% Middle Income (80-100% AMI)(1,725 total households)	49% (760)	5% (70)	38% (590)	6% (95)	0
% of Extremely Low Income w/problems (4,330 total households)	55% (3,015)	4% (215)	39% (2,120)	0.5% (25)	0
% of Low-Income w/problems (2,625 total households)	57% (1,990)	3% (120)	34% (1,195)	1% (50)	0
% of Moderate-Income w/problems(1,340 total households)	53% (1,110)	1% (20)	44% (910)	0.7% (15)	0

Data Source: 2011-2015 CHAS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 19 - Households Experiencing at Least One Housing Problem based on Race/Ethnicity			
Race / Ethnic Groups	**Extremely Low 0-30%**	**Low Income 31-50%**	**Moderate 51-80%**
White	82%	91%	49%
Black / African American	**100%**	86%	31%
Hispanic	86%	80%	57%
Asian	42%	**100%**	43%
American Native, Alaskan Native	0%	0%	0%
All San Marcos Households	**84%**	**87%**	**52%**

Data Source: 2011-2015 CHAS

As the chart above shows, more than 80% of all households in San Marcos with an income range in the "Extremely Low" and "Low" income brackets experience at least one housing problem.

Hispanic households in the "Moderate" income limits experienced a slightly higher number of housing problems than the overall average.

The Asian and group is numerically very small with 240 households out of 16,120 total households. All households in the Low-Income bracket for this race groups experienced at least one housing problem. In addition, all households in the Extremely Low-Income bracket for the Black/African American group experienced at least one housing problem.

In summary, households experiencing at least one housing problem are experiencing a disproportionately greater need as follows:

Extremely Low-Income Households: Black

Low Income Households: Asian

Moderate Income Households: None

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Similar to NA-15 above that reviewed households with a housing cost burden that exceeds 30% of their household income, this section looks at those households who have a housing cost burden that exceeds 50% of their household income. Households may also have problems with overcrowding and housing units that lack complete kitchen or plumbing facilities.

Table 20 – Severe Housing Problems 0 - 30% AMI

Severe Housing Problems*	Has one or more of four housing problems	% of whole	Has none of the four housing problems	% of whole	Household has no/negative income, but none of the other housing problems	% of whole
Jurisdiction as a whole	4,825		965		735	
White	2,730	57%	425	44%	535	73%
Black / African American	205	4%	10	1%	0	0%
Asian	25	1%	0	0%	35	5%
American Indian, Alaska Native	0	0%	0	0%	0	0%
Pacific Islander	0	0%	0	0%	0	0%
Hispanic	1,775	37%	520	54%	165	22%

Data Source: 2011-2015 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 21 – Severe Housing Problems 30% - 50% AMI						
Severe Housing Problems*	**Has one or more of four housing problems**	**% of whole**	**Has none of the four housing problems**	**% of whole**	**Household has no/negative income, but none of the other housing problems**	**% of whole**
Jurisdiction as a whole	1,710		2,325		0	
White	1,075	63%	1,115	48%	0	0%
Black / African American	30	2%	110	5%	0	0%
Asian	0	0%	50	2%	0	0%
American Indian, Alaska Native	0	0%	0	0%	0	0%
Pacific Islander	0	0%	0	0%	0	0%
Hispanic	475	28%	1,010	43%	0	0%

Data Source: 2011-2015 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Table 22 – Severe Housing Problems 50% - 80% AMI						
Severe Housing Problems*	**Has one or more of four housing problems**	**% of whole**	**Has none of the four housing problems**	**% of whole**	**Household has no/negative income, but none of the other housing problems**	**% of whole**
Jurisdiction as a whole	320		3,705		0	

OMB Control No: 2506-0117 (exp. 06/30/2018)

White	160	50%	2,125	57%	0	0%
Black / African American	0	0%	65	2%	0	0%
Asian	15	5%	20	1%	0	0%
American Indian, Alaska Native	0	0%	0	0%	0	0%
Pacific Islander	0	0%	0	0%	0	0%
Hispanic	140	44%	1,450	39%	0	0%

Data Source: 2011-2015 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Table 23 – Severe Housing Problems 50% - 80% AMI

Severe Housing Problems*	Has one or more of four housing problems	% of whole	Has none of the four housing problems	% of whole	Household has no/negative income, but none of the other housing problems	% of whole
Jurisdiction as a whole	50		1,490		0	
White	25	50%	735	49%	0	0%
Black / African American	0	0%	70	5%	0	0%
Asian	0	0%	90	6%	0	0%
American Indian, Alaska Native	0	0%	0	0%	0	0%
Pacific Islander	0	0%	0	0%	0	0%
Hispanic	25	50%	565	38%	0	0%

Table 24 – Severe Housing Problems 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Table 25 – Summary Table: Race/Ethnicity of Households Experiencing a Severe Housing Problem			
Race / Ethnic Group	**0 to 30% AMI**	**31 to 50% AMI**	**51 to 80% AMI**
White	73%	**49%**	7%
Black / African American	**95%**	21%	0%
Asian	71%	0%	**42%**
Hispanic	72%	31%	8%
San Marcos as a Whole	**65%**	**22%**	**4%**

HUD defines a disproportionately greater housing need when a racial or ethnic group experiences housing problems at a rate 10 or more percentage points than for the income level as a whole. The distinction between housing problems and severe housing problems is the degree of cost burden and overcrowding. Severe housing problems include:

- Housing units lack complete kitchen or plumbing facilities
- Overcrowding (more than 1.5 persons per room)
- Housing cost burden greater than 50%

Based on this definition, Black/African American households in the Extremely Low Income bracket, White households in the Low Income bracket, and Asian households in the Moderate Income bracket experienced a disproportionately greater housing need in the City of San Marcos.

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

HUD defines a disproportionately greater housing need to be when a racial or ethnic group experiences housing problems at a rate 10 percentage points or greater than for the income level as a whole.

Table 26 – Greater Need: Housing Cost Burdens AMI

Housing Cost Burden	<=30%	% of whole	30-50%	% of whole	>50%	% of whole	No / negative income (not computed)	% of whole
Jurisdiction as a whole	8,015		4,860		6,455		755	
White	4,619	58%	2,395	49%	3,880	60%	555	74%
Black / African American	220	3%	120	2%	235	4%	0	0%
Asian	70	1%	125	3%	40	1%	35	5%
American Indian, Alaska Native	150	2%	0	0%	0	0%	0	0%
Pacific Islander	0	0%	0	0%	0	0%	0	0%
Hispanic	2,790	35%	2,145	44%	2,070	32%	165	22%

Data Source: 2011-2015 CHAS

The table below summarizes the percentage of each racial/ethnic group experiencing housing cost burden or a severe housing cost burden.

Based on this definition, the numerically small group of Asian households is experiencing a disproportionately greater housing cost burden than the City as a whole.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 27 – Summary Table: Housing Cost Burden by Race/Ethnicity		
Race/Ethnicity Group	**Housing Cost Burden** **30 to 50% of income**	**Severe Housing Cost Burden** **Greater than 50% of Income**
White	22%	36%
Black/African American	21%	41%
Asian	**53%**	17%
Amer. Indian / Alaska Native	0%	0%
Hispanic	31%	30%
San Marcos as a Whole	30%	40%

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

The following summarizes the analysis performed in Sections NA 15 and NA-20 above:

Disproportionately Greater Need: Households Experiencing at Least One Housing Problems

- Extremely Low-Income Households: Black/African American
- Low Income Households: Asian
- Moderate Income Households: None

Disproportionately Greater Need: Households Experiencing a Severe Problem

- Extremely Low-Income Households: Black/African American
- Low Income Households: White
- Moderate Income Households: Asian

Disproportionately Greater Need: Housing Cost Burden (30-50% of income)

- All Households: Asian

Disproportionately Greater Need: Housing Cost Burden (50% of income or more)

- All Households: None

If they have needs not identified above, what are those needs?

The needs are identified above.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Households experiencing a severe problem are defined as a household with two or more of the four housing problems: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%.

A neighborhood was defined as having a concentration of a particular race or ethnicity when the race or ethnicity was a higher percentage of the people in the neighborhood than it is for the city as a whole. The HUD "CPD Maps" tool provided the following data based on information from various sources, including the 2012-2016 ACS:

The following neighborhoods have a greater than 72% concentration of extremely low-income households with any one of the four housing problems, as well as a disproportionately greater Black population when compared to the city as a whole: Two Rivers East, Blanco River North, Wallace Addition Blanco Gardens, and Texas State University. The Black population concentration in these neighborhoods is 4.89-13.33%.

The following neighborhoods have a greater than 67% concentration of low-income households with a severe housing problem as well as a disproportionately greater White population: Forest Hills, Springlake Hills, and Sessom Creek. The White population concentration in these neighborhoods is 58.33-76.57%.

The following neighborhoods have a greater than 67% concentration of moderate-income households with a severe housing problem. Two Rivers East, Blanco River North, Wallace Addition, and Blanco Gardens. However, no neighborhood in the city has a concentration of Asian residents. Race and ethnicity data for the city as a whole is as follows:

Table 28 – Race/Ethnicity

Race	Number	Percentage
White alone (not Hispanic)	27,694	50.62%
Black or African American alone (not Hispanic)	2,358	4.31%
American Indian and Alaska Native alone (not Hispanic)	284	0.52%

OMB Control No: 2506-0117 (exp. 06/30/2018)

Asian alone (not Hispanic)	852	1.56%
Native Hawaiian and Other Pacific Islander alone (not Hispanic)	21	0.04%
Some other race alone (not Hispanic)	30	0.05%
Two or more races (not Hispanic)	1,296	2.37%
Persons of Hispanic Origin	22,177	40.53%
Total	**54,712**	

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-35 Public Housing – 91.205(b)

Introduction

Public housing and Section 8 Voucher programs are operated by the San Marcos Public Housing Authority. The charts below detail information about the number of units, the demographic information of the residents, and the condition of the units.

"Project Based" is Springtown Villas, which provides housing for elderly people.

Totals in Use

Table 29 – Public Housing by Program Type

	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	289	288	60	228	0	0	0

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center)

OMB Control No: 2506-0117 (exp. 06/30/2018)

Characteristics of Residents

Table 30 – Characteristics of Public Housing Residents by Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	0	17,000	15,000	12,000	18,000	0	0
Average length of stay (years)	0	0	4	5	6	4	0	0
Average Household size	0	0	2.86	1.49	1.1	1.87	0	0
# Homeless at admission	0	0	0	0	0	0	0	0
# of Elderly Program Participants (>62)	0	0	78	159	29	130	0	0
# of Disabled Families	0	0	72	139	37	102	0	0
# of Families requesting accessibility features	0	0	100	50	0	50	0	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	45	40	0	40	0	0

Data Source: PIC (PIH Information Center)

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 31 – Race of Public Housing Residents by Program Type

Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	239	262	48	214	0	0	0
Black/African American	0	0	26	54	9	45	0	0	0
Asian	0	0	0	1	0	1	0	0	0
American Indian/Alaska Native	0	0	0	1	0	1	0	0	0
Pacific Islander	0	0	1	2	0	2	0	0	0
Other	0	0	2	4	3	1	0	0	0

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center)

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 32 – Ethnicity of Public Housing Residents by Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	187	133	23	110	0	0	0
Not Hispanic	0	0	82	191	37	154	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment:

Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Applicants are most often elderly and disabled single people who need a one-bedroom unit.

Tenants most frequently request items such as ramps and grab bars.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance?

The following charts represent the waiting list of the San Marcos Housing Authority as of March 11, 2020. Note: “Hispanic” is an Ethnicity, not a race; therefore, all Hispanic persons will also be found listed in one of the race categories, most often “white” in the San Marcos area.

Table 33 – Low-Rent (public housing) Waiting List							
Size	0 BR	1 BR	2-BR	3-BR	4-BR	5-BR	Total
Elderly	0	57	6	0	0	0	63
Disabled	0	25	2	1	0	0	28

OMB Control No: 2506-0117 (exp. 06/30/2018)

Family	0	84	51	9	2	0	146
Race/Ethnicity							
Hispanic	0	68	37	7	2	0	114
White	0	131	47	8	2	0	188
Black	0	26	10	2	0	0	38
Indian/Alaskan	0	0	0	0	0	0	0
Asian	0	0	0	0	0	0	0
Pacific Islander	0	0	0	0	0	0	0

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 34 – Section 8 Waiting List							
Size	0 BR	1 BR	2-BR	3-BR	4-BR	5-BR	Total
Elderly	49	10	2	0	0	0	61
Disabled	37	10	2	1	1	0	51
Family	201	20	13	11	1	1	247
Race/Ethnicity							
Hispanic	121	6	7	7	1	1	143
White	166	14	8	9	1	1	199
Black	95	22	8	3	1	0	129
Indian/Alaskan	1	0	0	0	0	0	1
Asian	2	0	0	0	0	0	2
Pacific Islander	0	0	0	0	0	0	0
Other	2	0	0	0	0	0	2

Table 35 – Springtown Villa (Seniors/Persons with a Disability) Waiting List							
Size	0 BR	1 BR	2-BR	3-BR	4-BR	5-BR	Total
Elderly	0	12	0	0	0	0	12
Disabled	0	11	2	0	0	0	13
Family	0	1	0	0	0	0	1
Race/Ethnicity							
Hispanic	0	7	0	0	0	0	7
White	0	13	0	0	0	0	13
Black	0	5	2	0	0	0	7
Indian/Alaskan	0	0	0	0	0	0	0
Asian	0	0	0	0	0	0	0
Pacific Islander	0	0	0	0	0	0	0

OMB Control No: 2506-0117 (exp. 06/30/2018)

Based on the information above, and any other information available to the City, what are the most immediate needs of residents of Public Housing and Housing Choice voucher holders:

Housing Choice Voucher participants tend to have specific medical and accessibility needs. Other needs of Public Housing and Section 8 residents include affordable childcare after hours or on weekends, inexpensive sources for furniture and other household furnishings, moving assistance, support group or counseling services, and extended public transportation hours (public bus service closes at 6:00pm).

How do these needs compare to the housing needs of the population at large?

The need for more affordable housing choices in San Marcos is a shared by persons with a disability, the population at large, and residents of Public Housing and Housing Choice Voucher programs.

Transportation is a major need that likely impacts Public Housing residents and Housing Choice Voucher holders more than the population at large. The bus system closes at 6:00pm but many people in lower-end jobs work in shifts, not an 8-5 job. In addition, as land prices have increased in the city, public services have found they have to move to the outskirts in order to expand to accommodate the growing population, and they are not always located on a bus line or near a bus stop. It is now easier to purchase a car on credit because they can be remotely disabled by the creditor; as a result, many families take on more debt than they can afford, creating additional issues.

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Three agencies provide shelters for specific homeless populations in San Marcos: (a) the Southside Community Center operates an emergency family shelter; (b) the Hays-Caldwell Women's Center accepts victims of domestic violence – women, men, adults and children; and (c) the Greater San Marcos Youth Council accepts youth ages 5 to 17 who are at-risk, homeless, neglected or abused.

No shelter is available for single men and women who do not fit these profiles. Specific exceptions may be made by Southside Community Center on a case-by-case basis. However, shelters are available in Austin and San Antonio, and local social service agencies often provide assistance in reaching these shelters as a part of their support services.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Limited data is available for total persons experiencing homelessness in San Marcos. The local population changes from week to week. Southside Community Center serves up to 60 homeless individuals and families the free evening meal that is provided each day at the Center. The Hays County Veterans Services Office served 52 homeless veterans in 2019. The Hays-Caldwell center provided shelter for 260 women and children in program year 2018-2019, and the San Marcos Youth Council provided shelter to 171 children. A portion of the homeless population moves between San Marcos and the nearby cities of Austin and San Antonio that have more shelter space and resources for the homeless.

A Point-In-Time Count of homeless people in Hays County was conducted January 23, 2020 by the HOME Center of Central Texas. With more than 63,000 residents, San Marcos is the most populous city in the county, which has more than 214,000 residents in 11 communities. The Point-In-Time Count found 102 homeless people: 85 adults and 17 children under 18. Results for the categories above are as follows:

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 36 – Homeless	
Chronically Homeless Individuals and Families	12 (all individuals)
Families with Children	7 households, 24 people
Veterans and Their Families	9 households, 10 people (no children)
Unaccompanied Youth	9 people

Nature and Extent of Homelessness: (Optional)

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

100 per year female head of household with children

(Estimate provided by Hays-Caldwell Women's Center)

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The best source of data to answer this question comes from the records of the three shelters. Although this data does not address the unsheltered, it may be the case that their racial and ethnic demographics are comparable to those receiving shelter.

Hays-Caldwell Women's Center provided various services to 499 unduplicated people in program year 2018-2019, in the following categories: Race White: 37; Black/African American: 49; Other/Unknown: 75; Ethnicity Hispanic: 202; Non-Hispanic: 297.

The San Marcos Youth Council provides services to abused and neglected children ages 2-17 and families with children under the age of 18. In 2019, 171 children received shelter care and assessment services and 536 children and their families received prevention and intervention services through Youth and Family Services. 39% female, 61% male, 41% Hispanic - 33% White - 26% African American. 18% middle class, 67% working poor, 15% in poverty. 49% single parents and 10% with special needs (children only).

Southside Community Center is able to provide emergency shelter for up to 25 persons in families.

The Hays County Veterans Services Office does not track racial and ethnic group data.

OMB Control No: 2506-0117 (exp. 06/30/2018)

The Point-In-Time Homeless Count conducted in Hays County found 102 homeless people. Of the people who answered questions about their race, 74 (73%) were White, five (5%) were Black/African American, six (6%) were American Indian, and two (2%) were of multiple races; 15 (15%) did not respond. Regarding ethnicity, 34 (33%) were Hispanic or Latino.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

On the day of the Point-In-Time Homeless Count, all seven families with children (a total of 24 people) were sheltered. Two single-person adult only households were sheltered. The count of sheltered people included 73 households with 75 total people. One person's status was not recorded. This means that 74% of the homeless people in Hays County were unsheltered. Even in January, the weather in the area is generally mild, and this may in part account for the number outside a shelter; however, as noted above, San Marcos does not have a shelter that serves individual adults, so it is worth noting that approximately 75 people were homeless in the area without shelter available to them.

OMB Control No: 2506-0117 (exp. 06/30/2018)

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Describe the characteristics of special needs populations in your community:

According to the ACS 2018 5-year estimate for Hays County, 3,006 individuals age 65 years and older have a disability, and approximately 2,363 individuals under age 65 have a disability.

Section NA-10 includes a chart showing that 1,645 households include a person who has a self-care or independent living limitation. These households, especially the those with incomes lower than 80% AMI that have at least one housing problem, may need some kind of housing assistance.

What are the housing and supportive service needs of these populations and how are these needs determined?

Needs were determined through comments provided by the public and the service agencies consulted.

Medical care is one of the primary needs for these populations. Transportation assistance, especially to out-of-town medical facilities, may be a need for elderly, persons with a disability, and persons living with AIDS/HIV. Job training may be a need since employment at a living wage is so important for independence.

Counseling and therapy services, along with availability of group home or other transitional housing options, are needed by persons with substance abuse issues. This population may also have criminal histories that make obtaining housing difficult.

Supportive housing, either through assisted living, group homes, or permanent supportive housing is an ongoing need for a number of disabled adults. Accessibility improvements are needed in all forms of housing to accommodate elderly and disabled people.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to the Texas Department of Health Services, as of 2018, 337 individuals are living with HIV in Hays County. This is a huge increase over 2014, when there were 18. Characteristics of the population are not readily available.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Citizen comments were received through a survey that was available February 2-23, 2020, at a public meeting held February 19, 2020, and at a meeting of Family Self Sufficiency Program participants March 1, 2020. One hundred and ninety-two people responded to the survey. The three top priority needs requested in the survey were in the public services category, with 59% of respondents ranking youth programs as a high priority, followed by homeless services at 49% and services for abuse victims at 46%. However, by CDBG – Entitlement regulations we are only allowed to spend 15%, or $108,000 on Public Services. In the comments, the most needed public service cited was for youth and children, including recreational programs and services for abused children (10 comments). Services related to mental health and seniors were also important (five comments each), as well as for families and homeless (four comments each). Affordable housing was the single most needed item, with 30 comments. Infrastructure comments mentioned hike and bike trails, bus routes, and parking downtown. Public facilities comments mostly referred to additional park and recreation facilities. Comments on economic development centered on vocational training (eight comments). Forty-four percent considered job training to be a high priority, followed by transportation for the elderly and disabled at 43%, and neighborhood sidewalks at 38%. The survey drilled into more detail on housing issues and also asked questions about fair housing practices. Sixty-six percent of respondents considered the cost of housing to be a serious issue, and 60% said the lack of affordable housing, including various housing types, was a serious issue. Fifty-six percent considered local incomes to be too low compared to the price of available housing. Regarding fair housing issues, 33% of respondents believe there is a serious need for mediation, and 28% ranked the need for housing consumers to know their rights and issues with predatory lending as serious. Unfair treatment, for example based on race or disability status, is not seen by most as a serious problem here.

The City's Capital Improvements Program (CIP) is a ten-year planning tool used to prioritize major new capital investments made by the City. The CIP is updated annually and focuses primarily on infrastructure and facility needs. On-going maintenance activities and smaller, routine capital expenditures for vehicles and technology expenditures are generally not included as a part of the CIP process, nor are projects that cost less than $50,000. Potential projects receive a priority ranking based on a number of factors, including safety, operational necessity, and coordination with other projects underway.

The COVID-19 pandemic is currently unfolding. The specific needs due to the pandemic, and responding programs and activities, are not known at the time of adoption, but it is clear that the economy will be affected in many ways. Therefore, Economic Development has been added to this Consolidated Plan as a Priority Need in order to provide for the response as it unfolds.

Describe the jurisdiction's need for Public Facilities:

Public facilities comments received mostly referred to additional park and recreation facilities. Projects receiving high priority over the next three years in the City's Capital Improvements Plan include stormwater infrastructure to reduce the risks associated with flooding, as well as lighting and sidewalk improvements in various areas of town.

The City receives approximately $700,000 annually in CDBG entitlement funds and has used some of this funding to pay for park improvements that were not covered by the City's Capital Improvements Plan.

Service providers that were consulted said that temporary housing is needed.

How were these needs determined?

Major facilities and infrastructure projects are selected based on engineering studies and safety concerns through the City's annually updated ten-year Capital Improvements Program.

CDBG funded projects are selected based on the public's and service providers' suggestions and staff's observation of the need for funding for specific smaller projects (like accessibility improvements to parks).

Describe the jurisdiction's need for Public Improvements:

Infrastructure comments in the survey and from service providers mentioned the need for hike and bike trails, bus routes, and parking downtown. Service providers emphasized the need for a public transportation system that enables people to move efficiently around town.

See also the description in the Public Facilities section above.

How were these needs determined?

See the description in the Public Facilities section above.

Describe the jurisdiction's need for Public Services:

The three top priority needs stated in the survey were in the public services category, with 59% of respondents ranking youth programs as a high priority, followed by homeless services at 49% and services for abuse victims at 46%. 44% considered job training to be a high priority, followed by transportation for the elderly and disabled at 43%, and neighborhood sidewalks at 38%.

In the comments, the most needed public service cited was for youth and children, including recreational programs and services for abused children (10 comments). Services related to mental health and seniors were also important (5 comments each), as well as for families and homeless (4 comments each). Affordable housing was the single most needed item, with 30 comments. Comments on economic development centered on vocational training (8 comments).

Economic and workforce development professionals interviewed emphasized the need for job training and certifications in order to improve the prospects of residents who have not attended college.

Homeless service providers that were consulted emphasized the need for rental assistance and legal services for landlord/tenant disputes.

Special needs service providers that were consulted emphasized the need for intensive case management for families with multiple issues (mental health, financial, housing, job security, and health) and for supportive assistance for older youth and young adults who are aging out of foster care.

The designated Local Mental Health Authority for San Marcos is Hill Country Mental Health and Developmental Disabilities Centers, which provides adult and child behavioral health, intellectual and developmental disabilities, substance abuse, crisis care, and justice involved services and programs.

How were these needs determined?

The citizen survey provided prior to preparation of the 2020-2024 Consolidated Plan, comments received in meetings and by email, questionnaires provided to social services providers, and interviews of other service providers.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

San Marcos has experienced rapid growth in housing since 2010, especially in the multi-family sector. In May 2015 the Census Bureau announced that San Marcos was the fastest growing mid-sized city over 50,000 in the United States for the third consecutive year, with a population increase of 7.9% between 2013 and 2014. San Marcos' 2017 population estimate was 63,071, an increase of more than 18,000 people since 2010 when the population was about 45,000. Similar to national trends, Texas has experienced a population shift toward more urban areas of the state. In 2017, more people moved into Hays County than moved away—particularly college-aged adults and adults between the ages 25 and 34. San Marcos' large student population and strategic location along the I-35 corridor play important roles in its growth.

City records show that approximately 2,900 new single-family homes were permitted between 2009 and 2019. More than 6,500 apartment units, with approximately 15,700 new bedrooms, were built between 2010 and 2019.

The 2017 5-Year ACS shows that out of 22,471 households, 41% are family households and 59% are non- family households. While college-aged adults (18 to 24) comprise the largest cohort of residents in San Marcos, it is actually the slowest growing age cohort, likely attributed to university enrollment limitations. The age cohort with the largest growth rate is those 25-35 years. Seniors aged 65 and older will experience the largest growth over the next 30 years but will still trail young adults and adults in cohort size in 2050. In 2017, the median household income in San Marcos was $34,748 and the median income for families was $49,551. Married-couples with no children in the household had the highest median income ($80,741) while college-aged adults and single mothers had the lowest median incomes, both below $30,000.

Source: San Marcos Housing Needs Assessment, Root Policy Research

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

San Marcos has a high number of rental units with a significant number containing three or more bedrooms. However, many of these units are rented by young adults and college students leaving a gap of available housing for low-to-moderate income families. There has been a trend in recent years to build apartments where each unit has multiple bedrooms rented individually with shared common areas. Although the rents for a single room may be affordable, families who need more than one bedroom often find the unit's price prohibitive. San Marcos' housing stock is made up primarily of apartment buildings containing between five and 49 units (38%) and single family detached homes (34%). Eleven percent are duplexes/triplexes/fourplexes and eight percent are large apartment buildings. The balance, about nine percent, are nearly split between condominiums/townhouses and mobile homes. There is very little product diversity in the owner-occupied housing stock in San Marcos. The vast majority of San Marcos owners (86%) live in single family detached houses and another eight percent live in mobile homes. Just six percent of owners live in other product types like townhomes, duplexes, triplexes, and condos—often referred to as "missing middle" products.

Table 37 – Residential Properties by Unit Type

Property Type	Number	%
1-unit detached structure	7,055	31%
1-unit, attached structure	825	4%
2-4 units	3,360	15%
5-19 units	6,350	28%
20 or more units	3,794	17%
Mobile Home, boat, RV, van, etc	1,080	5%
Total	**22,464**	**100%**

Data Source: 2011-2015 ACS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 38 – Unit Size by Tenure				
	Owners		Renters	
	Number	%	Number	%
No bedroom	30	1%	580	4%
1 bedroom	120	2%	4,069	28%
2 bedrooms	1,025	18%	5,785	40%
3 or more bedrooms	4,385	79%	4,160	28%
Total	***5,560***	***100%***	***14,594***	***100%***

Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

Currently, based on HUD and Texas Department of Housing and Community Affairs (TDHCA) data, there are 2,170 state or federally assisted units in San Marcos. Of these, 289 are public housing, including 60 reserved for senior citizens or persons with a disability. There are 228 Section 8 Vouchers in San Marcos.

To date, there are eleven TDHCA Board approved multifamily apartment projects in San Marcos. Ten of those 11 multifamily properties are actively renting units and one project is currently under construction. In addition, there are five proposed multifamily complexes that have received a Resolution of No Objection from the City. To date, a total of 1,593 income restricted units have been constructed through the Low Income Housing Tax Credit (LIHTC) program. Of those units, 5 projects (804 units) are restricted to seniors. The five housing tax credit projects that received an approved Resolution of No Objection over the last year would add an additional 1,324 income restricted units for a total of 3,200 units restricted to households making 60% of area median income (AMI) or less. Approximately 85% of existing and proposed HTC units in San Marcos are only required to be restricted to those making 60% or less of the AMI. Based on the current AMI of $95,900 and TDHCA's estimated rent restrictions, this means that the vast majority of typical LIHTC units in San Marcos are only required to limit rents to between approximately $990 and $1,640. Based on data included in the San Marcos Housing Needs Assessment, the 2017 median rent in San Marcos was $898 for a 1-bedroom apartment and $1,423 for a 4-bedroom apartment. As the majority of LIHTC units are only required to restrict rents to 60% AMI, the program has the potential to produce units priced higher than the city's median rent.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

No units are expected to be lost.

Does the availability of housing units meet the needs of the population?

No, there continues to be a need for housing that is affordable to very low-income persons. The Public Housing Authority consistently has a lengthy waiting list for both public housing and Section 8 Vouchers.

Right now the San Marcos Public Housing Authority most needs one-bedroom (3 year wait) and two-bedroom units (2 year wait). Fewer large family units are seeking public housing assistance than in the past, so three-bedroom units have a waiting list of less than a year, and four-bedroom units have almost no wait. One-bedroom units for the elderly and disabled have an extremely long waiting list. The Housing Authority last opened the Section 8 Voucher list 2 years ago and will not be able to re-open it for another 2 years or so because of the number of applications received.

Describe the need for specific types of housing:

A need has been identified for transitional housing for persons leaving local shelters. Hays-Caldwell Women's Center will be breaking ground on 18-20 units of transitional shelter for abused women in spring, 2020.

Units that are affordable for low and extremely low-income families are needed in both rental and for-sale markets.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Many of the region's challenges stem from managing the consequences of such robust growth in recent years. For example, between 2009 and 2016 median home values in the 5 county MSA rose 28.4% while incomes only rose 15.7%. Within the city of Austin, home prices have risen even faster, creating widespread housing affordability challenges. These affordability challenges have been exacerbated in part by rapid job growth in low wage occupations. Nearly half of all jobs created in 2017 in the Capital Area were in occupations that pay a median annual wage between $20,000 and $40,000 per year. As housing near the urban core of the region becomes increasingly expensive, more and more workers are moving to suburban and rural communities, including San Marcos, where housing has traditionally been more affordable. However, this creates transportation congestion, long commutes, and sprawling land development pressures in the region. These outcomes, in turn, increase environmental and resiliency vulnerabilities. (Source: CAPCOG Comprehensive Economic Development Strategy, 2015-2020)

Table 39 – Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	117,300	137,300	17%
Median Contract Rent	616	804	31%

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Table 40 – Rent Paid

Rent Paid	Number	%
Less than $500	1,575	10.8%
$500-999	9,634	66.0%
$1,000-1,499	2,325	15.9%
$1,500-1,999	765	5.2%
$2,000 or more	305	2.1%
Total	**14,604**	**100.0%**

Data Source: 2011-2015 ACS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 41 – Housing Affordability		
% Units affordable to Households earning	**Renter**	**Owner**
30% HAMFI	730	No Data
50% HAMFI	3,750	985
80% HAMFI	11,765	2,475
100% HAMFI	No Data	3,155
Total	**16,245**	**6,615**

Data Source: 2011-2015 CHAS

Table 42 – Monthly Rent (HOME Rent Table for Austin- Round Rock Metropolitan Statistical Area, 2019)					
Monthly Rent ($)	**Efficiency (no bedroom)**	**1 Bedroom**	**2 Bedroom**	**3 Bedroom**	**4 Bedroom**
Fair Market Rent	$931	$1,086	$1,315	$1,734	$2,099
High HOME Rent	$931	$1,086	$1,315	$1,564	$1,725
Low HOME Rent	$828	$887	$1,065	$1,230	$1,372

Data Source: HOME Rents 2019 https://files.hudexchange.info/reports/published/HOME_RentLimits_State_TX_2019.pdf

HUD Exchange provides annual information on the Fair Market Rent and HOME rent limits for affordable housing. San Marcos is in the Austin- Round Rock Metropolitan Statistical Area, where in 2019 the Fair Market Rent for a one bedroom unit is $1,086. Minimum wage is $7.25, or $1,160 per month for a 40 hour work week. People are considered cost burdened if their housing cost (rent or mortgage plus utilities) is more than 30% of their income. 30% of $1,160 is $348, meaning monthly rent for a one bedroom unit would need to be below that to be affordable for a person earning minimum wage.

ACS 2018 5-year estimate data for 2018 shows that only 2.6% of the occupied rental units in San Marcos pay less than $500/month rent.

Is there sufficient housing for households at all income levels?

The lack of affordable housing, in both the rental and housing sales market, were cited as a need by stakeholders and housing advocates.

The Housing Needs Assessment shows that there are 5,630 non-related households in San Marcos that have a cost burden that exceeds 30% and 3,925 non-related households with a cost burden exceeding 50%. The majority of these are renters.

How is affordability of housing likely to change considering changes to home values and/or rents?

Since 2000, rents have increased by nearly $350 per month, or by $4,100 per year. This compares with an increase in median income of a renter of $7,300. Over half of the increase in renter median income is now going toward rent. This reflects a decline in purchasing power for renters in San Marcos as rents increased faster than incomes. Median rent increased by 55% (from $622 in 1999 to $966 in 2017) compared to a median renter income increase of 37% (from $19,721 to $27,104).

In order to afford the increase in rent, renters' annual incomes would have needed to increase by $13,760 between 1999 and 2017; however actual increase in renter median income was $7,383. The median two-bedroom rental unit in San Marcos is affordable to households earning $38,920 or more per year—substantially higher than the median renter income of $27104. (Root Policy Research).

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

San Marcos' median rent of $894 (2013 median contract rent) is higher than the HOME Rents/FMR for both efficiency and one-bedroom units. This reflects the need for more affordable housing units.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

San Marcos' housing stock is made up primarily of apartment buildings containing between five and 49 units (38%) and single family detached homes (34%). Eleven percent are duplexes/triplexes/fourplexes and eight percent are large apartment buildings. The balance, about nine percent, are nearly split between condominiums/townhouses and mobile homes.

While the majority of the city's housing stock was built between 1970 and 1999, San Marcos saw a great deal of housing construction between 2000 and 2009 with homes from this period accounting for 26%. Thirteen percent of homes have been built in the past decade.

In 2015, the City of San Marcos was impacted by two historic flood events that occurred within six months of each other—the first in May of 2015 and the second in October 2015. Collectively, these weather disasters damaged 1,558 homes and 35 businesses, causing tens of millions of dollars in damage.

The 2018-19 resident survey, conducted for the development of the 2019 Housing Needs Assessment, was designed to assess ongoing housing needs and preferences in San Marcos and includes questions related to housing damage from the 2015 floods. Overall, one in 25 (four percent) San Marcos residents who responded to the survey currently live in a home that was damaged in the 2015 Flood, and two percent lived in a home that was damaged in the Flood but have since moved.

(Source: 2019 San Marcos Housing Needs Assessment, Root Policy Research)

Definitions

Property Maintenance Code means the most recent edition of the International Property Maintenance Code that has been adopted by the City of San Marcos.

Standard condition dwelling unit means a dwelling unit that complies with the City's Property Maintenance Code.

Substandard dwelling unit means an Unsafe or Dangerous structure that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure as those terms are defined in the City's Property Maintenance Code.

Substandard dwelling unit, suitable for rehabilitation means a structure that does not meet standard conditions as defined in the Property Maintenance Code, but is both financially and structurally feasible for rehabilitation to bring the unit into standard condition.

Condition of Units

The table below shows the number of housing units, by tenure, based on the number of conditions or characteristics the unit has. Selected conditions are similar to housing problems in the Needs Assessment and include (1) the lack of complete plumbing facilities; (2) the lack of complete kitchen facilities; (3) more than one person per room; and (4) cost burden greater than 30%. The table also includes the calculations for the percentage of total units that the category represents.

Table 43 – Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	1,825	33%	9,265	63%
With two selected Conditions	60	1%	575	4%
With three selected Conditions	0	0%	0	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	3,670	66%	4,759	33%
Total	**5,555**	**100%**	**14,599**	**100%**

Data Source: 2011-2015 ACS

Table 44 – Year Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	1,685	30%	5,405	37%
1980-1999	1,430	26%	5,280	36%
1950-1979	1,755	32%	3,480	24%
Before 1950	685	12%	430	3%
Total	***5,555***	***100%***	***14,595***	***100%***

Data Source: 2011-2015 CHAS

Table 45 – Risk of Lead-Based Paint				
Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	2,440	44%	3,910	27%
Housing Units built before 1980 with children present	1,665	30%	395	3%

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Table 46 – Vacant Units			
	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	N/A	N/A	
Abandoned Vacant Units	N/A	N/A	
REO Properties	N/A	N/A	
Abandoned REO Properties	N/A	N/A	

Data Source: 2011-2015 ACS

Need for Owner and Rental Rehabilitation

Forty-four percent of the owner-occupied housing stock and 27% of the renter-occupied housing was built prior to 1980, placing the age of that housing at more than 30 years old. As the housing stock ages, housing units can begin to deteriorate, especially when the residents don't or can't provide needed maintenance. The City funds owner-occupied housing rehabilitation programs that reduce building code violations, increase accessibility, and preserve housing values. The City also allows homeowners to perform renovation work on their homesteads (without using a contractor) so long as the work complies with codes which reduces the cost of rehabilitation.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with Lead Based Paint Hazards

No reliable estimate is available.

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The San Marcos Housing Authority administers the Housing Choice (Section 8) Voucher Program and Public Housing. The City works closely with the Housing Authority regarding public housing issues. There is a definite need for additional public housing/Section 8 vouchers in San Marcos as evidenced by long waiting lists that exist for all housing categories.

Totals Number of Units

Table 47 – Total Number of Units by Program Type									
Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available			289	288	60	228	0	0	0
# of accessible units			7	60	60	NA			

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

The San Marcos Housing Authority has been providing affordable housing since 1950 and currently provides housing for about 577 low-income families and individuals, including the elderly and disabled. Their resident services program consists of several initiatives designed to support self-sufficiency and family development, elderly and disabled services, youth services, and resident organizations and community development. Public housing developments include Allen Wood Homes, C. M. Allen Homes, and Chapultepec Homes. Springtown Villas is a project-based Section 8 facility for seniors and persons with a disability.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan: Overall, the 289 public housing units are considered to be in good condition and the Housing Authority follows a program of routine maintenance. Most of the units at the C. M. Allen Homes were damaged by flood waters during the Memorial Day weekend flood of 2015, and again by the All-Saints Day flood later that year. Repairs were completed by December 2016.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 48 – Public Housing Condition	
Public Housing Development	**Average Inspection Score**
TX-087	**Standard Performer**

Data Source: San Marcos Public Housing Authority

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

Long-term maintenance is conducted as quickly as funds allow. Overall the units are in excellent shape.

Describe the public housing agency's strategy for improving the living environment of low- and moderate- income families residing in public housing:

San Marcos Public Housing Authority continues to improve the living environment by making technology available to their residents; partnering with Texas State University for students to provide nutrition and healthy cooking classes; providing after-school activities; and continuing to provide a family self-sufficiency program. Several years ago, the Housing Authority marketed the opportunity to help deliver services to department heads of Texas State University, resulting in an increase in volunteers available to assist with service delivery. Previously, volunteers came almost exclusively from the School of Social Work. This partnership has been very successful and continues to expand. It includes several fraternities and sororities.

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

Table 49 – Facilities and Housing Targeted to Homeless Households					
	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	50*	0	6 existing, 94 under construction	0	0
Households with Only Adults	0	0	0	0	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	2	0		0	0

*The official Housing Inventory Count kept by the Continuum of Care organization Texas Homeless Network includes the 32 beds at the Hays-Caldwell Women's Center only. The number above includes emergency sheltering options offered by Southside Community Center and the San Marcos Youth Council.

Data Source: Service Providers

OMB Control No: 2506-0117 (exp. 06/30/2018)

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Non-profit organizations in San Marcos provide a number of services to their clients including the shelters previously listed, food distribution, English-as a second language classes, GED preparation courses, counseling and advocacy for victims of rape and family violence, job training for youth and young adults and many other services.

Hill Country Mental Health and Developmental Disabilities Centers provides crisis services that can include finding a place to live. **List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.**

San Marcos is served by a variety of organizations that address the needs of the homeless including:

- Direct Assistance (food, medication, bus tickets, etc.): Salvation Army, Southside Community Center, St. Vincent De Paul Society
- Food: Hays County Food Bank
- Meals, showers, laundry facilities: Southside Community Center (not limited to their shelter residents)
- Emergency Shelter: Southside Community Center, Hays-Caldwell Women's Center, Greater San Marcos Youth Council
- Veterans Service: Hays County Veterans Service Office
- Health Care: Community Action
- Abused & Neglected Children Services: Court Appointed Special Advocates (CASA) of Central Texas

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Ensuring people with special needs remain stably housed often requires ongoing services or case management. Many supportive service needs are simply not being met due to inadequate funding in the case management and long-term supportive housing arena. The shortage of case management makes partnerships among the existing service agencies particularly valuable.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, describe their supportive housing needs:

Elderly persons and persons with a disability may need accessibility improvements to allow them to remain in their home or to move into a new home. Public housing residents need resources to gain their independence from publicly supported housing and need a sufficient supply of affordable rental and for sale housing units. Persons with addictions often need a group home or other transitional housing to support their recovery.

Transitional housing was identified as a need for persons leaving the family violence shelter, and as mentioned earlier the Hays-Caldwell Women's Center is about to break ground on 18-20 units to serve this need.

Another long-identified need has been for transitional housing for youth who have "aged out" of youth shelter and foster care systems. San Marcos Public Housing Authority, in partnership with Texas State University, will be receiving 17 new Housing Choice Vouchers for people who have aged out of foster care and are Texas State students.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

San Marcos has no established supportive, transitional housing in San Marcos for those returning from mental and physical health institutions.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

PENDING APPROVAL OF ACTION PLAN AND OF FUNDING FOR PROGRAMS AND PROJECTS

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

PENDING APPROVAL OF ACTION PLAN AND OF FUNDING FOR PROGRAMS AND PROJECTS

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

The most recent Analysis of Impediments to Fair Housing Choice (AI), adopted June 6, 2017, did not find any regulatory barriers.

The City completed the update of its development codes during PY17. During the process, the City took into consideration the effect development codes can have on housing affordability and sought ways to ensure maximum flexibility. The Code as drafted has a section on "Affordable Housing" that includes development incentives, standards for an affordability period for both rental and for-sale units receiving development incentives, and definitions of eligibility. The Planning staff utilized the adopted San Marcos Affordable / Workforce Housing Policy as a guide in preparing the affordable housing section.

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

The City of San Marcos is a culturally diverse, rapidly growing community that prides itself on its natural beauty, young and talented workforce, and friendly environment. In the beautiful Central Texas Hill Country, San Marcos serves as the Hays County seat and is located halfway between Austin, the state capitol, and San Antonio to the south on the fast growing IH 35 corridor. Hays County has been ranked one of the fastest growing counties in the nation given the numerous factors that make San Marcos an appealing place to live and work. (Source: The City of San Marcos Economic Development Policy)

Economic Development Market Analysis

While there have been many changes over the past five years, one thing remains constant: the population in the Greater San Marcos region continues to grow rapidly. Between 2008 and 2018, the region added over 80,000 residents and grew by 43.5%. The rapid growth is partially attributed to the fast overall population growth in Texas. The state's low cost business environment and abundant job creation make it a magnet for businesses and workers. Over the past five years, Texas added more than two million residents and was the fifth fastest growing state. Among the nation's large cities, four of the top 10 fastest growing metros are in Texas. Austin-Round Rock, TX MSA leads the country as the fastest growing metro. As the region continues to grow, increasing affordable housing options and creating a healthy balance of housing stock will be a key factor in the quality of life of residents and workers in Greater San Marcos. It is also a critical component to improving the region's competitiveness for jobs and workers. (Source: Greater San Marcos Vision 2025 Draft Regional Assessment and Scorecards)

Table 50 – Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	186	80	1	0	-1
Arts, Entertainment, Accommodations	3,182	5,015	19	21	2
Construction	986	445	6	2	-4
Education and Health Care Services	2,347	2,865	14	12	-2

OMB Control No: 2506-0117 (exp. 06/30/2018)

Finance, Insurance, and Real Estate	943	1,022	6	4	-1
Information	414	656	3	3	0
Manufacturing	1,268	2,261	8	9	2
Other Services	664	964	4	4	0
Professional, Scientific, Management Services	1,265	1,058	8	4	-3
Public Administration	0	0	0	0	0
Retail Trade	2,788	6,722	17	28	11
Transportation and Warehousing	503	1,438	3	6	3
Wholesale Trade	693	562	4	2	-2
Total	15,239	23,088	--	--	--

Data Source: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Table 51 – Labor Force	
Total Population in the Civilian Labor Force	30,705
Civilian Employed Population 16 years and over	27,765
Unemployment Rate	9.60
Unemployment Rate for Ages 16-24	26.33
Unemployment Rate for Ages 25-65	5.83

Data Source: 2011-2015 ACS

Table 52 – Occupations by Sector	
Occupations	Number
Management, business and financial	4,750
Farming, fisheries and forestry occupations	1,565
Service	3,705
Sales and office	8,895
Construction, extraction, maintenance and repair	1,965
Production, transportation and material moving	1,090

Data Source: 2011-2015 ACS

Table 53 – Travel Time		
Travel Time	**Number**	**Percentage**
< 30 Minutes	19,970	74%
30-59 Minutes	5,125	19%
60 or More Minutes	1,730	6%
Total	**26,825**	**100%**

Data Source: 2011-2015 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Table 54 – Educational Attainment by Employment Status			
Educational Attainment	**In Labor Force**		
	Civilian Employed	**Unemployed**	**Not in Labor Force**
Less than high school graduate	1,425	140	920
High school graduate (includes equivalency)	3,615	265	1,000
Some college or Associate's degree	4,545	620	1,095
Bachelor's degree or higher	5,310	120	730

Data Source: 2011-2015 ACS

Table 55 – Educational Attainment by Age					
	Age				
	18–24 yrs	**25–34 yrs**	**35–44 yrs**	**45–65 yrs**	**65+ yrs**
Less than 9th grade	80	125	175	430	675
9th to 12th grade, no diploma	660	650	480	615	275
High school graduate, GED, or alternative	2,815	2,175	1,280	1,425	1,035
Some college, no degree	15,375	2,655	730	1,480	725
Associate's degree	1,545	615	445	380	140
Bachelor's degree	1,960	2,524	814	1,170	700
Graduate or professional degree	55	533	460	655	510

Data Source: 2011-2015 ACS

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 56 – Educational Attainment – Median Earnings in the Past 12 Months	
Educational Attainment	**Median Earnings in the Past 12 Months**
Less than high school graduate	17,769
High school graduate (includes equivalency)	22,956
Some college or Associate's degree	74,089
Bachelor's degree	118,738
Graduate or professional degree	105,222

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The major employment sectors are:

1. Arts, Entertainment, Accommodations;
2. Retail Trade;
3. Education and Health Care Services; and
4. Tied: Manufacturing; and Professional, Scientific, and Management Services.

Describe the workforce and infrastructure needs of the business community:

According to a 2020 community and business survey for Greater San Marcos, roughly half of residents rated the region's traffic congestion as poor or below average, and 71.2% rated the region's public transit capacity unfavorably. Nearly 60% of survey participants rated the region's ability to access shows, restaurants, and services without using a car as poor or below average. Likewise, 50.7% rated the region's quality and connectivity of sidewalks as poor or below average. At the same time, 38.7% rated the region's broadband/fiber infrastructure to support growth as a disadvantage to existing and prospective new businesses. The availability of high-speed internet was rated as poor or below average by 30.2% of all survey participants. Based on this feedback, infrastructure needs include improved traffic congestion, public transit, access to entertainment and business, walkability, and improved high-speed broadband access.

A common need that has been shared by employers in Business Retention and Expansion (BRE) meetings held by the Greater San Marcos Partnership (GSMP) is basic employable soft skills from the candidates they consider. The basic skills include showing up to work on time and passing a drug test. Employers indicate that, in most cases, they can train employees for the skills needed to perform the job. However, if there is a gap in the soft skills, the training investment is wasted when an employee is released.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The prospect of investors creating available speculative space in San Marcos will create new opportunities for the city and help better position it as a possible location for companies requiring an existing structure and no time to build. The City of Kyle benefitted from this strategy, recently securing SmileDirectClub and Alsco Linens in 2019.

The GSMP in collaboration with the City of San Marcos and other regional stakeholders are in the process for developing Vision 2025 – the region's economic development strategy. Completion is expected by May 2020 and will impact and direct a number of key factors critical to economic development: workforce/talent, targeted industry sectors, BRE, marketing and more.

The Farm to Market Road 110 South construction project will create a major new arterial roadway. It is jointly funded by the City of San Marcos and Hays County as a $15.2 million project that includes the construction of a new section of FM 110 with two travel lanes and shoulders stretching 2.196 miles from State Highway 123 to Farm-to-Market Road 621. This project to extend FM 110 is expected

OMB Control No: 2506-0117 (exp. 06/30/2018)

to improve safety, mobility, and connectivity, while also supporting the county and city's economic development programs by providing improved access to residential and employment centers east of I-35, opening up over 4,300 acres adjacent to the roadway. (Source for this paragraph: San Marcos Daily Record, October 2, 2019)

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The 2014-2018 American Community Survey shows that 76% of San Marcos residents who are 3 and over and are attending school are enrolled in college or graduate school, while 24% are enrolled in pre-k through 12th grade. Of residents 25 and older, 87% are high school graduates (or equivalent), and 34% have a bachelor's degree or higher. In addition to Texas State University, Austin Community College, and Gary Job Corps offer career and technical training.

37.5% of the workforce in Hays County are considered underemployed or are in positions that do not require their degree.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The GSMP, the City's contracted economic development firm, works closely with existing and prospective businesses, and local education providers to ensure that a skilled workforce is available for job openings.

In recent years, more school districts have begun to offer dual enrollment courses, career clusters, and other initiatives to strengthen the pipeline. Additionally, more districts are putting greater emphasis on career and technical education (CTE). San Marcos CISD offers 13 programs including information technology, manufacturing, and health science.

As workforce providing partners, Texas State University and Austin Community College collaborate and partner with the business community to customize programs based on real world needs. According to the 2020 survey, stakeholder spoke highly about the quality education and training offered through Austin Community College but are frustrated with the costs associated with attending for individuals that are out-of-district. San Marcos voters have not approved a community college tax, and the city's residents have to pay non-member tuition for the community college, which makes it as expensive as a four-year university. This is a significant barrier to low-to-moderate income workers who are seeking the job training certifications and college preparatory courses offered by the community college.

Because of the higher cost for community college training here, San Marcos economic developers have a difficult time attracting employers that require a skilled blue-collar workforce. The primary industry here is retail, which provides little opportunity for upward mobility.

Gary Job Corps, the nation's largest Job Corps, partners with companies and industry throughout the region to train youth ages 16 to 24 for careers ranging from health to business to construction and manufacturing. In addition, Community Action Partners uses federal funds to create training for high priority, fundamental issues such as general equivalency diplomas and literacy.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

Yes. The Capital Area Council of Governments (CAPCOG) created the 2015-2020 Comprehensive Economic Development Strategy (CEDS) on behalf of the ten county area it serves, and last updated it in 2018. This provides insight and strategic action for a relatively large area.

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

The City of San Marcos and neighboring cities contract with the Greater San Marcos Partnership for economic development services, and this entity created a Vision 2020 plan for this much smaller area in 2020. An update is currently underway to create a Vision 2025 plan, and this process is providing focused data and survey information that will be used by the partnership to further economic development in the communities it serves.

Many of the findings and proposed actions are similar in the CEDS and Vision 2020 plan and the various economic development entities work together on efforts that will benefit more than one community in the region.

To date, CDBG entitlement funding has not been used for economic development in San Marcos, although that remains a possibility.

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-50 Needs and Market Analysis Discussion

We defined concentration as the level where a natural break shows in the data, indicating that a larger number of people in the specified categories lives in a particular set of neighborhoods when compared to others.

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

*The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Households experiencing a severe problem are defined as a household with two or more of the four housing problems.

Data from the HUD CPD Maps tool shows that the following areas have a concentration of greater than 72% of extreme low-income households with a severe problem: Northwest Hills Area: Tanglewood, Forest Hills, Spring Lake Hills Sierra Circle, Hughson Heights, Texas State University; Northern Area: Fairlawn, Two Rivers East, Blanco River North, Wallace Addition Blanco Gardens.

The following areas have a concentration of greater than 67% of low-income households with a severe housing problem: Northwest Hills Area: Tanglewood, Forest Hills, Spring Lake Hills Sierra Circle, Hughson Heights, Sessom Creek.

The following areas have a concentration of greater than 54% of moderate-income households with a severe housing problem: Northwest Hills Area: Tanglewood, Forest Hills, Spring Lake Hills Sierra Circle, Hughson Heights, Sessom Creek.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Using the CPD Maps tool provided by HUD, the following concentrations were found in the City of San Marcos:

Concentration of Persons of Hispanic Origin was defined as any neighborhood with higher than 51.35% persons of Hispanic Origin.

> Neighborhoods with more than 51.35% persons of Hispanic Origin: Millview East, Millview West, Rio Vista, Blanco Gardens, East Guadalupe, Victory Gardens, Sunset Acres, Mockingbird Hills, Hills of Hay, Wallace Addition, Blanco Gardens,

Concentration of Black or African American Residents was defined as any neighborhood with higher than 4.89% residents identified as Black or African American.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Neighborhoods with more than 4.89% Black or African American residents: Fair Lawn, Two Rivers East, Blanco Gardens, Cottonwood Creek, Mockingbird Hills, Hills of Hays, Sunset Acres

Concentration of Non-English-Speaking Residents was defined as any neighborhood with higher than 4.18% non-English-speaking residents.

Neighborhoods with more than 4.18% non-English-speaking residents: Blanco Gardens, Rio Vista, East Guadalupe

Concentration of Poverty was defined as any neighborhood with higher than 28.17% poverty.

Neighborhoods with 28.17-43.06% Poverty: Hunter's Hill, Victory Gardens, East Guadalupe, Heritage, Blanco Gardens, Fairlawn, Two Rivers East

Neighborhoods with higher than 43.06% Poverty: Hughson Heights, Sierra Circle, Holland Hills, Tanglewood, Forest Hills, Spring Lake Hills, Sessom Creek/Downtown, Millview East, Millview West, Rio Vista

What are the characteristics of the market in these areas/neighborhoods?

The housing market in these areas includes new high-end multi-family housing, university-related housing, older multi- and single-family housing, mobile home parks, public housing and some units of subsidized affordable housing. Several new subdivisions with moderately-priced housing are also located in these areas.

Are there any community assets in these areas/neighborhoods?

These census tracts cover a large segment of San Marcos. There are many community assets in these areas including churches and organizations that support the low to moderate income population. Assets include the Public Library and Recreation Center, City and County government offices, along with State agencies, the hospital and numerous medical offices, public schools, a number of neighborhood parks, major retail areas including major grocery and pharmacy stores, and several community centers.

Are there other strategic opportunities in any of these areas?

The City is expanding the strategic opportunities in these areas by focusing CDBG Entitlement funding and Capital Improvements in

OMB Control No: 2506-0117 (exp. 06/30/2018)

the areas as well as encouraging economic development, infill affordable housing development and housing rehabilitation.

An amendment to the CDBG-DR Action Plan approved by City Council on March 3, 2020, expands eligibility for the CDBG-DR funded housing programs to include any homes impacted by the 2015 floods citywide, instead of limiting the programs to those within the 100-year floodplain. (Households will also have to meet the income eligibility criteria.)

OMB Control No: 2506-0117 (exp. 06/30/2018)

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

100% of the city of San Marcos has access to broadband speeds of 25/3 Mbps, and 99.51% have access to broadband of 250/25 Mbps. (Source: broadbandmap.fcc.gov Area Summary for San Marcos, Texas)

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

Broadband internet is available in the city of San Marcos from multiple providers as follows:

Table 57 – Broadband

Speed	3 or more providers	2 providers	1 provider
25/3 Mbps	100.00% of the city		
100/10 Mbps	1.68% of the city	82.10% of the city	15.74% of the city
250/25 Mbps	.51% of the city	21.00% of the city	78.00 % of the city

Source: broadbandmap.fcc.gov Area Summary for San Marcos, Texas)

This means that while broadband internet is available to all residents and businesses, the number of providers is limited for internet at high speeds that would appeal to business users.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

As described in the 2018 City of San Marcos/Hays County Hazard Mitigation Plan, none of the 9 hazards reviewed in the plan show an increasing trend. Significant flooding occurred in the city of San Marcos on two dates in 2015 due to higher than usual amounts of rain over time and in the 24 hours leading up to each flooding event.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

The entire city of San Marcos is classified as low-to-moderate income. The 2018 Hazard Mitigation Plan ranked flooding as the number one hazard in the area, with a risk ranking of 99.5 on a scale of 100.

Several of the neighborhoods cited above as having a concentration of poverty are next to the San Marcos River and therefore have an increased likelihood of flooding, including Two Rivers East, Fairlawn, Rio Vista, and Blanco Gardens.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Strategic Plan addresses the high priority needs of the community as determined through citizen and stakeholder input and review of existing data and plans. High priority needs that are a focus of the 2020-2024 Consolidated Plan for CDBG entitlement funding are affordable housing, public services, and public facilities.

The City works partnership with other entities and non-profit organizations to enhance service delivery systems. The City provides technical assistance, program monitoring, workshops, and information sharing to ensure the goals of the CDBG Strategic Plan are met.

The City is committed to providing affordable housing of choice to low-income and protected classes through educating the public on fair housing issues and rights and affirmatively furthering fair housing. By providing assistance to first-time homebuyers for the purchase affordable homes of choice the City is encouraging de-concentration of poverty and fair housing choice. The City also helps low-income homeowners maintain their homes through its housing rehabilitation programs.

The City strives to improve low-income residential areas by improving parks and other facilities and infrastructure. These public improvements bring the areas up to standards equal to other areas of the city and make the neighborhoods safer and more desirable.

The City's 2020 CDBG allocation will be $722,904 which will be used to accomplish the goals set out for CDBG entitlement funds in this Consolidated Plan. For the purposes of planning, the 5-year plan is based on an estimate of an annual allocation of $700,000 per year, for a total of $3,500,000 over the course of the 5-year plan.

Priorities were chosen for the CDBG-DR grant when the Action Plan was approved by City Council in December, 2015, and include housing rehabilitation and stormwater infrastructure construction. Similarly, priorities for the CDBG-MIT grant were set in March, 2020, when the Action Plan was approved, and they include construction of major stormwater infrastructure, and purchase of items such as signs and barricades that can be used to reduce risk to the public. Neither grant duplicates the priorities of the CDBG entitlement grant, although by necessity the funds for housing rehabilitation of flood damaged homes do support rehabilitation of some homes that would have otherwise qualified for CDBG entitlement funds.

OMB Control No: 2506-0117 (exp. 06/30/2018)

As of the date of adoption, per HUD the City's CDBG-CV allocation will be $425,261, although more funds may be allocated by HUD in the future. The City is in process of determining priorities for the funding through amendment of the 2019 CDBG Entitlement Action Plan.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

The entire city of San Marcos is classified as low-to-moderate income; therefore, the City has not set geographic priority areas.

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The following chart shows the City's low/mod population percentages by census block group. As can be seen on the chart, population with low to moderate incomes is above 25% in all block groups, and higher than 40% in all but two. This distribution of low-to-moderate income individuals makes it equitable to allocate investments geographically where they can benefit the greatest number of citizens instead of focusing on particular census tracts or block groups.

Table 58 – Census Tracts

County	Tract	Block Group	Low/Mod Population	Total Population	Low/Mod Population Percent
Hays	010600	6	620	2,405	25.78%
Hays	010905	1	575	2,215	25.96%
Hays	010600	2	390	940	41.49%
Hays	010303	1	775	1,610	48.14%
Hays	010600	3	540	975	55.38%
Hays	010400	1	750	1,335	56.18%
Hays	010600	4	1,445	2,520	57.34%
Hays	010701	1	1,645	2,610	63.03%
Hays	010600	1	1,025	1,600	64.06%
Hays	010100	2	985	1,535	64.17%
Hays	010400	2	1,705	2,545	66.99%
Hays	010200	1	370	550	67.27%
Hays	010200	2	340	495	68.69%
Hays	010400	3	4,520	6,200	72.90%

OMB Control No: 2506-0117 (exp. 06/30/2018)

Hays	010500	1	1,255	1,670	75.15%
Hays	010701	4	1,430	1,875	76.27%
Hays	010702	1	1,395	1,800	77.50%
Hays	010500	2	2,100	2,675	78.50%
Hays	010303	2	1,505	1,905	79.00%
Hays	010302	2	2,125	2,660	79.89%
Caldwell	960500	4	510	635	80.31%
Hays	010302	1	1,450	1,790	81.01%
Hays	010100	1	865	1,055	81.99%
Hays	010303	3	3,385	3,995	84.73%
Hays	010304	1	965	1,125	85.78%
Hays	010304	4	1,230	1,395	88.17%
Hays	010701	3	2,560	2,730	93.77%
Hays	010701	2	685	720	95.14%
Hays	010304	3	2,970	3,065	96.90%
Hays	010200	3	35	35	100.00%
Hays	010304	2	590	590	100.00%

Source: 2011-2015 ACS, https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-block-groups-places/

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

High priority needs that are a focus of the 2020-2024 Consolidated Plan for CDBG entitlement funding are affordable housing, public services, and public facilities, and economic development.

The CDBG-DR Action Plan includes several housing programs intended to assist people of low-to-moderate incomes recover from the 2015 floods without duplication of benefits. The high priorities for CDBG-DR funding are housing rehabilitation, and design, acquisition, and construction of infrastructure projects that will reduce the risk of future flooding in the city. Because more than 1,500 homes in several low-to-moderate income neighborhoods were seriously impacted by the floods, some of the homes that would have ordinarily qualified for CDBG entitlement rehabilitation have now been rehabilitated or reconstructed using insurance proceeds or CDBG-DR funds, freeing up CDBG entitlement funds to be used in the rest of the city. However, the need for housing rehabilitation and affordable housing in general still exceeds the amount of funds available for assistance.

CDBG-MIT funds can be used solely for those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters. Therefore, CDBG-MIT funds will be used for significant infrastructure projects that would not be accomplished using CDBG entitlement funds because of the cost involved. CDBG-MIT funds will also be used for the purchase of items such as signs and barricades, which do not match the affordable housing and social services focus of the projects and programs generally selected in San Marcos as high priorities for CDBG entitlement funds.

CDBG-CV funds can be used solely in response to the impacts of the coronavirus (COVID-19) pandemic.

The high priority needs for each grant – CDBG, CDBG-DR, and CDBG-MIT were determined in compliance with the City's Citizen Participation Plan. Outreach included workshops, public meetings, consultations, and surveys. In addition, for each plan pertinent data sources and existing plans were consulted. Outreach for the CDBG-CV grant will be accomplished per the Citizen Participation Plan, as amended to accommodate the special circumstances of that particular grant.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Table 59 – Influence of Market Conditions	
Affordable Housing Type	**Market Characteristics that will influence the use of funds available for housing type**
Tenant Based Rental Assistance (TBRA)	The City does not receive TBRA.
TBRA for Non-Homeless Special Needs	The City does not receive TBRA.
New Unit Production	The City does not anticipate the construction of new housing units directly funded with the CDBG Entitlement Grant. Some homes are being constructed using CDBG-DR funds, but these are replacements for units damaged beyond repair in the 2015 floods.
Rehabilitation	Aging housing stock owned by low-income persons and the elderly and disabled, needs rehabilitation assistance so the owners can maintain the quality, safety, and accessibility of their homes.
Acquisition, including preservation	Acquiring vacant lots for the construction of affordable housing or to expand existing park and green space areas will be considered as funding permits and when appropriate properties are available. It is difficult to find lots in the San Marcos market that are inexpensive enough to facilitate construction of affordable housing to replace homes lost in the floods (using CDBG-DR funds) or to provide lots for construction of homes by Habitat for Humanity (using CDBG entitlement funds). Approximately $2.8 million in CDBG-MIT funds have been set aside for preservation of land. This money may be used to establish land banks for preservation of land in strategic upland and floodplain areas to mitigate flooding. Land can be used for storage/infiltration of flood waters and the reduction of impervious cover.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

Annually the City of San Marcos accepts applications for funding from local non-profits and City departments that are evaluated by staff based on scoring criteria. The final slate of funding recipients is chosen by the City Council. CDBG funds are generally used by the organizations and departments for specific projects or programs within the much larger scope of services they offer. Each entity has an array of additional resources they use in partnership with the CDBG funds, including fee-based activities, philanthropic and personal contributions, and other local, state, and federal grants.

Anticipated Resources See table below

OMB Control No: 2506-0117 (exp. 06/30/2018)

Table 60 – Anticipated Resources								
Program	**Source of Funds**	**Uses of Funds**	**Expected Amount Available Year 1**				**Expected Amount Available Remainder of ConPlan $**	**Narrative Description**
			Annual Allocation: $	**Program Income: $**	**Prior Year Resources: $**	**Total: $**		
CDBG Entitlement	Federal	Administration, Affordable Housing, Public Services, Public Facilities	$722,904	$0	$0	$722,904	$2,800,000	CDBG entitlement funds will be used to address community housing and non-housing priority needs.
CDBG-DR	Federal	Administration, Planning, Housing, Infrastructure, Acquisition	One-time				$33,794,000	CDBG-DR funds must be used for disaster recovery related to the 2015 floods by 2022.
CDBG-MIT	Federal	Administration, Planning, Addressing Repetitive Loss, Preservation of Land, Warning Systems, Signs and Barricades	One-time				$24,012,000	CDBG-MIT funds must be used for Those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters by 2032.

OMB Control No: 2506-0117 (exp. 06/30/2018)

HOME	Federal, through state allocation	Rehabilitation of up to 7 houses	Flexible amount				Flexible Amount	The purpose of the HOME program is to expand the supply of decent, safe, affordable housing and strengthen public-private housing partnerships between units of general local governments, public housing authorities, nonprofits, and for profit entities.
CDBG-CV	Federal	To Be Decided	One-time				$425,261	CDBG-CV funds must be used to prevent, prepare for, and respond to Coronavirus
Public Services	City	Human Services Social Services Funding	$500,000				$2,000,000	General fund money granted to local social service agencies through a competitive process
Community Enhancement Fee	City	A monthly fee to fund expanded community cleanup and beautification efforts in the city that is applied to City utility customers.						Current rate: Residential: $1.50 Commercial: $5.50 The money raised by the fee will be used to fund recurring community enhancement and beautification activities, including the elimination of unsafe structures.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Impact and Utility Fees	City	Stormwater, electric, water, wastewater, infrastructure, parks	Varies				Varies	San Marcos is growing very quickly and these fees help provide needed infrastructure and services to the community
Payment in Lieu of Taxes – LIHTC	Private							Low Income Housing Tax Credit Properties on tax exempt land pay a PILOT to be used for additional affordable housing
Private and Philanthropic Donations to Agencies	Private	Programs, rehabilitation, and construction projects						Funds received from foundations, fund-raising organizations, and individuals

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The $500,000 contributed by the City from the general fund is considered to be the match for CDBG entitlement grants.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

For CDBG entitlement and CDBG-DR housing programs, the City is actively working to locate lots that can be purchased at a price that makes affordable housing financially feasible. This has proved difficult since land prices are very high due to the high rate of growth in the metropolitan area. In addition, when a City-owned lot becomes available for development, it is immediately evaluated for use in the CDBG and CDBG-DR housing programs.

Agencies that were started with local or church funds play the most significant role in providing social services and home repair in the City of San Marcos, and CDBG funds provide an added layer of support.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

The CDBG entitlement portion of the Consolidated Plan is implemented through annual contracts that allocate the funds received to specific projects and programs run by non-profits and City departments. The following entities have in the past five years received CDBG entitlement funding through the annual application process and are likely candidates to carry out the work in the next five due to the nature of the services they provide.

The housing programs funded by the CDBG-DR grant are implemented by the City's Planning and Development Department, with assistance from third-party contractors as needed to provide intake support. In addition, the Public Housing Authority was designated as a recipient for a portion of CDBG-DR funds for rehabilitation of one of the public housing sites due to significant flood damage.

The City's Engineering and Capital Improvements Department leads the implementation of the infrastructure projects funded by CDBG-DR and CDBG-MIT. Design, construction, environmental review, and some monitoring has been outsourced to the appropriate third parties, with engineering staff providing oversight, supported by Planning and Development Services staff and Finance Department staff.

The CDBG-CV grant will be implemented by the City's Planning and Development Department, with assistance as needed from third party contractors. Funding may be used to reimburse the City for expenses related to the COVID-19 pandemic or to fund programs or projects run by other entities that respond to a need created by the pandemic.

Table 61 – Institutional Delivery Structure			
Responsible Entity	**Responsible Entity Type**	**Role**	**Geographic Area Served**
Austin Habitat for Humanity	Non-Profit	Affordable Housing – Ownership, Rehabilitation	Region
Blanco River Regional Recovery Team	Long Term Recovery Organization	Affordable Housing – Rehabilitation, Urgent Need	Four County Area
CASA of Central Texas	Non-Profit	Public Services	Four County Area
Engineering and Capital Improvements Department	Local Government	Infrastructure, Acquisition (CDBG-DR, CDBG-MIT)	City
Hays-Caldwell Women's Center	Non-Profit	Public Services	Two County Area
Parks and Recreation Department	Local Government	Public Services and Public Facilities	City
Planning and Development Services Department	Local Government	Affordable Housing – Repair, Rehabilitation, Reconstruction, Ownership; Public Services; Public Facilities (CDBG, CDBG-DR, CDBG-CV)	City
San Marcos Public Housing Authority	Public Housing Authority	Affordable Housing -Rental, Public Housing, Homelessness	City
Southside Community Center	Non-Profit	Affordable Housing - Rehabilitation	City
St. Bernard Project	Non-Profit	Affordable Housing – Rehabilitation, Urgent Need	City
United Way of Hays County	Non-Profit	Public Services	County

Assessment of Strengths and Gaps in the Institutional Delivery System

Multiple local and regional non-profit and faith-based organizations serve a variety of purposes in public services, affordable housing, and economic development functions. The longevity of these local institutions has created a working network of support for the community that is supplemented by CDBG entitlement funds.

Gaps in the institutional structure for CDBG-type community assistance include:

- Housing options that are truly affordable compared to the incomes of the local population

OMB Control No: 2506-0117 (exp. 06/30/2018)

- Levels of funding available for supportive services
- Shelter for homeless single adults

CDBG-DR and CDBG-MIT projects are well served by strong working relationships and a high level of competence in the staff and professional services agencies implementing the projects.

Response to the COVID-19 pandemic has so far been led and coordinated by the City's Emergency Management Office, in close working relationship with other City, County, and regional departments and service providers, such as hospitals. The institutional delivery system to support an ongoing economic recovery is in the formation stages.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Table 62 – Homeless Prevention Services Summary			
Homelessness Prevention Services	**Available in the Community**	**Targeted to Homeless**	**Targeted to People with HIV**
Homelessness Prevention Services			
Counseling/Advocacy	✓	✓ If a result of family violence	✓
Legal Assistance	✓	✓ If a result of family violence	
Mortgage Assistance	✓	✓ For veterans	✓
Rental Assistance	✓	✓ If a result of family violence	✓
Utilities Assistance	✓	✓	✓
Street Outreach Services			
Law Enforcement	✓		
Mobile Clinics	✓		
Other Street Outreach Services	✓		

OMB Control No: 2506-0117 (exp. 06/30/2018)

Supportive Services			
Alcohol & Drug Abuse	✓		
Child Care	✓	✓	✓
Education	✓	✓	✓
Employment and Employment Training	✓	✓	✓
Healthcare	✓	✓	✓
HIV/AIDS	✓	✓	✓
Life Skills	✓ For youth		
Mental Health Counseling	✓	✓ If a result of family violence or for veterans	
Transportation	✓	✓ If a result of family violence or for veterans	✓
Other			
Parenting Classes	✓ For youth		

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

Services are available for some, but not all, needs. Three shelters are available for homeless persons in San Marcos that target specific populations: unaccompanied youth up to age 17; victims of family violence; and families with children. In addition, Southside Community Center provides an evening meal each day, allows persons who are homeless to shower and do laundry, without regard to their shelter status. Food is available from the Hays County Food Bank. Local non-profit organizations and churches provide direct

OMB Control No: 2506-0117 (exp. 06/30/2018)

assistance as they are able for needs such as bus tickets, emergency lodging, and clothing. The Hays County Veteran's Service Office works with veterans, including those who are homeless, to meet various needs, but because most service entities are based in Austin or San Antonio, turn around time for immediate assistance is from 3 weeks to 2 months, depending on the organization. Court Appointed Special Advocates (CASA) of Central Texas fills a need for abused children and youth, including unaccompanied youth, with the goal of securing safe, permanent homes.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

Local organizations are generally well regarded but underfunded.

Gaps in the institutional structure include:

- The level of funding that is available for supportive services; when funds are inadequate services are reduced or eliminated.
- The number of Public Housing/Section 8 Voucher units available locally compared to the number of persons who qualify for this housing option.
- Shelter options available to single adults in San Marcos.
- Transitional shelter
- Immediate assistance while waiting for long-term assistance to be approved.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The City will continue to fund social service programs that benefit the low to moderate income citizens of San Marcos using both CDBG and City Human Services funds. The City considers supporting new development of Low-Income Housing Tax Credit (LIHTC) housing as those opportunities arise. The City will continue to waive construction permit fees for the construction of affordable housing or for renovation projects carried out using CDBG funds or by the San Marcos Housing Authority.

Local organizations continue to pursue funding, including private donations and grants, to provide for the needs in their areas of expertise. They provide assistance geared toward preventing homelessness, filling needs identified on a case by case basis. They collaborate with each other, and Community Action Partners provides case management for individuals seeking to become self-sufficient.

On April 3, 2020, the Hays-Caldwell Women's Center will break ground on 18 units of transitional housing (up to 94 beds) to help fill the need for affordable housing for clients leaving the shelter. The Greater San Marcos Youth Council is filling an identified need with their parenting and life-skills classes targeted at youth. The Hays County Veterans Services Office coordinates services from multiple entities for their clients with the goal of minimizing wait time. The Veteran's Office has applied for a grant to attempt to close the gap in the need for immediate assistance while clients are waiting for long-term assistance.

In Summer 2020, CASA will open its Training & Support Center for volunteers who will ensure children and youth receive care for their medical, mental health, educational, and housing needs.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

CDBG-Entitlement

Specific programs and projects will be selected annually by the City Council after an open application process. The following list of activities and performance goals are estimates based on prior years' funding choices. This list should not be construed to confer favor on one program or project over another since funding choices will be made annually; the items below are estimates based on the past.

Table 63 – Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Funding	Goal Outcome Indicator
1	Owner Occupied Rehab	2020	2024	Affordable Housing	$945,000	35 homes rehabbed
2	Priority Repair	2020	2024	Affordable Housing	$300,000	60 homes repaired
3	Homebuyer Assistance	2020	2024	Affordable Housing	$350,000	50 loans made
4	Acquisition of Lots	2020	2022	Affordable Housing	$437,714	8 lots purchased
5	Workforce Development	2020	2021	Public Services	$42,000	4 people trained
6	Advocates for Foster Children	2020	2024	Public Services	$250,000	280 advocates trained
7	Scholarships for Parks and Recreation Programs	2020	2024	Public Services	$30,000	200 scholarships
8	Home Ownership Counseling	2020	2024	Public Services	$118,280	500 people counseled
9	Park or City Facility Improvements	2020	2024	Public Facilities	$500,000	5 parks or facilities improved

OMB Control No: 2506-0117 (exp. 06/30/2018)

10	Bus Shelters and Signage	2020	2024	Public Facilities	$297,081	30 bus stops improved
11	Estimated Administration Cost at 20% of Grant	2020	2024	Administration	$817,519	N/A

OMB Control No: 2506-0117 (exp. 06/30/2018)

Goal Descriptions

1. Owner Occupied Rehab - The rehabilitation of owner-occupied single-family housing targeted to homeowners with a family income less than 80% of AMI. The program reduces construction code violations, thus increasing safety of the residents, preserves property values, improves accessibility, and reduces risk of the occupant families becoming homeless.
2. Priority Repair – This program provides repair of safety and other high-priority repair issues in owner-occupied homes.
3. Homebuyer Assistance - Down payment and closing cost assistance for new homebuyers whose household income is at or below 80% of the Area Median Income.
4. Acquisition of Lots - Purchase of lots for construction of affordable housing by non-profit homebuilders using donations or the City using CDBG-DR funds.
5. Workforce Development – These funds could be used for job training or skills development offered by a non-profit or educational partner.
6. Advocates for Foster Children – This funding is provided to a non-profit that trains advocates for children in foster care.
7. Scholarships for Parks & Rec Programs – This program provides up to $150/child to facilitate participation in the many programs offered by the City's Parks and Recreation Department.
8. Home Ownership Counseling – Home ownership counseling helps ensure that new home owners in low/mod income categories can successfully buy and maintain a home.
9. Park or City Facility Improvements – The entire City of San Marcos is designated as low/mod income, and this funding could be used to make City facilities more accessible to all residents, for example through equipment improvements at parks or the creation of additional parking at City facilities.
10. Bus Shelters and Signage – The City's 2014 Five Year Transit Plan for City-owned bus services indicates a need for additional signage at existing stops and additional routes. This funding could be used to improve the shelter or signage at existing stops or to provide for new stops on existing or additional routes.
11. Estimated Administration Cost at 20% of Grant - The oversight and administration of the CDBG program to ensure compliance with all program goals and policies.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Table 64 – Income Level by Program			
INCOME LEVEL	CDBG – REHAB	CDBG-DR – REHAB	CDBG-DR – RECONSTRUCTION
Extremely Low	17	2	8
Low	13	2	5
Moderate	5	0	2

OMB Control No: 2506-0117 (exp. 06/30/2018)

CDBG-DR

Programs and projects were selected through the planning process to create the Action Plan when the grant was received. Those funding allocations have been modified over time through official amendments as needs have become evident. With Amendment No. 9 approved by City Council March 3, 2020, following are the goals of the program. With that amendment, houses city-wide that were impacted by the 2015 floods and have unmet needs may now apply for assistance, if the owners meet low-to-moderate income criteria. The program will be re-marketed.

Any funds not expended for a particular goal or category will be reallocated among CDBG-DR programs and projects.

Table 65 – CDBG-DR Programs and Projects

Sort Order	Goal Name	Start Year	End Year	Category	Funding	Expended as of 12/31/19	Remaining	Goal Outcome Indicator
1	Owner-Occupied Rehab/Recon	2020	2022	Housing	$5,000,000	$1,878,016	$3,121,984	2 homes rehabilitated, 15 homes reconstructed
2	Rental-Unit Rehab/Recon	2020	2022	Housing	$659,013	$0	$659,013	2 homes rehabilitated
3	Public Housing Authority Reimbursement	2020	2022	Housing	$864,987	$26,460	$838,527	reimbursement for damage of 100 units at CM Allen location
4	Reimbursement Program	2020	2022	Housing	$1,000,000	$0	$1,000,000	reimbursement for repairs made to 30 homes
5	Midtown/Aquarena Springs	2020	2022	Infrastructure	$1,700,000	$133,591	$1,566,409	completion of project on time as designed
6	Blanco Gardens	2020	2022	Infrastructure	$8,071,987	$390,203	$7,681,784	

OMB Control No: 2506-0117 (exp. 06/30/2018)

7	Clarewood/Barbara Drive	2020	2022	Infrastructure	$175,000	$177,887	-$2,887	
8	Uhland Road	2020	2022	Infrastructure	$7,179,000	$791,133	$6,387,867	
9	Blanco Riverine	2020	2022	Acquisition	$5,385,213	$15,251	$5,369,962	
10	Planning	2020	2022	Planning	$2,069,100	$1,082,146	$986,954	various plans and planning software
11	Administration	2020	2022	Administration	$1,689,700	$468,637	$1,221,063	N/A
	TOTAL				**$33,794,000**	**$4,963,324**	**$28,830,676**	

Goal Descriptions

1. Owner-Occupied Rehabilitation and Reconstruction – This category includes repairing flood damage to homes owned by people with low/mod incomes where possible. When the damage amounts to more than 50% of the home's pre-flood value, the home will be reconstructed and elevated.
2. Rental Unit Rehabilitation and Reconstruction – same as #1 but for rental units owned by people who have low/mod incomes
3. Public Housing Authority Reimbursement – reimbursement of rehabilitation expenses incurred by the San Marcos Public Housing Authority when 100 units were damaged in the 2015 floods
4. Reimbursement Program – reimbursement of expenses incurred by homeowners citywide in repairing damage from the 2015 floods, with repairs verified by inspectors

5.-9. Infrastructure Projects – design, acquisition, construction, and monitoring of infrastructure projects that will reduce the risk of future flooding.

5. Midtown/Aquarena Springs - Intersection improvements are proposed including curb cuts and inlet improvements adjacent to the low point locations and inlets for the north side/Rehab facility. Clearing of the existing TxDOT ditch is also proposed as it is currently overgrown, and not well-maintained. Downstream at Davis Road, the existing dual 8'x4' culverts will be supplemented with 2 additional culverts as not to constrict flow. Lastly the City will consider a future channel along Davis Road

OMB Control No: 2506-0117 (exp. 06/30/2018)

or the Railroad near the Lake to connect to the Blanco River, as the Lake is reported to overflow both west and east in heavy events. The project will require coordination with TxDOT for these improvements.

6. Blanco Gardens - By adding a new central storm drain system to Conway & Barbara Drives connected to the existing storm drain system, and providing a new 60-inch outfall to the San Marcos River (supplementing the existing 60-inch outfall); both the existing and proposed systems meet the City's required 25-year criteria. Additional 24-inch connections across River Road into the Woods Apartment Ditch are proposed to provide additional relief during lesser events. Road regrading is proposed for this reach of River Road from Linda to Cape Rd. revising the roadway cross-section to drain towards the Woods apartment ditch. Lastly, there is a potential buyout property on Conway that may be purchased for use as a drainage easement to add an inlet and lead system to drain the alley/easement between Barbara & Conway.

7. Clarewood/Barbara – After initial design it was discovered that this project would not provide the benefit expected and the remaining funds were reallocated.

8. Uhland Road - By converting the roadways to depressed curb-and-gutter sections with adequate grading, and adding a new storm sewer system with a new 48-inch outfall to the Blanco River, this area would be brought into compliance meeting the City's 25-year design criteria.

9. Blanco/Riverine - This project will make bank improvements to block low bank areas in the Blanco River overbank which allow the overflow to occur. With the improvements, the Blanco Gardens area can gain protection from approximately 3-4 feet of river rise. The bank improvements would have the purpose of setting maximum grade limitations, minimum widths and surface. It is possible that the improvements could also provide a dual purpose of a greenway if desired by the community. The blockage of diversion flow will cause a minor rise in water surface elevation. To address this minor rise, this project will also include flow capacity improvements to the Blanco River. These capacity improvements could include modifications to the channel and/or an overflow channel on the opposite bank.

10. Planning – Funding for tactical, strategic, and long-term plans related to resilience to flooding and other disasters, appropriate land use, and emergency response.

OMB Control No: 2506-0117 (exp. 06/30/2018)

11. Administration - Oversight and administration of the CDBG-DR program to ensure compliance with all program goals and policies.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Up to 100 low-income families will be directly benefitted under projects one and two. Projects 5-9 will provide area benefit to LMI families and potentially maintain up to 768 needed units of affordable housing.

CDBG-MIT

Priority categories were set for the CDBG-MIT grant funding with the approval of the Action Plan by City Council on March 3, 2020. Specific projects will be designated in an upcoming public process; therefore, specific goals have not yet been set.

Table 66 – CDBG-MIT Programs and Projects

Sort Order	Goal Name	Start Year	End Year	Category	Funding	Goal Outcome Indicator
1	Repetitive Loss Infrastructure	2020	2032	Repetitive Loss Infrastructure	$16,000,000	Goals are currently under consideration.
2	Land Preservation	2020	2032	Land Preservation	$2,849,600	
3	Hazard Warning Systems	2020	2032	Hazard Warning Systems	$300,000	
4	Signs and Barricades	2020	2032	Signs and Barricades	$60,000	
5	Planning (15%)	2020	2032	Planning (15%)	$3,601,800	
6	Administration (5%)	2020	2032	Administration (5%)	$1,200,600	N/A

Goal Descriptions

1. Repetitive Loss Infrastructure - The purpose of this program is to reduce the number of homes damaged by floodwaters, thereby decreasing direct flooding impacts for San Marcos households. There will likely be many co-benefits to addressing

OMB Control No: 2506-0117 (exp. 06/30/2018)

flooding in homes through infrastructure improvements, which may include improved mobility, aesthetic improvements, recreational benefits, property value increases, and life cycle cost savings.

2. Land Preservation - The purpose of this program is to acquire properties to reduce the damage by floodwaters, thereby decreasing direct flooding impacts for San Marcos households. There will likely be many co-benefits to land preservation, which may include reduced water quantity and improved water quality, mobility, aesthetic improvements, recreational benefits, property value increases, and life cycle cost savings.
3. Hazard Warning Systems – This program is a crucial component of a comprehensive, long-term recovery strategy to improve advanced warning of residents to reduce or eliminate the number of lives lost.
4. Signs and Barricades - This program is a crucial component of a comprehensive, long-term recovery strategy to improve advanced warning of residents to reduce or eliminate the number of lives lost.
5. Planning - The City's planning costs will not exceed 15% of the total CDBG-MIT allocation. These costs are necessary for the planning activities to identify and further mitigation efforts for the city. These costs may include, but not be limited to the evacuation and comprehensive planning efforts.
6. Administration - Oversight and administration of the CDBG-DR program to ensure compliance with all program goals and policies.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

CDBG-MIT projects will provide area benefit to low/mod income people across the city. Although impacts from flooding and extreme weather events vary from one area of the community to the next, the relative disaster-related losses experienced in LMI communities is disproportionately high. The City of San Marcos is committed to leading an effort that is equitable and serving all residents, particularly the most vulnerable in LMI areas, which will be prioritized for CDBG-MIT activities. The requirement for CDBG-MIT funds is to expend at least 50% of CDBG-MIT on activities benefiting LMI persons, and the City expects to exceed this requirement.

The City of San Marcos will prioritize infrastructure projects funded with CDBG-MIT that address flooding in LMI neighborhoods. Decreasing flood risk in neighborhoods, especially LMI neighborhoods, will positively affect residents of the city, of all protected classes, and increase the ability of individuals and households to more quickly recover from future flood events. Decreasing flood risk

OMB Control No: 2506-0117 (exp. 06/30/2018)

will also reduce disruptions at a larger-scale, allowing residents to return to normalcy more quickly while reducing the negative social and economic consequences of flooding. Minimizing flooding in neighborhoods through mitigation infrastructure projects will also protect housing and make neighborhoods safer and more desirable places to live.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)
The San Marcos Public Housing Authority does not have a Section 504 compliance agreement.

Activities to Increase Resident Involvements

A five-member Board of Commissioners oversees the Housing Authority. The Mayor appoints the Board, which includes one Resident Commissioner. Each public housing complex has a resident Council or Assembly group which holds periodic meetings to provide information on programs, gather input, and encourage communication among residents.

The Housing Authority provides a variety of programs and continues to partner with local agencies, faith-based organizations, Texas State University, and the City to bring resources to its residents.

A youth development program serves about 105 youth at three sites providing mentors, tutors, homework assistance, computer labs, and social opportunities. This program is conducted with the help of volunteer students from Texas State University. Nutrition services are provided through the Capital Area Food Bank and Feeding America. Goals of the program include:

- providing a safe environment where youth can get help with schoolwork, and
- helping youth learn personal responsibility, goal setting, communication skills, and the importance of community involvement.

The Family Self-Sufficiency program provides residents an opportunity to learn new life and career skills, to save for future needs, get connecting with educational and training resources and, ideally, to move out of public housing. Formerly only open to residents at one of the locations, it was later expanded to up to 25 Section 8 participants, and then made available to public housing residents at all sites. About 80 families participate annually.

Is the public housing agency designated as troubled under 24 CFR part 902? No.

Plan to remove the 'troubled' designation Not Applicable

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Housing affordability is a key component to the quality of life of San Marcos residents. A number of factors create a barrier to affordable housing, which is generally accepted to mean that no more than 30% of a household's gross annual income is spent on housing, including utilities. A housing cost burden exists when the household's housing costs exceeds 30% of their income.

The 2013 Analysis of Impediments to Fair Housing (AI) analyzed five major categories and found the following impediments in San Marcos:

- Real Estate - a lack of affordability and insufficient Income
- Public Policy - a lack of public awareness of fair housing rights (also a recommendation for the City to create inclusionary zoning)
- Neighborhood Conditions - limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods
- Banking, Finance, and Insurance Related - large numbers of foreclosures in the real estate market; and predatory lending
- Socioeconomic - poverty and low-income

The 2017 Analysis of Impediments to Fair Housing found three impediments that create barriers to affordable housing:

1. Lack of affordability of the housing stock;
2. Insufficient income for the local cost of housing; and
3. Low income residents have limited resources to maintain homes and neighborhood stability.

In addition, the 2018 San Marcos Housing Needs Assessment conducted by Root Policy Research found the following top core housing needs:

1. Additional affordable rentals for residents earning less than $25,000;
2. Displacement prevention;
3. Starter homes and family homes priced near or below $200,000 and increased ownership product diversity; and
4. Improve condition and accessibility of existing housing stock.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The 2013 AI included specific recommendations for remedial activities centering on creating partnerships, identifying new federal resources, and leveraging private funding. In 2014 an AI Action Plan was adopted by the City to guide implementation of those recommendations, as well as an Affordable / Workforce Housing Policy that identified 5 housing issues, established goals, and provided strategies for accomplishing the goals. The 2017 AI provided a progress update for each action item and recommendations for additional actions.

The 3 impediments identified in the 2017 AI have been addressed as follows:

1. Lack of affordability
   a. The City provides a first-time homebuyer program for closing cost and down payment assistance.
   b. CDBG funds have been used to purchase land for Habitat for Humanity.
   c. The City waives construction permitting and impact for Habitat for Humanity projects.
   d. This impediment was also addressed in the recent update of the City's Development Codes.
2. Insufficient income
   a. The City has a contract with a consulting firm to provide economic development services, including bringing new jobs to San Marcos. A new City position, Economic and Business Development Manager, has been filled, which will increase the City's coordination with the Greater San Marcos Partnership, a non-profit economic development organization.
   b. The City provides a $25,000 homestead exemption for homeowners sixty-five and older or with a disability, thus reducing their property tax burden.
   c. The City has programs to help reduce living expenses, such as utility bills, including:
      i. Home Energy Analysis providing recommendations on how to reduce electric energy consumption and monthly costs.
      ii. Energy Efficient Home Heating/AC Rebate Program offers rebates for purchase of eligible energy efficient products.
      iii. A Bill Averaging Program that allows residents to equalize energy costs over a 12-month period, avoiding peak bills in the winter and summer months.
      iv. Utility Assistance Program – Low-income families, elderly residents on fixed incomes, or disabled residents on a fixed income are eligible to apply for assistance with a one-time yearly payment of the electric, water, and wastewater portions of their monthly utility bill.

OMB Control No: 2506-0117 (exp. 06/30/2018)

d. The City's Water/Wastewater Department (W/WW) sponsors several programs that help encourage families to conserve and lower utility bills, including:
    i. Water Surveys generating a report with specific water conservation strategies.
    ii. Flush-Smart (toilet) Rebate Program
    iii. Wash-Smart (washing machine) Rebate Program
    iv. Rainwater Harvesting Rebate Program

3. The issue of limited resources for housing maintenance
    a. CDBG, CDBG-DR, and HOME funds provide housing rehabilitation programs. A HOME fund grant was received by the City in 2019 through the Texas Department of Community and Housing Affairs for the rehabilitation of up to 7 homes.
    b. The City continues to support the Southside Community Center housing rehabilitation program with both City and CDBG funds.
    c. The City waives construction permitting fees for CDBG-funded housing rehabilitation projects.
    d. Every spring semester through the Texas State University student initiative "Bobcat Build", students volunteer their time to complete various service projects throughout the community such as landscaping, painting, or clean-ups at residents' homes, local schools, parks, churches, and neighborhoods. to nearly 4,500 volunteers annually at over 300 jobsites within the San Marcos community!
    e. The City sponsors neighborhood-wide cleanup activities, and provides opportunities for brush drop-off, household hazardous waste collection, and a recycling program through Green Guy Recycling that accepts tires, Freon-containing appliances, and electronics.

The City is currently developing a Strategic Housing Action Plan with 4 goals, 6 strategies, and 23 action items to address the top needs in San Marcos. This plan is being reviewed and considered for adoption by the San Marcos City Council.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-60 Homelessness Strategy – 91.215(d)

Describe how the jurisdiction's strategic plan goals contribute to:

- **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**
- **Addressing the emergency and transitional housing needs of homeless persons**
- **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.**
- **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

The City will continue to support local service agencies that serve the homeless and provide services to prevent homelessness, using CDBG entitlement funds and the general fund, through annual funding application processes. The City of San Marcos and Hays County are covered under the Texas Balance of State Continuum of Care run by the Texas Homeless Network . The recently created HOME Center of Central Texas (Homeless Outreach, Mitigation, and Emergency Center) is located in San Marcos. Its mission is to unite community efforts comprehensively to prevent and address homelessness and to educate the community about it as an issue. The organization currently recommends services and seeks resources for those in need. Its members are all volunteers. The City works closely with the local non-profit organizations that provide shelter to specific targeted homeless populations and provide specific assistance in various forms to the homeless. In addition, the San Marcos City Council has created a Council Committee on Homelessness in February, 2020 to begin to address homelessness in San Marcos and create necessary partnerships.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

All houses in housing rehabilitation programs are tested for lead paint hazards by a qualified firm, and the test results determine which houses require lead-based paint interim control measures and clearance reports.

The City's First Time Homebuyer Program applicants receive a copy of the "Protect Your Family from Lead in Your Home" booklet (also available in Spanish). Houses constructed prior to 1978 must pass a lead hazard evaluation inspection prior to loan closing.

How are the actions listed above related to the extent of lead poisoning and hazards?

Because the homes being rehabilitated tend to be older stock and in poorer condition compared to average it makes sense to continue to test for lead prior to conducting a rehabilitation so appropriate measures can be taken to eliminate the hazard. Per the 2019 Housing Needs Assessment, just 28% of the homes in San Marcos were constructed prior to 1980. Nearly all of San Marcos's housing stock was built after 1940, therefore reducing the risk of lead-based paint.2 Age of homes can be an important indicator of housing condition: older houses tend to have more condition problems and are more likely to contain materials such as lead based paint. Just three percent of the housing units in San Marcos were built before 1940 and nearly three-quarters were built after 1980.

How are the actions listed above integrated into housing policies and procedures?

The single-family owner-occupied housing rehabilitation and reconstruction policy and procedures document last updated March 26, 2019, states the following:

POLICY: The City agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-DR-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

PROCEDURE: If the unit to be assisted was built prior to 1978 and the type of assistance offered will be rehabilitation, the assisted unit will be tested for the presence of lead based paint. If present, the removal of lead based paint will be considered in the costs of rehabilitation under the Abatement cap as described in the General Guidelines. Lead paint inspection provides two benefits: (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation and (2) the health risks to residents, particularly children, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention.

Overview of Lead-Based Paint Procedures

Responsible Party - Case Management and Pre-Construction Contractor – Case Worker (CMPC-CW)

Tasks:

• Provides the Protect Your Family From Lead in Your Home (June 2017) document to the applicant

• Secures homeowner signature on Lead Based Paint Acknowledgement Form

Responsible Party - Case Management and Pre-Construction Services Contractor – Lead-based Paint subcontractor (CMPC - LBP)

• Contacts the homeowner for appointment.

• Test for lead-based paint and prepare a report

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Workforce Housing and Workforce Development were named by the City Council in 2019 as three of their five strategic initiatives, continuing the focus on these issues that has been evident for some time. These two issues are complementary, since the issues of affordable housing in San Marcos are a combination of high prices due to growth pressure and generally low incomes in the city.**Workforce Housing**

In 2013 the City Council adopted a comprehensive plan that included information and goals for diversified housing options, Stable neighborhoods that are protected from blight, public facilities and infrastructure that support economic development, and Social services funding – including programs that help homeless and mental health. The process for updating this plan has started and will continue over the next two years. Since 2013, the City has taken action on each issue in the plan.

The City has consistently focused on creating a policy and procedure framework to address the housing affordability issues facing the City of San Marcos. The policies, assessments, and draft action plan created are listed in section PR-10 and the needs assessment sections above. The action plan is under review by City Council at this time, pending a vote on its adoption.

Workforce Development

To date, the City's role has been to help coordinate community-wide conversations about workforce development needs; identifying and supporting local programs for General Equivalency Diplomas, English as a Second Language, and computer skills; and helping identify challenges and unmet needs in the business community. In November, the City created a new Economic Development Manager position to supplement the economic development work done by the Greater San Marcos Partnership on behalf of the City.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan?

The 2020-2024 Consolidated Plan includes funding allocations in the Affordable Housing, Public Services, and Public Facilities categories. When applications are received annually for funding of specific projects and programs using CDBG entitlement funds, the City Council takes into consideration the City's current needs assessments, policies, and programs when choosing among applicants.

OMB Control No: 2506-0117 (exp. 06/30/2018)

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

CDBG Entitlement

The City has established standards and procedures for monitoring Subrecipients. This includes preparing a risk assessment and formalizing a monitoring plan based on the assessment. Subrecipient monitoring includes a review of financial management practices, procurement and contracting, FHEO compliance, and lead based paint compliance and income eligibility determination as applicable. Monitoring checklists, similar to those found in the HUD Monitoring Handbook, are used as part of the monitoring review.

Subrecipients submit quarterly progress reports that are reviewed to ensure that projects are on-track. Data from the reports is used to update the project status in IDIS. Where applicable, the project must submit a minority business outreach and/or Section 3 plan for approval as part of the contracting process. That plan is monitored by the project manager for accurate implementation on a quarterly basis. On-site technical assistance is provided if requested or if issues are raised by the quarterly reports.

The City monitors active construction projects for compliance with Davis-Bacon Act requirements, including on-site employee interview. Staff members compare interview results with weekly payroll records to ensure compliance.

Each infrastructure project has a designated Project Manager who is a member of City staff. City inspectors and Project Managers monitor construction projects for code and plan compliance and the project architect or engineer provides oversight, including draw request approval, for all projects. Building permits, and all required inspections, are obtained for rehabilitation projects.

Income eligibility is verified by City staff or contractors for applicants for the housing programs managed by the City.

When the City's Comprehensive Plan is updated, as it will be over the next two years, one of the plans reviewed to ensure coordination is the Consolidated Plan.

CDBG-DR and CDBG-MIT

OMB Control No: 2506-0117 (exp. 06/30/2018)

The monitoring standards described above are also applied to CDBG-DR and CDBG-MIT. Quarterly reports are filed in the DRGR system instead of IDIS. The CDBG-DR and CDBG-MIT infrastructure projects as a whole have a senior staff engineer assigned as Program Manager, in addition to the Project Managers assigned to each project.

CDBG-CV

Monitoring processes have not yet been established for the CDBG-CV grant, but will most likely be similar to those used for the CDBG-Entitlement grant.

ALL "AP" ACTION PLAN SECTIONS WILL BE FILLED OUT AFTER THE PUBLIC PROCESS TO CREATE THE PROGRAM YEAR 2020 ACTION PLAN

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		

Table 67 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

OMB Control No: 2506-0117 (exp. 06/30/2018)

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator

Table 68 – Goals Summary

Goal Descriptions

OMB Control No: 2506-0117 (exp. 06/30/2018)

Projects

AP-35 Projects – 91.220(d)

Introduction

Projects

#	Project Name

Table 69 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

OMB Control No: 2506-0117 (exp. 06/30/2018)

AP-38 Project Summary

Project Summary Information

OMB Control No: 2506-0117 (exp. 06/30/2018)

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Geographic Distribution

Target Area	Percentage of Funds

Table 70 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

One Year Goals for the Number of Households to be Supported
Homeless
Non-Homeless
Special-Needs
Total

Table 71 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through
Rental Assistance
The Production of New Units
Rehab of Existing Units
Acquisition of Existing Units
Total

Table 72 - One Year Goals for Affordable Housing by Support Type

Discussion

AP-60 Public Housing – 91.220(h)

Introduction

Actions planned during the next year to address the needs to public housing

Actions to encourage public housing residents to become more involved in management and participate in homeownership

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not Applicable

Discussion

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Addressing the emergency shelter and transitional housing needs of homeless persons

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Discussion

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Discussion:

AP-85 Other Actions – 91.220(k)

Introduction:

Actions planned to address obstacles to meeting underserved needs

Actions planned to foster and maintain affordable housing

Actions planned to reduce lead-based paint hazards

Actions planned to reduce the number of poverty-level families

Actions planned to develop institutional structure

Actions planned to enhance coordination between public and private housing and social service agencies

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before

the start of the next program year and that has not yet been reprogrammed

2. The amount of proceeds from section 108 loan guarantees that will be

used during the year to address the priority needs and specific objectives

identified in the grantee's strategic plan

3. The amount of surplus funds from urban renewal settlements

4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.

5. The amount of income from float-funded activities

Total Program Income

Other CDBG Requirements

1. The amount of urgent need activities

Appendix x - Alternate/Local Data Sources

CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response

April 9, 2020

President Trump has signed *The Coronavirus Aid, Relief and Economic Security Act* (CARES Act). The CARES Act:

- Makes available $5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants);
- Provides flexibilities for CDBG grantees to make it easier to use CDBG-CV grants and fiscal years 2019 and 2020 CDBG grants for coronavirus response and authorizes HUD to grant waivers and alternative requirements;
- Requires CDBG-CV grantees to prevent the duplication of benefits, which means grant funds may not be used to pay costs if another source of financial assistance is available to pay that cost.

HUD will publish a Federal Register notice describing the requirements for CDBG-CV grants. The notice will also include waivers and alternative requirements for CDBG-CV and fiscal year 2019 and 2020 CDBG grants. A grantee may submit a CDBG-CV action plan substantial amendment to its most recent accepted CDBG action plan for the first CDBG-CV allocation before the notice is published. To apply for CDBG-CV grants, grantees may follow existing regulatory requirements for a substantial amendment to the grantee's action plan that describes the amount of CDBG-CV funds available in the first allocation and planned use of funds, in accordance with existing requirements and the flexibilities in the CARES Act, summarized below. HUD will publish a Q&A document with further information on this process.

Grantees may use CDBG-CV and CDBG funds for a range of activities to prevent, prepare for, and respond to coronavirus. For examples, see the Quick Guide to CDBG Activities for Infectious Disease Response.

Summary of CARES Act Provisions for Coronavirus Response With CDBG-CV and CDBG Grants

For more information, refer to applicable sections of the CARES Act, Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).			
Description of Program Flexibility	***Applicability to CDBG-CV and CDBG Grants***		
Public Service Activities			
Eliminates the 15 percent cap[1] on the amount of grant funds that can be used for public services activities. *Following enactment, the cap in section 105(a)(8) of the HCD Act and 24 CFR 570.201(e) has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts.*	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available ✓	
	CDBG Grants before FY 19		Not Available ✗
Reimbursement of Costs			
Provides that grantees may use CDBG-CV grant funds to cover or reimburse costs to prevent, prepare for, and respond to coronavirus incurred by a State or locality, regardless of the date on which such costs were incurred, when those costs comply with CDBG requirements. *For other grants, pre-agreement and pre-award cost authority is available under 24 CFR 570.489(b) (states) and 570.200(h) (entitlements).*	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants		See current regulations. ✗
	CDBG Grants before FY 19		See current regulations. ✗

[1] Section 105(a)(8) of the Housing and Community Development Act of 1974, provides a different percentage cap for some grantees.

Description of Program Flexibility	*Applicability to CDBG-CV and CDBG Grants*		
Citizen Participation and Public Hearings for Consolidated Plans (including Action Plans)			
Provides that grantees may amend citizen participation plans to establish expedited procedures to draft, propose, or amend consolidated plans. Expedited procedures must include notice and reasonable opportunity to comment of no less than 5 days. The 5-day period can run concurrently for comments on the action plan amendment and amended citizen participation plans. In-person public hearings are not required. Grantees may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available ✓	
	CDBG Grants before FY 19		Not Available ✗
Deadline to Submit Consolidated Plans (including Annual Action Plans)			
Extends the deadline for grantees to submit action plans and other updates to their consolidated plans submissions for fiscal years 2019* and 2020 to August 16, 2021. *Without extension, the deadline for fiscal year 2020 grants would be August 16, 2020, in accordance with section 116(b) of the HCD Act and 24 CFR 91.15.* **The deadline for fiscal year 2019 passed on August 16, 2019 (plans due then have been submitted).*	CDBG-CV	Immediately Available ✓	
	CDBG FY 19* and FY 20 Grants	Immediately Available. ✓	
	CDBG Grants before FY 19		Not applicable. ✗
Waiver and Alternative Requirement Authority			
Authorizes the Secretary to issue statutory and regulatory waivers/alternative requirements for CDBG-CV and some CDBG funds when necessary to expedite or facilitate the use of grant funds to prevent, prepare for, and respond to coronavirus. Prohibits waivers/alternative requirements related to fair housing, nondiscrimination, labor standards, and the environment. *HUD has additional regulatory waiver and statutory suspension authorities that it may use for CDBG Grants before fiscal year 2019 if necessary.*	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available. ✓	
	CDBG Grants before FY 19		Not applicable. ✗

Submit your questions to: CPDQuestionsAnswered@hud.gov

Quick Guide to CDBG Eligible Activities to Support Infectious Disease Response
March 19, 2020

Grantees should coordinate with local health authorities before undertaking any activity to support state or local pandemic response. Grantees may use Community Development Block Grant (CDBG) funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19).

Examples of Eligible Activities to Support Infectious Disease Response

For more information, refer to applicable sections of the Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).	
Buildings and Improvements, Including Public Facilities	
Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements. *See section 105(a)(2) (42 U.S.C. 5305(a)(2)); 24 CFR 570.201(c).*	Construct a facility for testing, diagnosis, or treatment.
	Rehabilitate a community facility to establish an infectious disease treatment clinic.
	Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
Rehabilitation of buildings and improvements (including interim assistance). *See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.201(f); 570.202(b).*	Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
	Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
	Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.
Assistance to Businesses, including Special Economic Development Assistance	
Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project. *See section 105(a)(17) (42 U.S.C. 5305(a)(17)); 24 CFR 570.203(b).*	Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
	Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
Provision of assistance to microenterprises. *See section 105(a)(22) (42 U.S.C. 5305(a)(22)); 24 CFR 570.201(o).*	Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

Public Services (Capped at 15 Percent of the Grant, With Some Exceptions)[1]	
Provision of new or quantifiably increased public services. *See section 105(a)(8) (42 U.S.C. 5305(a)(8)); 24 CFR 570.201(e).*	Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
	Provide testing, diagnosis or other services at a fixed or mobile location.
	Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
	Provide equipment, supplies, and materials necessary to carry-out a public service.
	Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
Planning, Capacity Building, and Technical Assistance	
States only: Planning grants and planning only grants. *See section 105(a)(12).*	Grant funds to units of general local government may be used for planning activities in conjunction with an activity, they may also be used for planning only as an activity. These activities must meet or demonstrate that they would meet a national objective. These activities are subject to the State's 20 percent administration, planning and technical assistance cap.
States only: use a part of to support TA and capacity building. *See section 106(d)(5) (42 U.S.C. 5306(d)(5).*	Grant funds to units of general local government to hire technical assistance providers to deliver CDBG training to new subrecipients and local government departments that are administering CDBG funds for the first time to assist with infectious disease response. This activity is subject to the State's 3 percent administration, planning and technical assistance cap.
Entitlement only. data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans. *See 24 CFR 570.205.*	Gather data and develop non-project specific emergency infectious disease response plans.

Planning Considerations

Infectious disease response conditions rapidly evolve and may require changes to the planned use of funds:

- CDBG grantees must amend their Consolidated Annual Action Plan when there is a change to the allocation priorities or method of distribution of funds; an addition of an activity not described in the plan; or a change to the purpose, scope, location, or beneficiaries of an activity (24 CFR 91.505).
- If the changes meet the criteria for a "substantial amendment" in the grantee's citizen participation plan, the grantee must follow its citizen participation process for amendments (24 CFR 91.105 and 91.115).

Resources

The Department has technical assistance providers that may be available to assist grantees in their implementation of CDBG Funds for activities to prevent or respond to the spread of infectious disease. Please contact your local CPD Field Office Director to request technical assistance from HUD staff or a TA provider.

- Submit your questions to: CPDQuestionsAnswered@hud.gov
- COVID-19 ("Coronavirus") Information and Resources: https://www.hud.gov/coronavirus
- CPD Program Guidance and Training: https://www.hudexchange.info/program-support/

[1] Section 105(a)(8) of the Housing and Community Development Act of 1974, provides a different percentage cap for some grantees.

File #: ID# 20-254, **Version:** 1

AGENDA CAPTION:

Receive a Staff presentation and hold a Public Hearing to receive comments in regards to amending the 2015-2019 Community Development Block Grant (CDBG) Consolidated Plan to add Economic Development as a funding category and add the Community Development Block Grant-Coronavirus (CDBG-CV) allocation of $425,261.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: On August 4, 2015, the City Council approved by Resolution 2015-95R the 2015-2019 Consolidated Plan as required by the US Department of Housing and Urban Development(HUD). At the time the City had only Community Development Block Grant (CDBG) entitlement funding from HUD. On August 6, 2017, the City Council approved by Resolution 2017-97R an amendment to include the new CDBG-DR Disaster Recovery grant activities and funding.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☒ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The federal department of Housing and Urban Development (HUD) requires the creation of a Consolidated Plan that sets strategic priorities and goals for next five years of HUD grant funding, identifies types of activities the City will fund, and acts as the foundation for future one-year Action Plans. Staff is recommending two amendments to the 2015-2019 Consolidated Plan because this plan governs the use of funds through the current program year 2019-2020.

One of the proposed amendments is to add the Community Development Block Grant-Coronavirus (CDBG-CV) allocation of $425,261 to the 2015-2019 Consolidated Plan. This amendment provides the ability to consider project and program requests for CDBG-CV funds as an amendment to the 2019-2020 CDBG Entitlement Action Plan, enabling immediate use of the funds.

The other proposed amendments is to add Economic Development as a funding category so that projects and programs may be considered in this category in response to the COVID-19 pandemic. The categories of activities identified in the original 2015-2019 Consolidated Plan were:

- Affordable Housing
- Public Services
- Public Facilities/Infrastructure/Transportation
- Clearance Activities
- Program Administration

The proposed amendment would mean that projects and programs can be considered for CDBG-CV funding in any of the above categories as well as Economic Development, as long as the use is in response to impacts of the COVID-19 pandemic.

The guidance issued by HUD to date for CDBG-CV includes waiving the 15% cap on funds used for Public Services, and allowing for a minimum five day public comment period for the changes to the 2019-2020 CDBG Entitlement Action Plan, instead of the usual minimum of 30 days. A public hearing is required prior to

commencement of the comment period. Therefore, a public hearing will be held this evening, and the comment period will be May 24-30, 2020. Staff will report on comments received and ask City Council to consider approval of the amendments at the June 2, 2020, City Council meeting.

Proposed amendments to the plan are identified in "red."

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

CITY COUNCIL MEETING

Tuesday, May 19, 2020

2015-2019 Consolidated Plan Substantial Amendment

Staff presentation
Public hearing

Proposed Amendments to add CDBG-CV

- Add priority need category: Economic Development
- Add CDBG-CV grant: $425,261

NEXT STEPS – CDBG-CV Grant

May 19	Public hearing on amendments to 2015-2019 Consolidated Plan to add CDBG-CV
May 24-30	Public comment period
June 2	Request City Council approval
	Consider specific programs
June 7-13	Public comment period on programs
June 16	Decide on programs

CITY OF SAN MARCOS 2015 – 2019 CDBG CONSOLIDATED PLAN

Adopted 8/4/2015
Amended 8/6/2017
Amended 6/2/2020

Contact Information:

Community Initiatives Division
Planning & Development Services
630 E Hopkins Street
San Marcos TX 78666

512-393-8147
www.sanmarcostx.gov/cdbg

2020 Addition to the Executive Summary

In response to the COVID-19 pandemic, HUD has allocated an initial $425,261 in CDBG-CV Coronavirus funding which may be followed by additional allocations. This funding is to be used exclusively to prevent, prepare for, and respond to Coronavirus. In order to receive this allocation, the City is amending this previously adopted 2015-2019 Consolidated Plan to include the CDBG-CV funding.

Activities in response to the COVID-19 pandemic and business closures will likely be under the Priority Need categories of Public Services and Economic Development; therefore, the 2020 amendment to this 2015-2019 Consolidated Plan is to incorporate the new CDBG-CV funding and to add the Priority Need category Economic Development (since Public Services is already included).

The CDBG-CV grant is being added to the 2015-2019 Consolidated Plan to enable the use of funds immediately, as soon as the 2019 Action Plan has been amended to incorporate it as well.

The City is also in the process of applying to HUD to receive an allocation of funding through the CDBG-MIT Mitigation grant program; this program is included in the proposed 2020-2024 Consolidated Plan.

2017 Addition to the Executive Summary ~~2017~~

The City of San Marcos Texas is filing the Amendment to the 2015-2019 Consolidated Plan and 2015 Action Plan ("Amendment") due to major changes in its funding related to $25,080,000 in CDBG-DR Disaster funding the city received through a HUD direct grant allocation due to 2015 flooding that impacted the community in a dramatic fashion.

The first event, now called the "Memorial Day Floods", occurred overnight on May 23rd and early May 24th. May 2015 has been documented by the National Weather Service as the wettest month in Texas History, with well above-normal rainfall during the first two to three weeks of the month. A persistent area of low pressure over the western United States brought multiple rain events throughout the month of May that saturated soil throughout south-central Texas. By the time Memorial Day weekend arrived, much of the region was at least 2-4 inches (100- 300%) above normal. These wet antecedent conditions meant that any new rain, and especially heavy rain, would become rapid run-off directly into rivers, streams, and flash flood prone areas.

This "worst-case" scenario came to pass Memorial Day weekend. A thunderstorm cluster organized west of Hays County on Saturday afternoon and produced upwards of 12 inches of rain in less than 6 hours. The majority of this rain fell in the upper reaches of the Blanco River watershed at rates that exceeded 4 inches per hour as thunderstorms merged and regenerated for hours over southern Blanco and eastern Kendall Counties.

Most of the rain fell from Saturday afternoon into the overnight hours of early Sunday morning, leading to a rapid rise in the Blanco and San Marcos Rivers. The Blanco River at Wimberley rose from near 5 feet at 9 p.m. on May 23rd to near 41 feet by 1am on May 24th. The Blanco River rose 5 feet every 15 minutes just before midnight, equating to a 20 foot rise along the river within a one-hour time frame. Numerous high water rescues occurred throughout the late evening and morning hours along the banks of the

Blanco River and eventually the San Marcos River. The resulting flash flooding caused a tragic loss of life and extreme property damage.

Rescue and recovery efforts stalled on May 25th as another round of severe weather struck the neighboring counties of Williamson, Travis, Bastrop and Caldwell. Large areas of these counties experienced flash flooding and tornados.

Another catastrophic flood event took the area on October 30, 2015, referred to as the "All Saints Flood", where water caused portions of Interstate 35 to be closed for a second time that year.

The impacts of this event were widespread, leading to the closing of Austin-Bergstrom International Airport, approximately 30 miles away. The National Weather Service reported "nearly 6 inches of rain…within an hour…flooding the ground floor of the Austin Air Traffic Control Tower and Terminal Radar Approach Control facility." Elsewhere in Texas, some areas received more than 10 inches of rain with heavy rains washing away RVs, boats and trailers along the Guadalupe River in New Braunfels, Texas.

The powerful waters of the All Saints Flood struck Cypress Creek in Wimberley, the Blanco River, and the San Marcos River, causing additional property damage and delaying recovery efforts from the previous flood. However, the community's heightened sense of awareness and improved reaction to alerts translated to no loss of life during the All Saints Flood.

Both events were considered historical flood events for Central Texas, but for different reasons. The Memorial Day Flood was noted for its extreme water velocities, analogous to the velocities of Niagara Falls. The All Saints Flood was noted for the extreme volume of precipitation in such a short period of time in various locations around Hays County quickly inundating the rivers, ditches and ephemeral streams.

Consolidated Plan Amendment

The City of San Marcos Planning and Development Services – Community Initiatives Division prepared the Consolidated Plan Amendment with assistance of an outside contractor and provides the oversight and administration of the CDBG Grant Program.

This amendment was compiled with three different citizen review opportunities. First, the amendment is based on the CDBG-DR Grant in the amount of $25,080,000 and public hearings were held in 2016 for the Action Plan approving the Action Plan for the distribution of those funds. That Action Plan was approved on November 10, 2016. Secondly, a Substantial Amendment Action Plan public hearing process is running concurrently with this amendment to approve infrastructure projects identified as the priority. A public hearing was held on the infrastructure priorities on April 24, 2017. Finally, this amendment had a public hearing on May 10, 2017. After that it was posted for a 30 day public comment period. It is scheduled to go to the Council at their June 2, 2017 meeting where the public can again comment on the Amendment.

A Housing needs assessment was conducted highlighting the damage to the community in the CDBG-DR Action Plan. In addition, an Update to the Analysis of Impediments to Fair Housing Choice was completed contemporaneously with this Amendment that contributed to the Needs Assessment. San Marcos needs additional affordable housing. The impact on not having sufficient units causes rents to be unaffordable for more than 50% of the residents who exceed 30% of their annual salary in housing costs.

This Amendment adds an additional eight activities being funded by the CDBG-DR grant and in some cases additional city funds. These projects include:

Project Name	Project Description	CDBG-DR Funding
SF Owner Occupied Rehabilitation or Reconstruction	Maintain affordable housing after the floods Mitigate damage	$5,000,000
SF 1-4 Unit Rental Rehabilitation, Reconstruction, or Buyout	Maintain affordable housing after the floods Mitigate damage	$2,524,000
Midtown	Curb cuts and additional drainage benefiting up to 84 houses	$850,000
Blanco Gardens	Adding a new central storm drain system to Conway & Barbara Drives connected to the existing storm drain system	$5,000,000
Clarewood/Barbara	Mitigation and Drainage By adding a new storm drain system to Clarewood Dr.	$2,500,000
Uhland Road	Converting the roadways to depressed curb-and-gutter sections with adequate grading, and adding a new storm sewer system with a new 48-inch outfall to the Blanco River	$4,150,000
Planning	Provide resources to assist in damage mitigation and housing issues.	$3,762.000
Administration		$1,254,000

The City of San Marcos will need assistance to deliver the CDBG-DR funds and will use a portion of the funds to plan, administer and deliver projects to impacted residents and technical programs in infrastructure by utilizing third party consultants**.** The City of San Marcos must continue to conduct the regular business of the city. The staff will maintain close oversight on any additional support retained to assist with the delivery of the projects. The City will monitor ongoing activities and serve as support for residents with questions or concerns. The City's financial services team will be involved in the monitoring process as well.

The City will ensure that environmental regulations are followed for any developed housing, including a modification to the Lead Based Paint Policy to ensure that the safety program is sufficiently included in the CDBG-DR Policy and Procedures written for the housing rehabilitation or reconstruction program.

Executive Summary-2015

ES-05. Executive Summary – 24 CFR 91.200(c), 91.220(b)

The City of San Marcos receives Community Development Block Grant (CDBG) program funds as an "entitlement" community from the U. S. Department of Housing and Urban Development.

The primary objectives of the CDBG program are achieved by providing: (a) decent housing; (b) a suitable living environment; and (c) expanded economic opportunities. Each funded project/program must meet one of the National Objectives:

- Benefit to low and moderate income persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need)

HUD establishes the income limits for San Marcos each year based on the Area Median Income (AMI) for a family of four in the Austin-Round Rock-San Marcos Metropolitan Statistical Area. The limits are adjusted based on family size so that the more people who are in the family the more income is allowed. A person or family is considered to be "low/mod" if their annual gross income does not exceed 80% of the AMI, adjusted for family size. The 2015 Income Limits are included in the appendix area of this document.

As an entitlement community, the City of San Marcos receives an annual allocation of CDBG funds provided the City continues to meet all eligibility and program requirements. One of the requirements is the production of a 5-year planning document known as a "consolidated plan".

The consolidated plan (The Plan) establishes the priorities and goals that will guide the use of CDBG funds for the next five years. It includes a Needs Assessment; a Housing Market Analysis; and a Strategic Plan. This consolidated plan covers Program Years (PY) 2015 through 2019. Each program year begins October 1st and ends the following September 30th.

The Community Initiatives Division of Planning and Development Services oversees the CDBG program for the City of San Marcos and are identified in this document as "the CDBG staff".

Public Outreach & Citizen Participation Process

One of the critical elements in the creation of The Plan is public input. The City followed an extensive outreach campaign, in compliance with its Citizen's Participation Plan, that included hosting small group meetings and two public workshops. All sessions had a Spanish-speaking translator available to assist persons with limited English proficiency. An invitation flyer, in both English and Spanish, was mailed to over 100 persons representing a broad-spectrum of the community. In addition, the City added bi-lingual slides to the two City cable TV channels, issued press releases, published a notice in the local newspaper, and sent the invitation by e-mail to a number of non-profit organizations, the public housing authority, the representatives of the Council of Neighborhood Association, and members of the San Marcos Area Board of Realtors.

The City also conducted two community surveys as an outreach tool to help determine the priority needs for the use of CDBG funds. One survey was in paper form that was produced in both English and Spanish. This survey was provided to all participants of the workshops and small group meetings and was provided

to local organizations that serve the low/mod population in San Marcos. A total of 161 forms were returned.

The second survey was in electronic format and asked participants to rank the priority of various eligible activities and included questions regarding Fair Housing issues. This survey allowed participants to offer written comments on CDBG funding priorities and housing issues. Ninety responses were received. A summary of all comments/survey results are included in the Appendix.

Objects and Outcomes

The City also conducted a stakeholder workshop and held a public hearing before the City Council to accept citizen comments. The survey results and other comments that were received played a vital role in determining the High Priority Needs that were used to determine goals and objectives and will guide the use of CDBG funds for the next five years. The High Priorities are:

- Affordable Housing
- Public Services
- Public Facilities/Infrastructure/Transportation
- Clearance Activities
- Program Administration

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Funding	Goal Outcome Indicator
1	Owner-Occupied Housing Rehab	2015	2019	Affordable Housing	Affordable Housing	$500,000	Homeowner Housing Rehabilitated – 35 households
2	Parks, Sidewalks, & Public Facilities	2015	2019	Non-Housing Community Development	Public Facilities, Infrastructure, & Transportation	$815,600	Public Facility or Infrastructure Activities other than L/M Housing Benefit = 4500 persons
3	Public Services	2015	2019	Non-Housing Community Development	Public Services	$375,000	Public Service activities other than L/M Housing Benefit – 2500 persons
4	Clearance of Spot Slum & Blight	2017	2019	Clearance Activities	Clearance Activities	$105,000	Buildings Demolished – 15 buildings
5	Program Administration	2015	2019	Program Administration	Program Administration	$500,000	N/A
6.	First Time Homebuyer Program	2016	2019	Affordable Housing	Affordable Housing	$114,400	Direct Financial Assistance to Homebuyers = 16 households
7	Land Acquisition for Affordable Housing	2017	2019	Affordable Housing	Affordable Housing	90,000	Homeowner Housing Added – 3 household housing units

2015 Action Plan

Each year the City updates the Consolidated Plan through the creation of the annual "Action Plan" that describes the programs and activities that will be undertaken in the next program year using CDBG funds to address the priority needs and specific objectives identified in the Consolidated Plan.

The City expects to receive approximately $500,000 per year in CDBG funding over the next five years. The 2015 funding for San Marcos has been established by HUD as $517,077. The City accepted applications from City Departments and non-profit organizations for a 30-day period. All applications for public services funding were reviewed by the Human Services Advisory Board who made a funding recommendation that was provided to the City Council. Council reviewed all applications and comments that had been received and approved the following allocation for the 2015 Action Plan:

- Southside Community Center's Housing Rehab Program $100,000
- Improvements to Dunbar Park $242,117
- Hays Caldwell Women Center's Family Violence Shelter Program $ 25,000
- CASA's child advocacy program $ 29,810
- United Way's Read, Tutor, and Mentor Program $ 10,000
- City Recreation Feel Scholarship Program $ 12,750
- Program Administration $ 97,400

The 2015 Action Plan is incorporated into the 2015-2019 Consolidated Plan.

Evaluation of Past Performance

The High Priority Needs for 2015-2019 carry forward the goals identified in the 2010-2014 Consolidated Plan. Program Year (PY) 2014 is underway at the time of the writing of this 5-year plan, so the overall achievements of the 2010-2015 Con Plan will not be available until the 2014 CAPER is prepared.

During the past five years the City's housing focus covered sustaining the existing housing stock through the Southside Community Center's Owner-Occupied Housing Rehab Program; creating affordable housing by purchasing lots for Habitat for Humanity; and providing direct homeownership assistance through its First Time Homebuyer Program. The actual to-date outcomes are:

- 35 houses owned by low/mod families were rehabilitated; of the 28 household assisted in PYs 2010-2013, 15 were elderly households and 9 included one or more persons with a disability; of the 28 households, 9 had an annual income at or below 30% of the Area Median Income.
- 5 low-income families purchased Habitat for Humanity homes on land acquired under the City's PY 2007 funding and two additional lots were purchased with PY 2012 funding – the first house was completed in PY 2014.
- 23 First-time homebuyer program loans were issues in PYs 2010-2013.

Public facility and infrastructure programs included completion of the historic restoration of the Cephas House, creation of the Eddie Durham Park; major improvements were made to the Victory Garden Park, Conway Park, and the expansion of the San Marcos Senior Center will be completed in PY 2014. A community garden and an adult learning center at the Public Housing Chapultepec Homes facility were also completed. All of these projects serve an area that is primarily residential with an overall low/mod ration of 51% or greater.

All funded projects addressed one of the High Priorities identified as a community need in the City's previous five-year plan. The City has consistently expended less than 20% of the annual allocation on program administration, which complies with the program regulations. The City's annual program is operated in compliance with its Citizen's Participation Plan.

Affirmatively Furthering Fair Housing

During the previous 5- years, the City adopted a new *Analysis of Impediments to Fair Housing Choice (AI)* and subsequently adopted an *AI Action Plan* to address identified impediments. Progress in implementing the strategies in the *AI Action Plan* was reported in the 2013 CAPER. In addition, the City hosted community fair housing workshops the past two years with the presentation being made by the Austin Tenants Rights organization. The City annually publishes Fair Housing rights notices (in English & Spanish) and the Mayor issues a Fair Housing Month Proclamation.

Timeliness

The CDBG regulations require that grant programs be carried out in a timely manner. A grantee is considered to be in compliance with this requirement if, 60 days prior to the end of the program year, there is no more than 1.5 times its annual grant remaining in the line of credit. By the end of June in program year 2014 the City had a timeliness ratio of .92; the 2013 rate on the test date was 1.04; in 2012 the ratio was 1.31.

Public Services

In PY 2012 the City approved a Substantial Amendment to the 2010-2014 Consolidated Plan to add "Public Services" as a high priority need. The City has funded this project category in program years 2012, 2013, and 2014. The City has not exceeded the 15% funding cap for public service projects. HUD monitored two of the City's 2013 public services and offered technical assistance in this area.

There was one Finding that the City awarded HUD Funds through the execution of a subrecipient agreement without the subrecipient being currently registered in the Federal System for Award Management (SAM). The Subrecipient has corrected this deficiency and now has an active registration.

HUD also noted a concern that there was no inter-departmental agreement with the City's Recreation Division that would cover the Recreation Fee Scholarship program. HUD noted that the City should monitor this program and offered suggested changes in the program's record keeping processes that will help ensure that all program requirements are being fulfilled. The City will implements the suggestions before the end of this program year.

Adoption of the Plan

The Plan was made available for public review and comment for a 30-day period beginning July 10, 2015 and ending August 10, 2015. An ad was published on Thursday, July 9, 2015 providing notice of the 30-day comment period and detailing how to find copies of the draft plan in paper or electronic format.

The City Council took action to approve The Plan and authorize its submittal to HUD on August 4, 2015 with the condition that any comments received by the end of the comment period be incorporated into the document. The following comments were received: None

The Process-~~2015~~

2020 Addition to PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The City of San Marcos Planning and Development Services – Community Initiatives Division prepared the Consolidated Plan Amendment the oversight and administration of the CDBG Grant Program, including CDBG, CDBG-DR, CDBG-MIT, and CDBG-CV.

Consolidated Plan Public Contact Information

For more information contact:

Carol Griffith, Community Initiatives Administrator
630 East Hopkins, San Marcos TX 78666
e-mail: cgriffith@sanmarcostx.gov or cdbg@sanmarcostx.gov
Phone: 512-393-8147
www.sanmarcostx.gov/cdbg

2017 Addition to PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The City of San Marcos Planning and Development Services – Community Initiatives Division prepared the Consolidated Plan Amendment with assistance of an outside contractor and provides the oversight and administration of the CDBG Grant Program.

Narrative

The San Marcos City Council is the governing body for the City, with the City Manager or his designee authorized to act on behalf of the Council in matters pertaining to the CDBG-DR grant. The City's Planning and Development Services Department - Community Initiatives Division staff members are responsible for oversight and monitoring of the CDBR-DR funding. The City plans to contract with outside professionals to assist the city staff in reviewing several hundred applications for housing funds. The City will likely work with outside engineering and construction for the Infrastructure Program Amendment to the City of San Marcos Action Plan for Disaster Recovery Disaster Relief Appropriations Act of 2016 (Public Law 114-113, Approved Dec. 18th, 2015) ("DR Action Plan"). The city will continue to receive draws from the IDIS system and set up a parallel system for draws from the DRGR system. Draws and financial reporting are handled through the City's Finance Department.

Consolidated Plan Public Contact Information

For more information contact:
Stacy Brown, Housing and Community Development Manager
630 East Hopkins, San Marcos TX 78666
e-mail: SBrown@sanmarcostx.gov

Phone: 512-805-2604
www.sanmarcostx.gov/cdbg

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The City of San Marcos Planning and Development Services – Community Initiatives Division prepared the Consolidated Plan and provides the oversight and administration of the CDBG Grant Program.

Narrative

The San Marcos City Council is the governing body for the City, with the City Manager or his designee authorized to act on behalf of the Council in matters pertaining to the CDBG grant.

The City's Planning and Development Services Department - Community Initiatives Division staff members are responsible for the day-to-day administration of the CDBG grant. Draws from the IDIS system and financial reporting are handled through the City's Finance Department.

Consolidated Plan Public Contact Information

For more information contact:
Janis Hendrix, Community Initiatives Administrator
630 East Hopkins, San Marcos TX 78666
e-mail: jhendrix@sanmarcostx.gov
Phone: 512-393-8147
www.sanmarcostx.gov/cdbg

PR-10 Consultation - 91.100, 91.200(b), 91.215(l)

Information about consultations will be added.

1. Introduction

The 2015-19 Consolidated Plan was developed in accordance with the Citizens Participation Plan, which was reviewed by the San Marcos City Council on February 27, 2015. No changes were made to the plan other than updated contact information. A copy of the Citizen Participation Plan is included in the appendix area of this document. The City conducted an outreach campaign as part of the preparation of the plan that included large and small group meetings, two community surveys, and notification of the survey and events using social media, the City's website and cable t.v. channels, press releases, articles and the publication of notices in the San Marcos Daily Record, e-mails, and mailed notices. The City reached out to persons with limited English capacity by having bilingual translators available at public meetings, and having Spanish translations of the paper survey and invitation flyer.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City's CDBG staff works closely with the San Marcos Housing Authority (SMPHA) and local organizations that provide services to our residents by sharing information on grant opportunities, training opportunities, and community information. The City waives development and permit fees for SMPHA projects and the construction of affordable housing by Habitat for Humanity. The City provides over $400,000 annually in city funds to local non-profit organizations. The City hosts an annual Fair Housing workshop to which local housing and non-profit organizations are invited. The City holds an open application process which allows housing and health service providers an equal opportunity to apply for funding. The City has participated in the construction / renovation of public facilities which serve the subject communities and have updated park facilities near public housing.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The City of San Marcos and Hays County are not covered under a Continuum of Care. However, the City does work closely with the local non-profit organizations that provide shelter to specific targeted homeless populations and provide specific assistance in various forms to the homeless.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City of San Marcos does not receive ESG funds.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 1 – Agencies, groups, organizations who participated

Agency/Group/Organization	Type	Section Addressed	How was the group consulted
Southside Community Center	Services – Children, homeless, housing	Housing Need Assessment; Homelessness needs; Non-homeless Special Needs	Conversations with Executive Director and review of shelter use data.
Greater San Marcos Youth Council	Services – Children	Housing Needs Assessment, Homelessness needs- unaccompanied youth & strategy	Conversation with agency Executive Director and review of shelter statistics.
San Marcos Public Housing Authority	Housing, PHA, Services-Housing, Children. Elderly persons	Housing Needs Assessment, Public Housing Needs	Small group meetings with Fam. Self-Sufficiency participants; Springtown Villa Resident Council, paper surveys, talking to staff & Executive Director.
Hays Caldwell Women's Center	Services-Children, Persons with Disabilities, Victims of Domestic Violence	Housing Needs Assessment, Homelessness strategy	Discussion with executive director, review of annual demographic statistics
Community Action of Central Texas	Services-Children, elderly, persons with HIV/AIDS, homeless, education	Homeless Needs – Families with children, Homelessness Strategy, Non-Homeless Special Needs, anti-poverty strategy	Small group outreach to Senior Center participants and staff, paper surveys, discussion with Executive Director.
Hays County	County Government	Homelessness needs – Veterans, Lead-based paint strategy	Talked to County Health Dept. and Veterans' Services, invited commissioners to meetings / survey
Habitat for Humanity	Housing	Housing Need Assessment	Conversation with President; invitation to submit surveys, attend workshops
Greater San Marcos Partnership	Business Leaders	Economic Development	Consultation with staff, review of website, invitation to workshop / surveys.
Council of Neighborhood Associations (CONA)	Neighborhood Organization	Housing Need Assessment, non-homeless special needs	Small group presentation; paper surveys, invitation to attend workshops / complete electronic survey
Sunrise Village I & II	Housing, services for elderly, disabled	Housing Need Assessment, Non-homeless special needs	Small group presentation, paper surveys.
San Marcos Area Board of Realtors	Business Leaders	Market Analysis	Discussed housing trends with Executive Director & reviewed housing sale statistics. All members invited to workshops / surveys.
San Marcos Neighborhood Commission	Planning Organization	Housing Needs Analysis, Non-homeless special needs	Small group presentation before the board – paper surveys.
San Marcos Chamber of Commerce	Business & Civic Leaders	Housing Needs Analysis, Non-Homeless Special Needs, Economic Development, Anti-Poverty	E-mail invitation to all members to attend workshops and/or complete a survey.

CASA of Central Texas	Services – Children, Child Welfare Agency	Homelessness Needs – unaccompanied youth, non-homeless special needs	Discussion with staff members. Invitation to workshops and surveys.

Identify any Agency Types not consulted and provide rationale for not consulting.

San Marcos and Hays County are not covered by a Continuum of Care organization. All other agency types were invited to participate in the outreach citizen participation portion of the Con Plan Development.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of San Marcos Parks, Recreation and Open Space Master Plan	Community Services – City of San Marcos	• Community Park Development • Acquisition of Park Land / Green Spaces • Trails
Transportation Master Plan	Public Services – City of San Marcos	• Bike & Pedestrian trails • Neighborhood Sidewalks • Connect residential areas to neighborhood services & parks green spaces with bike / pedestrian trails
Survey Results – Transportation Mater Plan Update	Public Services – City of San Marcos	• Trail & Path Improvements • Bike Lanes
Vision San Marcos: A River Runs Through Us (Comprehensive Plan)	Planning & Development Services – City of San Marcos	• Diversified housing options • Stable neighborhoods that are protected from blight • Regional branch libraries (public facilities) • Social services funding – including programs that help homeless and mental health
2014-2015 Capital Improvements Program	Engineering & CIP – City of San Marcos	• Development Neighborhood Parks east of I-35
Downtown Master Plan	Planning & Development Services – City of San Marcos	• East Guadalupe & Victory Gardens Neighborhood Market & Community Gathering Places
Arts Master Plan	Community Services – City of San Marcos	• Community cultural & performing arts center • Neighborhood recreation centers
Affordable / Workforce Housing Policy	City of San Marcos	• Affordable housing • Homebuyer assistance • Removal of regulatory barriers • Housing Renovation • Increase supply of sites available for new affordable housing

Table 2 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))

The City hosted two community needs workshops and conducted two surveys. Invitations to attend and/or complete a survey were mailed to more than 100 persons/organizations. In addition to the consultations listed above, invitations were sent as follows:

Areas of Interest	Person/Agency/Organization
Housing Services & Assisted Housing	Emeritus Assisted Living; Horizon Bay Retirement Living; Live Oak Long-Term Living Program; Regent Care Center of San Marcos, AlzCare
Health Services	Scheib MH Center, Hays County Health Department, Texas Rehabilitation Commission, San Marcos Homespun, Hill Country MHMR Center, Central Texas Medical Center, San Marcos Treatment Center
Social and Fair Housing Services	San Marcos Homespun, Centro Cultural Hispano de San Marcos, Price Senior Center, Society of St. Vincent de Paul, Greater San Marcos Area Seniors Association, Combined Community Action, Hays County Salvation Army, Nosotros La Gente, United Way, Hays County Area Food Bank, Boys and Girls Club of S. Central Texas, San Marcos River Foundation
Homeless Strategy	Texas State University – Veteran's Affairs, Workforce Solutions, San Marcos Manufacturers Association, San Marcos Small Business Development Center, San Marcos Convention & Visitors Bureau, San Marcos Chamber of Commerce, CAPCOG / Area Agency on Aging, Texas Rehabilitation Commission, San Marcos CISD, Texas State University, San Marcos Baptist Academy, Hill Country Christian School, and Gary Job Corp Center.
Lead Based Paint	Southside Community Center, Texas Department of Health, Hays County Health Department
Adjacent Units of Local Government State & County	Hays County Commissioners Conley and Ingalsbe, Hays County Veterans Service Officer, State Senators Zaffirini and Campbell, State Representatives Kleinschmidt, Keumpel, Isaac, Workforce Solutions Rural Capital Area, Capital Area Rural Transport System,

Small group presentations, including the distribution of paper surveys, were made to the San Marcos Council of Neighborhood Associations, San Marcos Neighborhood Commission, the Citizens Civic Academy, and the Public Housing Family Self-sufficiency program and Springtown Villas (seniors) Residence Council.

The City consulted with the Texas Department of Health & Human Services, the Hays County Health Department, and the Hays County Veteran's Service office to obtain information about homeless veterans and lead poison testing.

2020 Addition to PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting.

For Amendment Two, the Citizen Participation Plan was modified according to HUD guidance to allow for a comment period of at least five days for changes to this Action Plan. The 2015-2019 Consolidated Plan with proposed changes shown in redline was posted online for review and citizens were notified by a public notice more than 14 days prior to the comment period.

Information will be added about comments and decisions after the comment period.

2017 Addition to PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting.

The Amendment citizen's participation followed a three step process. The Amendment reflects changes limited to the CDBG-DR grant funding. As required under the funding notice and grant agreement, San Marcos held public meetings for community input to draft the DR Action Plan. The DR Action Plan was approved by HUD on November 6, 2016. The goal was to focus on housing as infrastructure needs were further developed. Currently, San Marcos is working on a substantial amendment to the DR Action Plan that will prioritize funding for projects within the impacted areas. This amendment is moving forward and is anticipated to be filed in June of 2017 for approval by HUD. The infrastructure program received input as the DR Action Plan was drafted. After conducting technical reviews, at a council workshop open to the public, the council authorized the staff to proceed with the identified project and amend the DR Action Plan.

Specifically, the DR Action Plan and substantial amendment public meetings held to date are listed below:

- April 12, 2016; 6pm; Hill Country Church, 1401 Davis Lane, San Marcos, TX 78666
- April 16, 2016; 6pm; Fire Station 5, 100 Carlson Circle, San Marcos, TX 78666
- July 6, 2016; 6pm; San Marcos Activity Center, 501 E Hopkins St, San Marcos, TX 78666
- April 24, 2017 6pm, San Marcos City Hall 630 E Hopkins Street, San Marcos, TX 78666

Public meetings included a slide presentation, a community unmet needs survey, and a question and answer session. All materials for these meetings were translated into Spanish, in accordance with City policy related to accessibility of information to non-English speaking families. All information related to these meetings can be found on the City's CDBG Disaster Recovery Website: http://smtxfloodrecovery.com/.

All three public meeting locations were fully accessible to persons with disabilities. The meeting announcements included information on accessibility requests for individuals requiring an interpreter, auxiliary aids, or other services and were posted on the City's established website. The City took both

verbal and written comments from citizens during the meeting and provided an email address for a contact at the City should they have additional questions.

Of note, the public meetings and surveys resulted in a majority of citizens that indicated a preference for spending funding on much needed infrastructure projects in order to avoid repetitive loss in the future. The City supported those requests and preferences by allocating a majority of the CDBG-DR funding for infrastructure projects that would reduce the number of homes that are located within the floodway or 100 year floodplain as well as reduce the likelihood of repetitive loss moving forward.

In addition to the public meetings with the DR Action Plan, On May 10, 2017, this Amendment was presented at a public meeting and open for comment. Further, it will be made available for public comment beginning on May 15, 2017 and left open for 30 days. It will be place on a council agenda for approval for submission after the public comment period has closed.

Creation of Community Stakeholder Task Force

The City's disaster recovery team established a CDBG-DR Needs Task Force. The Task Force is made up of impacted citizens, community leaders, and representatives from human service organizations that served to assist the City in identifying and articulating to HUD the needs of our community. Task Force meetings were held on the following dates and times:

- June 22, 2016; 11:30am; San Marcos Activity Center, 501 E Hopkins St, San Marcos, TX 78666
- July 7, 2016; 11:30am; Fire Station 5, 100 Carlson Circle, San Marcos, TX 78666

Task Force meetings were comprised of a slide presentation which included a refresher of how funding could be spent, survey results from the public meetings, and an open discussion that included a question and answer session about technical requirements of the funding.

Finally, in March of 2017, the staff conducted surveys—including door-to-door surveys, of impacted persons to ensure that the DR Action Plan was consistent with remaining needs in the Community.

This Amendment reflects the community input at the public meetings, surveys and Stakeholder Task Force Meetings.

PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The City of San Marcos conducted an extensive public outreach campaign to gain citizen input on establishing priority needs for the 2015-2019 Consolidated Plan. Outreach methods included:

- Two workshops targeted to the City as a whole (Spanish translator available)
- Six small group meetings targeting seniors, public housing residents, neighborhood associations, persons with disabilities and persons with limited English.
- A paper survey in both English and Spanish
- An electronic survey that also included fair housing questions

The public was notified of these comment opportunities using a variety of methods:

- An invitation flyer, in English and Spanish, was mailed to over 100 persons representing health agencies, Hays County officials, regional planning and housing organizations, State agencies, local civic and business leaders, State Congressional members, the banking/mortgage industry, education, and housing providers.
- E-mailed copies of the invitations were sent to all Council of Neighborhood Association members, local non-profit organizations and members of the San Marcos Area Board of Realtors.
- The City's CDBG webpage was updated and included links to the electronic survey and copies of the paper survey that could be printed.
- Slides in Spanish and English were shown on the City's two cable television channels
- "Tweets" were sent out which reached more than 700 individuals.
- Press releases were issued which were copied to all city employees, all area news media, and a number of individuals and organizations.
- The Chamber of Commerce included an article about the surveys in their weekly electronic newsletter.
- The San Marcos Daily Record (newspaper) wrote articles about the outreach campaign.
- The City published newspaper ads in English and Spanish advertising the workshops and the surveys.

The survey results were compiled and posted on the City's webpage and provided to Council and are included in the appendix area of this document.

The Consolidated Plan / 2015 Action Plan process continued in 2015 to include:

- A staff presentation to the City Council on January 6, 2015
- A staff presentation to the City Council on February 27, 2015; Council gave direction to (a) make no changes in the Citizens Participation Plan; (b) refer applications for public services funding to

the Human Services Advisory Board for review and recommendation; and (c) to carry forward all of the priority needs from the 2010-2014 Consolidated Plan to the 2015-2019 Consolidated Plan

- 2015 Action Plan application period was open from March 9 thru April 13, 2015
- The Human Services Advisory Board reviewed applications for Public Service funding and made a funding recommendation to the City Council
- An applicant workshop was held on April 1, 2015
- A stakeholder workshop was held April 9, 2015
- A notice was published on April 2, 2015 advertising the public hearing
- Council conducted a public hearing for comments on the 2015 Action Plan and the 2015-2019 Consolidated Plan
- Council reviewed the applications that were submitted and adopted a Resolution awarding the 2015 Action Plan allocation on May 19, 2015
- Notice of the Plan's availability for review was published in the San Marcos Daily Record on July 9, 2015.
- The Consolidated Plan, including the 2015 Action Plan, was made available for citizen comment for a 30 day period beginning July 10 through August 10, 2015.
- Council adopted a Resolution on August 3, 2015 approving the 2015-19 Consolidated Plan and authorizing its submittal to HUD.

The input received from all sources was considered by the City Council as they set priority needs and during their review of 2015 funding applications. The responses were also taken into account during the setting of goals in the 5-year plan.

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Summary:

Information for this summary was derived using statistics from the U. S. Census Bureau's American Community Survey (ACS) as well as from the data provided by HUD on the following charts.

San Marcos has a very young demographic with 42.4% of the population falling in the range of 18 to 24, and 24.3% within the 25 to 44 age bracket (ACS 2010-2012) – not surprising since SM is home to Texas State University with a student enrollment of over 35,000. Only 6.7% of the population in San Marcos is over 65. (2010 census).

In San Marcos 71.4% of all housing units are rented, with only 28.6% owner occupied (ACS 2009-2013). This upside-down ratio probably reflects the high percentage of young adults who are less likely to be ready/able to purchase a home.

From Charts:

Based on 16,265 total households from all income brackets including both renter and owner occupied units:

- 1% live in substandard housing without complete plumbing and/or complete kitchens.
- 1% are considered to be "severely overcrowded" with more than 1.51 persons per room.
- 2% are considered to be "overcrowded" with 1.01 to 1.5 persons per room.
- 30% have a cost burden of over 50% (28% renters)
- 19% have a cost burden over 30%, but less than 50% (16% are renters)

Of all housing problems, only a high cost burden on housing expenses is a serious problem for most San Marcos residents, especially for those who rent.

2017 Addition to NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

Housing Needs Prior to the Flooding

a) Baseline Information and Data

The City, home to Texas State University (enrollment approximately 39,979) and a frequent tourist destination, has a very young demographic. Data from the American Community Survey (ACS) Data 2010 – 2014 shows that over 42.4% of the population falls in the 18-24 age cohort, with another 24.3% of the population in the 25-44 bracket, while only 6.7% are older than age 65. This young population, and the transient nature of students, lends the housing environment in the City to heavily lean towards rental housing rather than home ownership.

As of 2014, there were 18,782 occupied housing units within the City, with 72.8% of all housing units being rentals and only 27.2% of the housing units being owner occupied (ACS Data 2010 – 2014). Based on the total occupied households from all income brackets including both renter and owner occupied units: Less than 1% live in substandard housing without complete plumbing and/or complete kitchens.

- 1.3% are considered to be "severely overcrowded" with more than 1.51 persons per room.
- 2.3% are considered to be "overcrowded" with 1.01 to 1.5 persons per room.
- 36.6% of homeowners (1,121 households) expend over 30% of their monthly income on housing costs.
- 75.1% of renters (9,660 households) expend over 30% of their monthly income on rent.

HUD considers any family that expends more than 30% of their monthly income on housing to have a housing cost burden. This is just one of the serious housing problems that HUD looks for in a community. Others include the presence of a disability in the household, substandard or unsafe housing and overcrowding. Of all of these, the primary statistically significant serious problem in the City is the existence of a high cost burden on families, especially for those who rent. Additionally, 33% of housing units are more than 35 years old - this imparts maintenance costs that can be prohibitive for low income households.

There are 5,630 non-family households in The City that have a cost burden that exceeds 30% of their monthly income and 3,925 non-family households with a cost burden exceeding 50% of their monthly income. The majority of these are renters. By contrast, there are only 30 non-family households who live in overcrowded (more than 1/per room) conditions. The 2010-14 ACS indicates that 32.8% of the population is individuals living alone and 13.5% of the population has less than a high school diploma. Medium Gross Rent is $919/month (ACS 2010-14) with median non-family income $1,788/month ($21,456/year). The City of San Marcos has the lowest per capita income along the IH35 corridor between Austin and San Antonio.

b) Race and housing choices

The residents of the City, as indicated in the most recent census data, are primarily White or Hispanic in origin; the two races combined make up over 83% of the citizenry. By contrast, the minority population (not including the Hispanic or Latino origin) of the City is just 16.2% as of the 2014 ACS data, however, as

in many jurisdictions, this cohort of population is severely cost burdened and impacted by low wages and high housing costs. Over 30% of the minority families (African American, Asian, or "Some Other" race as identified in the Census) were at or below the Poverty Level in 2014, and 20.4% of the Hispanic families were as well. As the majority of these families will be renters (given assumptions on income and housing units that can be afforded), any housing assistance program that supports recovery efforts in the most impacted areas identified below will be serving this cohort of the LMI population that HUD requires. These families will also be those most impacted by the housing cost burden listed above, and could therefore be seen as having 2 (or more) housing problems as identified by HUD. The City will make sure that these populations are provided every opportunity to make use of any appropriate CDBG-DR funds from this allocation.

c) Disabled households or victims of domestic violence

The Hays-Caldwell Women's Center, a San Marcos non-profit organization that provides services, including an emergency shelter, for victims of family violence estimates in 2014 approximately 250 adult clients asked for housing assistance. Of those adults, 135 were families with children; 3 were disabled; and 4 were male adults. Following the floods in 2015, shelter assistance requests have gone up strikingly, over 200% in some instances. For most shelter residents, the primary barrier to securing housing was the lack of affordable housing in our area.

d) Increased risk of homelessness

Approximately 8% of all households with an annual income at or below 50% AMI have children six years old or younger. If we assume that the percent of households with children having a housing cost burden is similar to the population as a whole, then it can be estimated that 284 rental and 20 owner-occupied extremely low income households have a housing cost burden of 50% or greater. A cost burden this high puts the families at imminent risk of becoming homeless. There is a lack of homeless prevention dollars in the City. The City does not receive rapid re-housing assistance or Emergency Solutions Grant funds. The City does not have resources to provide this form of assistance.

The high cost of rental housing in the City creates instability and an increased risk of homelessness as a by-product. Very low income households living in aging housing have limited resources for maintaining and repairing their homes; if no repairs are made, serious deficiencies can leave the home uninhabitable and create a risk of homelessness or overcrowding. The low or extremely low income households with at least one person 75 years or older are also in danger of becoming homeless or having to double-up with families or friends as options for affordable living decrease and assisted living is not affordable.

Housing Needs after the Storm

Owner Occupied Housing Needs

FEMA data shows that 1,103 of the 5,102 owner occupied units (city-wide) applied for assistance immediately after the floods. Of these homes, 1,013 units (from all sources: 925 FEMA IA, 88 SBA,) have already received either Individual Assistance or payouts from other sources including insurance or SBA loans. This leaves 90 of the FEMA applicants with no current source of rehabilitation funding, and the City may need to provide assistance to these families under this CDBG-DR allocation. Based upon the SBA data, the current cost to repair homes to a pre-flood state is approximately $80,176. Once their level of damage has been accurately determined, the remaining need for these affected homeowners may be as high as $7,215,840.

Rental Property Needs

According to initial City estimates, out of 13,680 rental units citywide, the flood damaged over 675 rental housing units within our most impacted area. Citywide, these rental units, as mentioned previously, typically house the LMI population of the City, as well as a large portion of the student population of Texas State University. The rental housing market can define its unmet needs as rental programs to repair/replace damaged rental units, create additional rental programs to house displaced households (homeowners and renters), and rental housing to assist special needs populations who have difficulty finding affordable housing in the restricted and expensive rental housing market.

Of the 675 units that were damaged, insurance payouts have already been provided to 94 units. While residents within the remaining units may have received FEMA IA, the assistance they have received would not have covered the property damage as they are not the owners of record. Therefore, the City estimates that there are still 581 rental units within this area, and possibly more across the City, that may need Disaster Recovery assistance. Units within the 100-year flood plain that received significant damage (meeting the FEMA classifications of Major or Severe), may be reconstructed, but will at minimum have to be elevated to two feet above the Base Flood Elevation. Those adjacent to the flood plain will not require elevation and can be rehabilitated or reconstructed depending on the level of damage.

The City of San Marcos has a high level of low income citizens. The Median Rent according to the 2011-2015 ACS data for San Marcos is $939. The following table shows the impact that this high than state average rent has on the affordability of the community:

	Total Units			Owner Occupied Units			Renter Occupied Units		
Income level	< 20% of income	20%-29% of income	≥30% of income	< 20% of income	20%-29% of income	≥30% of income	< 20% of income	20%-29% of income	≥30% of income
Less than $20,000	0.4%	0.9%	28.9%	0.5%	2.8%	11.6%	0.4%	0.1%	35.4%
$20,000 to $34,999	0.9%	3.0%	18.8%	2.4%	4.2%	7.8%	0.3%	2.6%	23.0%
$35,000 to $49,999	1.7%	5.3%	7.3%	4.1%	4.4%	7.5%	0.9%	5.7%	7.3%
$50,000 to $74,999	6.8%	4.4%	2.5%	12.7%	5.2%	4.5%	4.6%	4.0%	1.7%
$75,000 or more	11.5%	2.8%	0.1%	26.7%	6.0%	0.5%	6.0%	1.2%	0.0%

The monthly housing cost in real dollars according to the 2011-2015 ACS data is:

Monthly Housing Costs	Total Occupied Units %	Owner Occupied Units %	Renter occupied Units %
Less than $300	2.6%	5.8%	1.4%
$300 to $499	6.3%	16.0%	2.6%
$500 to $799	24,0%	22.3%	24.7%
$800 to $999	24.1%	8.5%	30.1%
$1,000 to $1,499	27.4%	27.1%	27.5%
$1,500 to $1,999	10.6%	15.3%	8.8%
$2,000 to $2,499	2.6%	2.4%	2.7%
$2,500 to $2,999	0.7%	1.6%	0.4%

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c) - 2015

Summary of Housing Needs

The Housing Needs Assessment is based on data provided by HUD through the Comprehensive Housing Affordability Strategy (CHAS) data, with supplemental data used when available. Although the CHAS is dated, it provides a glimpse of the housing needs within the City.

Demographics	Base Year: 2000	Most Recent Year: 2011	% Change
Population	34,733	44,486	28%
Households	12,666	16,269	28%
Median Income	$25,809.00	$27,597.00	7%

Table 3 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	5,215	3,200	3,185	1,720	2,945
Small Family Households *	790	805	1,005	635	1,440
Large Family Households *	165	40	250	160	165
Household contains at least one person 62-74 years of age	95	395	295	225	475
Household contains at least one person age 75 or older	415	205	165	55	210
Households with one or more children 6 years old or younger *	430	265	520	210	259
* the highest income category for these family types is >80% HAMFI					

Table 4 - Total Households Table

Data Source: 2007-2011 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	55	0	15	0	70	0	20	0	0	20
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	80	0	40	10	130	15	0	0	0	15
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	95	35	25	40	195	0	10	60	50	120
Housing cost burden greater than 50% of income (and none of the above problems)	3,545	930	30	0	4,505	255	60	80	60	455
Housing cost burden greater than 30% of income (and none of the above problems)	170	1,460	865	60	2,555	120	110	220	155	605
Zero/negative Income (and none of the above problems)	520	0	0	0	520	4	0	0	0	4

Table 5 – Housing Problems Table

Data Source: 2007-2011 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	3,770	965	110	50	4,895	270	90	140	110	610
Having none of four housing problems	435	1,680	2,345	1,005	5,465	215	465	590	555	1,825
Household has negative income, but none of the other housing problems	520	0	0	0	520	4	0	0	0	4

Table 6 – Housing Problems 2

Data Source: 2007-2011 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	595	550	235	1,380	65	125	140	330
Large Related	110	0	0	110	15	20	45	80
Elderly	155	185	65	405	160	0	50	210
Other	3,075	1,670	610	5,355	150	60	65	275
Total need by income	3,935	2,405	910	7,250	390	205	300	895

Table 7 – Cost Burden > 30%

Data Source: 2007-2011 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	520	185	0	705	40	40	30	110
Large Related	95	0	0	95	0	10	0	10
Elderly	80	80	15	175	65	0	0	65
Other	3,030	665	20	3,715	150	10	50	210
Total need by income	3,725	930	35	4,690	255	60	80	395

Table 8 – Cost Burden > 50%

Data Source: 2007-2011 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	175	15	50	15	255	15	0	15	10	40
Multiple, unrelated family households	0	0	15	25	40	0	10	45	40	95
Other, non-family households	0	20	0	10	30	0	0	0	0	0
Total need by income	175	35	65	50	325	15	10	60	50	135

Table 9 – Crowding Information – 1/2

Data Source: 2007-2011 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

Table 10 – Crowding Information – 2/2

Data Source Comments:

Describe the number and type of single person households in need of housing assistance.

As the charts above show, there are 5,630 non-related households in San Marcos that have a cost burden that exceeds 30% and 3,925 non-related households with a cost burden exceeding 50%. The majority of these are renters. By contrast, there are only 30 non-family households who live in overcrowded (more than 1/per room) conditions. The 2010-12 ACS indicates that 32.8% of the population are individuals living alone and 14.3% of the population has less than a high school diploma. Medium Gross Rent is $869/mo. (ACS 2008-12) with median non-family income $1,670/mo.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

The Hays-Caldwell Women's Center, a San Marcos non-profit organization that provides services, including an emergency shelter, for victims of family violence estimates in 2014 approximately 250 adult clients asked for housing assistance. Of those adults, 135 were families with children; 3 were disabled; and 4 were male adults. The primary barrier to securing housing was the lack of affordable housing in our area.

The number of persons with a disability that need housing assistance is difficult to ascertain. However, a review of the 2008-2012 CHAS--Table 6 data shows the estimated number of households where at least one person has a self-care or independent living limitation. The following chart shows the households in both rental and owner-occupied housing. Those with at least one housing problem are shown and sorted by annual household income:

Households where at least one member has a self-care or independent living limitation	Renter Occupied	Renter % of Income Category	Owner Occupied	Owner % of Income Categories	Total
All Households	550	50%	555	50%	1,105
Households w/income at or below 30% AMI	140	78%	40	22%	180
Households w/income above 30% but less than 50% AMI	180	97%	5	3%	185
Households w/income above 50% but less than 80% AMI	20	20%	80	80%	100
Households w/income above 80% AMI	55	20%	220	80%	275

(Source: www.huduser.org/portal/datasets/cp/chas/data_download_chas.html)

It can be assumed that many of the households with self-care/independent living limitations need some form of housing assistance, especially renter households with an annual income less than 50% AMI. Housing cost burden and accessibility improvements. Among the non-institutionalized population as enumerated in the 2010-12 ACS, 11% reported a disability, including 5% under 18; 9% aged 18 to 64; and 45% over 65.

What are the most common housing problems?

- High rent with low incomes (housing cost burden)
- 45% of housing units are more than 35 years old - maintenance costs can be prohibitive for low income households.

Are any populations/household types more affected than others by these problems?

By using the total number of housing units (16,265) compared to specific populations as shown on the above charts, we find:

- 81% of "Other" household renters have a cost burden that exceeds 30%
- 57% of "Other" household renters have a cost burden that exceeds 50%

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Approximately 8% of all households with an annual income at or below 50% AMI have children six years old or younger. If we assume that the percent of households with children having a housing cost burden is similar to the population as a whole, then it can be estimated that 284 rental and 20 owner-occupied extremely low income households have a housing cost burden of 50% or greater. A cost burden this high puts the families at imminent risk of becoming homeless.

There is a lack of homeless prevention dollars in San Marcos. The City does not receive rapid re-housing assistance or Emergency Solutions Grant funds. The City does not have resources to provide this form of assistance.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

At risk populations are those with a housing cost burden of 50% or more in San Marcos.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The high cost of rental housing in San Marcos creates instability and an increased risk of homelessness as a by-product. Very low income homeowners living in aging housing have limited resources for maintaining and repairing their homes; if no repairs are made serious deficiencies can leave the home uninhabitable creating a risk of homelessness or overcrowding. The low or extremely low income households with at least one person 75 years or older are also in danger of becoming homeless or having to double-up with families or friends as options for affordable living decrease and assisted living is not affordable.

Discussion

The housing needs in San Marcos center around the lack of affordable housing – especially rental units.

Though few units are lacking plumbing or kitchen facilities, there is a need for minor to moderate housing rehabilitation to prevent further deterioration as well as a need to demolish and reconstruct unsafe/unsound housing.

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The disproportionately greater need based on racial or ethnic group can be measured by the differences of the percent of low-to-moderate-income among the groups as well as the differences of housing units with problems by income among the groups. The table below shows these comparisons and the discussion at the end explains the disparities.

**The four housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%*

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,330	360	525
White	2,610	145	420
Black / African American	190	15	0
Asian	140	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	1,340	205	105

Table 11 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2007-2011 CHAS

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,625	575	0
White	1,740	125	0
Black / African American	10	35	0
Asian	30	0	0
American Indian, Alaska Native	25	0	0
Pacific Islander	0	0	0
Hispanic	790	415	0

Table 12 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2007-2011 CHAS

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,340	1,850	0
White	835	970	0
Black / African American	100	145	0
Asian	0	10	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	405	720	0

Table 13 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2007-2011 CHAS

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	380	1,345	0
White	120	560	0
Black / African American	15	105	0
Asian	4	40	0
American Indian, Alaska Native	0	20	0
Pacific Islander	0	0	0
Hispanic	240	615	0

Table 14 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2007-2011 CHAS

Discussion

HUD defines a disproportionately greater housing need to be when a racial or ethnic group experiences housing problems at a rate 10 percentage point or more greater than for the income level as a whole. The 2007-2011 CHAS data table summarizes the percentages of each racial/ethnic group experiencing housing problems by HUD adjusted Median Family Income (AMI) levels. Housing problems include:

- Housing units lacking complete kitchen facilities and/or complete plumbing facilities
- Overcrowding (more than one person per room)
- Housing cost burden greater than 30%

Income classifications are:

- 0% to 30% AMI = extremely low income
- 31% to 50% AMI = low income
- 51% to 80% AMI = moderate income
- 81% to 100% AMI = middle income

Income category	White	African American	Hispanic	Asian	American Indian / Alaska Native
% of Total Households (13,330 total households in all incomes)	56% (7,525)	5% (615)	36% (4,835)	2% (224)	(45)
% Extremely Low-Income (0-30% AMI) (8,675 total households)	42% (3,175)	33% (205)	34% (1,650)	52% (140)	0
% Low Income (30-50% AMI) (3,200 total households)	25% (1,865)	7% (45)	25% (1,205)	13% (30)	56% (25)
% Moderate Income (50-80% AMI) (3,190 total households)	24% (1,805)	40% (245)	23% (1,125)	4% (10)	0
% Middle Income (80-100% AMI) (1,725 total households)	3As t9% (680)	20% (120)	18% (855)	20% (44)	44% 20
% of Extremely Low Income w/problems (4,330 total households)	82% (2,610)	93% (190)	81% (1,340)	100% (140)	0
% of Low-Income w/problems (2,625 total households)	93% (1,740)	22% (10)	66% (790)	100% (30)	100% (25)
% of Moderate-Income w/problems (1,340 total households)	46% (835)	41% (100)	36% (405)	0% (none)	0%

Summary Table: Households Experiencing at Least One Housing Problem based on Race/Ethnicity

Race / Ethnic Groups	0-30% Extremely Low	31-50% Low Income	51-80% Moderate
White	82%	**93%**	46%
Black / African Amer.	**93%**	22%	41%
Hispanic	81%	66%	36%
Asian	**100%**	**100%**	None
American Native, Alaskan Native	None	**100%**	0%
All San Marcos Households	83%	82%	42%

As the chart above shows, more than 80% of all households in San Marcos with an income range in the "Extremely Low" and "Low" income brackets experience at least one housing problem. None of the race/ethnic households in the "Moderate" income limits experienced a disproportionately higher number of housing problems than the overall average.

The Asian and American Indian/Alaskan Native groups are both numerically very small with 224 and 45 (respectively) households out of 13,300 total households. All households in the Extremely Low and Low Income brackets for these two race groups experienced at least one housing problem.

In summary, there is a disproportionately greater need for households experiencing at least one housing problem as follows:

Low Income Households

- White
- Asian
- American Indian / Alaskan Natives

Extremely Low Income Households

- Black
- Asian

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Similar to NA-15 above that reviewed households with a housing cost burden that exceeds 30% of their household income, this section looks at those households who have a housing cost burden that exceeds 50% of their household income. Households may also have problems with overcrowding and housing units that lack complete kitchen or plumbing facilities.

Note: **The four severe housing problems are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%*

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,040	650	525
White	2,445	305	420
Black / African American	145	60	0
Asian	140	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	1,260	285	105

Table 15 – Severe Housing Problems 0 - 30% AMI

Data Source: 2007-2011 CHAS

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,055	2,145	0
White	770	1,090	0
Black / African American	0	45	0
Asian	0	30	0
American Indian, Alaska Native	0	25	0
Pacific Islander	0	0	0
Hispanic	280	925	0

Table 16 – Severe Housing Problems 30 - 50% AMI

Data Source: 2007-2011 CHAS

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	250	2,935	0
White	120	1,685	0
Black / African American	0	245	0
Asian	0	10	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	130	995	0

Table 17 – Severe Housing Problems 50 - 80% AMI

Data Source: 2007-2011 CHAS

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	160	1,560	0
White	50	630	0
Black / African American	15	105	0
Asian	0	45	0
American Indian, Alaska Native	0	20	0
Pacific Islander	0	0	0
Hispanic	95	760	0

Table 18 – Severe Housing Problems 80 - 100% AMI

Data Source: 2007-2011 CHAS

Discussion

Summary Table: Race/Ethnicity of Households Experiencing a Severe Housing Problem

Race / Ethnic Group	0 to 30% AMI	31 to 50% AMI	51 to 80% AMI
White	77%	41%	7%
Black / African American	71%	0%	0%
Asian	**100%**	0%	0%
Hispanic	76%	23%	12%
San Marcos as a Whole	**77%**	**33%**	**8%**

HUD defines a disproportionately greater housing need when a racial or ethnic group experiences housing problems at a rate 10% or greater than for the income level as a whole. The distinction between housing problems and severe housing problems is the degree of cost burden and overcrowding. Severe housing problems include:

- Housing units lack complete kitchen / plumbing facilities
- Overcrowding (more than 1.5 persons per room)

- Housing cost burden greater than 50%

Based on this definition, only Asian households in the Extremely Low income bracket experienced a disproportionately greater housing need in the City of San Marcos.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

HUD defines a disproportionately greater housing need to be when a racial or ethnic group experiences housing problems at a rate 10 percentage points or greater than for the income level as a whole. The table below summarizes the percentage of each racial/ethnic group experiencing housing cost burden or a severe housing cost burden.

Based on this definition, only the numerically small group of American Indian/Alaskan Native households is experiencing a disproportionately greater housing cost burden than the City as a whole. Of those experiencing a severe housing cost burden, only Asian households are slightly higher than the City as a whole; all other race/ethnic groups are lower than the overall City percentage.

Summary Table: Housing Cost Burden by Race/Ethnicity

Race/Ethnicity Group	Housing Cost Burden 30 to 50% of income	Severe Housing Cost Burden Greater than 50% of Income
White	21%	36%
Black/African American	21%	20%
Asian	27%	44%
Amer. Indian / Alaska Native	**56%**	0%
Hispanic	21%	26%
San Marcos as a Whole	25%	39%

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)	
Jurisdiction as a whole	4,380	3,280	5,140	525	13,325
White	3,715	1,960	3,365	420	9,460
Black / African American	425	155	145	0	725
Asian	95	85	140	0	320
American Indian, Alaska Native	20	25	0	0	45
Pacific Islander	0	0	0	0	
Hispanic	2,890	1,155	1,480	104	5,629

Table 19 – Greater Need: Housing Cost Burdens AMI

Data Source: 2007-2011 CHAS

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

The following summarizes the analysis performed in Sections NA 15 and NA-20 above:

Disproportionately Greater Need: Households Experiencing at Least One Housing Problems

- Black & Asian Households in the Extremely Low Income Range
- White ,Asian, and American Indian/Alaska Native Households in the Low Income Range

Disproportionately Greater Need: Households Experiencing a Severe Housing Cost Burden

- Asian Households in the Extremely Low Income Range

Disproportionately Greater Need: Housing Cost / Severe Housing Cost Burden

- American Indian / Alaska Native – Housing Cost Burden (30-50%)

If they have needs not identified above, what are those needs?

The needs are identified above.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

To best determine the location of racial/ethnic groups with disproportionately greater need, maps were created matching areas of low and moderate income concentration with areas of racial/ethnic concentration. HUD defines areas of racial/ethnic concentration as census tracts in which a racial or ethnic group's share of the population is at least 10% greater than that group's share of the City population as a whole.

Using 2010 Census data, the percentage of African Americans is 5.5% of the total population; the percentage of persons of Hispanic/Latino ethnicity is 37.8% of the total population. No other racial group had a population share that reached 2%, so the Consolidated Plan will base its minority populations on persons of African American or Hispanic race/ethnicity.

The following ratios are used to determine areas of minority concentration:

African Americans	Concentrations of 6% or higher
Hispanic/Latinos	Concentrations of 42% or higher

Areas where LMI and racial/ethnic concentration intersect indicate impacted areas in which there is a disproportionately greater need. The thresholds for areas of ethnic and racial concentration are shown in the chart below:

Census Tract	Hispanic %	African Am. %	Area LMI %
103.02	65.5%	4.03%	80.00%
103.03	33.53%	7.61%	68.45%
103.04	48.34%	5.65%	82.64%
104	67.5%	2.2%	62.52%
105	67.31%	3.45%	70.94%
106	29.39%	6.72%	35.68%

NA-35 Public Housing – 91.205(b)

Public housing and Section 8 Voucher programs are operated by the San Marcos Public Housing Authority. The charts below detail information about the number of units, the demographic information of the residents, and the condition of the units.

Totals in Use

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	278	222	0	222	0	0	0

Table 20 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project -based	Tenant -based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	0	15,542	12,943	0	12,943	0	0
Average length of stay	0	0	4	3	0	3	0	0
Average Household size	0	0	3	1	0	1	0	0
# Homeless at admission	0	0	0	0	0	0	0	0
# of Elderly Program Participants (>62)	0	0	58	84	0	84	0	0
# of Disabled Families	0	0	48	66	0	66	0	0
# of Families requesting accessibility features	0	0	278	222	0	222	0	0

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project -based	Tenant -based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 21 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

	Program Type								
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	251	181	0	181	0	0	0
Black/African American	0	0	26	41	0	41	0	0	0
Asian	0	0	0	0	0	0	0	0	0
American Indian/Alaska Native	0	0	0	0	0	0	0	0	0
Pacific Islander	0	0	1	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 22 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

	Program Type								
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	184	89	0	89	0	0	0
Not Hispanic	0	0	94	133	0	133	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 23 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment:

Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

The 504 needs of Public Housing tenants for accessible units are most often for the elderly and disabled who are singles living in one bedroom units. Items such as ramps and grab bars are the most frequently requested needs.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance?

The following charts represent the waiting list of the San Marcos Housing Authority as of July 16, 2015. Note: "Hispanic" is an Ethnicity, not a race; therefore, all Hispanic persons will also be found listed in one of the race categories, most often "white" in the San Marcos area.

Low-Rent (public housing) Waiting List							
Size	0 BR	1 BR	2-BR	3-BR	4-BR	5-BR	Total
Elderly	0	29	3	0	2	0	34
Disabled	0	20	3	0	1	0	24
Family	0	81	66	18	11	9	185
Race/Ethnicity							
Hispanic	0	55	34	7	4	7	107
White	0	76	42	7	6	5	136
Black	0	51	27	11	7	4	100
Indian/Alaskan	0	0	0	0	0	0	0
Asian	0	1	2	0	0	0	3
Pacific Islander	0	0	1	0	0	0	1

Section 8 Waiting List							
Size	0 BR	1 BR	2-BR	3-BR	4-BR	5-BR	Total
Elderly	1	25	2	1	0	0	29
Disabled	1	14	3	1	0	0	19
Family	2	17	14	18	0	0	51
Race/Ethnicity							
Hispanic	0	15	6	10	0	0	31
White	3	35	12	14	0	0	64
Black	1	13	6	5	0	0	25
Indian/Alaskan	0	0	0	1	0	0	1
Asian	0	0	0	0	0	0	0
Pacific Islander	0	0	0	0	0	0	0

Springtown Villa (Seniors/Persons with a Disability) Waiting List							
Size	0 BR	1 BR	2-BR	3-BR	4-BR	5-BR	Total
Elderly	0	18	1	0	0	0	19
Disabled	0	31	0	0	0	0	31
Family	0	1	0	0	0	0	1
Race/Ethnicity							
Hispanic	0	18	0	0	0	0	18
White	0	34	1	0	0	0	35
Black	0	15	0	0	0	0	15
Indian/Alaskan	0	0	0	0	0	0	0
Asian	0	1	0	0	0	0	1
Pacific Islander	0	0	0	0	0	0	0

Based on the information above, and any other information available to the City, what are the most immediate needs of residents of Public Housing and Housing Choice voucher holders.

Housing Choice Voucher participants tend to have specific medical needs such as air and water filtration systems and they also encounter accessibility issues. Other needs of Public Housing and Section 8 residents include affordable childcare after hours or on weekends, inexpensive sources for furniture and other household furnishings, moving assistance, support group/counseling services, and extended public transportation hours.

How do these needs compare to the housing needs of the population at large

The 2009-2013 American Community Survey shows that 10.7% of the general population of San Marcos has a disability; when age is taken into account, 42.3% of the population 65 and older have a disability. It can be assumed that these persons may need accessibility accommodations in their housing.

The need for more affordable housing choices in San Marcos is a common need of persons with a disability, the population at large, and of residents of Public Housing and Housing Choice Voucher programs.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Three agencies provide shelters for specific homeless populations in San Marcos: (a) the Southside Community Center operates an emergency family shelter; (b) the Hays-Caldwell Women's Center accepts victims of domestic violence – women, men, adults and children; and (c) the Greater San Marcos Youth Council accepts youth ages 5 to 17 that are at-risk, homeless, neglected or abused. No shelter is available for single men and women who do not fit these profiles. Specific exceptions may be made by Southside Community Center on a case-by-case basis. However, shelters are available in Austin and San Antonio and local social service agencies often provide assistance in reaching these shelters as a part of their support services.

Homeless Needs Assessment:

Population	Estimated # persons experiencing homeless-ness on a given night		Est. # experiencing homelessness each year	Est. # becoming homeless each year	Est. # existing homeless each year	Est. # of days persons experience homelessness
	Unsheltered	Sheltered				
Persons in HH with adults & children	N/A	22	N/A	N/A	N/A	N/A
Persons in HH with only children	N/A	8	N/A	N/A	N/A	N/A
Persons in HH with only Adults	N/A	6	N/A	N/A	N/A	N/A
Chronically Homeless Individuals	40	1	60	N/A	N/A	N/A
Chronically Homeless Families	N/A		N/A	N/A	N/A	N/A
Veterans	15		N/A	N/A	N/A	N/A
Unaccompanied Youth	N/A		N/A	N/A	N/A	N/A
Persons with HIV	Unknown	N/A	N/A	N/A	N/A	N/A

Source: Estimates prepared after consultation with homeless service providers.

For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction.

Unknown.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Limited data is available for total persons experiencing homelessness in San Marcos. The local population changes from week to week, but from our consultation with Southside Community Center up to 60 homeless individuals and families partake of the free evening meal that is provided each day at the Center. The Hays County Veterans Service office indicates that they have not been able to get a firm number of the homeless veterans in Hays County, but at times they may serve 20 homeless veterans in one week. It is felt that a portion of the homeless population moves between San Marcos and the nearby cities of Austin and San Antonio that have more shelter space and resources for the homeless.

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	34%	45%
Black or African American	3%	5%
Other/Unknown	7%	3%
Ethnicity: Hispanic	54%	47%
Not Hispanic	46%	53%

Source: Estimated based on shelter records as listed below. Unsheltered were based on those who took showers at Southside as described below.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

Those in need of housing assistance include those extremely low income households with at least one severe housing problem who are at risk of becoming homeless, those who are sheltered but will leave the shelter without a stable income to support independent living, and those who are unsheltered.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The best source of data to answer this question comes from the records of the three shelters. Although this data does not address the unsheltered, it can be assumed that the racial/ethnic demographics are comparable to those receiving shelter.

In 2014 the Greater San Marcos Youth Council, which operates a youth shelter, served 103 children: 67% Hispanic, 31% White, and 2% Black.

Southside Community Center provides emergency shelter for up to 25 persons in families. Their records for calendar year 2014 show that they sheltered a total of 82 individuals, with the following demographics: White 45%; Hispanic 39%; Black 0 and other or unknown: 16%.

For Program Year 2013 (10/1/2013-9/30/2014) the Hays Caldwell Women's Center's sheltered 388 victims of family violence. Of that, 27% were white; 57% were of Hispanic, 6% were Black; and 10% were other.

Southside Community Center also provides unsheltered homeless persons a free evening meal, showers, and laundry facilities. They maintain monthly records by age bracket and race/ethnicity of those who use these services, but do not report unduplicated persons. Still, the percentages for those who used the shower in 2014 show that 45% were White; 47% Hispanic; 5% Black; and 3% other or unknown.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Again, the best available data comes from the sheltered homeless demographics. The Children served by the Youth Council range in age from 5 to 17 and were split with 57 males and 46 females.

The sheltered clients of Hays County Women's Shelter included 23 persons with a disability, only one person 65 or older, and 164 female head of households.

Southside Community Center's shelter clients included 9 children under the age of 18; 49 persons 18 to 64; 7 persons 65+, and 17 whose age was unknown. Of the 88 sheltered including all age brackets only 13 were female.

For those using Southside's showers, 45% were White, 47% Hispanic, 5% Black, and 3% were other or unknown.

Discussion:

Currently there are a total of 76 shelter beds that are targeted to specific populations: 35 beds for victims of family violence (children, adults, female and male); 16 for youth between the ages and 5 and 17; and 25 for homeless families. The family shelter can make exceptions when circumstances warrant allowing a single individual to have shelter space.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b, d)

Introduction:

Describe the characteristics of special needs populations in your community:

There is no information on the severity of the various conditions of the special needs populations. However, of the elderly 1,312 have a disability and of those, 489 are in need of living assistance according to the 2009-13 ACS. The non-elderly disabled include 391 children and 3,370 non-elderly adults. There is no information on the living situation of persons living with HIV/AIDS. Many persons with special needs also have very low incomes – affordable housing will be very important to these persons.

Section NA-10 includes a chart showing that 1,105 households includes a persons that has a self-care or independent living limitation. These households, especially the 465 households with incomes lower than 80% AMI that have at least one housing problem, may need supportive housing (housing with supportive services).

What are the housing and supportive service needs of these populations and how are these needs determined?

Special needs populations generally require some level of supportive services. Medical care is one of the primary needs for these populations. Transportation assistance, especially to out-of-town medical facilities, may be a need for elderly, persons with a disability, and persons living with AIDS/HIV. Employment at a living wage is another need for the working-age adults. Job training as well as employment and civil rights advocacy may be a need.

Counseling and therapy services, along with availability of group home or other transitional housing options, are needed by persons with substance abuse issues. This population may also have criminal histories that make obtaining housing difficult.

Supportive housing, either through assisted living, group homes, or permanent supportive housing is a need for a number of disabled adults. Accessibility improvements can become a need in all forms of housing.

<u>Elderly & Frail Elderly</u>.

The number of individuals with a disability are expected to increase due to an increase in life expectancy and aging baby boomers. For elderly homeowners, one need is assistance with maintenance of the structure. The City supports this need through its housing rehabilitation program. Supportive services that are targeted to the San Marcos elderly are provided by local organizations and agencies, many of which receive program support from the City.

<u>Persons with Alcohol or other Drug Addictions.</u>

The Hays Caldwell Council on Alcohol and Drug Abuse provides substance abuse education, prevention, and treatment services. This program receives funding support through the City.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to the Texas Department of Health Services, there are 18 persons living with HIV/AIDS in Hays County. No actual race/ethnicity data for Hays County is available, but Statewide 29.4% are white, 29.4% are Hispanic, and 37.5% are African American, with “other and unknown” making up 3.7%.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

Public facilities and infrastructure are considered a high priority need in San Marcos and have been for the past ten years. Examples of successful public facility projects completed using CDBG funds include the expansion of the San Marcos Senior Center, the construction of the Public Housing Chapultepec Adult Learning Center, and the restoration of the historic Cephas House. In addition to these public facilities, the City has improved a number of neighborhood parks.

San Marcos will continue to focus on making public facility and infrastructure improvements in low/mod neighborhoods a priority for CDBG funding. During the next five years it is anticipated that the City will continue to update neighborhood parks with improvements that increase accessibility and safety and increase the public amenities available to the area residents. Sidewalks and/or hike and bike trails, especially those that increase connectivity from one neighborhood to another will be considered for funding. Other suggestions that were received during the Consolidated Plan's Outreach activities include the installation of covered bus shelters, community centers for youth and seniors, and community gardens. The City is also committed to assist subrecipient agencies to provide sound, safe, and accessible facilities that serve the homeless and under-resourced residents of San Marcos.

How were these needs determined?

The Public Facility and Infrastructure needs, as with all of the need outlined in the Consolidated Plan, were determined through a combination of input from:

- Community stakeholder comments and survey results
- Consulting with City Departments and reviewing various City Master Plans (Parks, Youth, etc.)
- Consulting with subrecipient and other non-profit service providers.

Describe the jurisdiction's need for Public Improvements:

See above.

How were these needs determined?

See above

Describe the jurisdiction's need for Public Services:

The City added Public Services as a priority need during program year 2012. The need to support programs that assist victims of family violence, youth and children, the homeless or those at risk of becoming homeless, and senior citizens all ranked very high on the Consolidated Plan Outreach surveys.

How were these needs determined?

Citizen input during the Outreach phase of the planning process.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

San Marcos has experienced rapid growth in housing since 2010, especially in the multi-family sector. In May 2015 the Census Bureau announced that San Marcos was the fastest growing mid-sized City over 50,000 in the United States for the 3rd consecutive year, with a population increase of 7.9% between 2013 and 2014.

City records show that 841 new single-family homes were permitted between January 2012 and April 2015. More than 1800 apartment units, with 5,386 new bedrooms, were built in 2013 and 2014; 399 units with 1,227 bedrooms are under construction and expected to be completed in 2015.

The 2010 census shows that out of 17,031 households, 38.1% are family households and 61.9% are non-family households, with 33.1% of the householders living alone. With the median age being 23.1 years and 58.9% of the population being 24 years of age or younger, it is not surprising that the rate of rental units vs. owner-occupied units is very high – 71.4% compared to 28.6%. *(2009-2013 ACS).*

MA-10 Number of Housing Units – 91.210(a) & (b)(2)

Introduction

San Marcos has a high number of rental units with a significant number containing three or more bedrooms. However, many of these units are rented by young adults and college students leaving a gap of available housing for low/mod families. There has been a trend in recent years to build apartments where each unit has multiple bedrooms rented individually with shared common areas. Although the rents for a single room may be affordable, families who need more than one bedroom often find the unit's price prohibitive. The following chart shows housing units by the number of bedrooms as shown in the ACS 2009-2013:

No Bedrm	1 Bedrm	2 Bedrm	3 Bedrm	4 Bedrm	5+ Bedrm	Total
610	3847	7309	5703	1742	74	19285

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	5,414	30%
1-unit, attached structure	373	2%
2-4 units	2,920	16%
5-19 units	5,388	30%
20 or more units	2,851	16%
Mobile Home, boat, RV, van, etc	854	5%
Total	***17,800***	***100%***

Table 24 – Residential Properties by Unit Number

Data Source: 2007-2011 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	0	0%	381	3%
1 bedroom	62	1%	3,186	27%
2 bedrooms	874	19%	5,350	46%
3 or more bedrooms	3,593	79%	2,823	24%
Total	***4,529***	***99%***	***11,740***	***100%***

Table 25 – Unit Size by Tenure

Data Source: 2007-2011 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

Currently, based on HUD and TDHCA data, there are 1,973 state or federally assisted units in San Marcos. Of these, 289 are public housing, including 60 reserved for senior citizens or persons with a disability. There are 218 Section 8 Vouchers in San Marcos. Twelve apartment complexes have been funded using Low Income Housing Tax Credit funding with a total units of 1,684. Of those units, 651 are reserved for seniors or persons with a disability. The majority of the units are marketed to persons whose income does not exceed 60% of the Area Median Income.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

The City of San Marcos and the surrounding area experienced a record-setting flood Memorial Day weekend in 2015 which has had a tremendous impact on the portion of the City located near the Blanco River. The City is still assessing and analyzing the damage caused by the flood; the number of affordable housing units actually lost cannot be determined at this time. However, many of the areas receiving serious damage are low-income neighborhoods and many families have been at least temporarily displaced.

No units are expected to be lost permanently from Public Housing, although 100 units in the C. M. Allen Homes complex were damaged during the May 2015 flood and have temporarily been vacated in order to make the necessary repairs. It is unknown as this time when the units will again be available as affordable housing.

Does the availability of housing units meet the needs of the population?

No, there continues to be a need for housing that is affordable to very low income persons. The Public Housing Authority consistently has a lengthy waiting list for both public housing and Section 8 Vouchers.

Describe the need for specific types of housing:

A need has been identified for transitional housing for persons leaving local shelters; at this time no units of transitional housing are available in San Marcos although the Hays-Caldwell Women's Center is planning for future development of this housing type.

Units that are affordable for low and extremely low income families are needed in both rental and for-sale markets.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	76,000	121,300	60%
Median Contract Rent	548	695	27%

Table 26 - Cost of Housing

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Most recent Year 2013: Median Rent: $894; 63% Increase

Rent Paid	Number	%
Less than $500	734	6%
$500-999	7,099	58%
$1,000-1,499	3,182	26%
$1,500 or more	1,214	10%
Total	***12,229***	

Table 27 - Rent Paid

Data Source: 2009-2013 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	520	No Data
50% HAMFI	3,585	800
80% HAMFI	9,780	1,615
100% HAMFI	No Data	2,265
Total	***13,885***	***4,680***

Table 28 - Housing Affordability

Data Source: 2007-2011 CHAS

Monthly Rent

Monthly Rent ($)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	$681	$834	$1,050	$1,421	$1,723
High HOME Rent	681	834	1050	1316	1449
Low HOME Rent	$672	720	865	998	1113

Table 29 – Monthly Rent

Data Source: HUD FMR and HOME Rents - 2015

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FRM) and affordability of rental housing in counties. In 2015 in Hays County, the FMR for a 1-bedroom unit is $834. Affordable rent for a minimum wage earner in Hays County is $377 per month. In order for a minimum wage worker who earns $7.25 per hour to afford a one-bedroom unit at FMR, the worker will need to work 73 hours each week.

ACS 2009-13 data shows that only 5.9% of the occupied rental units in San Marcos pay less than $500/month rent.

Is there sufficient housing for households at all income levels?

The lack of affordable housing, in both the rental and housing sales market, were cited as a need by stakeholders and housing advocates.

The Housing Needs Assessment shows that there are 5,630 non-related households in San Marcos that have a cost burden that exceeds 30% and 3,925 non-related households with a cost burden exceeding 50%. The majority of these are renters.

How is affordability of housing likely to change considering changes to home values and/or rents?

The Census records show a steady increase in monthly median rent costs: in 2000 = $548; in 2011 = $695 (a 27% increase); in 2013 = $894 (a 29% increase in two years). The total percent of increase in area median rent between 2000 and 2013 is 63%.

San Marcos has been recognized by the U. S. Census bureau as the fastest growing City with a population over 50,000 for three consecutive years. Data on housing sales obtained from the Texas A & M Real Estate Center shows a steady increase in the median sales price and a decrease in the total number of annual listings and months inventory as follows:

Given the projected increase in population over the next five years and beyond, the continued increase in home values is likely to reduce the number of available affordable housing units for sale. On the rental side, the steady construction of new apartment complexes, many that rent "by the bedroom" keep market rents high. However, there is some hope that the older complexes will lower their rent prices to remain competitive.

Year	Median Sales Price	# listings	Number of Months Inventory
2000	$110,200	216	7.1
2010	$134,900	213	10.5
2013	$156,700	120	5.8
2014	$160,500	105	4.3

The percent of units sold based on a price distribution range shows a decrease in sales of houses in the more affordable price range as follows:

Price Range	2010	2012	2013	2014
$100k - $120k	16.3%	11.7%	5.4%	6.0%
$120k - $140k	15.5%	12.6%	17.8%	13.9%
$140k - $160k	16.7%	11.7%	15.2%	19.5%
$160k - $180k	6.0%	15.8%	9.8%	12.9%

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

San Marcos' median rent of $894 (2013 median contract rent) is higher than the HOME Rents/FMR for both efficiency and one-bedroom units. This reflects the need for more affordable housing units.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

Definitions

Property Maintenance Code means the most recent edition of the International Property Maintenance Code that has been adopted by the City of San Marcos.

Standard condition dwelling unit means a dwelling unit that complies with the City's Property Maintenance Code.

Substandard dwelling unit means an Unsafe or Dangerous structure that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure as those terms are defined in the City's Property Maintenance Code.

Substandard dwelling unit, suitable for rehabilitation means a structure that does not meet standard conditions as defined in the Property Maintenance Code, but is both financially and structurally feasible for rehabilitation to bring the unit into standard condition.

Condition of Units

The table below shows the number of housing units, by tenure, based on the number of conditions or characteristics the unit has. Selected conditions are similar to housing problems in the Needs Assessment and include (1) the lack of complete plumbing facilities; (2) the lack of complete kitchen facilities; (3) more than one person per room; and (4) cost burden greater than 30%. The table also includes the calculations for the percentage of total units that the category represents.

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	1,368	30%	7,201	61%
With two selected Conditions	48	1%	229	2%
With three selected Conditions	0	0%	36	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	3,113	69%	4,274	36%
Total	***4,529***	***100%***	***11,740***	***99%***

Table 30 - Condition of Units

Data Source: 2007-2011 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	985	22%	3,477	30%
1980-1999	1,380	30%	3,846	33%
1950-1979	1,676	37%	4,018	34%
Before 1950	488	11%	399	3%
Total	***4,529***	***100%***	***11,740***	***100%***

Table 31 – Year Unit Built

Data Source: 2007-2011 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	2,164	48%	4,417	38%
Housing Units build before 1980 with children present	330	7%	640	5%

Table 32 – Risk of Lead-Based Paint

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Vacant Units – Information not available.

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	N/A	N/A	
Abandoned Vacant Units	N/A	N/A	
REO Properties	N/A	N/A	
Abandoned REO Properties	N/A	N/A	

Table 33 - Vacant Units

Need for Owner and Rental Rehabilitation

Forty-eight percent of the owner-occupied housing stock and thirty-seven percent of the renter-occupied housing was built prior to 1980, placing the age of that housing at more than 30 years old. As the housing stock ages, housing units can begin to deteriorate, especially when the residents don't or can't provide needed maintenance. The City funds owner-occupied housing rehabilitation programs that reduce building code violations, increase accessibility, and preserve housing values. The City also allows homeowners to perform renovation work on their homesteads (without using a contractor) so long as the work complies with codes which reduces the cost of rehabilitation.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Houses constructed before 1978 can be presumed to have at least some lead-based paint. The 2009-2013 ACS data shows that 330 owner-occupied and 640 rental units that were constructed prior to 1980 are occupied by families with children under the age of six – the age most vulnerable to lead-paint exposure. As housing units and neighborhood age, it is not unusual for the income classes to fall from middle or moderate income households to lower income households. Thus, it is likely that many of the older residences are occupied by low income households.

The Texas Department of State Health Services monitors the lead poison testing results and compiles results by counties. Their records show the following testing results for the year 2011:

- 1,628 children under the age of six were tested in Hays County (12.8% of all 6 year olds)
- Less than 5 children tested positive for elevated lead levels (0.2%).

This is consistent with the 2009 results which show that only 1.4% tested positive out of 1,179 tests that were performed.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction:

The San Marcos Housing Authority administers the Housing Choice (section 8) Voucher Program and Public Housing. The City works closely with the Housing Authority regarding public housing issues. There is a definite need for additional public housing/Section 8 vouchers in San Marcos as evidenced by long waiting lists that exist for all housing categories.

Totals Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available			289	218			0	0	0
# of accessible units			unknown	Unknown					
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 34 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

The San Marcos Housing Authority has been providing affordable housing since 1950 and currently provide housing for about 574 low-income families and individuals, including the elderly and disabled. Their resident services program consists of several initiatives designed to support Self-sufficiency and family development, elderly and disabled services, youth services, and resident organizations and community development. Public housing developments include Allen Wood Homes, C. M. Allen Homes, and Chapultepec Homes. Springtown Villas is a place-based Section 8 facility for seniors and persons with a disability.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Overall the public housing units are considered to be in good condition and the Housing Authority follows a program of routine maintenance. The C. M. Allen Homes were impacted by flood waters during the Memorial Day weekend flood of 2015. See the next question for more details.

Public Housing Condition

Public Housing Development	Average Inspection Score
All Developments	High Performing

Table 35 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

In May 2015 the City of San Marcos experienced a devastating flood that impacted all 100 units of public housing at the C. M. Allen complex. Ninety six families were impacted with loss of personal possessions, vehicles, and temporary loss of housing. The damage was primarily from rising water and the initial assessment shows that these units remain structurally sound, although renovation costs are expected to be high as appliances, air conditioning units, sheet rock, flooring, and cabinets will need to be replaced and the units treated to prevent mold growth.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

San Marcos Public Housing will continue to improve the living environment by making technology available to their residents; partnering with Texas State University for students to provide nutrition and healthy cooking classes; providing after-school activities; and continuing to provide a family self-sufficiency program.

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction: Three agencies provide shelters for specific homeless populations: (a) the Southside Community Center operates an emergency family shelter; (b) the Hays-Caldwell Women's Center accepts victims of domestic violence – women, men, adults and children; and (c) the Greater San Marcos Youth Council accepts youth ages 5 to 17 that are at-risk, homeless, neglected or abused. No shelter is available for single men and women who do not fit these categories although Southside will make exceptions on a case-by-case basis. Shelters are available in Austin and San Antonio and local social service agencies provide assistance in reaching these shelters as part of their supportive services.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	60	25	0	0	0
Households with Only Adults	0	0	0	0	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	16	10			

Table 36 - Facilities and Housing Targeted to Homeless Households

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons.

Non-profit organizations in San Marcos provide a number of services to their clients including the shelters previously listed, food distribution, English-as a second language classes, GED preparation courses, counseling and advocacy for victims of rape and family violence, job training for youth and young adults and many other services.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

San Marcos is served by a variety of organizations that address the needs of the homeless including:

- Direct Assistance (food, medication, bus tickets, etc.): Salvation Army, Southside Community Center, St. Vincent De Paul Society
- Food: Hays County Food Bank
- Meals, showers, laundry facilities: Southside Community Center (not limited to their shelter residents)
- Emergency Shelter: Southside Community Center, Salvation Army
- Veterans Service: Hays County Veterans Service Office
- Health Care: Community Action

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Elderly persons and persons with a disability may need accessibility improvements to allow them to remain in their home or to move into a new home. Public housing residents need resources to gain their independence from publicly supported housing and need a sufficient supply of affordable rental/for sale housing units. Persons with addictions often need a group home or other transitional housing to support their recovery. Transitional housing has been identified as a need for persons leaving the family violence shelter and for youth who have "aged out" of the youth shelter and foster care systems.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

There is no established supportive, transitional housing in San Marcos for those returning from mental and physical health institutions.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

San Marcos will continue to fund housing rehabilitation programs that work with the elderly, and other low-income homeowners, in an attempt to maintain a safe, accessible home environment. The City will use public service funds to provide supportive services to special needs residents. The City also provides over $400,000 in general fund dollars to support local non-profit organizations that have programs that benefit the community, including those with special needs. Park and sidewalk projects will improve accessibility for those who have mobility challenges.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215€ with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

1. Housing rehabilitation for low/mod homeowner occupied housing units through Southside Community Center
2. Park improvements, including accessibility improvements
3. Public Services support of:
    a. Victims of family violence
    b. Children within the Texas Foster Care system

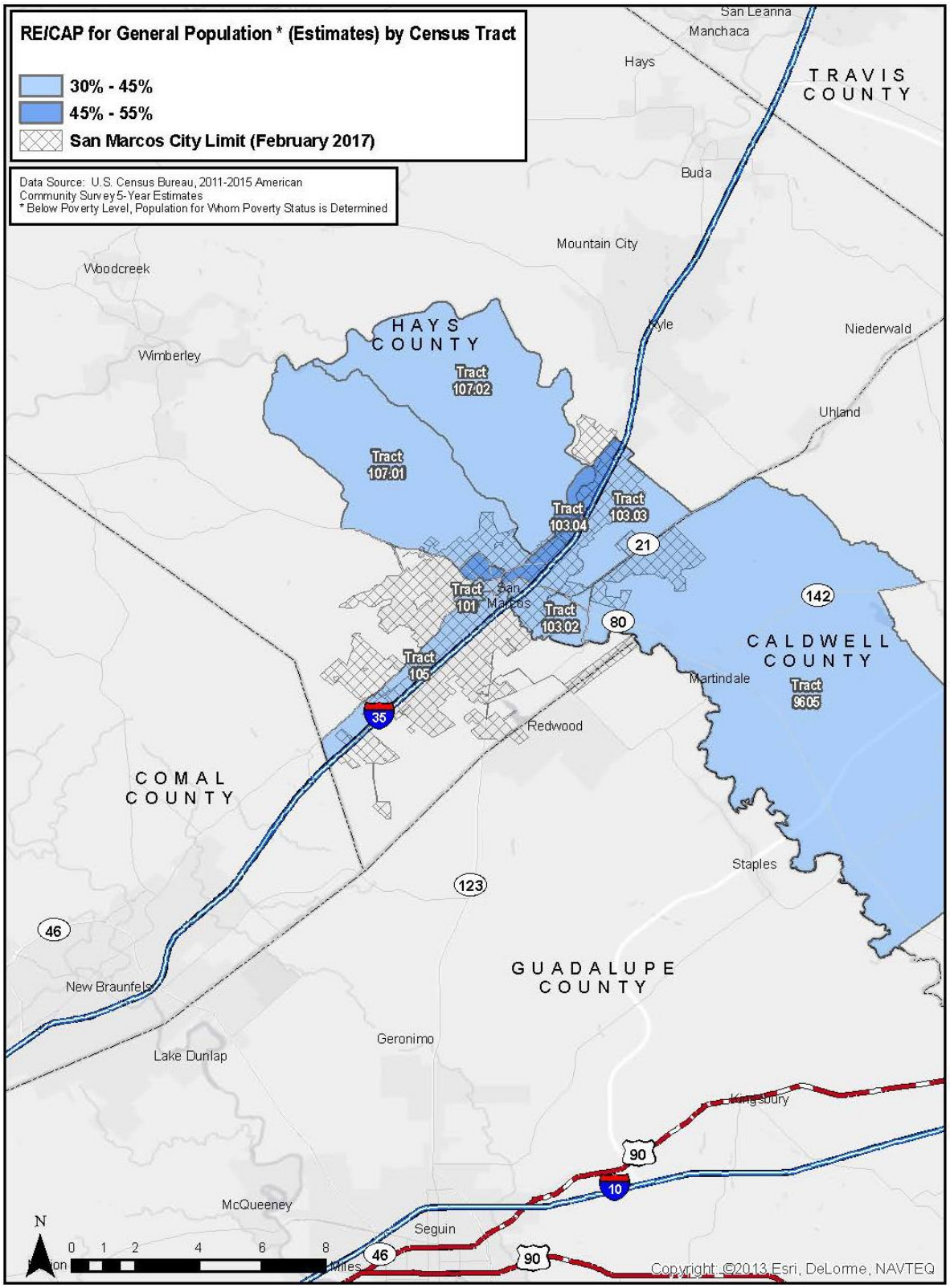
2017 Addition to MA-40 Barriers to Affordable Housing – 91.210(e)

Describe any negative effects of public policies on affordable housing and residential investment.

There are no barriers to affordable housing resulting from public policies of the City of San Marcos. The Updated Analysis of Impediments to Fair Housing Choice found one additional impediment that creates barriers to affordable housing:

1. Census tracts where poverty amongst racial and ethnic populations exceed 30% creating a concentration of poverty.

Map of R/ECAP Areas by Census Tract



MA-40 Barriers to Affordable Housing – 91.210(e) - 2015

Describe any negative effects of public policies on affordable housing and residential investment.

There are no barriers to affordable housing resulting from public policies of the City of San Marcos.

The Analysis of Impediments to Fair Housing Choice found three impediments that create barriers to affordable housing:

1. Lack of affordability of the housing stock;
2. Insufficient income for the local cost of housing; and,
3. Low income residents have limited resources to maintain homes and neighborhood stability.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

The economic health of a community has a large impact on a household's ability to meet the financial needs of owning or renting their desired housing unit. The data below provides a look at where jobs and economic activity provide employment opportunities.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	53	23	1	0	-1
Arts, Entertainment, Accommodations	1,814	4,099	21	20	-1
Construction	456	362	5	2	-3
Education and Health Care Services	1,513	3,434	17	16	-1
Finance, Insurance, and Real Estate	463	839	5	4	-1
Information	220	435	3	2	0
Manufacturing	753	2,028	9	10	1
Other Services	451	1,039	5	5	0
Professional, Scientific, Management Services	599	1,195	7	6	-1
Public Administration	0	0	0	0	0
Retail Trade	1,389	5,559	16	27	11
Transportation and Warehousing	200	800	2	4	2
Wholesale Trade	307	457	4	2	-1
Total	8,218	20,270	--	--	--

Table 37 - Business Activity

Data Source: 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	22,662
Civilian Employed Population 16 years and over	20,373
Unemployment Rate	10.10
Unemployment Rate for Ages 16-24	20.30
Unemployment Rate for Ages 25-65	5.45

Table 38 - Labor Force

Data Source: 2007-2011 ACS

Occupations by Sector		Number of People /
Management, business and financial		3,521
Farming, fisheries and forestry occupations		1,111
Service		3,334
Sales and office		6,147

Construction, extraction, maintenance and repair		1,260
Production, transportation and material moving		626

Table 39 - Occupations by Sector

Data Source: 2007-2011 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	13,907	72%
30-59 Minutes	3,974	21%
60 or More Minutes	1,344	7%
Total	***19,225***	***100%***

Table 40 - Travel Time

Data Source: 2007-2011 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	1,090	109	730
High school graduate (includes equivalency)	2,771	192	968
Some college or Associate's degree	3,339	318	714
Bachelor's degree or higher	3,840	200	716

Table 41 - Educational Attainment by Employment Status

Data Source: 2007-2011 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	87	192	172	330	793
9th to 12th grade, no diploma	569	470	325	440	173
High school graduate, GED, or alternative	1,394	1,384	1,190	1,357	608
Some college, no degree	15,101	1,870	715	924	593
Associate's degree	653	319	468	103	202
Bachelor's degree	1,237	1,832	700	1,044	421
Graduate or professional degree	152	493	157	530	349

Table 42 - Educational Attainment by Age

Data Source: 2007-2011 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	17,478
High school graduate (includes equivalency)	23,415
Some college or Associate's degree	25,752
Bachelor's degree	33,750
Graduate or professional degree	42,098

Table 43 – Median Earnings in the Past 12 Months

Data Source: 2007-2011 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The largest employment sectors are (1) Service industry with 21%; (2) Education and Health Care with 17%; followed closely by Retail trade with 16% of the workforce.

Describe the workforce and infrastructure needs of the business community:

In a recent survey of regional employers, respondents identified the availability of educated and talented workers, quantity of available workers, and commitment to Greater San Marcos as the top three strengths of the workforce. In terms of weaknesses, however, respondents identified a lack of education and skills, followed by limited job opportunities, and low wages.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The City of San Marcos continues to invest millions of dollars annually in planning and infrastructure to support continued economic development. The following three examples are indicative of the level of support for continued economic development and growth within the City organization and the community at large:

1. CodeSMTX – the rewrite of the City's Land Development Code so that new development fits the community's vision for the future. One of the goals is to attract affordable high quality new development within high intensity areas.
2. FM 110 - A major new arterial roadway, jointly funded by the City of San Marcos and Hays County, that will provide vehicular connectivity and access to key infrastructure for the majority of the City, east of Interstate 35.
3. Greater San Marcos Partnership (GSMP) Vision 2020 Strategy - A strategic plan to enhance economic development activities and programs in the region comprised of Hays and Caldwell counties.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The 2009-13 American Community Survey shows that in San Marcos 78% of the population 3 and over is enrolled in college or graduate school. Of those 25 and older only 14% have less than a high school degree, with 31% having a bachelor's degree or higher. In addition to Texas State University, Austin Community College, and Gary Job Corps offer career and technical training.

Compared to the State of Texas and the nation, San Marcos has fairly competitive workforce dynamics. But seen in the context of Central Texas, the San Marcos region must upgrade its complement of adults with college degrees at all levels to get on the radar of top knowledge businesses in the Austin-San Antonio corridor and beyond. In addition, programs and processes may need improvement to better connect existing and future employers with the regional education and training community.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The Greater San Marcos Partnership, the City's contracted economic development firm, works closely with existing and prospective businesses and local education providers to ensure that a skilled workforce is available for job openings.

Austin Community College recently expanded their degree and certifications curriculum to meet regional workforce demands, particularly in the areas health sciences, IT, and creative arts. It also is the recipient of a $300,000 AARP grant which sparked the creation of the Back to Work 50+ - Women's Economic Stability Initiative. Texas State University has opened the highly successful technology innovator Science Technology and Advanced Research (STAR) Park. Gary Job Corp provides career technical and academic training to youth ages 16 through 24 for careers ranging from health occupations to business technology to construction and manufacturing.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

Yes. The Capital Area Council of Governments (CAPCOG) completed the 2010-2015 CEDS on behalf of its members, which includes the City of San Marcos.

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

No economic development initiatives are currently planned for CDBG funding participation. The City of San Marcos provides funding to the Greater San Marcos Partnership (GSMP) which is a public-private partnership focused on job creation, increased investment and creating economic opportunities.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (Include a definition of "concentration")

In San Marcos 61% of the renters and 30% of the homeowners have one housing problem – primarily a cost burden that exceeds 30%. Only 2% of renters and 1% of homeowners have two or more housing problems. For the purpose of answering this question, "concentration" means an area having 44% or more of the population. The Housing Cost Burden Map shows that there is a large portion of the City where 44 to 73% of the households have a housing cost burden that exceeds 30% of their income. The only area with a cost burden that exceeds 73% is located in Census Block Group 10905-1 – an area where only 15.83% of the population are low/mod.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (Include a definition of "concentration")

Of the thirteen census tracts in San Marcos, ten have a low/mod population in excess of 51%, the threshold HUD has established as the minimum to be considered a "low/mod area".

HUD defines high racial/ethnic concentration areas as being census tracts in which a racial or ethnic group's share of the population is at least 10% greater than that group's share of the City population as a whole. The ratio used to determine areas of minority concentration based on this definition is 6% or higher for African American neighborhoods and 42% or higher for Hispanic/Latino neighborhoods.

Two census blocks (out of 13) have high concentrations of African American residents while four have high concentrations of Hispanic residents. Five of those six tracts also have low/mod populations in excess of 51%. (See chart in NA-30).

What are the characteristics of the market in these areas/neighborhoods?

The housing market in these areas includes new high-end multi-family housing, university-related housing, older multi- and single-family housing, mobile home parks, public housing and some units of subsidized affordable housing. Several new subdivisions with moderately-priced housing are also located in these areas.

Are there any community assets in these areas/neighborhoods?

These census tracts cover a large segment of San Marcos. There are many community assets in these areas including churches and organizations that support the low to moderate income population. Assets include the Public Library and Recreation Center, City and County government offices, along with State agencies, the hospital and numerous medical offices, public schools, a number of neighborhood parks, major retail areas including major grocery and pharmacy stores, and several community centers.

Are there other strategic opportunities in any of these areas?

The City is expanding the strategic opportunities in these areas by focusing CDBG and Capital Improvements in the areas as well as encouraging economic development, infill affordable housing development and housing rehabilitation.

Strategic Plan

2020 Addition to SP-05 Overview

Strategic Plan Overview

Because of the recent and continuing impacts of the COVID-19 pandemic on health systems and the economy, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) made available additional funding through a new program, the Community Development Block Grant (CDBG)-CV Coronavirus Response grant. The City of San Marcos will receive $425,261 in funding for immediate use upon acceptance of the amendments to the City's 2019 Action Plan by the US Department of Housing and Urban Development (HUD).

HUD has waived some of the typical requirements for this grant to meet the needs of the current situation:

- The City can accept applications from for-profit entities
- Up to 100% of the funds can be used for Public Services
- Comment periods must be a minimum of five days
- The typical needs assessments and market analyses are not required

These funds must be used to prevent, prepare for, and respond to Coronavirus, which can include responding to the economic effects as well as the health impacts of the COVID-19 pandemic. Funding is primarily for projects and programs that benefit low-to-moderate income residents of San Marcos who have been impacted by the COVID-19 pandemic.

The City will be holding an application process to help determine the optimal allocation for the funding, in addition to consulting with local health authorities and reviewing data as applicable.

SP-05 Overview

Strategic Plan Overview

The Strategic Plan addresses the high priority needs of the community as determined through stakeholder input, funding realities, and available partners. The Plan addresses the infrastructure, public facilities, clearance activities, housing, and public services needs of the low/mod areas and citizens of San Marcos.

The City will work in partnership with other entities and non-profit organizations to enhance service delivery systems. The City will provide technical assistance, program monitoring, workshops and information sharing to ensure the goals of the CDBG program are met.

The City is committed to providing affordable housing of choice to low-income and protected classes through educating the public on fair housing issues and rights and affirmatively furthering fair housing. By providing assistance to first-time homebuyers to purchase affordable homes of choice the City is encouraging de-concentration and fair housing choice. The City also helps low-income homeowners maintain their homes through its housing rehabilitation program.

The City strives to improve low-income residential areas, especially those with high concentrations of minorities and other protected classes, by improving parks and other facilities and infrastructure. These public improvements bring the areas up to standards equal to other areas of the city and make the neighborhoods safer and more desirable.

The City's 2015 CDBG allocation will be $517,077 which will be used to accomplish the goals set out in this Consolidated Plan. For the purposes of planning, the 5-year plan is based on an estimate of an annual allocation of $500,000 per year, for a total of $2,500,000 over the course of the 5-year plan. A small amount of additional revenue may be available in the form of Program Income from recaptured funds from the First-Time Homebuyer program when a 5-year affordability period is not completed.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 44 - Geographic Priority Areas

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The City of San Marcos does not have any specific target areas for CDBG expenditures – essentially, the entire City has a low-mod population, spread throughout all census tracts. Likewise, the City has not geographically prioritized the identified needs of the community.

Low/Mod Census Tracts

The following chart shows the City's low/mod population percentages by census tract. All tracts are located in Hays County unless otherwise noted. The source data is the HUD Low/Mod Income Summary Data (LMISD) effective 7-1-2014. The data is found at https://www.onecpd.info/manage-a-program/acs-low-mod-summary-data-block-groups-places.

Census Tract	Low/Mod Population	Total Population	Low/Mod Population Percent
960500 (Caldwell Co)	2969	4980	59.61%
210505 (Guadalupe Co.)	725	1480	48.99%
101	1490	2225	66.96%
102	705	960	73.43%
103.02	3100	3875	80.00%
103.03	3375	4930	68.45%
103.04	4310	5215	82.64%
104	4220	6750	62.52%
105	2270	3200	70.94%
106	3010	8435	35.68%
107.01	4745	6770	70.09%
107.02	720	1220	59.02%
109.05	315	1990	15.83%
Total	31,954	52,030	61.41%

Maps showing the percentage of low/mod population of each census block group, as established by the U. S. Department of Housing and Urban Development and released in 2014 are included in this document.

2020 Addition to SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

In addition to the existing programs which will not change as a result of this amendment, Economic Development is hereby added as a Priority Need category available for funding projects and programs through the annual Action Plans. Projects or programs in response to the COVID-19 pandemic can be in any of the following Priority Need categories, as long as they meet the requirements specified in the CDBG-CV regulations and guidance:

- Economic Development
- Public Services
- Affordable Housing
- Public Facilities / Infrastructure / Transportation
- Clearance
- Program Administration

Narrative (Optional)

Due to the nature of the COVID-19 pandemic and subsequent business closures, it is anticipated that programs and projects will particularly be needed to support local businesses and their low-to-moderate income employees, as well as in the public services category. The addition of Economic Development to this Consolidated Plan as a priority need is necessary to enable award of funds in that category.

2017 Addition to SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

In addition to the existing programs which will not change as a result of this amendment, the priority needs as identified for the $25,080,000 in CDBG-DR funds based on the disaster recovery public community meetings and surveys are as follows:

City of San Marcos		
Housing	$7,524,000	30%
SF Owner Occupied Rehabilitation, Reconstruction, or Buyoutl	$5,000,000	
SF 1-4 Unit Rental Rehabilitation, Reconstruction, or Buyout	$2,524,000	
Infrastructure	$12,540,000	50%
Planning	$3,762,000	15%
Admin	$1,254,000	5%
Total Allocation	**$25,080,000**	**100%**

Housing Priorities with the CDBG Disaster Recovery Funds based on public meetings, needs assessment and individual surveys from the impacted community for housing.

The City intends to allocate **$7,524,000** of its CDBG-DR funds to the following Housing activities and does not anticipate funding more than approximately 100 homes:

- Single-Family, Owner Occupied Housing Rehabilitation or Reconstruction
- Single-Family, Owner-Occupied Housing Reconstruction (for homes incurring damage that amounts to greater than 50% of the home's pre-storm value the home will be elevated as required);
- Single-Family, 1-4 Unit Rental Housing Substantial Rehabilitation or Reconstruction for which Elevation will be required
- Elevation w/ Minor Repair; and
- Buyout

The breakout of funds between owner occupied and rental is as follows and was based on the outstanding proportion of owner occupied and rental units that received substantial damage from the flooding (excluding manufactured housing units):

Housing Programs Proposed Breakout of Funding	
Single Family Owner Occupied Rehab/Recon/Buyout	$5,000,000
Single Family 1-4 Unit Rental Rehab/Recon/Buyout	$2,524,000

During community meetings several projects were identified as being the top priorities for the use of CDBG-DR grant funds. Based on the input and the design of the project, the staff developed the following table of priorities for infrastructure projects:

City of San Marcos CDBG-DR Infrastructure Feasibility Study

Prioritization Matrix Results & Ranking

	% LMI Population Served	Flood Risk Reduction: Level of Service	Flood Risk Reduction-# Structures Benefitted	Benefit-Cost Ratio	Leveraged Funding	Permitting Requirements / Schedule	Mobility Improvement	Phasing Considerations	Project Synergies	Environmental Impact/Benefit	Total Prioritization Score (out of 100)	Prioritization Ranking
Area 3- Midtown/Aquarena Springs	17	4	10	20	5	5	5	3	3	3	75	1
Area 1- Blanco Gardens	16	4	10	20	5	0	5	0	3	3	66	2
Area 2- Clarewood	18	4	10	7	5	5	5	3	3	3	63	3
Riverine Project 1-Bike trail	16	10	10	7	5	0	5	5	3	0	61	4
Area 4- Uhland Road	15	4	10	13	0	5	3	0	3	3	56	5
Area 7- Rio Vista	18	4	5	13	0	5	0	0	0	3	48	6
Area 6- River Ridge	16	4	2	0	5	5	3	3	3	3	44	7
Area 5- Fairlawn	11	4	7	0	0	5	3	0	3	3	36	8

	BEST	MID	LEAST
Ranking Color Scale	10	5	1

SP-25 Priority Needs - 91.215(a)(2) - 2015

Priority Needs

Table 45 – Priority Needs Summary

Narrative (Optional)

The high priorities identified in the 2015-2019 Consolidated Plan are:

- Affordable Housing
- Public Facilities / Infrastructure / Transportation
- Clearance
- Public Services
- Program Administration

The high priority needs were determined in compliance with the City's Citizen Participation Plan following a series of workshops, small group meetings, and the 2015 Action Plan stakeholder's workshop and public hearing. Each meeting/workshop included a presentation on the City's funding history, eligible activities, national objectives, and fair housing.

Participants and the public were encouraged to complete one or both of the City's surveys – one in paper format and one on-line survey. Paper surveys were provided at each of the workshop and small group meetings and were also available on-line.

Survey results were published on the City's website and presented to the City Council, along with any comments that had been received.

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The City does not receive TBRA.
TBRA for Non-Homeless Special Needs	The City does not receive TBRA.
New Unit Production	San Marcos does not anticipate the construction of new housing units directly funded with the CDBG Grant Program.
Rehabilitation	Aging housing stock, especially those homes owned by low-income persons, will need assistance in maintaining the quality, safety, and accessibility of their homes through housing rehabilitation.
Acquisition, including preservation	Acquiring vacant lots for the construction of affordable housing or expanding existing park and green space areas will be considered as funding permits and when appropriate properties are available.

Table 46 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City anticipates continuing to receive an annual CDBG allocation of approximately $500,000 and does not expect to become an entitlement community for HOME, ESG, or ADDI funding during the next five years.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	Public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	$517,077	$2,000	$290,669	$809,746	$2,000,000	CDBG funds will be used to address community housing and non-housing priority needs.

Table 47 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.

The City of San Marcos utilizes both CDBG and General Fund dollars to provide assistance to local non-profit organizations who provide services in the San Marcos area. Although CDBG funds for "public services" are limited to 15% of the annual allocation ($75,000 for a $500,000 allocation), the City leverages these limited resources with over $400,000 in local "Human Services" funds. A citizen advisory board reviews applications for both funding sources and make recommendations to the City Council on funding awards. The City does not require that funded projects/programs provide "matching" funds. However, it is common for CDBG-funded infrastructure and public facility projects to include the use of non-federal funds.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City anticipates continuing to improve existing parks and install sidewalks in low/mod areas on property currently owned by the City. The *Affordable / Workforce Housing Policy* acknowledges the need for additional land to be made available to organizations such as Habitat for Humanity for Humanity for the construction of affordable housing. If public land becomes available, the City will strive to target it toward the construction of affordable housing.

2017 Addition to SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

The City of San Marcos will need assistance to deliver the CDBG-DR funds and will use a portion of the funds to plan, administer and deliver projects to impacted residents and technical programs in infrastructure by utilizing third party consultants**.**

Assessment of Strengths and Gaps in the Institutional Delivery System

The City of San Marcos must continue to conduct the regular business of the city. The staff will maintain close oversight on any additional support retained to assist with the delivery of the projects. The City will monitor ongoing activities and serve as support for residents with questions or concerns. The City's financial services team will be involved in the monitoring process as well.

As was discussed in the Unmet Needs and Prioritization sections, there are insufficient funds to address all of the unmet needs in both the housing and infrastructure programs.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs.

The strategy is to examine the additional staffing requirements in the process and utilize experienced consultants and professionals to assist the City in delivery of the CDBG-DR funds. A Request for Proposals was issued to assist in specific capacities for housing. A similar Request for Proposal will likely be issued upon approval of the DR Action Plan Substantial Amendment for infrastructure project.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Hays Caldwell Women's Center	Non-Profit Organization	Subrecipient – Public Services	Jurisdiction
CASA of Central Texas	Non-Profit Organization	Subrecipient – Public Services	Jurisdiction
Southside Community Center	Non-Profit Organization	Subrecipient – Housing Ownership	Jurisdiction
Habitat for Humanity-San Marcos	Non-Profit Organization	Subrecipient – Housing Ownership	Jurisdiction
United Way of Hays Co.	Non-Profit Organization	Subrecipient – Public Services	Jurisdiction
Community Services – Parks & Recreation Div.	Government	Public Services & Public Facilities	Jurisdiction
San Marcos Public Housing	Public Housing Authority	Affordable Housing-Rental, Public Housing, Homelessness	Jurisdiction

Table 48 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The City of San Marcos works closely with the local non-profit and faith based organizations to ensure that services are provided to the San Marcos low/mod and homeless populations. The City provides training and technical assistance to enhance their subrecipient partner's capacity to serve low/mod persons while complying with CDBG program rules.

Gaps in the institutional structure include:

- There is a gap in the level of funding that is available for supportive services; when funds are inadequate services are reduced or eliminated.
- There is also a lack of funds to construct transitional housing.
- Habitat for Humanity – San Marcos has no paid staff and primarily depends on weekend "workdays" to construct new housing units. If additional funding was available to hire an executive director and construction professionals, their rate of production would most likely increase.
- There is a gap in the number of Public Housing/Section 8 Voucher units available locally and the number of persons who need this housing option.
- There is a gap in the shelter options available to single adults in San Marcos.

The City continues to affirmatively further fair housing as part of its institutional service delivery system. Principal actions to lessen impediments to fair housing are:

- Hosting an annual fair housing workshop that is targeted to local housing industry partners;
- Maintaining Fair Housing information on the City's website;
- Issuing an annual Proclamation declaring April to be Fair Housing Month;

- Providing resources and assisting persons who want to file a fair housing complaint;
- Including "Fair Housing" as a topic in all homebuyer education classes and stakeholder workshops.

The following charts details the availability of services in the San Marcos area.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X		
Legal Assistance	X		
Mortgage Assistance			
Rental Assistance	X		
Utilities Assistance	X		
Street Outreach Services			
Law Enforcement	X		
Mobile Clinics			
Other Street Outreach Services	X	X	
Supportive Services			
Alcohol & Drug Abuse	X		
Child Care	X		
Education	X		
Employment and Employment Training	X		
Healthcare	X		X
HIV/AIDS	X		X
Life Skills	X		
Mental Health Counseling	X		
Transportation	X	X	X
Other			
Other: Food Bank	X		

Table 49 - Homeless Prevention Services Summary

Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction:

Three shelters are available for homeless persons in San Marcos that target specific populations: unaccompanied youth up to age 17; victims of family violence; and families with children. In addition, Southside Community Center provides an evening meal each day, allows persons who are homeless to shower and do laundry, without regard to their shelter status. Food is available from the Hays County Food Bank. Community Action has programs that provide transportation to medical appointments for persons living with HIV. Local non-profit organizations and churches provide direct assistance as they are able for needs such as bus tickets, emergency lodging, and clothing. The Hays County Veteran's Service Office works with veterans, including those who are homeless, to meet various needs.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above.

San Marcos has a strong network of non-profit and faith based organizations who are committed to serving the needs of the community. Unfortunately, as is true across the nation, operating funds are always in short supply. Gaps in the delivery system include the lack of a shelter for single individuals who do not fit the specific criteria of the existing shelters; lack of transitional housing for individuals leaving shelters; insufficient public housing and Section 8 Vouchers to meet the local need, lack of funding for programs of supportive services, and lack of rental housing that is affordable to extremely low income persons.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs.

The City will continue to fund social service programs that benefit the low to moderate income citizens of San Marcos using both CDBG and City Human Services funds. The City will consider supporting new development of Low Income Housing Tax Credit (LIHTC) housing as those opportunities arise. The City will continue to waive construction permit fees for the construction of affordable housing or for renovation projects carried out using CDBG funds or by the San Marcos Housing Authority.

2017 Addition to SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Funding	Goal Outcome Indicator
1	SF Owner Occupied Rehabilitation or Reconstruction	2017	2021	Disaster Recovery Assistance/LMI	Maintain affordable housing after the floods Mitigate damage	$5,000,000	Repair not more than 50 homes
2	SF 1-4 Unit Rental Rehabilitation or Reconstruction	2017	2021	Disaster Recovery Assistance/LMI	Maintain affordable housing after the floods Mitigate damage	$2,524,000	Repair not more than 50 homes
3	Midtown	2017	2022	Infrastructure drainage access/LMI	Intersection improvements are proposed including curb cuts and inlet improvements adjacent to the low point locations and inlets for the north side/Rehab facility. Clearing of the existing TxDOT ditch is also proposed as it is currently overgrown, and not well-maintained. Downstream at Davis Road, the existing dual 8'x4' culverts will be supplemented with 2 additional culverts as not to constrict flow	$850,000	Approximately 82 properties would benefit during local rainfall events up to 25-year frequencies with the proposed improvements. Mobility will be improved.
4	Blanco Gardens	2018	2022	Infrastructure Drainage Access/LMI	By adding a new central storm drain system to Conway & Barbara Drives connected to the existing storm drain system, and providing a new 60-inch outfall to the San Marcos River (supplementing the existing 60-inch outfall); both the existing and proposed systems meet the City's required 25-year criteria. Additional 24-inch connections across River Road into the Woods Apartment Ditch are proposed to provide	$5,000,000 +500,000 local funds	Approximately 420 properties would benefit during local rainfall events up to 25-year frequencies with the new storm drain system. Mobility will be improved.

					additional relief during lesser events.		
5	Clarewood/Barbara	2018	2022	Infrastructure Drainage Access/LMI	Mitigation and Drainage By adding a new storm drain system to Clarewood Dr. with a connection to both the Bugg Lane system and with a connection to the existing Highway 80 ditch (where ponded water currently flows), the system will meet criteria, and runoff will be captured by the storm drains and ditches instead of ponding in the roadway.	$2,500,000	Approximately 76 properties would benefit during local rainfall events up to 25-years with the new storm drain system. Mobility will be improved.
6	Uhland Road	2017	2022	Infrastructure for Flood Risk Improvement/LMI	By converting the roadways to depressed curb-and-gutter sections with adequate grading, and adding a new storm sewer system with a new 48-inch outfall to the Blanco River, this area would be brought into compliance meeting the City's 25-year design criteria.	$4,150,000 +50,000 in local funds	Approximately 166 properties would benefit during local rainfall events up to 25-year frequencies with the new storm drain system and roadway improvements. Mobility will be also improved
7	Planning	2015	2021			$3,762,000	Assist in the development of an operational program designed to benefit residents impacted by storm
8	Administration	205	2021			$1,254,000	Effectively administer programs

Goals Description

1. Due to flooding damage, the city will rehabilitate with elevation if needed, or reconstruct houses that are substantially damaged after the storm due to disaster related impacts of single family owner occupied homes damaged during the storm.
2. Due to flooding damage, the city will rehabilitate, with elevation if needed, or reconstruct SF 1-4 Unit Rental uses that are substantially damaged after the storm due to disaster related impacts during the storm.
3. Intersection improvements are proposed including curb cuts and inlet improvements adjacent to the low point locations and inlets for the north side/Rehab facility. Clearing of the existing TxDOT ditch is also proposed as it is currently overgrown, and not well-maintained. Downstream at Davis Road, the existing dual 8'x4' culverts will be supplemented with 2 additional culverts as not to constrict flow. Lastly the City will consider a future channel along Davis Road or the Railroad near the Lake to connect to the Blanco River, as the Lake is reported to overflow both west and east in heavy events. The project will require coordination with TxDOT for these improvements.
4. By adding a new central storm drain system to Conway & Barbara Drives connected to the existing storm drain system, and providing a new 60-inch outfall to the San Marcos River (supplementing the existing 60-inch outfall); both the existing and proposed systems meet the City's required 25-year criteria. Additional 24-inch connections across River Road into the Woods Apartment Ditch are proposed to provide additional relief during lesser events. Road regrading is proposed for this reach of River Road from Linda to Cape Rd. revising the roadway cross-section to drain towards the Woods apartment ditch. Lastly, there is a potential buyout property on Conway that may be purchased for use as a drainage easement to add an inlet and lead system to drain the alley/easement between Barbara & Conway.
5. Adding a new storm drain system to Clarewood Dr. with a connection to both the Bugg Lane system and with a connection to the existing Highway 80 ditch (where ponded water currently flows), the system will meet criteria, and runoff will be captured by the storm drains and ditches instead of ponding in the roadway. Barbara Drive will be regraded to drain to Bugg Lane for adequate drainage.
6. By converting the roadways to depressed curb-and-gutter sections with adequate grading, and adding a new storm sewer system with a new 48-inch outfall to the Blanco River, this area would be brought into compliance meeting the City's 25-year design criteria.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Up to 100 low-income families will be directly benefitted under projects one and two. Projects three though seven will provide area benefit to LMI families and potentially maintain up to 768 needed units of affordable housing.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Funding	Goal Outcome Indicator
1	Owner-Occupied Housing Rehab	2015	2019	Affordable Housing	Affordable Housing	$500,000	Homeowner Housing Rehabilitated – 35 households
2	Parks, Sidewalks, & Public Facilities	2015	2019	Non-Housing Community Development	Public Facilities, Infrastructure, & Transportation	$1,090,343	Public Facility or Infrastructure Activities other than L/M Housing Benefit = 4500 persons
3	Public Services	2015	2019	Non-Housing Community Development	Public Services	$375,000	Public Service activities other than L/M Housing Benefit – 2500 persons
4	Clearance of Spot Slum & Blight	2017	2019	Clearance Activities	Clearance Activities	$140,000	Buildings Demolished – 15 buildings
5	Program Administration	2015	2019	Program Administration	Program Administration	$500,000	N/A
6.	First Time Homebuyer Program	2016	2019	Affordable Housing	Affordable Housing	$114,400	Direct Financial Assistance to Homebuyers = 16 households
7	Land Acquisition for Affordable Housing	2017	2019	Affordable Housing	Affordable Housing	90,003	Homeowner Housing Added – 3 household housing units
$2,809,746.00							

Table 50 – Goals Summary

Goal Descriptions

1. The rehabilitation of owner-occupied single-family housing targeted to homeowners with a family income less than 80% of AMI. The program reduces construction code violations, thus increasing safety of the residents, preserves property values, improves accessibility, and reduces risk of the occupant families becoming homeless.

2. This non-housing community development goal will provide the City with the opportunity to improve community parks, community centers, and public sidewalks that serve low/mod neighborhoods.

3. Support for programs provided to low/mod residents in an amount not to exceed 15% of the annual CDBG allocation.

4. This goal will allow the City to remove vacant, dangerous structures and clear the lots of debris.

5. The oversight and administration of the CDBG program to ensure compliance with all program goals and policies.

6. Down payment and closing cost assistance for new homebuyers whose household income is at or below 80% of the Area Median Income.

7. Purchase of vacant lots to be used by Habitat for Humanity or other non-profit homebuilder to construct affordable housing.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

- Housing rehab - 7 families per year = 35 total households, of which 15 are estimated to be extremely low; 15 are estimated to be low-income; and 5 are estimated to be moderate-income
- First-Time Homebuyer - 4 families per year for 4 years = 16 moderate-income households
- Land Acquisition - 3 households with 2 estimated to be low-income and one to be moderate-income families

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

There is no Section 504 compliance agreement for this PHA. The biggest problem with public housing is not the accessibility of its units; rather, the number of Public housing units is inadequate to meet the needs of the LMI population in San Marcos as is shown by the continuous waiting lists for all types of public housing. Compounding the problem is the 2015 flood damage experienced by the 100 units of public housing at the C. M. Allen Homes complex, which temporarily displaced the residents of all the units. The PHA is looking at options for funding the necessary repairs to allow those displaced residents to return to this complex.

Activities to Increase Resident Involvements

A five-member board, including a resident board member, oversees the organization. The board is appointed by the Mayor of the City of San Marcos. Each public housing complex has a resident Council or Assembly group which holds periodic meetings. A youth development program serves about 90 youth at three sites providing mentors, tutors, homework assistance, computer labs, and social opportunities. The Family Self-Sufficiency program provides residents an opportunity to learn new life/career skills, to save for future needs, and to move out of public housing. The Housing Authority continues to partner with local agencies, faith-based organizations, Texas State University, and the City to bring resources to its residents.

Is the public housing agency designated as troubled under 24 CFR part 902? No.

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Housing affordability is a key component to the quality of life of San Marcos residents. A number of factors create a barrier to affordable housing, which is generally accepted to mean that no more than 30% of a household's gross annual income is spent on housing, including utilities. A housing cost burden exists when the household's housing costs exceeds 30% of their income.

The City adopted an *Affordable / Workforce Housing Policy* in 2014. This policy identified 5 housing issues, established goals, and provided strategies for accomplishing the goals. This policy was reviewed during the creation of this Consolidated Plan. In 2013 the City adopted an updated Analysis of Impediments to Fair Housing Choice (AI) and adopted an "AI Action Plan" in 2014. The annual CAPER will report on the City's progress in addressing these impediments.

There are no identified barriers to affordable housing resulting from the public policies of the City of San Marcos. The Analysis of Impediments to Fair Housing Choice found three impediments that create barriers to affordable housing:

1. Lack of affordability of the housing stock;
2. Insufficient income for the local cost of housing; and,
3. Low income residents have limited resources to maintain homes and neighborhood stability.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Impediment "A" *Lack of Housing Affordability*

1. Providing a first-time homebuyer program for closing cost and down payment assistance
2. Purchasing land for Habitat for Humanity.
3. Construction permitting and impact fees are waived for Habitat for Humanity projects.
4. The City will update its *Infill Housing Development Incentives* policy to provide incentives for affordable housing development.

Impediment "B" *Insufficient income for local housing costs*

1. The City provides a $25,000 homestead exemption for homeowners sixty-five and older or with a disability, thus reducing their property tax burden.
2. The City has programs to help reduce living expenses, such as utility bills, including:
    a. Home Energy Analysis providing recommendations on how to reduce electric energy consumption and monthly costs.
    b. Energy Efficient Home Heating/AC Rebate Program offers rebates for purchase of eligible energy efficient products.
3. A Bill Averaging Program that allows residents to equalize energy costs over a 12-month period, avoiding peak bills in the winter and summer months.

4. Utility Assistance Program – Low-income families, elderly residents on fixed incomes, or disabled residents on a fixed income are eligible to apply for assistance with a one-time yearly payment of the electric, water, and wastewater portions of their monthly utility bill.
5. The City's Water/Wastewater Department (W/WW) sponsors several programs that help encourage families to conserve and lower utility bills, including:
    a. Water Surveys generating a report with specific water conservation strategies.
    b. Flush-Smart (toilet) Rebate Program
    c. Wash-Smart (washing machine) Rebate Program
    d. Rainwater Harvesting Rebate Program

Impediment "C" *Low income residents have limited resources to maintain homes and neighborhood stability.*

1. The City continues to support the Southside Community Center housing rehabilitation program with both City and CDBG funds.
2. The City waives construction permitting fees for CDBG-funded housing rehabilitation projects.
3. The City also participates in the annual Texas State University student initiative "Bobcat Build" as a supporting partner. This volunteer one-day community service project in 2014 had over 4,400 volunteers and served numerous jobsites throughout San Marcos, many benefitting the City's elderly, low-income homeowners.
4. The City sponsors neighborhood-wide cleanup activities, and provides opportunities for brush drop-off, household hazardous waste collection, and a recycling program through Green Guy Recycling that accepts tires, Freon-containing appliances, and electronics.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City will continue to support local non-profit agencies that serve homeless persons such as Southside Community Center and the Hays County Food Bank using Human Services funding (from the City General Fund).

Addressing the emergency and transitional housing needs of homeless persons

As has been previously detailed, three shelters are available in San Marcos to specific populations: A family violence shelter; a youth shelter; and an emergency family shelter. No shelter is available for single men and women who do not fit these profiles. However, shelters are available in nearby Austin and San Antonio and local social service agencies often provide assistance in reaching these shelters. The City supports the operation of these local shelters using both CDBG and Human Services funding.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The lack of transitional housing is a gap in housing options available in San Marcos. No funding has been identified to close this gap.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Public housing is being provided by the San Marcos Housing Authority. The City makes referrals to the PHA in response to inquiries for housing assistance. In addition, the City continues to foster the partnership between the PHA and City staff to assist families in obtaining a home of their own.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

All houses in the rehabilitation and reconstruction programs built prior to 1978 will be tested for lead paint hazards by a qualified firm and the test results determine which houses require lead-based paint interim control measures and clearance reports.

All applicants for the housing program will receive a copy of the "Protect Your Family from Lead in Your Home" booklet (also available in Spanish). Houses constructed prior to 1978 must pass a lead hazard evaluation inspection prior to loan closing.

How are the actions listed above related to the extent of lead poisoning and hazards?

The City has a number of housing units that were constructed prior to 1978, and many of these homes are occupied by low-income families. However, not every pre-1978 house contains lead paint.

The annual elevated lead blood level testing results in Hays County shows a very minimal number of tested children show an elevated level. In 2011 less than 5 children out of 1,628 tested in Hays County showed elevated levels that presented a health threat. Based on these experiences, the City's strategies for addressing LBP as detailed above are reasonable.

How are the actions listed above integrated into housing policies and procedures?

The City's CDBG-DR policy housing program's policy manuals will include Lead-based Paint Hazard reduction requirements including risk assessment, notifications, using the appropriate level of control/mitigation measures, and clearance for houses found to contain lead paint that will be disturbed by the rehab project.

SP-65 Lead based paint Hazards – 91.215(i) - 2015

Actions to address LBP hazards and increase access to housing without LBP hazards

All houses to be included in the Southside Community Center's housing rehabilitation program are tested for lead paint hazards by a qualified firm and the test results determine which houses require lead-based paint interim control measures and clearance reports.

The City's First Time Homebuyer Program applicants receive a copy of the *"Protect Your Family from Lead in Your Home"* booklet (also available in Spanish). Houses constructed prior to 1978 must pass a lead hazard evaluation inspection prior to loan closing.

How are the actions listed above related to the extent of lead poisoning and hazards?

The City has a number of housing units that were constructed prior to 1978, and many of these homes are occupied by low-income families. However, not every pre-1978 house contains lead paint. Each year 7 houses are tested for lead paint prior to the commencement of rehabilitation activities. Results typically show that 2 to 3 houses tested have no lead paint and of those containing lead paint, often it is a small, specific area, such as a door or window frame. The annual elevated lead blood level testing results in Hays County shows a very minimal number of tested children show an elevated level. In 2011 less than 5 children out of 1,628 tested in Hays County showed elevated levels that presented a health threat.

Based on these experiences, the City's strategies for addressing LBP as detailed above are reasonable.

How are the actions listed above integrated into housing policies and procedures?

The City's housing programs will comply with all Lead-based Paint Hazard reduction requirements including risk assessment, notifications, using the appropriate level of control/mitigation measures, and clearance for houses found to contain lead paint that will be disturbed by the rehab project.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The City's approach to reducing poverty focuses on elimination of financial barriers to economic advancement, with an emphasis on affordable housing.

Strategy 1. Adopting Policies that Support Housing Affordability

The City's Comprehensive Plan provides the following Neighborhood and Housing Vision Statement: *"We envision San Marcos to have a strong, more comprehensive foundation of safe, stable neighborhoods while preserving and protecting the historical, cultural, and natural identities of those neighborhoods."* Supporting that vision, the City has adopted an *Affordable / Workforce Housing Policy* that defines issues associated with the expansion and preservation of diverse, affordable housing choices in San Marcos and identifies specific goals and strategies to address those issues in a manner consistent with the City's Comprehensive Plan.

This policy included direction to staff to review development codes to (a) reduce/remove regulatory barriers to allow alternative housing types that foster affordability; (b) modify development regulations that increase costs without clear rationale or benefit, such as lot sizes, setbacks, and street width standards; (c) to update the City's Infill Housing Incentive program to provide incentives to develop new affordable housing; and (d) ensure that the non-conforming residential structure standards provide maximum flexibility, without compromising safety.

Strategy 2. Providing Economic Development Programs and Support

The City of San Marcos has adopted an Economic Development Incentives Policy that provides construction and utility infrastructure incentives, fee waivers, project tax abatement and sales tax rebates that can be made available to expanding or new industries / businesses.

The City has contracted with a private firm to provide economic development services for the community. Their charge is to attract employers to San Marcos offering better-paying jobs to low-income residents with secondary school education, and facilities for residents to improve employment skills.

Other Measures

In addition, the City provides support to non-profit organizations that provide supportive services that help improve economic opportunity and remove other financial burdens, including self-sufficiency programs, educational attainment and skill training, assistance with government benefits, and health care assistance.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan?

Elements of the affordable housing plan that tie to reducing poverty include:

- Providing homebuyer education classes to the PHA Family Self-Sufficiency program participants;
- Ensuring the elimination/reduction of barriers to private development of affordable housing in the City's development codes
- Continuing an active role in the preservation and improvement of existing housing;

- Ensuring that all first-time homebuyers complete a program of homebuyer education;
- Continuing to provide City-funded programs to reduce housing costs;
- Continuing to support direct assistance services through CDBG and Human Service funding provided to local non-profit organizations.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City has established standards and procedures for monitoring Subrecipients. This includes preparing a risk assessment and formalizing a monitoring plan based on the assessment. Subrecipient monitoring includes a review of financial management practices, procurement and contracting, FHEO compliance, and lead based paint compliance and income eligibility determination as applicable. Monitoring checklists, similar to those found in the HUD Monitoring Handbook, are used as part of the monitoring review.

Subrecipients submit quarterly progress reports that are reviewed to ensure that projects are on-track. Data from the reports is used to update the project status in IDIS. On-site technical assistance is provided if requested or if issues are raised by the quarterly reports.

The City monitors active construction projects for compliance with Davis-Bacon Act requirements, including on-site employee interview. Staff members compare interview results with weekly payroll records to ensure compliance.

City inspectors and Project Managers monitor construction projects for code and plan compliance and the project architect or engineer provides oversight, including draw request approval, for all projects. Building permits, and all required inspections, are obtained for rehabilitation projects.

Income eligibility is verified for each First Time Homebuyer applicant, housing rehabilitation beneficiaries, and for Habitat for Humanity homebuyers that purchase a house constructed on a CDBG-purchased lot.

The City's Finance Department staff monitors the annual reports for all Subrecipients who expend $500,000 or more in federal funding.

File #: ID# 20-234, **Version:** 1

AGENDA CAPTION:

Receive a Staff presentation and hold a Public Hearing to receive comments in regards to amending the proposed 2020-2024 Citizen Participation Plan to add a shortened review period for actions related to the COVID-19 response.

Meeting date: May 19, 2020

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: On March 3, 2020, City Council receive a staff presentation about the proposed renewal of the Citizen Participation Plan, and provided direction to the City Manager to proceed as presented.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Workforce Housing

Workforce Development

City Facilities

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☒ Neighborhoods & Housing - Choose an item.

☒ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The federal department of Housing and Urban Development (HUD) requires the creation of a Consolidated Plan that sets strategic priorities and goals for next five years of HUD grant funding, identifies types of activities the City will fund, and acts as the foundation for future one-year Action Plans. At the same time, every five years, the City must update and re-approve its Citizen Participation Plan.

The purpose of the CPP is to establish a means by which residents of the city of San Marcos, public agencies, and other interested parties can actively participate in the creation, implementation, and assessment of planning and implementation documents related to HUD grants.

The CPP contains requirements that must be followed for creation or amendment of the five-year Consolidated Plan and grant-specific Action Plans. It sets forth the number of public hearings that must be held, the length of the comment period, and the timing of notifications to the public. It also ensures that the City provides accessibility to participate for people with disabilities or who have limited English language capabilities.

As of the March 3, 2020, City Council meeting, the 2015-2019 Citizen Participation Plan had been reformatted to create the 2020-2024 draft, and the CDBG-MIT Mitigation grant had been added. The requirements were not changed from the previous Citizen Participation Plan.

Since then, in response to the COVID-19 pandemic, HUD has allocated $425,261 in funding to the City of San Marcos through the new CDBG-CV Coronavirus grant. This grant's process will be in general similar to the creation of the Annual CDBG Action Plan; however, due to the urgent nature of the situation, the comment period for planning actions related to the CDBG-CV grant is five days instead of the typical thirty. This shorter comment time, and the ability to use virtual hearings due to social distancing recommendations, has been added to the Citizen Participation Plan. Therefore, the timeline for adopting the CPP has been modified:

- May 19, 2020 - Staff Presentation and Public Hearing
- May 24-30, 2020 - Comment Period
- June 2, 2020 - Request for City Council approval of the CPP

This Citizen Participation Plan will be in effect upon its approval by City Council.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends approval of the resolution.

Citizen Participation Plan

CDBG Disaster Recovery | CDBG Entitlement | CDBG Mitigation | CDBG Coronavirus

Providing for citizen participation in creation and amendment of funding plans

- Public notice 14 days prior
- Materials available for review
- Information provided on website
- 30 day comment period EXCEPT for CDBG-CV, which is 5 days
- A public meeting and a public hearing
- Accommodations for people with disabilities
- Translation to Spanish
- Public Hearings may be virtual when social distancing is recommended
- Evaluated every 5 years

2020-2024 CITIZEN PARTICIPATION PLAN

FOR FEDERAL GRANTS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CITY OF SAN MARCOS, TEXAS

CONTENTS

I. GENERAL PROVISIONS 3

A. Applicability 3

B. Participation 3

C. Displacement 3

D. Information Available 3

1. Activities and Eligibility 3

2. Documents 4

3. Access to Records 4

4. Technical Assistance to Applicants 4

E. Complaints 4

F. Comment Periods 4

G. Public Hearings 5

H. Adoption 5

I. Non-Substantial Amendments 5

1. Definition 6

2. Public Comment 6

3. HUD Notification 6

II. CITIZEN PARTICIPATION PLAN 6

A. Comment Period 6

1. Required 6

2. Public Notice 6

B. Timing 6

III. CONSOLIDATED PLAN,ANNUAL ENTITLEMENT ACTION PLAN, and CDBG-CV CORONAVIRUS ACTION PLAN CREATION AND SUBSTANTIAL AMENDMENT 6

A. Participation 6

B. Comment Period 7

1. Required 7

2. Information Made Available 7

3. Summary Publication 7

C. Public Hearing 7

D. Additional Step Required during Consolidated Plan Creation 7

E. Additional Steps Required during the CDBG Entitlement Annual Action Plan Creation 8

F. Definition of Substantial Amendment 8

G. Timing 8

IV. CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) 8

A. Comment Period 8

1. Required 8

2. Public Notice 9

B. Public Hearing 9

C. Timing 9

V. CDBG-DR DISASTER RECOVERY AND CDBG-MIT MITIGATION ACTION PLAN CREATION AND SUBSTANTIAL AMENDMENT 9

A. Comment Period 9

1. Required 9

2. Document Publication 9

B. Public Hearing 9

1. Required 9

C. Information Available 10

1. In General 10

2. Amendments (Substantial and Non-Substantial) 10

D. Public Webpages 11

E. Definition of Substantial Amendment 11

F. CDBG-MIT Citizen Advisory Group 11

G. Application Status and Transparency 12

2020-2024 CITIZEN PARTICIPATION PLAN

FOR FEDERAL GRANTS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CITY OF SAN MARCOS, TEXAS

I. GENERAL PROVISIONS

A. Applicability

Citizens shall be involved in the prioritizing and planning of Community Development Block Grant (CDBG) activities. The City of San Marcos (City) created this Citizen Participation Plan to meet the requirement that the City adopt and follow a Citizen Participation Plan (CPP) found in federal regulations 24 CFR 91.105 for CDBG-Entitlement, 81 FR 39687 for CDBG-DR Disaster Recovery and 84 FR 45838 for CDBG-MIT Mitigation, pending regulations pertaining to CDBG-CV Coronavirus, and any subsequent notices.

This CPP pertains to the creation and amendment of planning and implementation documents ("the documents") related to any grant received from the U.S. Department of Housing and Urban Development (HUD) by the City of San Marcos, including the following: Five Year Consolidated Plan, CDBG-Entitlement Action Plan, CDBG-MIT Mitigation Action Plan, CDBG-DR Disaster Recovery Action Plan, CDBG-CV Coronavirus Action Plans or amendments to existing plans, Citizen Participation Plan, and the Consolidated Annual Performance Evaluation Report (CAPER).

B. Participation

The purpose of this CPP is to establish a means by which residents of the city of San Marcos, public agencies, and other interested parties can actively participate in the creation, implementation, and assessment of planning and implementation documents related to HUD grants.

The City encourages citizens, public agencies, and other interested parties to participate in the creation or amendment of any of the documents. This CPP is designed especially to encourage participation by low- and moderate-income persons, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used, and by residents of predominantly low- and moderate-income neighborhoods. The City will take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

C. Displacement

The City of San Marcos will conduct all of its Community Development activities to minimize the displacement of persons. In the unlikely event that any person is displaced by Community Development activities, the City of San Marcos will provide reasonable relocation assistance as allowed by law.

D. Information Available

1. Activities and Eligibility

In an effort to permit public examination and to enhance public accountability, the City of San Marcos will make the following information available to citizens, public agencies and other interested parties upon request:

a. The amount of funds expected to be available for proposed Community Development activities,

b. The range of eligible activities that may be undertaken with such funds, including the estimated amount that will benefit persons of low and moderate income, and

c. The geographic areas which meet Community Development eligibility criteria.

2. Documents

The latest versions of the documents, will be available to the public at the San Marcos Public Library and City Hall. Upon request, these materials will be made available in a form accessible to persons with disabilities. The City will provide a reasonable number of free copies to citizens and local groups that request a copy.

3. Access to Records

The City will provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records relating to the City's Consolidated Plan and the City's use of CDBG funds during the preceding five years.

4. Technical Assistance to Applicants

The City will provide technical assistance to groups representative of persons of low- and moderate-income that request such assistance in creating proposals for funding assistance under any of the programs covered by the Consolidated Plan.

E. Complaints

The City will provide a timely, substantive written response to every written citizen complaint related to the City's HUD Grants within 15 working days. Complaints may be submitted in writing to the attention of the Community Development Block Grant Division, Planning and Development Services Department, 630 East Hopkins Street, San Marcos TX 78666. Complaints may also be submitted by e-mail to cdbg@sanmarcostx.gov. For more information about filing a complaint, contact the CDBG program office at 512-393-8230.

Complaints regarding fraud, waste, or abuse of government funds will be forwarded the Department of Housing and Urban Development Office of Inspector General (Phone: 1-800-347-3735 or by Email: hotline@hudoig.gov).

F. Comment Periods

As part of creation or amendment of the documents, the City will provide a citizen comment period of at least 30 days after the draft document is available for review.

Notice of the comment period will be provided in English and Spanish by publication in a local newspaper and on the City's website at least 14 days before the start of the

comment period and shall include the names and addresses of the locations where copies can be found for review.

During the comment period, copies of proposed documents will be available for viewing at the San Marcos Public Library, City Hall, and the San Marcos Activity Center. The City will provide a reasonable number of free copies of the proposed document to citizens and groups that request it. Upon request, these materials will be made available in a form accessible to persons with disabilities.

The City will consider any comments or views of citizens received in writing, or orally at the public hearings, in preparing the document. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefor, shall be attached to the final document.

G. Public Hearings

1. Hearings shall be held at times and locations convenient to potential and actual beneficiaries.
2. Hearings shall be held with accommodation for persons with disabilities. Hearings will be held in facilities that are physically accessible to individuals with disabilities, or if that is not possible, the information will be provided through alternative methods that allow for the most integration possible. Individuals who require auxiliary aids and services for a meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000(voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be sent by e-mail to ADArequest@sanmarcostx.gov.
3. In the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, citizen comments written in Spanish will be translated, and a Spanish translator will be present.
4. The City may meet public hearing requirements with virtual public hearings if:
    a. national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and
    b. virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.

H. Adoption

After the public hearing (when required) and discussion, City Council will adopt a Resolution approving the document. While the citizens of the City of San Marcos will provide input and direction for the creation of the documents, City Council will have the ultimate responsibility to determine how and where HUD Grant funds will be spent.

I. Non-Substantial Amendments

1. Definition

A Non-Substantial Amendment is hereby defined to be any amendment that is not included in the definitions of Substantial Amendments in this CPP.

2. Public Comment

The City is not required to receive public comment for an Action Plan amendment that is not considered a Substantial Amendment.

3. HUD Notification

The City will notify HUD of a Non-Substantial Amendment at least five business days before the amendment becomes effective.

II. CITIZEN PARTICIPATION PLAN

A. Comment Period

1. Required

As part of creation or amendment of the Citizen Participation Plan, a comment period as described in Section I.F. above is required; however, the number of days is reduced to a minimum of 15.

2. Public Notice

The notice announcing the comment period shall include a description of the purpose of the CPP as well as the other information described in Section I.F. above.

B. Timing

The Citizen Participation Plan will be evaluated every five years by City Council and will be revised as needed, then resubmitted to HUD as part of the Consolidated Plan.

III. CONSOLIDATED PLAN,ANNUAL ENTITLEMENT ACTION PLAN, AND CDBG-CV CORONAVIRUS ACTION PLAN CREATION AND SUBSTANTIAL AMENDMENT

A. Participation

The City encourages the participation of local and regional institutions, the Continuum of Care and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community-based and faith-based organizations) in the process of creating and implementing the Consolidated Plan and Annual Entitlement Action Plan.

The City encourages, in conjunction with consultation with public housing agencies, the participation of residents of public and assisted housing developments, in the process of creating and implementing the Consolidated Plan and Annual Entitlement Action Plans

along with other low-income residents of targeted revitalization areas in which the developments are located.

B. Comment Period

1. Required

As part of Consolidated Plan or Annual Entitlement Action Plan creation or substantial amendment, a Comment Period as described in Section I.F. above is required unless the amendment relates to CDBG-CV Coronavirus funding, in which case the comment period will be no less than five days.

2. Information Made Available

Before the City adopts a Consolidated Plan, Annual Action Plan, or substantial amendment, as part of the comment period, the City will make available to the public the following information:

a. The amount of assistance the City expects to receive (including grant funds and program income), and

b. The range of activities that may be undertaken, and

c. The estimated amount that will benefit persons of low- and moderate income.

3. Summary Publication

As part of the comment period, the City will publish a summary of the proposed Consolidated Plan or Annual Action Plan or substantial amendment in the local newspaper and on the City's website. The summary will include the following:

a. Description of the contents and purpose, and

b. A list of locations where copies of the entire proposed Consolidated Plan or Annual Action Plan may be examined.

C. Public Hearing

The City shall hold at least one public hearing before City Council during the creation or substantial amendment of the Consolidated Plan or Annual Action Plan, before the proposed Consolidated Plan or Annual Action Plan is published for comment, to obtain the views of citizens on housing and community development needs, including non-housing community development needs, and the selection of proposed activities. The hearing will be held in accordance with the public hearing requirements as described in Section I.G. above.

D. Additional Step Required during Consolidated Plan Creation

To encourage ample citizen participation in HUD Grant programs, during the creation of the Five-Year Consolidated Plan, workshops and meetings will be held with local social service agencies, local government agencies, Neighborhood Associations, health care and

assisted housing providers and City staff to receive input and information regarding the City of San Marcos' needs for the Plan's five-year period. The purpose of these workshops and meetings is to gather information and data on the community and economic development needs of the community.

E. Additional Steps Required during the CDBG Entitlement Annual Action Plan Creation

Per 24 CFR Part 91, the City of San Marcos is required to create an Annual Action Plan that details the projects to be undertaken with CDBG funds for the upcoming year. The following steps must be taken during the creation of the annual Action Plan:

1. Staff will conduct at least one stakeholder meeting before the application deadline. The meeting will be held at a time and location convenient to potential and actual beneficiaries and with accommodations for persons with disabilities.
2. Funding applications will be made available to the public. Staff will review the applications received by the application deadline for compliance and eligibility. If deficiencies in the application are found, the applicant will be notified in writing and provided ten days in which to correct the deficiencies.
3. All eligible applications will be submitted to the City Council for their review and consideration in determining which projects will be awarded funding.
4. Following the public hearing, Council will award the allocation for the program year.

F. Definition of Substantial Amendment

The following constitute a substantial amendment to the Five-Year Consolidated Plan or the CDBG Entitlement Annual Action Plan:

1. The addition of a new project to the current Annual Action Plan, or
2. Any funding change to an existing project in excess of 10% of the annual allocation amount of the current program year, or
3. Changes in the use of grant funds from one eligible activity to another, or
4. Any change in the priorities of the Five-Year Consolidated Plan.

G. Timing

The Consolidated Plan is due to HUD in August every five years (2020, 2025, etc). The Annual Action Plan is due to HUD in August every year.

IV. CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

A. Comment Period

1. Required

As part of annual CAPER process, a comment period as described in Section I.F. above is required; however, the number of days is reduced to a minimum of 15.

2. Public Notice

The notice announcing the comment period shall include a list of the contents and description of the purpose of the CAPER as well as the other information described in Section I.F. above.

B. Public Hearing

The City shall hold at least one public hearing before City Council after publication of the above public notice and conclusion of the comment period, to review program performance and to obtain citizen comments and input for the direction of the CDBG Entitlement programs. The hearing will be held in accordance with the public hearing requirements as described in Section I.G. above.

C. Timing

The CAPER is due to HUD annually in December, at most ninety days after the program year ends September 30.

V. CDBG-DR DISASTER RECOVERY AND CDBG-MIT MITIGATION ACTION PLAN CREATION AND SUBSTANTIAL AMENDMENT

A. Comment Period

1. Required

a. CDBG-DR - As part of the creation or amendment of the CDBG-DR Disaster Recovery Action Plan, a comment period as described in Section I.F. above is required; however, the number of days is reduced to a minimum of 14.

b. CDBG-MIT - As part of the creation or amendment of the CDBG-MIT Mitigation Action Plan, a comment period as described in Section I.F. above is required; however, the number of days is increased to a minimum of 45.

2. Document Publication

Before adopting a CDBG-DR or CDBG-MIT action plan or substantial amendment, the City will publish the proposed action plan or amendment in the following manner:

a. The action plan or amendment must be prominently posted on the City's official website.

b. The topic of disaster recovery or mitigation (as applicable) must be navigable by citizens from the City's homepage.

B. Public Hearing

1. Required

a. CDBG-DR - The City shall hold at least one public hearing before City Council during the creation or substantial amendment of a CDBG-DR Action Plan,

before the proposed Action Plan is published for comment, to obtain the views of citizens on disaster recovery needs and the selection of proposed activities. The hearing will be held in accordance with the public hearing requirements as described in Section I.G. above.

b. CDBG-MIT - The City shall hold at least two public hearings in the HUD-identified Most Impacted and Distressed Areas during the creation or substantial amendment of the CDBG-MIT Mitigation Action Plan. At least one of these public hearings must occur prior to the City's publication of the action plan on its website. Each hearing must be convened at different locations within the Most Impacted and Distressed Area in locations that ensure geographic balance and maximum accessibility. The purpose of the hearings is to obtain citizen's views and to respond to proposals and questions. The hearings will be held in accordance with the public hearing requirements as described in Section I.G. above.

C. Information Available

1. In General

During the active term and record retention period of the CDBG-MIT and CDBG-DR grants, the City will provide citizens and other interested parties with reasonable and timely access to information and records relating to the action plan and to the grantee's use of grant funds. Information will be made available in a form accessible to persons with disabilities and those with limited English proficiency, upon request.

2. Amendments (Substantial and Non-Substantial)

a. As they occur, all amendments will be numbered sequentially and posted on the public website. Copies of amendments will be available upon request to: cdbg@sanmarcostx.gov or 512-393-8230.

b. The most current version of the entire action plan for CDBG-DR and CDBG-MIT will be accessible for viewing as a single document for each. Each amendment will be highlighted as a change in the document.

c. At the time of each amendment the following information will be provided separately:

   i. The exact content that has been added, deleted, or changed;

   ii. A revised budget allocation table that reflects all funds and illustrates where funds are moving from and to; and

   iii. A description of how the amendment is consistent with the needs assessment document that was used to draft the grant's Action Plan.

D. Public Webpages

The City shall maintain public websites (or a combined public website) which provide information on how CDBG-DR and CDBG-MIT funds are used, managed, and administered. The following items shall be available on the Disaster Recovery webpage (http://www.smtxfloodrecovery.com/) and the Mitigation webpage (https://sanmarcostx.gov/mitigation) and upon request from the City in accordance with open records procedures:

1. The action plan and all amendments
2. Performance reports
3. Citizen participation requirements
4. Information about activities, projects, and programs described action plans
5. All executed contracts that will be paid with grant funds
6. Procurement policies and procedures
7. The status of services or goods currently being procured

E. Definition of Substantial Amendment

1. CDBG-DR - The following constitute a substantial amendment to the CDBG-DR Disaster Recovery Action Plan:
    a. A change in program benefit or eligibility criteria; or
    b. The addition or deletion of an activity; or
    c. The allocation or reallocation of more than $1 million between activities.
2. CDBG-MIT - The following constitute a substantial amendment to the CDBG-MIT Mitigation Action Plan:
    a. The addition of a CDBG-MIT Covered Project, or
    b. A change in program benefit or eligibility criteria, or
    c. The addition or deletion of an activity, or
    d. A new allocation or reallocation of more than 25 percent of an activity in the Program Budget.

F. CDBG-MIT Citizen Advisory Group

The City will form one citizen advisory committee that will meet at least twice annually in order to provide increased transparency in the implementation of the CDBG-MIT funds, to solicit and respond to public comment and input regarding the City's mitigation activities, and to serve as an on-going public forum to continuously inform the City's CDBG-MIT projects and programs.

G. Application Status and Transparency

1. For applications received for CDBG-MIT or CDBG-DR assistance, the City will provide multiple methods of communication to provide applicants with timely information to determine the status of their application for assistance, including by phone, by mail, and in person.

2. When competitively awarding CDBG-MIT or CDBG-DR funds, the City will publish on the applicable website the following information:

    a. Eligibility requirements for the funding, and

    b. All criteria to be used by the City in the selection of applications for funding, including the relative importance of each criterion, and

    c. The time frame for consideration of applications.

    The City will maintain documentation to demonstrate that each funded and unfunded application was reviewed and acted upon by the City in accordance with the published eligibility requirements and funding criteria.

File #: Ord. 2020-38, **Version:** 1

AGENDA CAPTION:
Consider approval of Ordinance 2020-38, on first and final reading, authorizing the issuance and sale of an amount not to exceed $40,000,000 of Combination Tax And Revenue Certificates Of Obligation, Series 2020 for constructing, improving, designing and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the City Hall and other city facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation and other matters related thereto; providing for adoption of this Ordinance on one reading only in accordance with State Law.

Meeting date: May 19, 2020

Department: Finance

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:
Prior Council Action: March 17, 2020 - council provides authorization to publish notice of intent to issue certificates of obligation in the amount not to exceed $50.5M, April 21, 2020 - council provides direction to proceed with debt issuance totaling $33 million. May 5, 2020 - council considers resolution delaying the issuance of CO's until May 19, 2020

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Notice of intention to issue certificates of obligation was published in the San Marcos Daily Record on March 20th and 27th, and posted to the COSM website with the meeting date referenced as May 5, 2020 at 6pm. A delay resolution is required to provide notice to the public the meeting has now been moved to May 19, 2020. The published notice was for issuance of certificates of obligations in the principal amount not to exceed $50.5M. During the April 21, 2020 council Worksession the total debt amount approved by council was reduced to $33M.

These bonds are to be sold in a negotiated sale with pricing scheduled for week of June 15, 2020. This ordinance delegates the final approval of the sale within the parameters set forth in the ordinance including maximum term, interest rate and issuance amount to the Pricing Officer. The Pricing Officer is the City Manager, or in his absence, the Mayor, acting as the designated Pricing Officer of the City to execute each Pricing Certificate.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

ORDINANCE NO. 2020-___

ORDINANCE
AUTHORIZING THE ISSUANCE OF

CITY OF SAN MARCOS, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
IN ONE OR MORE SERIES

Adopted on May 19, 2020

TABLE OF CONTENTS

		Page
Recitals		1

ARTICLE I
DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01.	Definitions	1
Section 1.02.	Other Definitions	4
Section 1.03.	Findings	4
Section 1.04.	Table of Contents, Titles and Headings	4
Section 1.05.	Interpretation	4

ARTICLE II
SECURITY FOR THE CERTIFICATES

Section 2.01.	Tax Levy for Payment of the Certificates	4
Section 2.02.	Surplus Revenue Pledge	5
Section 2.03.	Perfection of Security Interest	5

ARTICLE III
AUTHORIZATION; GENERAL TERMS
AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.01.	Authorization	5
Section 3.02.	Date, Denomination, Maturities, Numbers and Interest	6
Section 3.03.	Medium, Method and Place of Payment	8
Section 3.04.	Execution and Initial Registration	9
Section 3.05.	Ownership	10
Section 3.06.	Registration, Transfer and Exchange	10
Section 3.07.	Cancellation and Authentication	11
Section 3.08.	Replacement Certificates	12
Section 3.09.	Book-Entry-Only System	13
Section 3.10.	Successor Securities Depository; Transfer Outside Book-Entry Only System	14
Section 3.11.	Payments to Cede & Co	15

ARTICLE IV
REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01.	Limitation on Redemption	15
Section 4.02.	Redemption of Certificates Prior to Maturity	15
Section 4.03.	Partial Redemption	15
Section 4.04.	Notice of Redemption to Owners	16
Section 4.05.	Payment Upon Redemption	16
Section 4.06.	Effect of Redemption	16

Section. 4.07. Conditional Notice of Redemption 17

ARTICLE V
PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar 17
Section 5.02. Qualifications 18
Section 5.03. Maintaining Paying Agent/Registrar 18
Section 5.04. Termination 18
Section 5.05. Notice of Change to Owners 18
Section 5.06. Agreement to Perform Duties and Functions 18
Section 5.07. Delivery of Records to Successor 18

ARTICLE VI
FORM OF THE CERTIFICATES

Section 6.01. Form Generally 19
Section 6.02. Form of Certificates 19
Section 6.03. CUSIP Registration 26
Section 6.04. Legal Opinion 26
Section 6.05. Municipal Bond Insurance 26

ARTICLE VII
APPROVAL OF OFFERING DOCUMENTS AND PAYING AGENT/REGISTRAR AGREEMENT; CONTROL AND DELIVERY OF THE CERTIFICATES

Section 7.01. Approval of Offering Documents, Paying Agent/Registrar Agreement 27
Section 7.02. Control and Delivery of Certificates 27

ARTICLE VIII
CREATION OR CONFIRMATION OF CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Creation of Funds 28
Section 8.02. Interest and Sinking Fund 28
Section 8.03. Construction Fund 28
Section 8.04. Security of Funds 28
Section 8.05. Deposit of Proceeds 29
Section 8.06. Investments 29
Section 8.07. Investment Income 29

ARTICLE IX
PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Certificates 29
Section 9.02. Other Representations and Covenants 29
Section 9.03. Covenants Regarding Tax Exemption of Interest on the Certificates 30

ARTICLE X
DEFAULT AND REMEDIES

Section 10.01. Events of Default 33
Section 10.02. Remedies for Default 33
Section 10.03. Remedies Not Exclusive 33

ARTICLE XI
DISCHARGE AND DEFEASANCE

Section 11.01. Defeasance of Certificates. 34

ARTICLE XII
CONTINUING DISCLOSURE OBLIGATION

Section 12.01. Annual Reports 35
Section 12.02. Material Event Notices 36
Section 12.03. Limitations, Disclaimers, and Amendments 37

ARTICLE XIII
AMENDMENTS; FURTHER PROCEDURES; AND SEVERABILITY

Section 13.01. Amendments 39
Section 13.02. Further Procedures. 39
Section 13.03. Severability 39
Section 13.04. No Personal Liability 40
Section 13.05. Payment of Attorney General Fee 40
Section 13.06. Appropriation 40

EXECUTION

EXHIBIT A - DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

ORDINANCE NO. 2020-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF AN AMOUNT NOT TO EXCEED $40,000,000 OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2020 FOR CONSTRUCTING, IMPROVING, DESIGNING AND EQUIPPING THE CITY'S (1) WATER AND WASTE WATER SYSTEM; (2) ELECTRIC UTILITY SYSTEM; (3) STREETS INCLUDING RELATED DRAINAGE, SIDEWALKS, TRAFFIC IMPROVEMENTS AND LIGHTING; (4) MUNICIPAL BUILDINGS TO INCLUDE THE CITY HALL AND OTHER CITY FACILITIES, HVAC IMPROVEMENTS, ROOF REPLACEMENTS AND SECURITY IMPROVEMENTS; (5) STORMWATER MANAGEMENT AND FLOOD CONTROL FACILITIES; (6) AIRPORT, INCLUDING HANGARS; (7) PUBLIC SAFETY FACILITIES TO INCLUDE POLICE AND FIRE STATION IMPROVEMENTS AND A NEW LADDER TRUCK AND ENGINE; (8) NETWORK AND FIBER OPTIC INFRASTRUCTURE EQUIPMENT; (9) RECREATIONAL FACILITIES INCLUDING PARKS AND SPORTS FIELDS; (10) CEMETERY INCLUDING LAND ACQUISITION; (11) ANIMAL SHELTER; (12) PARKING INCLUDING LAND ACQUISITION; AND (13) THE PAYMENT OF PROFESSIONAL SERVICES IN CONNECTION THEREWITH INCLUDING LEGAL, FISCAL AND ENGINEERING FEES AND THE COSTS OF ISSUING THE CERTIFICATES OF OBLIGATION AND OTHER MATTERS RELATED THERETO

WHEREAS, the City Council (the "City Council") of the City of San Marcos, Texas (the "City"), by resolution adopted on March 17, 2020, directed publication of notice (the "Notice") of the City's intention to issue a maximum principal amount not to exceed $40,000,000 certificates of obligation of the City for the purposes hereinafter set forth;

WHEREAS, such notice was published in the manner and to the extent required by law;

WHEREAS, the notice was also posted on the City's website continuously for at least 45 days before the date tentatively set for the passage of this Ordinance; and

WHEREAS, there has not been filed with the City Clerk or any other officer of the City a petition protesting the issuance of such certificates of obligation and requesting an election on same;

WHEREAS, the City Council has determined that it is in the best interest of the City to issue less than the maximum principal amount included in the Notice, as set for the herein;

WHEREAS, the Issuer is an "Issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without

regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, it is affirmatively found and determined that the City is authorized to proceed with the issuance and sale of such certificates of obligation as authorized by the Constitution and laws of the State of Texas, including, particularly, Tex. Loc. Gov't Code Ann. ch. 271, subch. C, and Tex. Gov't Code Ch. 1502, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Tex. Gov't Code Ann. ch. 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

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

"Accreted Value" means, with respect to a Premium Compound Interest Certificate, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the Pricing Certificate and the Accretion Table attached as an exhibit to the Pricing Certificate relating to the respective Certificates that shows the Accreted Value per $5,000 maturity amount on the calculation date of maturity to its maturity.

"Accretion Table" means the exhibit attached to the Pricing Certificate that sets forth the rounded original principal amounts at the Original Issue Date for the Premium Compound Interest Certificates and the Accreted Values and maturity amounts thereof as of each Compounding Date until final maturity.

"Certificate" means any of the Certificates.

"Certificates" means one or more series of the City's certificates of obligation entitled "City of San Marcos, Texas, Combination Tax and Revenue Certificates of Obligation" authorized to be issued by Section 3.01 of this Ordinance and a Pricing Certificate

"Closing Date" means the date of the initial delivery of and payment for the Certificates.

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

"Current Interest Certificates" means the Certificates paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in each Pricing Certificate.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its designated office in Houston, Texas, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

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

"DTC Participant" means any broker, dealer, bank, trust company, clearing corporation or certain other organizations with Certificates credited to an account maintained on its behalf by DTC.

"Event of Default" means any Event of Default as defined in Section 10.01 of this Ordinance.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Initial Certificate" means the Certificate described in Section 3.04(d) and 6.02(d).

"Interest and Sinking Fund" means the interest and sinking fund established by Section 8.01(a) of this Ordinance.

"Interest Payment Date" means the date or dates upon which interest on the Certificates is scheduled to be paid until the maturity or prior redemption of the Certificates, as provided in a Pricing Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Ordinance" means this Ordinance.

"Original Issue Date" means the date of the Certificates designated in a Pricing Certificate.

"Owner" means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

"Paying Agent/Registrar" means Regions Bank, any successor thereto or an entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance and the Pricing Certificate.

"Premium Compound Interest Certificates" means the Certificates on which no interest is paid prior to maturity, maturing in various amounts and in the aggregate principal amount as set forth in each Pricing Certificate.

"Pricing Certificate" means the Pricing Certificate of the City's Pricing Officer to be executed and delivered pursuant to Section 3.02 hereof in connection with the issuance of a series of Certificates.

"Pricing Officer" means the City Manager, or in his absence, the Mayor, acting as the designated Pricing Officer of the City to execute each Pricing Certificate.

"Purchaser" means the person, firm or entity (whether one or more) initially purchasing a series of the Certificates from the City as set forth in each Pricing Certificate.

"Record Date" means the date specified in each Pricing Certificate.

"Redemption Date" means a date fixed for redemption of any Certificate pursuant to the terms of each Pricing Certificate.

"Register" means the Register specified in Section 3.06(a) of this Ordinance.

"Representation Letter" means the Blanket Issuer Letter of Representations with respect to the Certificates and other obligations of the City, between the City and DTC.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Special Payment Date" means the Special Payment Date prescribed by Section 3.03(b) of this Ordinance.

"Special Record Date" means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03(b) of this Ordinance.

"Surplus Revenues" means the revenues of the City's waterworks and sewer system, not to exceed $1,000, available after deduction of the reasonable expenses of said waterworks and sewer system and the payment of all debt service, reserve and other requirements with respect to all of the City's revenue bonds and other obligations, now outstanding or hereafter issued, that are payable in whole or in part from a pledge of all or part of the revenues of said waterworks and sewer system.

"Term Certificates" means the Certificates, if any, subject to mandatory sinking fund redemption as described in Section 4.02 and as set forth in a Pricing Certificate.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of principal, redemption premium, if any, or interest on the Certificates as the same become due and payable or money set aside for the payment of Certificates duly called for redemption prior to maturity, and remaining unclaimed for 90 days after the applicable payment or redemption date.

Section 1.02. Other Definitions.

The terms "City Council" and "City" shall have the meaning assigned in the preamble to this Ordinance.

Section 1.03. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance 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 Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. 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) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE CERTIFICATES

Section 2.01. Tax Levy for Payment of the Certificates.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Certificates, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements on the Certificates, being (i) the interest on the Certificates and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter, while the Certificates or interest thereon remain outstanding and unpaid, a tax within legal limitations on each $100 valuation of taxable property in the City that is sufficient to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and applied to the payment of the debt service requirements on the Certificates, and the tax shall not be diverted to any other purpose.

Section 2.02. Surplus Revenue Pledge.

The Certificates are additionally secured by and shall be payable from a pledge of the Surplus Revenues.

Section 2.03. Perfection of Security Interest.

Chapter 1208, Texas Government Code applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under Sections 2.01 and 2.02 of this Ordinance, and such pledge, therefore, is valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes or revenues granted by the City under Sections 2.01 and 2.02 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the registered owners of the Certificates 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.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.01. Authorization.

The City's certificates to be designated "City of San Marcos, Texas, Combination Tax and Revenue Certificates of Obligation," are hereby authorized to be issued in one or more series and delivered in accordance with the Constitution and laws of the State of Texas, including Subchapter C of Chapter 271 of the Texas Local Government Code, as amended and Chapters 1502 and 1371, Texas Government Code, as amended, in the aggregate principal amount not to exceed $40,000,000 for the purposes of constructing, improving, designing and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the City Hall and other City facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the Certificates.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) Initially there shall be issued, sold and delivered hereunder fully registered certificates, without interest coupons, which may be in the form of Current Interest Certificates or Premium Compound Interest Certificates, numbered consecut09ively from R-1 upward, in the case of Current Interest Certificates, and from PC-1 upward, in the case of Premium Compound Interest Certificates (except the Initial Certificate delivered to the Attorney General of the State of Texas which shall be numbered T-1 and TPC-1, respectively) payable to the respective initial Registered Owners thereof, or to the registered assignee or assignees of said Certificates or any portion of portions thereof, in Authorized Denominations, maturing not later than August 15, 2045, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in each Pricing Certificate to be executed and delivered by the Pricing Officer pursuant to subsection (b) of this section. Each Pricing Certificate is hereby incorporated in and made a part of this Ordinance. Each series of the Certificates shall be designated by the year in which they are awarded with a letter as necessary to designate each series as provided in each Pricing Certificate. The authority of the Pricing Officer to execute a Pricing Certificate shall expire at 5:00 p.m. C.D.T. on May 19, 2021. Certificates priced on or before May 19, 2021 may be delivered to the Purchasers after such date.

(b) As authorized by Chapter 1371, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the City in selling and delivering one or

more series of the Certificates and carrying out the other procedures specified in this Ordinance, including determining the date of the Certificates, any additional or different designation or title by which a series of the Certificates shall be known, the price at which each series of the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the aggregate principal amount of Current Interest Certificates and Premium Compound Interest Certificates, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Certificates, all of which shall be specified in the Pricing Certificate; provided that (i) the price to be paid for each series of the Certificates shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from its date to its delivery, (ii) none of the Certificates of a series shall bear interest at a rate, or yield in the case of Premium Compound Interest Certificates, greater than the maximum authorized by law, and (iii) each series of the Certificates shall be rated by a nationally recognized rating agency in one of the four higher rating categories unless a series of Certificates is issued through a private placement, as determined by the Pricing Officer, in which case no rating will be required. In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount not to exceed the amount authorized in Section 3.01, which shall be sufficient to provide for the purposes for which the Certificates are authorized and to pay the costs of issuing the Certificates.

(c) To achieve advantageous borrowing costs for the City, the Certificates shall be sold on a negotiated, placement or competitive basis as determined by the Pricing Officer in the Pricing Certificate. In determining whether to sell the Certificates by negotiated, placement or competitive sale, the Pricing Officer shall take into account any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale and any other matters which, in the judgment of the Pricing Officer, might affect the net borrowing costs on the Certificates.

If the Pricing Officer determines that a series of the Certificates should be sold at a competitive sale, the Pricing Officer shall cause to be prepared a notice of sale and official statement in such manner as the Pricing Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Certificates, to receive such bids, and to award the sale of the Certificates to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Pricing Officer determines that a series of the Certificates should be sold by a negotiated sale or placement, the Pricing Officer shall designate the placement purchaser or the senior managing underwriter for the Certificates and such additional investment banking firms as the Pricing Officer deems appropriate to assure that the Certificates are sold on the most advantageous terms to the City. The Pricing Officer, acting for and on behalf of the City, is authorized to enter into and carry out a Bond Purchase Agreement or other agreement for the Certificates to be sold by negotiated sale or placement, with the underwriters or placement purchasers at such price, with and subject to such terms as determined by the Pricing Officer

pursuant to Section 3.02(b) above. Each Bond Purchase Agreement or other agreement shall be substantially in the form and substance previously approved by the City in connection with the authorization of waterworks and sewer system debt with such changes as are acceptable to the Pricing Officer.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the City hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms and conditions of each series of the Certificates as set forth in this Ordinance and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated in each Pricing Certificate will be, in the best interests and shall have the same force and effect as if such determination were made by the Pricing Officer and the Pricing Officer is hereby authorized to make and include in each Pricing Certificate an appropriate finding to that effect.

(d) The Current Interest Certificates shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF CERTIFICATES set forth in this Ordinance to their respective dates of maturity or redemption at the rates per annum set forth in the Pricing Certificate.

The Premium Compound Interest Certificates shall bear interest from the Original Issue Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded on the Compounding Dates as set forth in the Pricing Certificate, and payable, together with the principal amount thereof, in the manner provided in the Form of Certificates at the rates set forth in the Pricing Certificate. Attached to the Pricing Certificate, if Premium Compound Interest Certificates are to be issued, shall be the Accretion Table. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accretion Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accretion Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of, premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Certificates shall be payable to the Owners whose names appear in the Register at the close of business on the Record 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 Paying Agent/Registrar 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 at least 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 Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest on the Certificates shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment by United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Certificate shall be paid to the person in whose name such Certificate is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office.

(e) If a date for the payment of the principal of or interest on the Certificates 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 day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed for three years after the applicable payment or redemption date shall be paid by the Paying Agent/Registrar to the City, to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to any applicable escheat, abandoned property, or similar law.

Section 3.04. Execution and Initial Registration.

(a) The Certificates shall be executed on behalf of the City by the Mayor and City Clerk of the City, 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 Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates

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 Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution by an officer or duly authorized representative of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, 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 the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it 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, one Initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or its designee as set forth in the Pricing Certificate. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of the Purchaser one registered definitive Certificate for each year of maturity of the Certificates in the aggregate principal amount of all Certificates for such maturity, registered in the name of Cede & Co., as nominee for DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Certificate is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Certificate in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Certificates remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) Registration of any Certificate may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Certificates, or any portion thereof in any integral multiple of $5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Certificate or any portion thereof registered in the name of such assignee or assignees. No transfer of any Certificate shall be effective until entered in the Register. Upon assignment and transfer of any Certificate or portion thereof, a new Certificate or Certificates will be issued by the Paying Agent/Registrar in conversion and exchange for such transferred and assigned Certificate. To the extent possible the Paying Agent/Registrar will issue such new Certificate or Certificates in not more than three business days after receipt of the Certificate to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Certificate may be converted and exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the registered owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Certificate or Certificates 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 Certificate presented for exchange. If a portion of any Certificate is redeemed prior to its scheduled maturity as provided herein, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of $5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. To the extent possible, a new Certificate or Certificates shall be delivered by the Paying Agent/Registrar to the Owner of the Certificate or Certificates in not more than three business days after receipt of the Certificate to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Certificate issued in exchange for any Certificate or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall convert and exchange the Certificates as provided herein, and each substitute Certificate 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

Ordinance to the same extent as the Certificate or Certificates in lieu of which such substitute Certificate is delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer, exchange or conversion of Certificates, but the Paying Agent/Registrar will 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, exchange or conversion of a Certificate. In addition, the City hereby covenants with the Owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Certificates, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration, conversion and exchange of Certificates as provided herein.

Section 3.07. Cancellation and Authentication.

(a) All Certificates paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the City with certificates of destruction of such Certificates.

(b) Each substitute Certificate issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in conversion of and exchange for or replacement of any Certificate or Certificates issued under this Ordinance, shall have printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, manually sign and date such Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Title 9, Tex. Gov't Code Ann., as amended, and particularly Chapter 1201, Subchapter D thereof, the duty of conversion and exchange or replacement of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Certificates shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Certificate which was originally delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Certificates issued in conversion and exchange or replacement of any other Certificate or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the

registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) shall be payable as to principal of and interest, all as provided, and in the manner required or indicated, in the Form of Certificates set forth in this Ordinance.

Section 3.08. Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate 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 Certificate 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 Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(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 Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of 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 Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate 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 or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar,

in its discretion, instead of issuing a replacement Certificate, may pay such Certificate if it has become due and payable or may pay such Certificate when it becomes due and payable.

(e) Each replacement Certificate 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 Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.09. Book-Entry-Only System.

(a) The definitive Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (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 Certificates, 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 Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a Certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. 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 Ordinance 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 Ordinance shall refer to such new nominee of DTC.

(c) The execution and delivery of the Representation Letter is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar 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, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts, as identified by DTC. In such event, the Certificates 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 Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 3.11. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificates 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 Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV and each Pricing Certificate.

Section 4.02. Optional and Mandatory Redemption.

(a) The City reserves the option to redeem Certificates as provided in each Pricing Certificate.

(b) The City, at least forty-five (45) days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Certificates to be redeemed.

Section 4.03. Partial Redemption.

(a) If less than all of the Certificates from a series are to be redeemed pursuant to its respective Pricing Certificate, the City shall determine the maturities and amounts thereof to be redeemed and shall direct the Paying Agent/Registrar (or DTC or a successor securities depository, as applicable, if the Certificates are in Book-Entry-Only form) to call by lot Certificates, or portions thereof within such maturity and in such principal amounts, for redemption.

(b) A portion of a single Certificate of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each $5,000 portion of the Certificate as though it were a single Certificate for purposes of selection for redemption.

(c) Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06, shall authenticate and deliver in exchange a Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Certificate as to which only a portion thereof is to be redeemed.

Section 4.04. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Certificates by sending notice by United States mail, first class postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Certificate (or part thereof) to be redeemed, at the address shown on the Register.

(b) The notice shall state the redemption date, the redemption price, the place at which the Certificates are to be surrendered for payment, and, if less than all the Certificates outstanding are to be redeemed, an identification of the Certificates or portions thereof to be redeemed.

(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.

Section 4.05. Payment Upon Redemption.

(a) Before or on each redemption date, the Paying Agent/Registrar shall make provision for the payment of the Certificates to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City sufficient to pay the redemption price of such Certificates.

(b) Upon presentation and surrender of any Certificate called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the redemption price of such Certificate to the date of redemption from the money set aside for such purpose.

Section 4.06. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 or 4.06, the Certificates or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the redemption price thereof, such Certificates or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Certificates are presented and surrendered for payment on such date.

(b) If any Certificate or portion thereof called for redemption is not so paid upon presentation and surrender of such Certificate for redemption, such Certificate or portion thereof shall continue to bear interest at the rate stated on the Certificate until paid or until due provision is made for the payment of same.

Section 4.07. Conditional Notice of Redemption.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The City hereby appoints Regions Bank, Houston, Texas, as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions, exchanges and replacements of such Certificates, as provided in this Ordinance.

(c) The execution and delivery of a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar, is hereby approved with such changes as may be approved by the Pricing Officer and the Pricing Officer is hereby authorized to execute such agreement.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be (i) a commercial bank, trust company, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination.

The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided that no such termination shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Certificates.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class postage prepaid, at the address in the Register, stating the effective date of the change and the name of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and the Pricing Certificate and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.01. Form Generally.

(a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates, (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 Ordinance and each Pricing Certificate, 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 Certificates, as evidenced by their execution thereof.

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

(c) The Certificates shall be printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof, except that the Initial Certificate submitted to the Attorney General of Texas, the definitive Certificates delivered to DTC and any temporary Certificates may be typewritten or photocopied or otherwise produced.

Section 6.02. Form of Certificates.

The form of Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance and the Pricing Certificate:

(a) [Form of Certificate]

REGISTERED REGISTERED

No. R-__ $_____

United States of America
State of Texas

CITY OF SAN MARCOS, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATE OF OBLIGATION
SERIES _____*

Interest Rate	Maturity Date	Original Issue Date	CUSIP Number
_____%*	_____, 20__*	_____, 20___*	_____*

The City of San Marcos (the "City") in the Counties of Hays, Caldwell and Guadalupe, State of Texas, for value received, hereby promises to pay to

_____*

*As provided in each Pricing Certificate. To the extent that the Pricing Certificate relating to the Certificates is inconsistent with any provisions in this Form of Certificate or contains information to complete missing information in this Form of Certificate, the language in the Pricing Certificate shall be used in the executed Certificates.

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS*

and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date 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 consisting of twelve 30-day months, such interest to be paid semiannually on _____* and _____* of each year, commencing _____, 20___*.

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the designated office in Houston, Texas (the "Designated Payment/Transfer Office"), of the Paying Agent/Registrar executing the registration certificate appearing hereon, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Certificate is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, 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 Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the 15th 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 Paying Agent/Registrar, 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 registered owner of a Certificate appearing on the books of the Paying Agent/Registrar 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 Certificates 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 day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Certificate is one of a series of fully registered certificates specified in the title hereof issued in the aggregate principal amount of $_____* (herein referred to as the

*As provided in each Pricing Certificate. To the extent that the Pricing Certificate relating to the Certificates is

"Certificates"), issued pursuant to a certain Ordinance of the City Council of the City (the "Ordinance") for the purpose of providing funds for constructing, improving, designing and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the City Hall and other City facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the Certificates.

The Certificates and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City and by a limited pledge of certain Surplus Revenues of the City's waterworks and sewer system.

[**Redemption Provisions***

The City has reserved the option to redeem the Certificates maturing on and after _____, 20___*, before their respective scheduled maturity in whole or in part in integral multiples of $5,000 on _____, 20___*, or on any date thereafter, at a price equal to the principal amount of the Certificates so called for redemption plus accrued interest to the redemption date. If less than all of the Certificates are to be redeemed, the City shall determine the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar (or DTC or a successor securities depository, as applicable, if the Certificates are in Book-Entry form) to call by lot Certificates, or portions thereof within such maturity or maturities and in such amounts, for redemption.

The Certificates maturing on _____, 20___* (the "Term Certificates") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Certificates Maturing _____, 20___*

Redemption Date	**Principal Amount**
_____, 20___	$_____
_____, 20___*	$_____*]**

inconsistent with any provisions in this Form of Certificate or contains information to complete missing information in this Form of Certificate, the language in the Pricing Certificate shall be used in the executed Certificates.

*As provided in each Pricing Certificate. To the extent that the Pricing Certificate relating to the Certificates is inconsistent with any provisions in this Form of Certificate or contains information to complete missing information in this Form of Certificate, the language in the Pricing Certificate shall be used in the executed Certificates.

*Final Maturity

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City by the principal amount of any Term Certificates of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City, at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Certificates plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

Notice of such redemption or redemptions shall be sent by United States mail, first-class postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Certificates to be redeemed in whole or in part. Notice having been so given, the Certificates or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice, and from and after such date, notwithstanding that any of the Certificates or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Certificates or portions thereof shall cease to accrue.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Certificate is transferable upon surrender of this Certificate for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Certificates 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.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate 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 Certificate is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Certificate be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate 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 Certificates 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 Certificates, does not exceed any constitutional or statutory limitation.

**Use of Term Certificates, if any, to be determined by the Pricing Officer.

IN WITNESS WHEREOF, this Certificate has been duly executed on behalf of the City, under its official seal, in accordance with law.

_____	_____
City Clerk, City of San Marcos, Texas	Mayor, City of San Marcos, Texas

[CITY SEAL]

(b) [Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Certificates referred to in the within mentioned Ordinance. The series of Certificates of which this Certificate is a part was originally issued as one Initial Certificate which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

REGIONS BANK, Houston, Texas
as Paying Agent/Registrar

Dated: _____ By:_____
Authorized Signatory

(c) [Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number:_____) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated:_____

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

Signature Guaranteed By:

_____

Authorized Signatory

(d) Initial Certificate Insertions.

(i) The Initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As Shown Below" and "CUSIP Number ____" deleted;

B. in the first paragraph:

the words "on the Maturity Date specified above" shall be deleted and the following will be inserted (with all blanks to be completed with information included in the Pricing Certificate): "on _____* in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments	Interest Rates"

(Information to be inserted from the Pricing Certificate)

C. In the second paragraph of the Initial Certificate, "initial" shall be inserted before "Paying Agent/Registrar" in the first sentence, "executing the registration certificate appearing hereon," shall be deleted and an additional sentence shall be added to the paragraph as follows: "The initial Paying Agent/Registrar is Regions Bank";

D. the Initial Certificate shall be numbered T-1.

(ii) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Certificate in lieu of the Certificate of Paying Agent/Registrar:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

*As provided in each Pricing Certificate. To the extent that the Pricing Certificate relating to the Certificates is inconsistent with any provisions in this Form of Certificate or contains information to complete missing information in this Form of Certificate, the language in the Pricing Certificate shall be used in the executed Certificates.

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

[SEAL]

_____
Comptroller of Public Accounts
of the State of Texas

Section 6.03. CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.04. Legal Opinion.

The approving legal opinion of Bond Counsel for the City, may be printed on the back of each Certificate or, in the case of the definitive Certificates delivered to DTC, attached to each definitive Certificate, over the certification of the City Clerk, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance.

In the event that municipal bond guaranty insurance shall be obtained with respect to the Certificates, the Certificates, including the Initial Certificate, may bear an appropriate legend, as provided by such insurer.

In connection with the sale of one or more series of the Certificates, the City may obtain municipal bond insurance policies from one or more Bond Insurers to guarantee the full and complete payment required to be made by or on behalf of the City on the Certificates. The Pricing Officer is hereby authorized to sign a commitment letter or insurance agreement with the Bond Insurer or Bond Insurers and to pay the premium for the bond insurance policies at the time of the delivery of the Certificates to the underwriter out of the proceeds of sale of the Certificates or from other available funds and to execute such other documents and certificates as

necessary in connection with the bond insurance policies as the Pricing Officer may deem appropriate. Printing on the Certificates covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to the Bond Insurer and the Pricing Officer, is hereby approved and authorized. The Pricing Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of the Bond Insurer or Bond Insurers, and any such provisions shall be read and interpreted as an integral part of this Ordinance.

ARTICLE VII

APPROVAL OF OFFERING DOCUMENTS AND PAYING AGENT/REGISTRAR AGREEMENT; CONTROL AND DELIVERY OF THE CERTIFICATES

Section 7.01. Approval of Offering Documents and Paying Agent/Registrar Agreement. The Pricing Officer is hereby authorized to approve the Preliminary Official Statement, the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto and to deem such documents final in accordance with Rule 15c2-12 and such Preliminary Official Statement and Official Statement shall be deemed to be approved by the City Council. The City further approves the distribution of such Official Statement in the reoffering of the Certificates by the Purchaser in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof.

The Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar ("Paying Agent Agreement") in substantially the form and substance previously approved by the City in previous transactions. The Pricing Officer is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement as necessary.

(a) All officers of the City are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Certificates in accordance with the Bond Purchase Agreement.

Section 7.02. Control and Delivery of Certificates.

(a) The Mayor of the City is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts of the State of Texas, delivery of the Certificates shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor of the City, against receipt by the City of all amounts due to the City under the terms of sale.

ARTICLE VIII

CREATION OR CONFIRMATION OF CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Creation of Funds.

(a) The City hereby establishes or confirms the establishment of the following special funds or accounts and the Pricing Officer is hereby authorized to complete such fund or account names with the appropriate series designation for each Series of Bonds:

(i) the City of San Marcos, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2020, Interest and Sinking Fund (the "Interest and Sinking Fund").

(ii) the City of San Marcos, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2020, Construction Fund (the "Construction Fund").

(b) The Interest and Sinking Fund and the Construction Fund shall be maintained at an official depository of the City.

Section 8.02. Interest and Sinking Fund.

(a) The taxes levied and surplus revenues pledged under Article II shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Certificates.

(b) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Certificates as such become due and payable.

Section 8.03. Construction Fund.

(a) Money on deposit in the Construction Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01 of this Ordinance.

(b) All amounts remaining in the Construction Fund after the accomplishment of the purposes for which the Certificates are hereby issued, including investment earnings of the Construction Fund, shall be deposited into the Interest and Sinking Fund.

Section 8.04. Security of Funds.

All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 8.05. Deposit of Proceeds.

(a) All amounts received on the Closing Date as accrued interest on the Certificates from the Dated Date to the Closing Date, shall be deposited to the Interest and Sinking Fund.

(b) The remainder of the proceeds of the Certificates shall be deposited to the Construction Fund and used for the purposes specified in Section 3.01 hereof and for paying the costs of issuance with respect to the Certificates.

Section 8.06. Investments.

(a) Money in the funds provided by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.07. Investment Income.

Interest and income derived from investment of any fund created by this Ordinance shall be credited to such fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Certificates.

While any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay the interest on and the principal of the Certificates, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Certificate; the City will promptly pay or cause to be paid the principal of, interest on, and premium, if any, with respect to, each Certificate on the dates and at the places and manner prescribed in such Certificate; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly

and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Covenants Regarding Tax Exemption of Interest on the Certificates.

(a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the 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 projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Tax-Exempt 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 Tax-Exempt Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Tax-Exempt Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Tax-Exempt Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Tax-Exempt 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 Tax-Exempt Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Tax-Exempt Bonds, other than investment property acquired with --

(A) proceeds of the Tax-Exempt Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 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 l.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 Tax-Exempt Bonds;

(7) to otherwise restrict the use of the proceeds of the Tax-Exempt Bonds or amounts treated as proceeds of the Tax-Exempt Bonds, as may be necessary, so that the Tax-Exempt Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Tax-Exempt 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 Tax-Exempt Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The 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 Obligations not 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. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Tax-Exempt 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 Tax-Exempt Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Tax-Exempt 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 Tax-Exempt Bonds under section 103 of the Code. In furtherance of

such intention, the City hereby authorizes and directs the City Manager or Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax-Exempt Bonds. This Ordinance is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations.

(d) Disposition of Project. The City covenants that the property constituting the project financed by the Refunded Obligations 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 Tax-Exempt Bonds. For purposes of this subsection, 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 of this subsection, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable;

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City; or

(iii) the City declares bankruptcy.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the

Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Certificates then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

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

ARTICLE XI

DISCHARGE AND DEFEASANCE

Section 11.01. Defeasance of Certificates.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Certificate s shall have become due and payable or (3) any combination of (1) and (2). At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from,

or entitled to the benefits of, the revenues herein pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Certificate as aforesaid when proper notice of redemption of such Certificates shall have been given or upon the establishment of irrevokable provisions for the giving of such notice, in accordance with this Ordinance. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City Council also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Certificate and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City Council.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Certificates and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Certificates and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) Notwithstanding anything elsewhere in this Ordinance, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Certificates and such Certificates shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Certificate affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Certificate to be paid at its maturity, the City retains the right under Texas law to later call that Defeased Certificate for redemption in accordance with the provisions of this Ordinance, the City may call such Defeased Certificate for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Certificate as though it was being defeased at the time of the exercise of the option to redeem the Defeased Certificate and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Certificate.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

12.01 Annual Reports.

The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2020, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 7.02(b) of this Ordinance, being information of the type described in Exhibit "A" hereto, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit "A" hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

12.02. Event Notices.

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Certificates:

A. Principal and interest payment delinquencies;

B. Non-payment related defaults, if material within the meaning of the federal securities laws;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. Adverse tax opinions, the issuance by the Internal Revenue Service 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 Certificates, or other events affecting the tax status of the Certificates;

G. Modifications to rights of holders of the Certificates, if material within the meaning of the federal securities laws;

H. Bond calls, if material within the meaning of the federal securities laws and tender offers;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Certificates, if material within the meaning of the federal securities laws;

K. Rating changes;

L. Bankruptcy, insolvency, receivership or similar event of the City;

M. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 within the meaning of the federal securities laws; and

N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

O. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

P. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

"Financial Obligation" means 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 to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Article by the time required by such Article. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

12.03. Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 12.02 of this Ordinance that causes the Certificates no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consents to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

ARTICLE XIII

AMENDMENTS; FURTHER PROCEDURES; AND SEVERABILITY

Section 13.01. Amendments.

(a) This Ordinance shall not be amended or repealed by the City while any Certificate remains outstanding, except as permitted by this Section and with the consent of, and prior notice to, the Insurer. The City, without the consent of or notice to any Owner, from time to time and at any time, may amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City, with the written consent of Owners holding a majority in aggregate principal amount of the Certificates then outstanding affected thereby, may amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of then outstanding Certificates, no such amendment, addition, or recission shall (i) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, redemption price therefor, or the rate of interest thereon, or in any other way

modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or recission. Copies of all amendments consented to by the Insurer shall also be sent to Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

Section 13.02. Further Procedures.

The officers and employees of the City are hereby authorized and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of and under the corporate seal of the City all such instruments, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, the Mayor, the Interim City Manager or Director of Finance of the City, and Certificate Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Attorney General of Texas. In the event that any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature nevertheless shall be valid and sufficient tor all purposes the same as if such officer had remained in office until such delivery.

Section 13.03. Severability.

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance is held to be invalid or unenforceable , the remainder of this Ordinance and the application of such section, article, paragraph, sentence, clause, phrase or word to other persons and circumstances nevertheless shall be valid and enforceable; and it is hereby declared that this Ordinance would have been enacted without such invalid or unenforceable provision.

Section 13.04. No Personal Liability.

No covenant or agreement contained in the Certificates, this Ordinance or any corollary instrument shall be deemed to be the covenant or agreement of any member of the City Council or any officer, agent, employee or representative of the City Council in his or her individual capacity, and neither the directors, officers, agents, employees or representatives of the City Council nor any person executing the Certificates shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability

being expressly released and waived as a condition of and in consideration for the issuance of the Certificates.

Section 13.05. Payment of Attorney General Fee.

The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Certificates or (ii) $9,500, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Certificates.

Section 13.06. Appropriation.

To pay the debt service coming due on the Certificates, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

FINALLY PASSED, APPROVED AND EFFECTIVE ON FIRST READING IN ACCORDANCE WITH Section 1201.028 Texas Government Code this 19th day of May, 2020.

_____
Mayor, City of San Marcos, Texas

ATTEST:

_____
City Clerk, City of San Marcos, Texas

[CITY SEAL]

APPROVED AS TO FORM:

_____
City Attorney, City of San Marcos, Texas

EXHIBIT A

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Article XII of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually within such period as disclosed in the Official Statement and in accordance with such Section 12.01 are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The portions of the financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. Statistical and financial data as determined by the Pricing Officer in a Pricing Certificate.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of San Marcos, Texas (the "City"), at its meeting to commence at 6:00 P.M. on May 5, 2020 (the "meeting"), at its regular meeting place in the City Hall, 630 East Hopkins, San Marcos, Texas, tentatively proposes to authorize the issuance of one or more series of interest bearing certificates of obligation of the City, in the total aggregate principal amount not to exceed $50,500,000, for the public purpose of paying contractual obligations incurred or to be incurred for constructing, improving, designing, acquiring and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the city hall and other city facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation and other matters related thereto. The City presently proposes to provide for the payment of the certificates of obligation by the levy of ad valorem taxes, within the limits prescribed by law. The certificates of obligation will be additionally payable from a limited pledge of surplus revenues of the City's water and waste water system not to exceed $1,000.

The following information is required pursuant to Texas Local Government Code, Section 271.049(b)(4) to be provided by the City (excludes $215,180,000 in principal amount of outstanding debt obligations that the City has designated as self-supporting and which the City reasonably expects to pay from revenues sources other than ad valorem taxes; provided, however, that in the event that such self-supporting revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations): As of March 17, 2020 principal of all outstanding debt obligations of the City is $106,350,000. As of March 17, 2020 combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is $36,395,693.64. The maximum principal amount of the Certificates to be authorized is $50,500,000. The estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is $77,110,315.28. The estimated interest rate for the Certificates to be authorized is 3.50%. Such estimates take into account a number of factors, including the issuance schedule, maturity schedule and the expected ratings of the proposed Certificates. Such estimated maximum interest rates is provided as a matter of information, but is not a limitation on the interest rate at which the Certificates, or any series thereof, may be sold. The maximum maturity date of the Certificates to be authorized is August 15, 2045. More information on the specific debt obligations that the City has designated as self-supporting is available upon request to the City at the address noted above.

FY 2020 Debt Sale CIP Project List

5/15/2020

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
653	Airport - City Facilities	Improvements to city owned facitlities at Airport	General		$ 100,000	$ 100,000	$ 50,000
159	Airport - Routine Maintenance Grant Match	50/50 match with TxDOT for routine airport maintenance; move into operating cost in 2022	General		$ 50,000	$ 50,000	$ 50,000
C9	Airport Hanger Project	Construct city owned box hangar (70x115) at the Kilo Development Area by SH21 and Airport Drive. Construction of the hangar will increase revenues at the airport. City will provide 10% match to federal funds. City requested the project to TxDOT in 2015. Additional funding needed due to original estimates from 2015 and cost of construction increasing.	General		$ 70,000	$ 70,000	$ 70,000
12	Animal Shelter - Short Term Imps	2019 funding: Short term repairs such as; Roof, kennels, paint, relocation & expansion of euthanasia room, HVAC, ceiling tile replacement is required for state compliance. 2020 Funding: Acquire and set a modular building to relocate administrative offices. Remodel current administrative space for adoption center and medical space.	General		$ 400,000	$ 400,000	$ 400,000
750	Bugg Lane Alley	Alley between Barbara and Conway, from Bugg Lane to Highline does not drain and it is causing the road to fall apart.	General		$ 35,000	$ 35,000	$ 35,000
616	Cemetery Land Acquisition	The City's cemetery is nearing capacity. Acquisition of adjacent property or the development of an additional cemetery is required. Some funding will come from cemetery perpetual fund. Razing 4 houses and rehabilitating 1 house for an office. Survey of property for platting, new fence, road ways, electric lines and water lines. Construction of infrastructure. First year funding is for demo of buildings, 2nd year funding is for master plan, 3rd year is for construction.	General		$ 700,000	$ 700,000	$ 542,000
475	City Facilities HVAC Replacement	HVAC Replacement for City Facilities at multiple locations. Activity Center, Price Center. 2021 Will begin replacement of SECO units (installed 2011/12) over multiple years.	General		$ 250,000	$ 250,000	$ 250,000
169	City Facility Parking Lots	Repave/restripe all City parking facilities based upon condition, with drainage improvements as needed. Locations include; Activity Center, Grant Harris, Cock House, Nature Center, CVB and park parking lots. Includes WQ ponds. Will coordinate with project #358 - Downtown SmartCode. Funding for this project is split over multiple years.	General		$ 150,000	$ 150,000	
526	City Facility Renovations	Renovations to current city facilities. FY2019 funds include: Activity Center Pool $230k, Municipal Bldg. Awnings $15k, Library water damaged areas, wall paper and paint $30k, Pub Svs Roof $25k, CVB Bldg. ADA Door $15k, Grant Harris structural repairs, parking lot, awning, painting $200k, Rec Hall HVAC Replacement $15k, Fire Sta #1 roof replacement, HVAC and plumbing repairs $50k, FS#2 HVAC and plumbing $15k, FS#3 HVAC and plumbing $15k, FS#5 roof repairs, HVAC, Electrical, Plumbing $55k. Dunbar Center FY 20 paint, flooring and ADA restrooms $150k. Fish hatchery building concrete, deck ADA improvements $80k. Price center interior improvements $100k.	General		$ 450,000	$ 450,000	$ 225,000
438	City Park - ADA Playground	Improve City Park playground to insure ADA compliance.	General		$ 750,000	$ 750,000	$ 400,000
667	Critical Facility Security	Security access control and video security for city facility security needs.	General		$ 50,000	$ 50,000	
415	Downtown Alley Reconstruction	Reconstruct the alleys between LBJ and Guadalupe from Hopkins to University, approx. 1200 LF. Kissing Alley from University to Hopkins will occur first in 2020 and 2021. Remaining alley's will occur in 2025/2027. Pavers will be used in Kissing Alley and the remaining alleys will have reconstructed asphalt paving. Both alleys between Hopkins and Hutchison will convert to underground electrical and telecom. Possible TIRZ funding. May include green infrastructure. Electric will need a place for transformer (acquisition needed) in Kissing Alley.	General		$ 60,000	$ 60,000	$ 60,000
712	Downtown Pedestrian Safety & Comfort Improvements	Sidewalk, Curbs, landscaping, trees, pedestrian lighting (250 light poles) and 32 signals, pavement markings, signage, wayfinding and place making improvements in focused (smaller) areas to improve safety, aesthetics, act as a demonstration project to encourage private development/participation.	General	$ 150,000	$ 200,000	$ 150,000	
C739	Dunbar Education Building Rehab	Rehab of the old home economic education building at the Dunbar center. Consider adding/converting to public restroom.	General		$ 25,000	$ 25,000	
582	E. Aquarena Springs Drive Reconstruction	This is a safety project to reconstruct E. Aquarena Springs Drive at the curve to super elevate the road to decrease accidents in this area. The road is currently super elevated in the wrong direction. This project will also address stormwater issues in the area.	General		$ 25,000		
69	Fiber Optic Infrastructure Expansions	Purchase the required fiber optic equipment to expand fiber ring. Locations for expansion include the PSAP ($35k), Airport, Gary Sports Complex, Surface Water Treatment Plant, Electric Substations.	General		$ 80,000	$ 80,000	
62	Fire Department Replacement Engine (52-614)	Replace Fire Engine. 2007 Smeal Pumper at Station 2	General			$ 785,000	$ 785,000
102	Fire Department Replacement Ladder Truck (52-300)	Replacement of Ladder Truck at Station #5	General		$ 250,000	$ 250,000	$ 250,000
724	Fire Station #2 - New Road	The City is responsible for constructing the road or a portion the road to the new Fire Station #2 site, located inside the La Cima development. Tentatively, the developer has offered to provide the design for the road. It is possible that we may only need to construct a portion of the roadway.	General		$ 300,000	$ 300,000	$ 300,000
336	Gary Softball Complex Renovation-Existing Fields	Renovate existing softball fields at Gary Complex. Improvements needed to update the 30 year old facility and meet ADA requirements. New concession stand, restrooms, need parking renovations/expansion, drainage and fire access.	General		$ 600,000	$ 600,000	$ 600,000

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
C477	Guadalupe Street Improvements	Striping plans from Grove to University to be incorporated into TxDOT mill & overlay project early 2019. Striping plans to accommodate 2 travel lanes, buffered cycle tract and parallel on street parking. Sidewalk and landscape improvements along Shields property. Pedestrian and bike lane accommodations at RR-Xing and Purgatory Creek. Includes closing of access and sidewalk repairs between MLK & San Antonio as able with TxDOT approval.	General	$ 1,000,000		$ 1,000,000	$ 500,000
594	Hopkins Street Improvements Project from Moore to Guadalupe	Reconstruct street, water, wastewater, stormwater and electric infrastructure pursuant with complete streets ordinance on Hopkins Street from Moore St. to Guadalupe. Widen Comanche Street to add a dedicated Left turn lane onto Hopkins St. to improve safety and intersection capacity to alleviate the congestion. Modify the traffic signal to accommodate new geometry. Acquisition will be needed, funding in 2022.	General		$ 350,000	$ 350,000	$ 350,000
600	Kingwood and Sherwood Imps	Rehabilitate existing wastewater lines along Kingwood and Sherwood Streets. Approx. 1800 LF total. Reconstruction of streets and stormwater. The existing water line is needed due to the line being undersized and does not provide fire coverage. Install stormwater channel to Willow Springs Creek. DMP#50 Construct cul-de-sac at the end of Sherwood. Possible new sidewalks. May include ROW acquisition.	General		$ 70,000	$ 70,000	$ 70,000
698	PARD Maintenance Facility - crew building		General		$ 300,000		
713	Parks - ADA Access to River	Provide 2-3 ADA access points along the San Marcos River in city parks.	General		$ 500,000	$ 500,000	$ 200,000
	Police Department Renovations	Construction cost increase, previously approved by Council.	General				$ 6,000,000
C639	Public Svs/Comm Svs Complex – Technology Infrastructure Fiber & Monopole tower	Install fiber to new facility and a monopole for wireless connectivity to electric substations. Coordinate with proj #132	General	150,000		150,000	150,000
679	Purgatory Creek Improvements Ph 1	Purgatory Creek Improvements from the San Marcos River to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. The project will be conducted in two phases. Phase 1 limits is from the San Marcos River to near Johnson Avenue. Other possible funding sources (FEMA, TxDOT, grants, etc.) are being explored. Phase 1 project designs, permitting and purchase of right-of-way will be conducted through year 2020 and construction estimated to start in 2022.	General		$ 1,750,000	$ 1,750,000	$ 650,000
C521	Sessom Creek Bank Stabilization And Wastewater Replacement From N.LBJ to Canyon Road	Creek bank eroding and undermining roadway from intersection of Loquat to dead end of Canyon. Roadway may need to be replaced. Exposed 12" waterline in creek. Culvert at Canyon/Loquat intersection needs to be upgraded. Project may need to be given priority before roadway is compromised. Install 2,000 LF of 8" & 15" wastewater mostly by bore along Sessom between N LBJ and Canyon/Loquat. Repair Sessom Creek Remediation Sites 9 & 10 as identified by RPS. Demonstration project for additional EAA Upper San Marcos Watershed Protection plan funding for erosion.	General	$ 50,000		$ 50,000	$ 50,000
C419	Sessom/Academy Intersection Improvements	Stormwater improvements along Sessom Drive from Yale to Comanche. Abandon a storm drain that currently runs through private property. Mill and overlay within utility improvements. Water and Wastewater replacement within project limits. Improvements and cost participation will be coordinated with development and TX State and with Drainage Master Plan #31. Previously approved funding in FY2015 and FY2016.	General	$ 600,000	$ 250,000	$ 850,000	$ 75,000
c476	Sheltered Bus Stops	In 2012 the City became a Small Urban Transit District. The City contracts with CARTS to provide transit service. CARTS has 160 stops, and only 4 are covered. This project will improve bus stops throughout the city based on the Strategic Plan completed in 2014. The cost will cover improvements to approx. 4 shelters and 3 pads per year.	General	$ 80,000		$ 80,000	$ 80,000
430	Staples Rd 12" Water Line	Construct 7000 LF of new 12" line in Staples Road from existing 12" water line at Lago Vista to Old Bastrop Road. Within the project limits, we will swap Crystal Clear Water Supply Corporation customers into our CCN. This project is required per the City's agreement with Crystal Clear to swap portions of CCN's and to strengthen the City's water supply. Intersection safety improvements and sidewalks at DeZavala and Staples Road.	General		$ 100,000		$ -
641	Storage Area Network (SAN) replacement - IT	The Storage Area Network (SAN) located in the Municipal building data center will be end of life support December 31, 2019. Once the product reaches end of life support, EMC will no longer provide support or replacement parts. This SAN is the primary storage device for the City.	General		$ 200,000	$ 200,000	
C583	Transportation Oversize	Provide an annual funding source for the City to participate in transportation projects with new development. This will allow for the construction of facilities beyond the proportional impact of new development.	General		$ 100,000	$ 100,000	
General Fund Totals				**$ 2,030,000**	**$ 8,165,000**	**$ 10,355,000**	**$ 12,142,000**

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
G543	Fire Department Training Airport Facility		General B		$ 2,000,000		$ -
G106	Library Expansion		General B		$ 6,750,000		$ -
General Fund BOND Project Totals					**$ 8,750,000**		
689	AMI Generation 2 Upgrade	Upgrade Advanced Metering Infrastructure to Generation 2, including meters and migrating from eCare to Customer Connect.	Water		$ 1,079,000	$ 79,000	$ 79,000
741	ARWA Delivery Improvements	Improvements at the surface water treatment plant to take delivery of ARWA water supply and new elevated storage tank in Blanco Vista.	Water		$ 4,000,000	$ 4,000,000	$ 4,000,000
C711	Asset Management System Development	External resources required to support development of asset management systems for use between city departments. This includes the development of web-based applications and reporting services to provide up-to-date infrastructure condition, maintenance, and risk assessment for city infrastructure assets. Examples include web based dashboards to support identification of future CIP projects and prioritization. Additionally, develop tools to support financial forecasting/estimates of projects. Development of a rehabilitation/repair matrix to support decision making. Other GIS/web based tools to support automation of data analysis.	Water	$ 50,000	$ 25,000		$ -
556	Comanche Pump Station Improvements	New Pumps at Comanche to fill RR12 & 50 LF 16" yard piping. WMP#1	Water		$ 50,000		$ -
C31	Comprehensive Plan	Implement items in Vision San Marcos. $100k in HUD-DR funds combined with FY2019 funding will be used to update the comprehensive plan to reflect new flood information. 2022 funding will be implementation of the updated Comp plan. Comp Plan updated every 5 years.	Water		$ 100,000		$ -
667	Critical Facility Security	Security access control and video security for city facility security needs.	Water		$ 50,000		
415	Downtown Alley Reconstruction	Reconstruct the alleys between LBJ and Guadalupe from Hopkins to University, approx. 1200 LF. Kissing Alley from University to Hopkins will occur first in 2020 and 2021. Remaining alley's will occur in 2025/2027. Pavers will be used in Kissing Alley and the remaining alleys will have reconstructed asphalt paving. Both alleys between Hopkins and Hutchison will convert to underground electrical and telecom. Possible TIRZ funding. May include green infrastructure. Electric will need a place for transformer (acquisition needed) in Kissing Alley.	Water		$ 30,000	$ 30,000	30,000
704	Dunbar Utility Imps	Upgrade water and wastewater mains to 8" to provide fire protection and improve flows on San Antonio, MLK, Faris, Wilson, Johnson, Mead and Dailey.	Water		$ 500,000	$ 500,000	$ 500,000
594	Hopkins Street Improvements Project from Moore to Guadalupe	Reconstruct street, water, wastewater, stormwater and electric infrastructure pursuant with complete streets ordinance on Hopkins Street from Moore St. to Guadalupe. Widen Comanche Street to add a dedicated Left turn lane onto Hopkins St. to improve safety and intersection capacity to alleviate the congestion. Modify the traffic signal to accommodate new geometry. Acquisition will be needed, funding in 2022.	Water		$ 130,000	$ 130,000	$ 130,000
414	Hwy 21 Water	Extend the 12" water line in SH 21 approximately 9600lf from the airport entrance to William Pettus Road to accommodate future planned development along SH-21, including expansion of businesses at the airport. WMP#17.	Water		$ 500,000	$ 500,000	$ 500,000
661	Hwy 80 Water Line	Extend 12" line from existing 30" along SH 80 to edge of CCN, then north along property boundaries to connect to dead end at airport. 17,000lf WMP#29	Water		$ 250,000		$ -
629	IH-35 Utility Relocations	Phase 1 of the project will include utility relocation along IH35 frontage roads from River Ridge to Loop 82 and IH35/Posey Rd. interchage, which will include the County Water Line Crossing. Phase 2 will include relocation/upsizing of utilities at IH-35/SH123 interchange including W/WW upsizing at Riverside, Marshall, and Woodcrest water line crossings and a Storm Drain system between SH80 and RM12. TxDOT project consists of reconstructing portions of northbound and southbound frontage roads, including improving bicycle and pedestrian facilities. Future Phase 3 will extend from Wonderworld to Posey and will include the Wonderworld Dr, Cottonwood, McCarty and Centerpoint Water Line Crossings. Funding reimbursable by TxDOT for any utilities that are in conflict.	Water		$ 50,000		$ -
600	Kingwood and Sherwood Imps	Rehabilitate existing wastewater lines along Kingwood and Sherwood Streets. Approx. 1800 LF total. Reconstruction of streets and stormwater. The existing water line is needed due to the line being undersized and does not provide fire coverage. Install stormwater channel to Willow Springs Creek. DMP#50 Construct cul-de-sac at the end of Sherwood. Possible new sidewalks. May include ROW acquisition.	Water		$ 20,000	$ 20,000	$ 20,000
678	Network Cabling Infrastructure for City Facilities - Bond	New network cabling and fiber infrastructure for city facilities due to redesign, expansions or new buildings. 2018 funds include cabling for the Library and Police Department ($225k). 2019 funds include cabling for Fire Station #2 ($100k). 2020 funds include cabling for Fire Station #2 ($150k). 2021 funds include cabling for Fire Station #6 - Trace ($300k).	Water		$ 75,000		$ -
C639	Public Svs/Comm Svs Complex – Technology Infrastructure Fiber & Monopole tower	Install fiber to new facility and a monopole for wireless connectivity to electric substations. Coordinate with proj #132	Water	150,000			$ -

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
679	Purgatory Creek Improvements Ph 1	Purgatory Creek Improvements from the San Marcos River to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. The project will be conducted in two phases. Phase 1 limits is from the San Marcos River to near Johnson Avenue. Other possible funding sources (FEMA, TxDOT, grants, etc.) are being explored. Phase 1 project designs, permitting and purchase of right-of-way will be conducted through year 2020 and construction estimated to start in 2022.	Water		$ 121,000	$ 121,000	$ 121,000
166	Red Sky Water Improvements	Replace undersized 2'' mains with 8'' mains on Horace Howard/Dachshund St. Approx. 4,370. LF.	Water		$ 1,100,000	$ 1,100,000	$ 1,100,000
C521	Sessom Creek Bank Stabilization And Wastewater Replacement From N.LBJ to Canyon Road	Creek bank eroding and undermining roadway from intersection of Loquat to dead end of Canyon. Roadway may need to be replaced. Exposed 12" waterline in creek. Culvert at Canyon/Loquat intersection needs to be upgraded. Project may need to be given priority before roadway is compromised. Install 2,000 LF of 8" & 15" wastewater mostly by bore along Sessom between N LBJ and Canyon/Loquat. Repair Sessom Creek Remediation Sites 9 & 10 as identified by RPS. Demonstration project for additional EAA Upper San Marcos Watershed Protection plan funding for erosion.	Water	$ 200,000			$ -
C419	Sessom/Academy Intersection Improvements	Stormwater improvements along Sessom Drive from Yale to Comanche. Abandon a storm drain that currently runs through private property. Mill and overlay within utility improvements. Water and Wastewater replacement within project limits. Improvements and cost participation will be coordinated with development and TX State and with Drainage Master Plan #31. Previously approved funding in FY2015 and FY2016.	Water	$ 150,000	$ 200,000	$ 350,000	$ 90,000
641	Storage Area Network (SAN) replacement - IT	The Storage Area Network (SAN) located in the Municipal building data center will be end of life support December 31, 2019. Once the product reaches end of life support, EMC will no longer provide support or replacement parts. This SAN is the primary storage device for the City.	Water		$ 200,000		
248	Water Improvements	Minor engineering projects to repair waterlines	Water		$ 150,000		
c251	Water Pump Station Improvements	Systematic repair, replacement and upgrade of water pump stations	Water	$ 150,000	$ 150,000		
c247	Water System Improvements	On-going effort to replace, repair, and add water valves and hydrants throughout system, and make emergency replacements	Water	$ 150,000	$ 150,000		
Water Fund Totals				**$ 850,000**	**$ 8,930,000**	**$ 6,830,000**	**$ 6,570,000**
C711	Asset Management System Development	External resources required to support development of asset management systems for use between city departments. This includes the development of web-based applications and reporting services to provide up-to-date infrastructure condition, maintenance, and risk assessment for city infrastructure assets. Examples include web based dashboards to support identification of future CIP projects and prioritization. Additionally, develop tools to support financial forecasting/estimates of projects. Development of a rehabilitation/repair matrix to support decision making. Other GIS/web based tools to support automation of data analysis.	Wastewater	$ 50,000	$ 25,000		$ -
578	Browne Terrace Lift Station 20 Rehabilitation	This project consists of rehabilitating Lift Station #20 on Browne Terrace, between Viola St. and Burleson St. WWMP#33	Wastewater		$ 50,000		
C425	Care Inn Wastewater Lift Station 5	Rehab lift station to repair concrete deterioration. Lift station is close to overflow during heavy rain events. Coordinate with Midtown East Drainage Proj.	Wastewater		$ 100,000	$ 100,000	$ 100,000
415	Downtown Alley Reconstruction	Reconstruct the alleys between LBJ and Guadalupe from Hopkins to University, approx. 1200 LF. Kissing Alley from University to Hopkins will occur first in 2020 and 2021. Remaining alley's will occur in 2025/2027. Pavers will be used in Kissing Alley and the remaining alleys will have reconstructed asphalt paving. Both alleys between Hopkins and Hutchison will convert to underground electrical and telecom. Possible TIRZ funding. May include green infrastructure. Electric will need a place for transformer (acquisition needed) in Kissing Alley.	Wastewater		$ 30,000	$ 30,000	$ 30,000
704	Dunbar Utility Imps	Upgrade water and wastewater mains to 8" to provide fire protection and improve flows on San Antonio, MLK, Faris, Wilson, Johnson, Mead and Dailey.	Wastewater		$ 500,000	$ 500,000	$ 500,000
59	East IH 35 WW Oversize	Participate in the oversize of wastewater extensions with proposed developments such as Trace and Gas Lamp, (second phase) east side of IH 35 to Old Bastrop Hwy. Funds will come from Impact Fees.	Wastewater		$ 400,000		
69	Fiber Optic Infrastructure Expansions	Purchase the required fiber optic equipment to expand fiber ring. Locations for expansion include the PSAP ($35k), Airport, Gary Sports Complex, Surface Water Treatment Plant, Electric Substations.	Wastewater		$ 80,000		
423	Gary Job Corp LS 46 Rehab	Rehab lift station by lining wet well and increasing elevation to provide protection from overflowing during rain events.	Wastewater		$ 300,000		$ -
555	Highway 80 Lift Station and 12-Inch Force Main	This project consists of constructing a new lift station with an initial firm pumping capacity of 1.25 MGD and a wet well capacity to handle the 2035 peak flow of 5.0 MGD. The proposed lift station will be located at Highway 80 and CR 102 and includes a 12-inch force main that discharges directly to the existing wastewater treatment facility. WWMP#11	Wastewater		$ 5,000,000		$ -

FY 2020 Debt Sale CIP Project List

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594	Hopkins Street Improvements Project from Moore to Guadalupe	Reconstruct street, water, wastewater, stormwater and electric infrastructure pursuant with complete streets ordinance on Hopkins Street from Moore St. to Guadalupe. Widen Comanche Street to add a dedicated Left turn lane onto Hopkins St. to improve safety and intersection capacity to alleviate the congestion. Modify the traffic signal to accommodate new geometry. Acquisition will be needed, funding in 2022.	Wastewater		$ 130,000	$ 130,000	$ 130,000
97	IH 35 Ellis to Wonderworld WW Improvements	Use trenchless technology to rehabilitate existing wastewater line along IH35 from Ellis to Wonder World. Existing lines on Texas will be rehabilitated as well. Approx. 5000 LF total. 6" Wastewater line along Texas needs to be upsized to 8" lines and the 8" Wastewater line along IH35 needs to be upsized to a 12" line according to the Wastewater Master Plan.	Wastewater		$ 200,000	$ 100,000	$ 100,000
600	Kingwood and Sherwood Imps	Rehabilitate existing wastewater lines along Kingwood and Sherwood Streets. Approx. 1800 LF total. Reconstruction of streets and stormwater. The existing water line is needed due to the line being undersized and does not provide fire coverage. Install stormwater channel to Willow Springs Creek. DMP#50 Construct cul-de-sac at the end of Sherwood. Possible new sidewalks. May include ROW acquisition.	Wastewater		$ 20,000	$ 20,000	$ 20,000
733	Midway Wastewater Imps	Install new wastewater line along Midway St and part of Perkins St to provide service to new properties and existing properties not connected to the city sewer system. Project may also include improvements to existing sewer along Alto St.	Wastewater		$ 500,000		$ -
729	Posey Rd. Wastewater Extension	This project consists of the extension of wastewater from the Trace Subdivision across IH-35 to the Posey Road Industrial Park. This is a developer driven project.	Wastewater		$ 800,000		-
679	Purgatory Creek Improvements Ph 1	Purgatory Creek Improvements from the San Marcos River to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. The project will be conducted in two phases. Phase 1 limits is from the San Marcos River to near Johnson Avenue. Other possible funding sources (FEMA, TxDOT, grants, etc.) are being explored. Phase 1 project designs, permitting and purchase of right-of-way will be conducted through year 2020 and construction estimated to start in 2022.	Wastewater		$ 121,000	$ 121,000	$ 121,000
C521	Sessom Creek Bank Stabilization And Wastewater Replacement From N.LBJ to Canyon Road	Creek bank eroding and undermining roadway from intersection of Loquat to dead end of Canyon. Roadway may need to be replaced. Exposed 12" waterline in creek. Culvert at Canyon/Loquat intersection needs to be upgraded. Project may need to be given priority before roadway is compromised. Install 2,000 LF of 8" & 15" wastewater mostly by bore along Sessom between N LBJ and Canyon/Loquat. Repair Sessom Creek Remediation Sites 9 & 10 as identified by RPS. Demonstration project for additional EAA Upper San Marcos Watershed Protection plan funding for erosion.	Wastewater	$ 1,000,000	$ 300,000	$ 1,300,000	$ 1,300,000
707	Sessom Creek Restoration - Phase 2	Relocate 850 LF of wastewater main in Sessom Creek along Canyon Rd from Loquat to Canyon Fork, in conflict with the Sessom Creek Restoration Project. This may be a joint bid project (if HCP funding is available) between the City and the Habitat Conservation Plan team who will design and fund the creek restoration work using Natural Channel Design, stabilize eroding streambanks and provide grade control structures to balance the processes of aggradation/degradation.	Wastewater		$ 300,000		$ -
C419	Sessom/Academy Intersection Improvements	Stormwater improvements along Sessom Drive from Yale to Comanche. Abandon a storm drain that currently runs through private property. Mill and overlay within utility improvements. Water and Wastewater replacement within project limits. Improvements and cost participation will be coordinated with development and TX State and with Drainage Master Plan #31. Previously approved funding in FY2015 and FY2016.	Wastewater	$ 150,000		$ 150,000	$ 90,000
c207	SSES & Repairs	Continue systematic sanitary sewer evaluation study and correction of defects throughout the City. Previous funding includes; SSES EARZ Repairs - Replacement of various deteriorated sewer mains at Veramendi St., Nevada St., Bert Brown St., Brown St., and Indiana St. to protect the Edwards Aquifer Recharge Zone and SSES Defect Repairs. Future funding includes Basin SM-04 (WWMP #20) in 2019 and Basin SM-07 (WWMP #21) in 2020.	Wastewater	$ 650,000			$ -
c258	Wastewater Collection Improvements	Minor operation projects to repair or replace deteriorating wastewater infrastructure, add cleanouts, install monitoring equipment, etc.	Wastewater	$ 150,000	$ 150,000		$ -
244	Wastewater Improvements	Minor engineering projects to repair or replace deteriorating wastewater infrastructure, add cleanouts, install monitoring equipment, etc.	Wastewater		$ 150,000		
c245	Wastewater Lift Station Improvements	Operational systematic upgrade of existing wastewater lift stations.	Wastewater	$ 150,000	$ 150,000		$ -
546	West Purgatory Creek 18-inch Wastewater Interceptor	This project consists of replacing the existing 12-inch wastewater main with a 18-inch wastewater interceptor from the corner of San Antonio St. & Pitt St. to the existing 24-inch wastewater interceptor at Ellis St. Developer will design the project and we will construct.	Wastewater		$ 1,725,000	$ 1,725,000	$ 1,725,000

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
652	WWTP Electric Backup Feed	This project is to provide backup feed to the COSM Waste Water Treatment Plant on River Road. In order to improve the reliability of the electrical service at the WWTP SMEU will provide multiple sources of electric power. Electric service can be provided from San Marcos Substation Transformer #2 with San Marcos T1 and Redwood Substations as backup. Easements may be required.	Wastewater		$ 1,500,000	$ 1,500,000	$ 1,500,000
727	WWTP Misc. Improvements Ph 2	Additional fine screen and conveyor at headworks; roof replacement over grit & screenings area; sludge drying bed rehab; primary sludge screen; covers for secondary clarifier launders; sludge centrifuge replacement (2); new blower building to house existing and 1 additional high speed blower.	Wastewater		$ 1,000,000	$ 1,000,000	$ 1,000,000
Wastewater Fund Totals				**$ 2,150,000**	**$ 13,531,000**	**$ 6,676,000**	**$ 6,616,000**
680	Castle Forest Channel	Increase capacity along Castle Forest Channel due to erosion and damage caused to fences during recent storm events. DMP #51 to repair driveway at 2029 Castle Gate Circle and extend storm system down Castle Gate Circle. The project will include an H&H analysis considering the entire subdivision, development of proposed flood risk reduction alternatives and summarized in a Preliminary Engineering Report (Phase 1).	Stormwater		$ 100,000	$ 100,000	$ 100,000
734	Cemetery/Franklin Stormwater Imps	This project will address drainage issues previously reported at 604 Franklin, Clyde Court and 609 Franklin. The project evaluates runoff from the Cemetery and through the Franklin Place subdivision. Possible recommendations could include a storm drain, drainage ditch and or curbs. Preliminary evaluation to be conducted as part of the Various Stormwater Improvements (CIP 618) project.	Stormwater		$ 250,000	$ 250,000	
C622	Corps of Engineers Flood Project Participation		Stormwater	$ 80,000		$ 80,000	
415	Downtown Alley Reconstruction	Reconstruct the alleys between LBJ and Guadalupe from Hopkins to University, approx. 1200 LF. Kissing Alley from University to Hopkins will occur first in 2020 and 2021. Remaining alley's will occur in 2025/2027. Pavers will be used in Kissing Alley and the remaining alleys will have reconstructed asphalt paving. Both alleys between Hopkins and Hutchison will convert to underground electrical and telecom. Possible TIRZ funding. May include green infrastructure. Electric will need a place for transformer (acquisition needed) in Kissing Alley.	Stormwater		$ 50,000	$ 50,000	$ 50,000
358	Downtown SmartCode Water Quality Plan Implementation	Water quality features downtown from study in 2015. $500,000 over 5 years starting in 2019. Locations include City Hall at Hopkins St, Guadalupe and LBJ at RR Crossing, S. Guadalupe St and IH-35, LBJ at IH-35 truck stop parking lot, City Activity Center Parking Lot, City Library Parking Lot, City Memorial Park/RR ROW, Alleys between Hutchison, LBJ, Guadalupe and Hopkins Block, San Antonio St and LBJ Drive.	Stormwater		$ 100,000	$ 100,000	
582	E. Aquarena Springs Drive Reconstruction	This is a safety project to reconstruct E. Aquarena Springs Drive at the curve to super elevate the road to decrease accidents in this area. The road is currently super elevated in the wrong direction. This project will also address stormwater issues in the area.	Stormwater		$ 25,000		
594	Hopkins Street Improvements Project from Moore to Guadalupe	Reconstruct street, water, wastewater, stormwater and electric infrastructure pursuant with complete streets ordinance on Hopkins Street from Moore St. to Guadalupe. Widen Comanche Street to add a dedicated Left turn lane onto Hopkins St. to improve safety and intersection capacity to alleviate the congestion. Modify the traffic signal to accommodate new geometry. Acquisition will be needed, funding in 2022.	Stormwater		$ 100,000	$ 100,000	$ 100,000
600	Kingwood and Sherwood Imps	Rehabilitate existing wastewater lines along Kingwood and Sherwood Streets. Approx. 1800 LF total. Reconstruction of streets and stormwater. The existing water line is needed due to the line being undersized and does not provide fire coverage. Install stormwater channel to Willow Springs Creek. DMP#50 Construct cul-de-sac at the end of Sherwood. Possible new sidewalks. May include ROW acquisition.	Stormwater		$ 230,000	$ 230,000	$ 230,000
682	Midtown Stormwater Ph. 2	DMP #43 Address flooding issues on west side of IH-35 at Uhland and Mill St. Improvements to include storm water system to relieve flooding from upstream pond/outfall of Copper Beach Apartments. Possible DR Project.	Stormwater		$ 100,000		
679	Purgatory Creek Improvements Ph 1	Purgatory Creek Improvements from the San Marcos River to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. The project will be conducted in two phases. Phase 1 limits is from the San Marcos River to near Johnson Avenue. Other possible funding sources (FEMA, TxDOT, grants, etc.) are being explored. Phase 1 project designs, permitting and purchase of right-of-way will be conducted through year 2020 and construction estimated to start in 2022.	Stormwater		$ 1,275,000	$ 1,275,000	$ 1,275,000
675	Rio Vista Stormwater Imps	Infrastructure project to resolve local flooding in events up to 25-years in Rio Vista area including: re-grading of roadways and ditches in 3 areas along Riverside Dr. and Riviera St. to address overland flow and ponding issues by improving conveyance to the San Marcos River. Possible DR funding.	Stormwater		$ 70,000	$ 70,000	$ 70,000

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
C521	Sessom Creek Bank Stabilization And Wastewater Replacement From N.LBJ to Canyon Road	Creek bank eroding and undermining roadway from intersection of Loquat to dead end of Canyon. Roadway may need to be replaced. Exposed 12" waterline in creek. Culvert at Canyon/Loquat intersection needs to be upgraded. Project may need to be given priority before roadway is compromised. Install 2,000 LF of 8" & 15" wastewater mostly by bore along Sessom between N LBJ and Canyon/Loquat. Repair Sessom Creek Remediation Sites 9 & 10 as identified by RPS. Demonstration project for additional EAA Upper San Marcos Watershed Protection plan funding for erosion.	Stormwater	$ 700,000		$ 700,000	$ 300,000
C419	Sessom/Academy Intersection Improvements	Stormwater improvements along Sessom Drive from Yale to Comanche. Abandon a storm drain that currently runs through private property. Mill and overlay within utility improvements. Water and Wastewater replacement within project limits. Improvements and cost participation will be coordinated with development and TX State and with Drainage Master Plan #31. Previously approved funding in FY2015 and FY2016.	Stormwater	$ 500,000	$ 100,000	$ 600,000	$ 75,000
C210	Stormwater System Improvements	Annual program for minor unplanned stormwater improvements & repairs to address localized deficiencies and problems in the stormwater system.	Stormwater		$ 120,000	$ 120,000	$ 120,000
618	Various Stormwater Imps	This general project will fund design and construction for areas that don't require larger projects to address. Where possible design and construction will be handled in-house. Locations identified: FY17, FY18 and FY19 Projects: Crockett Elementary near Clyde; Fire Station No. 1 Drain (Hutchison Street); Harper Drive and River Road (DMP #48); South LBJ at Willow Springs Bridge Repair Hot Spot #22, and Water Quality Imp #51 (S LBJ & IH35); FY20 Projects: DMP #53 Rogers at Maury St. $230k. FY2021 projects - Hill Drive Drainage Imps. FY 2022 Proj - Browne Terrace Culvert Upgrade	Stormwater		$ 230,000	$ 230,000	$ 230,000
731	Wallace Addition Offsite Drainage Imps	Offsite drainage improvements are required to avoid flooding in Wallace Addition neighborhood. The existing Cape Road Channel as well as Staples Road ditch including culverts do not have adequate capacity to convey 25 year fully developed storm event without spilling out of their banks and resulting in runoff backing up into the neighborhood. Cape Channel improvements, culverts upsizing and Staples Road ditch diversion via a proposed culvert under Staples Road and a channel along fish hatchery property is required to contain 25 year fully developed storm. The proposed improvements will alleviate surface runoff and flooding issues currently experienced in the neighborhood.	Stormwater		$ 825,000	$ 825,000	$ 825,000
255	William Pettus Improvements	Reconstruct William Pettus Rd low-water crossing.	Stormwater		$ 200,000	$ 200,000	
Stormwater Fund Totals				**$ 1,280,000**	**$ 3,775,000**	**$ 4,930,000**	**$ 3,375,000**
689	AMI Generation 2 Upgrade	Upgrade Advanced Metering Infrastructure to Generation 2, including meters and migrating from eCare to Customer Connect.	Electric		$ 4,288,000	$ 3,288,000	$ 3,288,000
183	Bishop Street Improvements	Stormwater (DMP #35 & extension on Veramendi), Water (per master plan) and Wastewater improvements along Belvin & S. Bishop to improve Stormwater issues downstream along San Antonio Street. Includes a sidewalk and full depth construction.	Electric		$ 200,000	$ 200,000	
709	Carlson Circle Streetlight Repair and Replace	Replace and repair damaged wire and conduit that lights up Carlson Circle from Fire Station 5 to Canyon Substation.	Electric		$ 210,000		
C31	Comprehensive Plan	Implement items in Vision San Marcos. $100k in HUD-DR funds combined with FY2019 funding will be used to update the comprehensive plan to reflect new flood information. 2022 funding will be implementation of the updated Comp plan. Comp Plan updated every 5 years.	Electric		$ 100,000		
667	Critical Facility Security	Security access control and video security for city facility security needs.	Electric		$ 50,000		
C40	Customer Extensions - New Service	Purchase of transformers to keep up with demand of growth	Electric	$ 471,179		$ 471,179	
40	Customer Extensions - New Service	Purchase of transformers to keep up with demand of growth	Electric		$ 478,247	$ 478,247	
415	Downtown Alley Reconstruction	Reconstruct the alleys between LBJ and Guadalupe from Hopkins to University, approx. 1200 LF. Kissing Alley from University to Hopkins will occur first in 2020 and 2021. Remaining alley's will occur in 2025/2027. Pavers will be used in Kissing Alley and the remaining alleys will have reconstructed asphalt paving. Both alleys between Hopkins and Hutchison will convert to underground electrical and telecom. Possible TIRZ funding. May include green infrastructure. Electric will need a place for transformer (acquisition needed) in Kissing Alley.	Electric		$ 50,000	$ 50,000	$ 50,000
712	Downtown Pedestrian Safety & Comfort Improvements	Sidewalk, Curbs, landscaping, trees, pedestrian lighting (250 light poles) and 32 signals, pavement markings, signage, wayfinding and place making improvements in focused (smaller) areas to improve safety, aesthetics, act as a demonstration project to encourage private development/participation.	Electric	$ 185,000	$ 235,000	$ 420,000	$ 420,000
69	Fiber Optic Infrastructure Expansions	Purchase the required fiber optic equipment to expand fiber ring. Locations for expansion include the PSAP ($35k), Airport, Gary Sports Complex, Surface Water Treatment Plant, Electric Substations.	Electric		$ 80,000		

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
c480	Hopkins Sidewalk Widening CM Allen to Thorpe	Install 10' multi-use sidewalk along Hopkins (Library Side) with pedestrian lighting from CM Allen - Thorpe Lane, identified in sidewalk analysis performed by Staff. Coordinate with expansion of library. Add pedestrian hybrid beacon (PHB) on Hopkins at Library Driveway and Riverside Drive. Add second left turn lane on Southbound Charles Austin and modify signals to create dedicated right turn leaving City Hall at Hopkins - 2018/2019 funding for turn lane/additional costs over and above CAMPO match. Approved funding for this project from 2016 & 2017 and $2M in CAMPO funds (which will be funded in 2018 by CAMPO).	Electric		$ 200,000		
594	Hopkins Street Improvements Project from Moore to Guadalupe	Reconstruct street, water, wastewater, stormwater and electric infrastructure pursuant with complete streets ordinance on Hopkins Street from Moore St. to Guadalupe. Widen Comanche Street to add a dedicated Left turn lane onto Hopkins St. to improve safety and intersection capacity to alleviate the congestion. Modify the traffic signal to accommodate new geometry. Acquisition will be needed, funding in 2022.	Electric		$ 200,000	$ 200,000	$ 200,000
629	IH-35 Utility Relocations	Phase 1 of the project will include utility relocation along IH35 frontage roads from River Ridge to Loop 82 and IH35/Posey Rd. interchage, which will include the County Water Line Crossing. Phase 2 will include relocation/upsizing of utilities at IH-35/SH123 interchange including W/WW upsizing at Riverside, Marshall, and Woodcrest water line crossings and a Storm Drain system between SH80 and RM12. TxDOT project consists of reconstructing portions of northbound and southbound frontage roads, including improving bicycle and pedestrian facilities. Future Phase 3 will extend from Wonderworld to Posey and will include the Wonderworld Dr, Cottonwood, McCarty and Centerpoint Water Line Crossings. Funding reimbursable by TxDOT for any utilities that are in conflict.	Electric		$ 100,000		$ -
678	Network Cabling Infrastructure for City Facilities - Bond	New network cabling and fiber infrastructure for city facilities due to redesign, expansions or new buildings. 2018 funds include cabling for the Library and Police Department. 2019 funds include cabling for Fire Station #2. 2021 funds include cabling for Fire Station District #8 - Trace.	Electric		$ 75,000		$ -
464	Old Ranch Road 12 Bike & Ped & Widening Project	Addition of bike and pedestrian facilities, as well as a center turn lane to improve mobility and increase safety along Old RR 12 between Craddock and Holland. Replacement of utilities and stormwater improvements at problem locations within project limits will also be addressed. $200K stormwater funds moved to Coers Drive #597. The remaining $300K will be used to make improvements at Sara Street and to improve the stormwater scope on Old RR12. Previously approved funding is from FY2014 and FY2016 funds. Reroute drainage at Hughson and Old RR12 around the neighborhood so it outfalls along Craddock. DMP#32	Electric		$ 350,000		$ -
710	Pole Replacement - CIP Projects	Annual funding for power pole replacement associated with CIP projects.	Electric		$ 200,000		$ -
405	Pole Replacement - Elect Power poles	Annual funding for the replacement of electric poles within the City's electric service area.	Electric		$ 150,000	$ 350,000	
735	Power Transformer Monitoring	Retrofit high voltage PWTs at San Marcos, Redwood, Hilltop, and Ranch Road 12 Substations with online dissolved gas monitors, temp and pressure alarms, LTC counters, etc.	Electric		$ 45,000		$ -
C639	Public Svs/Comm Svs Complex – Technology Infrastructure Fiber & Monopole tower	Install fiber to new facility and a monopole for wireless connectivity to electric substations. Coordinate with proj #132	Electric	150,000		150,000	150,000
679	Purgatory Creek Improvements Ph 1	Purgatory Creek Improvements from the San Marcos River to Wonder World Drive. The project addresses flood mitigation including channel modifications, H&H analysis, ROW acquisition, utility, storm drain and bridge modifications, trails, and environmental permitting. The project considers recommendations from various master plans including the Comprehensive, Stormwater, Transportation/Greenways and Parks master plans. The project will be conducted in two phases. Phase 1 limits is from the San Marcos River to near Johnson Avenue. Other possible funding sources (FEMA, TxDOT, grants, etc.) are being explored. Phase 1 project designs, permitting and purchase of right-of-way will be conducted through year 2020 and construction estimated to start in 2022.	Electric		$ 100,000	$ 100,000	$ 100,000
C596	Ramsey St Reconstruction		Electric		$ 300,000		$ -
717	Rattler Electric Substation	Construction of the Rattler Electric Substation off of Clovis Barker Road near Leah Avenue	Electric		$ 2,000,000		
C419	Sessom/Academy Intersection Improvements	Stormwater improvements along Sessom Drive from Yale to Comanche. Abandon a storm drain that currently runs through private property. Mill and overlay within utility improvements. Water and Wastewater replacement within project limits. Improvements and cost participation will be coordinated with development and TX State and with Drainage Master Plan #31. Previously approved funding in FY2015 and FY2016.	Electric	$ 350,000		$ 350,000	$ 350,000
C649	SMEU Substation Feeder Breaker Upgrade	This project is required to maintain system reliability and minimize outages through out SMEU's service area, within existing SMEU 12.5 kV substations.. Some of the feeder breakers and control relays are of an older technology and do not provide needed options. Present technology equipment provides more information and capability to reduce outage times and minimize trouble shooting outages.	Electric		$ 400,000		

FY 2020 Debt Sale CIP Project List

Project ID	Project Name	Project Description	FUND	FY 19 ADOPTED/ DEFERED	FY20 ADDOPTED	FY20 Original Proposed Debt	FY20 Revised COVID Debt
C648	SMEU System Power Factor Improvement	This project is required to maintain SMEU's system power factor within LCRA and ERCOT guidelines. SMEU is required to maintain a power factor greater than 97 percent. As loads increase more capacitors are required. Capacitors will also improve voltage, reduce losses, and provide better system stability. Capacitor banks will be turned on and off as needed. Locations will be based on engineering studies.	Electric		$ 150,000	$ 150,000	$ 150,000
641	Storage Area Network (SAN) replacement - IT	The Storage Area Network (SAN) located in the Municipal building data center will be end of life support December 31, 2019. Once the product reaches end of life support, EMC will no longer provide support or replacement parts. This SAN is the primary storage device for the City.	Electric		$ 200,000	$ 200,000	
C749	Underground Electric Conversion	Annual funding amount for underground electric conversion to be available for addressing interconnections as downtown projects develop, but for which the developer is not responsible to complete	Electric		$ 1,000,000	$ 1,000,000	$ 1,000,000
C232	URD Cable Replacement	Required maintenance and replacement of Underground equipment. The project began in 2014 with $100,000 and will continue through 2021.	Electric	$ 100,000	$ 100,000	$ 100,000	$ 100,000
c652	WWTP Electric Backup Feed	This project is to provide backup feed to the COSM Waste Water Treatment Plant on River Road. In order to improve the reliability of the electrical service at the WWTP SMEU will provide multiple sources of electric power. Electric service can be provided from San Marcos Substation Transformer #2 with San Marcos T1 and Redwood Substations as backup. Easements may be required.	Electric		$ 4,500,000	$ 4,500,000	$ 4,500,000
Electric Fund Totals				**$ 1,256,179**	**$ 15,761,247**	**$ 12,007,426**	**$ 10,308,000**

General	$ 2,030,000	$ 8,165,000	$ 10,355,000	$ 12,142,000
General Bond	$ -	$ 8,750,000	$ -	$ -
Water	$ 850,000	$ 8,930,000	$ 6,830,000	$ 6,570,000
Wastewater	$ 2,150,000	$ 13,531,000	$ 6,676,000	$ 6,616,000
Stormwater	$ 1,280,000	$ 3,775,000	$ 4,930,000	$ 3,375,000
Electric	$ 1,256,179	$ 15,761,247	$ 12,007,426	$ 10,308,000
Totals	$ 7,566,179	$ 58,912,247	$ 40,798,426	$ 39,011,000

City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Legislation Text

File #: Ord. 2020-39, **Version:** 1

AGENDA CAPTION:
Consider approval of Ordinance 2020-39, on first and final reading, authorizing the issuance of City of San Marcos, Texas General Obligation Refunding Bonds in the amount not to exceed $120,000,000 in one year or more series; approving an official statement, a paying agent/registrar agreement, a bond purchase agreement and an escrow agreement; establishing the procedures for selling and delivering one or more series of the bonds; providing for the approval of this ordinance on one reading only as authorized by state law; and authorizing other matters relating to the bonds.

Meeting date: May 19, 2020

Department: Finance

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action:

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

During the April 21, 2020 council Worksession the refunding of GO's bonds was presented for consideration. These bonds are to be sold in a negotiated sale with pricing scheduled for May 26, 2020. This ordinance delegates the final approval of the sale within the parameters set forth in the ordinance including maximum term, interest rate and issuance amount to the Pricing Officer. The Pricing Officer is the City Manager, or in his absence, the Mayor, acting as the designated Pricing Officer of the City to execute each Pricing Certificate

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

ORDINANCE NO. 2020-___

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF SAN MARCOS, TEXAS GENERAL OBLIGATION REFUNDING BONDS IN AN AMOUNT NOT TO EXCEED $120,000,000 IN ONE OR MORE SERIES; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT, A BOND PURCHASE AGREEMENT AND AN ESCROW AGREEMENT; ESTABLISHING THE PROCEDURES FOR SELLING AND DELIVERING ONE OR MORE SERIES OF THE BONDS; PROVIDING FOR THE APPROVAL OF THIS ORDINANCE ON ONE READING ONLY AS AUTHORIZED BY STATE LAW; AND AUTHORIZING OTHER MATTERS RELATING TO THE BONDS

Adopted May 19, 2020

TABLE OF CONTENTS

Section 1. RECITALS 2

Section 2. DEFINITIONS 2

Section 3. AMOUNT, NAME, PURPOSE, AND AUTHORIZATION 2

Section 4. DATE, DENOMINATION, MATURITIES, NUMBERS, INTEREST AND REDEMPTION. 2

Section 5. REDEMPTION 4
(a) Right of Redemption 4
(b) Notice of Redemption to Bondholder 5
(c) Effect of Redemption 5
(d) Conditional Notice of Redemption 5

Section 6. CHARACTERISTICS OF THE BONDS 6
(a) Registration, Transfer, Conversion and Exchange; Authentication 6
(b) Payment of Principal and Interest 6
(c) In General 7
(d) Substitute Paying Agent/Registrar 7
(e) Book-Entry-Only System 8
(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System 9
(g) Payments to Cede & Co 9
(h) DTC Blanket Letter of Representations 9
(i) Cancellation of Initial Bond 9

Section 7. FORM OF BONDS 9

Section 8. TAX LEVY 19

Section 9. DEFEASANCE OF BONDS 20

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS 21
(a) Replacement Bonds 21
(b) Application for Replacement Bonds 21
(c) No Default Occurred 21
(d) Charge for Issuing Replacement Bonds 22
(e) Authority for Issuing Replacement Bonds 22

Section 11. CUSTODY, APPROVAL, AND REGISTRATION OF BOND; BOND COUNSEL'S OPINION. 22

Section 12. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BOND 22
(a) Covenants 22
(b) Rebate Fund 24
(c) Proceeds 24
(d) Disposition of Project 25

Section 13. APPROVAL OF OFFERING DOCUMENTS, PAYING AGENT/REGISTRAR AGREEMENT AND ESCROW AGREEMENT 25

Section 14. INSURANCE PROVISIONS 26

Section 15. TAXABLE BONDS 26

Section 16. CONTINUING DISCLOSURE UNDERTAKING 26
(a) Annual Reports 26
(b) Certain Event Notices 27
(c) Limitations, Disclaimers, and Amendments 28

Section 17. AMENDMENT OF ORDINANCE 29

Section 18. REMEDIES IN EVENT OF DEFAULT 31

Section 19. NO RECOURSE AGAINST CITY OFFICIALS 31

Section 20. FURTHER ACTIONS 31

Section 21. PERFECTION 32

Section 22. INTERPRETATIONS 32

Section 23. INCONSISTENT PROVISIONS 32

Section 24. INTERESTED PARTIES 32

Section 25. SEVERABILITY 33

Section 26. FUNDS AND ACCOUNTS 33

Section 27. CREDIT AGREEMENT 33

Section 28. REPEALER 33

Section 29. EFFECTIVE DATE 33

Section 30. PAYMENT OF ATTORNEY GENERAL FEE 33

Exhibit A - Definitions
Exhibit B - Continuing Disclosure, Description of Annual Accounting Principles

ORDINANCE NO. 2020-____

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF SAN MARCOS, TEXAS GENERAL OBLIGATION REFUNDING BONDS IN AN AMOUNT NOT TO EXCEED $120,000,000 IN ONE OR MORE SERIES; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT, A BOND PURCHASE AGREEMENT AND AN ESCROW AGREEMENT; ESTABLISHING THE PROCEDURES FOR SELLING AND DELIVERING ONE OR MORE SERIES OF THE BONDS; PROVIDING FOR THE APPROVAL OF THIS ORDINANCE ON ONE READING ONLY AS AUTHORIZED BY STATE LAW; AND AUTHORIZING OTHER MATTERS RELATING TO THE BONDS

THE STATE OF TEXAS §
COUNTIES OF HAYS, CALDWELL AND GUADALUPE §
CITY OF SAN MARCOS §

WHEREAS, the City of San Marcos, Texas (the "City") has previously issued several series of obligations payable from various sources; and

WHEREAS, the City Council of the City deems it advisable and in the best interest of the City to refund the Refunded Obligations, as defined in Exhibit "A" attached hereto, in order to achieve a net present value debt service savings of not less than 3.00% of the principal amount of the Refunded Obligations net of any City contribution with such savings, among other information and terms to be included in a pricing certificate to be executed by the City Manager, acting as the designated pricing officer of the City, or, in the absence of the City Manager, the Director of Finance, all in accordance with the provisions of Chapters 1207 and 1371, of the Texas Government Code; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations or with a trust company or commercial bank that does not act as depository for the City, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the City to enter into an escrow agreement with a paying agent for the Refunded Obligations or with a trust company or commercial bank that does not act as depository for the City with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such escrow agent may agree, provided that such deposits may be invested and reinvested in Defeasance Securities, as defined herein; and

WHEREAS, the Escrow Agreement hereinafter authorized, constitutes an agreement of the kind authorized and permitted by Chapter 1207; and

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized: and

WHEREAS, the Bonds authorized by this Ordinance are being issued and delivered pursuant to the City Charter and Chapters 1207 and 1371 of the Texas Government Code, as amended, and other applicable laws: and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code.

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

Section 1. **RECITALS**. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 2. **DEFINITIONS**. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Exhibit "A" to this Ordinance have the meanings assigned to them in Exhibit "A".

Section 3. **AMOUNT, NAME, PURPOSE, AND AUTHORIZATION**. The Bonds, each to be designated the "**CITY OF SAN MARCOS, TEXAS GENERAL OBLIGATION REFUNDING BONDS,**" in one or more Series are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, as amended, and the Charter of the City. The Bonds shall be issued in the aggregate principal amount not to exceed $120,000,000 for the purpose of providing funds for (i) refunding the Refunded Obligations and (ii) paying the costs of issuing the Bonds.

Section 4. **DATE, DENOMINATION, MATURITIES, NUMBERS, INTEREST AND REDEMPTION**. (a) Initially there shall be issued, sold, and delivered hereunder one or more Series of fully registered bonds, without interest coupons, which may be in the form of Current Interest Bonds or Premium Compound Interest Bonds, numbered consecutively from R-1 upward, in the case of Current Interest Bonds, and from PC-1 upward, in the case of Premium Compound Interest Bonds (except the Initial Bond delivered to the Attorney General of the State of Texas which shall be numbered T-1 and TPC-1 respectively) payable to the respective initial Registered Owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof, in Authorized Denominations, maturing not later than August 15, 2036, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, as all set forth in the Pricing Certificate to be executed and delivered by the Pricing Officer pursuant to subsection (b) of this section. Each Pricing Certificate is hereby incorporated

in and made a part of this Ordinance. The Bonds shall be designated by the year in which they are awarded, and may be in the form of one or more series of Taxable Bonds or Tax-Exempt Bonds, all as set forth in a Pricing Certificate. The authority for the Pricing Officer to execute and deliver a Pricing Certificate for the Bonds shall expire at 5:00 p.m. C.D.T. on May 19, 2021. Bonds priced on or before May 19, 2021 may be delivered to the initial purchaser after such date.

(b) As authorized by Chapter 1207.007, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the City in selling and delivering one or more Series of the Bonds, determining which of the Refundable Obligations shall be refunded and constitute Refunded Obligations under this Ordinance and carrying out the other procedures specified in this Ordinance, including determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, whether the Bonds are sold as Taxable Bonds or Tax-Exempt Bonds, the price at which a Series of Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Current Interest Bonds and Premium Compound Interest Bonds, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, all of which shall be specified in the Pricing Certificate; provided that (i) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from its date to its delivery, (ii) none of the Bonds shall bear interest at a rate, or yield in the case of Premium Compound Interest Bonds, greater than the maximum authorized by law, and (iii) the refunding must produce a net present value debt service savings of at least 3.00% of the principal amount of the Refunded Obligations, net of any City contribution. In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not to exceed the amount authorized in Section 3, which shall be sufficient to provide for the purposes for which each Series of the Bonds are authorized and to pay the costs of issuing such Series of Bonds.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the City Council determines that the delegation of the authority to the Pricing Officer to approve the final terms and conditions of each Series of Bonds as set forth in the Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated in the Pricing Certificate will be, in the best interests and shall have the same force and effect as if such determination were made by the City Council and the Pricing Officer is hereby authorized to make and include in a Pricing Certificate an appropriate finding to that effect.

(c) To achieve advantageous borrowing costs for the City, each Series of a Bonds shall be sold on a negotiated, placement or competitive basis as determined by the Pricing Officer in the Pricing Certificate. In determining whether to sell a Series of a Bonds by negotiated, placement or competitive sale, the Pricing Officer shall take into account any material disclosure issues which might exist at the time, the market conditions expected at the

time of the sale and any other matters which, in the judgment of the Pricing Officer, might affect the net borrowing costs on the Bonds.

If the Pricing Officer determines that a Series of a Bonds should be sold at a competitive sale, the Pricing Officer shall cause to be prepared a notice of sale and official statement in such manner as the Pricing Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Pricing Officer determines that a Series of Bonds should be sold by a negotiated sale or placement, the Pricing Officer shall designate the placement purchaser or the Underwriter(s) for the Bonds as the Pricing Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the City. The Pricing Officer, acting for and on behalf of the City, is authorized to enter into and carry out a Bond Purchase Contract or other agreement for the Bonds to be sold by negotiated sale or placement, with the Underwriter(s) or placement purchasers at such price, with and subject to such terms as determined by the Pricing Officer pursuant to Section 3(b) above. Each Bond Purchase Contract or other agreement shall be substantially in the form and substance previously approved by the City in connection with the authorization of ad valorem tax debt with such changes as are acceptable to the Pricing Officer.

(d) The Current Interest Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in this Ordinance to their respective dates of maturity or redemption at the rates per annum set forth in the Pricing Certificate.

The Premium Compound Interest Bonds shall bear interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded on the Compounding Dates as set forth in the Pricing Certificate, and payable, together with the principal amount thereof, in the manner provided in the Form of Bonds at the rates set forth in the Pricing Certificate. Attached to the Pricing Certificate, if Premium Compound Interest Bonds are to be issued, shall be the Accretion Table. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accretion Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accretion Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

Section 5. REDEMPTION. (a) Right of Redemption. The City reserves the right, at its option, to redeem the Bonds as set forth in the FORM OF BOND and the Pricing Certificate. The

City, at least thirty (30) days before the date of any optional redemption, shall notify the Paying Agent/Registrar of such redemption date and of the amount and maturity of the Bonds to be redeemed.

(b) Notice of Redemption to Bondholder. The Paying Agent/Registrar shall give notice of any redemption of the Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Bondholder at the address shown in the Register. The notice shall state among other things, the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and that the Bonds so called for redemption shall cease to bear interest after the redemption date. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondholder receives such notice. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by or this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

(c) Effect of Redemption. Notice of redemption having been given as provided in this Section, the Bonds called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof or accrued interest thereon, such Bonds thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bond is presented and surrendered for payment on such date. If the Bonds thereof called for redemption are not so paid upon presentation and surrender thereof for redemption, such Bonds thereof shall continue to bear interest at the rate stated on the Bond until paid or until due provision is made for the payment of same.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of the premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall sate that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give

notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 6. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. The City shall keep or cause to be kept at Regions Bank, Houston, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Register"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such Bonds or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Register the address of the Registered Owner of each Bond to which payments with respect to the Bond shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar shall make a copy of the Register available in the State of Texas. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in subsection (c) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein, and the Bonds shall be typewritten, photocopied, printed, lithographed, engraved or produced in any other similar manner, all as determined by the officers executing such bond as evidenced by their execution thereof. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Bonds, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond which initially was issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller

of Public Accounts.

(b) Payment of Principal and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bond, all as provided in this Ordinance and in the Pricing Certificate. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bond, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owner, (ii) may be transferred and assigned, (iii) may be converted and exchanged for another Bond, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) shall be payable as to principal and interest and (vii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the Pricing Certificate and the FORM OF BONDS set forth in this Ordinance. The Bond initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in exchange for any Bond issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BONDS. On the closing date, the initial Bond representing the entire principal amount of the Bonds, payable to the underwriter, executed by manual or facsimile signature of the Mayor and City Clerk, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to the underwriter.

(d) Substitute Paying Agent/Registrar. The City covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting

as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Register (or a copy thereof), along with all other pertinent Bonds and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Bonds issued in exchange for the Bonds initially issued as provided in Section 6(i) shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of the Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities 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 (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede&Co. Or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, but to the extent permitted by law, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person whose name each Bond is registered in the registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, 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 and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the City to make payments of principal, and interest pursuant to this Ordinance. 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 Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the City shall either (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 availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but shall be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations of the City to DTC.

(h) DTC Blanket Letter of Representations. The City confirms execution of a Blanket Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to each Series of the Bonds.

(i) Cancellation of Initial Bond. On the Closing Date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the underwriter of the Bonds or its designee, executed by manual or facsimile signature of the Mayor and City Clerk, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such underwriter or its designee. Upon payment for the initial Bond, the Paying Agent/Registrar shall cancel the initial Bond and deliver to DTC or the Paying Agent/Registrar on behalf of such underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all the Bonds for such maturity.

Section 7. FORM OF BONDS. The form of the Bonds, including the form of Paying

Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Ordinance shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

FORM OF BONDS

(All blanks and any appropriate or necessary insertions or deletions, to be completed as determined by the Pricing Officer in the Pricing Certificate)

R- UNITED STATES OF AMERICA PRINCIPAL
STATE OF TEXAS AMOUNT
CITY OF SAN MARCOS, TEXAS$_____
GENERAL OBLIGATION REFUNDING BOND, SERIES 20___*

[FORM OF FIRST PARAGRAPHS OF CURRENT INTEREST BONDS]

INTEREST RATE	MATURITY DATE	DATE OF BOND	CUSIP NO.

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the **CITY OF SAN MARCOS, TEXAS** (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from _____* at the Interest Rate per annum specified above, payable on _____*, and semiannually on each _____* and _____* thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of

*To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in the Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Issuer and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated office for payment of Regions Bank, Houston, Texas which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the Issuer. 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 Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the principal office for payment of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Bonds shall be payable in the regular manner described above). The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" referred to in and maintained by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due. Terms used in this Bond and not otherwise defined shall have the meaning given in the Bond Ordinance.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity

and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

[FORM OF FIRST PARAGRAPHS OF PREMIUM COMPOUND INTEREST BOND]

NO. PC- **MATURITY AMOUNT $**

INTEREST RATE	ISSUANCE DATE	DATE OF BONDS	MATURITY DATE

REGISTERED OWNER:

MATURITY AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, CITY OF SAN MARCOS, TEXAS (the "City"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Maturity Amount set forth above, representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, calculated on the basis of a 360 day year comprised of twelve 30 day months, compounded semiannually on _____* and _____* of each year commencing _____*. For convenience of reference a table of the "Accreted Value" per $5,000 Maturity Amount is printed on the reverse side of this Bond. The term "Accreted Value" as set forth in the table on the reverse side hereof shall mean the original principal amount plus initial premium per $5,000 Maturity Amount compounded semiannually on _____* and _____* at the yield shown on such table.

THE MATURITY AMOUNT of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Maturity Amount of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, at the designated office for payment of Regions Bank, Houston, Texas, which is the "Paying Agent/Registrar" for this Bond, and shall be drawn by the Paying Agent/Registrar on,

*To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

and solely from, funds of the City required by the order authorizing the issuance of the Bonds (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the Registered Owner hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The City covenants with the Registered Owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds of the Maturity Amount, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

[FORM OF REMAINDER OF EACH BOND]

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the principal office for payment of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business (each a "Non-Business Day"), then the date for such payment shall be the next succeeding day which is not a Non-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 series of Bonds dated as of _____* and authorized to be issued pursuant to the Bond Ordinance adopted by the City Council of the City in the principal amount of $_____* [constituting $_____ Current Interest Bonds and $_____ Premium Compound Interest Bonds]* for the purpose of providing funds for (i) refunding the Refunded Obligations and (ii) paying the costs of issuing the Bonds.

ON _____* OR ON ANY DATE THEREAFTER, the Bonds maturing on and after _____* may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of $5,000 of principal amount).

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*To be included only if Current Interest Bonds and Premium Compound Interest Bonds are both issued and completed as determined in the Pricing Certificate.

*To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

[**THE BONDS MATURING ON** _____* are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts on the following dates and at a price of par plus accrued interest to the redemption date ("Term Bonds").

Term Bonds Maturing on _____, 20___*

Redemption Date*	Principal Amount*
_____, 20___	$
_____, 20___†	$ †

† Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.]**

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

** Use of Term Bonds, if any, to be determined by the Pricing Officer.

WITH RESPECT TO any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of $5,000 (an "Authorized Denomination"). As provided in the Bond Ordinance, this Bond, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Bond or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of an unredeemed

balance of a Bond called for redemption in part.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; that this Bond is payable from ad valorem taxes, within the limits prescribed by law.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City, and countersigned with the manual or facsimile signature of the City Clerk of the City and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

(facsimile signature)	(facsimile signature)
City Clerk, City of San Marcos, Texas	Mayor, City of San Marcos, Texas

(CITY SEAL)

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE:

I hereby certify that this Bond has been examined, certified as to validity, and approved

by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(COMPTROLLER'S SEAL) _____
Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in exchange for a bond or bonds, or a portion of a bond or bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: REGIONS BANK, Houston, Texas
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Bond, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Bond and all rights hereunder unto

_____

_____
/_____/
(Assignee's Social Security or Taxpayer Identification Number)

_____
(Please print or typewrite Assignee's name and address, including zip code)

_____

and hereby irrevocably constitutes and appoints _____ attorney to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

_____

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

INSERTIONS FOR THE INITIAL BONDS

(i) The initial Current Interest Bonds shall be in the form set forth in this Exhibit, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"**ON THE MATURITY DATE SPECIFIED ABOVE,** the City of San Marcos, Texas (the "Issuer"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____* in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments	Interest Rates

(Information for the Current Interest Bonds from the Pricing Certificate to be inserted)

*To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____* at the respective Interest Rate per annum specified above. Interest is payable on _____* and semiannually on each _____* and _____* thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The initial Bond shall be numbered "T-1."

(ii) The Initial Compound Interest Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"**THE CITY OF SAN MARCOS, TEXAS** (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Payment at Maturity on _____* in each of the years and in installments of the respective Maturity Amounts set forth in the following schedule:

Year	Maturity Amounts	Interest Rates

(Information for the Premium Compound Interest Bonds from the Pricing Certificate to be inserted)

The amount shown above as the respective Maturity Amounts represent the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____* and _____* of each year commencing _____*. For convenience of reference, a table appears on the back of this Bond showing the

*To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

"Compounded Amount" of the original principal amount plus initial premium, if any, per $5,000 Maturity Amount compounded semiannually at the yield shown on such table."

C. the Initial Premium Compound Interest Bond shall be numbered "TPC-1."

Section 8. TAX LEVY. A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon are outstanding and unpaid, the City Council shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Bonds as such principal matures (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Bonds or interest thereon are outstanding and unpaid; and the tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Accrued interest, if any, on the Bonds shall be deposited in the Interest and Sinking Fund.

Section 9. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services

until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bond shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Ordinance. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City Council also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City Council.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bond and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bond and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) Notwithstanding anything elsewhere in this Ordinance, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of the Bond and such Bond shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the City retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of this Ordinance, the City may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the Registered Owner applying for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Registered Owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter D of Texas Government Code, Chapter 1201, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 6(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 11. CUSTODY, APPROVAL, AND REGISTRATION OF BOND; BOND COUNSEL'S OPINION. The Mayor of the City and the City Manager are hereby authorized to have control of the initial Bonds issued and delivered hereunder and all necessary records and proceedings pertaining to the Bond pending its delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bond the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bond, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel may, at the option of the City, be printed on the Bond issued and delivered under this Ordinance, but it shall have no legal effect, and shall be solely for the convenience and information of the Registered Owner of the Bonds.

Section 12. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE TAX-EXEMPT BONDS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to use all of the proceeds of the Tax-Exempt Bonds for the payment of principal, interest and redemption premium on the Refunded Obligations.

(2) to take any action to assure that no more than 10 percent of the proceeds of the Tax-Exempt Bonds or the Refunded Obligations 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 proceeds of the Tax-Exempt Bonds or the Refunded Obligations 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 Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Tax-Exempt Bonds, in contravention of section 141(b)(2) of the Code;

(3) 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 Tax-Exempt Bonds or the Refunded Obligations 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" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(4) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Tax-Exempt 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;

(5) to refrain from taking any action which would otherwise result in the Tax-Exempt Bonds being treated as "private activity Tax-Exempt Bonds" within the meaning of section 141(b) of the Code;

(6) to refrain from taking any action that would result in the Tax-Exempt Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(7) to refrain from using any portion of the proceeds of the Tax-Exempt Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Tax-Exempt Bonds, other than investment property acquired with --

(A) proceeds of the Tax-Exempt Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a current refunding Tax-Exempt Bonds, for a period of 90,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.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 Tax-Exempt Bonds;

(8) to otherwise restrict the use of the proceeds of the Tax-Exempt Bonds or amounts treated as proceeds of the Tax-Exempt Bonds, as may be necessary, so that the Tax-Exempt Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, 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 Tax-Exempt 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 Tax-Exempt Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and

such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding Tax-Exempt Bonds, transferred proceeds (if any) and proceeds of the Refunded Obligations expended prior to the date of issuance of the Tax-Exempt 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. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Tax-Exempt 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 Tax-Exempt Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Tax-Exempt 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 Tax-Exempt Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the City Manager or the Mayor to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax-Exempt Bonds.

(d) Disposition of Project. The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Tax-Exempt 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 Tax-Exempt 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 an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. APPROVAL OF OFFERING DOCUMENTS, PAYING AGENT/REGISTRAR AGREEMENT AND ESCROW AGREEMENT. The Pricing Officer is hereby authorized to approve the Preliminary Official Statement, the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto and to deem such documents final in accordance with Rule 15c2-12. The City further approves the distribution of such Official Statement in the reoffering of a Series of Bonds by the underwriters in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution

thereof.

The Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar ("Paying Agent Agreement") in substantially the form and substance previously approved by the City Council and the Pricing Officer is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement as necessary.

The discharge and defeasance of Refunded Obligations shall be effectuated pursuant to the terms and provisions of an Escrow Agreement, in the form and containing the terms and provisions as shall be approved by a Pricing Officer, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for the City by the underwriters or purchaser, (b) to maximize the City's present value savings and/or to minimize the City's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations and (d) to carry out the other intents and purposes of this Ordinance; and, the Pricing Officer is hereby authorized to execute and deliver such Escrow Agreement, on behalf of the City, in multiple counterparts.

To maximize the City's present value savings and to minimize the City's costs of refunding, the City hereby authorizes and directs that certain of the Refunded Obligations shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in the Pricing Certificate, and the Pricing Officer is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Obligations, in the manner required by the documents authorizing the issuance of such Refunded Obligations.

The Pricing Officer and the Escrow Agent are each hereby authorized (a) to subscribe for, agree to purchase, and purchase Defeasance Securities that are permitted investments for a defeasance escrow established to defease Refunded Obligations, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to authorize such contributions to the escrow fund as are provided in the Escrow Agreement.

Section 14. <u>INSURANCE PROVISIONS</u>. In connection with the sale of a Series of the Bonds, the City may obtain municipal bond insurance policies from one or more recognized municipal bond insurance organizations (the "Bond Insurer" or "Bond Insurers") to guarantee the full and complete payment required to be made by or on behalf of the City on the Bonds. The Pricing Officer is hereby authorized to sign a commitment letter and/or insurance agreement with any Bond Insurer or Bond Insurers and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds to the underwriter out of the proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as the Pricing Officer may deem appropriate.

Printing on the Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to the Bond Insurer and the Pricing Officer, is hereby approved and authorized. The Pricing Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of any Bond Insurer or Insurers, and any such provisions shall be read and interpreted as an integral part of this Ordinance.

Section 15. TAXABLE BONDS. (a) To the extent required by the Code and the regulations, it shall be the duty of the Paying Agent to report to the Owners of the Taxable Bonds and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to back up withholding during each year and the amount of tax withheld, if any, with respect to the payments on the Taxable Bonds and (ii) the amount of interest or amount treated as interest, such as original issue discount, on the Taxable Bonds required to be included in the gross income of the owners thereof for federal income tax purposes.

(b) It is the intention of the City that the Taxable Bonds not be obligations described in section 103 of the Internal Revenue Code of 1986 interest on which is excludable from the gross income of the holders and in that regard the City agrees not to file a form 8038-G, or any comparable information return relating to tax-exempt obligations, with the Internal Revenue Service.

Section 16. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within the time period as determined by the Pricing Officer in the Pricing Certificate, financial information and operating data with respect to the City as determined by the Pricing Officer at the time the Bonds are sold. The Pricing Certificate shall specify such financial information and operating data of the general type included in the final Official Statement authorized by Section 13 of this Ordinance. Any financial statements to be so provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "B" hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

If the City changes the fiscal year, the City will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this subsection may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(b) Certain Event Notices. The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

A. Principal and interest payment delinquencies;

B. Non-payment related defaults, if material within the meaning of the federal securities laws;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. Adverse tax opinions, the issuance by the Internal Revenue Service 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 events affecting the tax status of the Bonds;

G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;

H. Bond calls, if material within the meaning of the federal securities laws;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;

K. Rating changes;

L. Bankruptcy, insolvency, receivership or similar event of the City;

M. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 within the meaning of the federal securities laws; and

N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

O. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

P. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this subsection by the time required. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by this Ordinance of any Bond calls and defeasance that cause the Bonds to be no longer outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices that it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects relating to the Financing System or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER 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 THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure requirement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

(d) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

> "Financial Obligation" means (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 to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

Section 17. AMENDMENT OF ORDINANCE. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of the Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the City's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the Registered Owner shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of the Registered Owner, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in the Bond so as to:

(1) Make any change in the maturity of the Bond;

(2) Reduce the rate of interest borne by the Bond;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on the Bond;

(4) Modify the terms of payment of principal or of interest or redemption premium on the Bond or impose any condition with respect to such payment; or

(5) Change the requirement with respect to Registered Owner consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this Section, the City shall send by U.S. mail to the Registered Owner a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of publication of such notice the City shall receive an instrument or instruments executed by the Registered Owner, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and the Registered Owner shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the City.

For the purposes of establishing ownership of the Bonds, the City shall rely solely upon the registration of the ownership of such Bonds on the Register kept by the Paying Agent/Registrar.

Section 18. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Bonds, (ii) declares bankruptcy, or (iii) defaults in the observance or performance of any other of the covenant, agreement or obligation of the City, the failure to perform which materially adversely affects the rights of the owner, including but no limited to, their prospect or ability to be repaid in accordance with this Section and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the following remedies shall be available:

(a) Any owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights to the owner under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the owner hereunder or any combination of such remedies.

(b) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

Section 19. NO RECOURSE AGAINST CITY OFFICIALS. No recourse shall be had for the payment of principal of or interest on the Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bond.

Section 20. FURTHER ACTIONS. The Mayor, the City Manager and all other officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, the City Manager, the Director of Finance and Bond Counsel are hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of any bond insurer, or (iii) obtain the approval of the Bond by the Texas Attorney General's office.

In case any officer of the City whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 21. PERFECTION. Chapter 1208, Government Code, applies to the issuance of the Bond and the pledge of ad valorem taxes granted by the City under Section 8 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bond is outstanding and unpaid such that the pledge of ad valorem taxes granted by the City under Section 8 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owner of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 22. INTERPRETATIONS. All terms defined herein and all pronouns used in

this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance 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. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge to secure the payment of the Bonds.

Section 23. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provisions of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 24. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the Registered Owner of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the Registered Owner of the Bonds.

Section 25. SEVERABILITY. The provisions of this Ordinance are severable; and in case any one or more of the provisions of this Ordinance or the application thereof to any person or circumstance should be held to be invalid, unconstitutional, or ineffective as to any person or circumstance, the remainder of this Ordinance nevertheless shall be valid, and the application of any such invalid provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 26. FUNDS AND ACCOUNTS. Notwithstanding anything in this Ordinance to the contrary any funds or accounts created by this Ordinance, other than the Escrow Funds, may be subaccounts of the City's Funds held by the City's depository, and, as such, not held in separate bank accounts, such treatment shall not constitute commingling of the monies in such funds or of funds and the City shall keep full and complete records indicating the monies and investment credited to each such fund.

Section 27. CREDIT AGREEMENT. To the extent permitted by law, the City reserves the right under Chapter 1371 of the Texas Government Code to enter into Credit Agreements in connection with the Bonds, upon the written opinion of the City's Finance Director that such Credit Agreements are in the best interest of the City given the market conditions at the time. The Credit Agreements will constitute a Credit Agreement as defined in Chapter 1371 of the Texas Government Code. Any such Credit Agreements must be reviewed and approved by the Attorney General of the State of Texas.

Section 28. REPEALER. All orders, resolutions and ordinances, or parts thereof,

inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 29. EFFECTIVE DATE. This Ordinance shall become effective upon the final passage of this Ordinance.

Section 30. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal or lesser of (i) one-tenth of one percent of the principal amount of each Series of the Bonds or (ii) $9,500, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of each Series of the Bonds.

[Execution Page Follows]

IN ACCORDANCE WITH SECTION 1201.028, TEXAS GOVERNMENT CODE passed and approved on the 19th day of May, 2020.

_____
Mayor, City of San Marcos, Texas

ATTEST:

_____
City Clerk, City of San Marcos, Texas

APPROVED AS TO LEGALITY:

_____
City Attorney, City of San Marcos, Texas

EXHIBIT A
DEFINITIONS

As used in this Ordinance, the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"*Accountant*" means an independent certified public accountant or accountants or a firm of an independent certified public accountants, in either case, with demonstrated expertise and competence in public accountancy.

"*Accreted Value*" means, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the Pricing Certificate and the Accretion Table attached as an exhibit to a Pricing Certificate relating to the respective Bonds that shows the Accreted Value per $5,000 maturity amount on the calculation date of maturity to its maturity.

"*Accretion Table*" means the exhibit attached to a Pricing Certificate that sets forth the rounded original principal amounts at the Issuance Date for the Premium Compound Interest Bonds and the Accreted Values and maturity amounts thereof as of each Compounding Date until final maturity.

"*Authorized Denominations*" means the denomination of $5,000 or any integral multiple thereof with respect to the Current Interest Bonds and in the denomination of $5,000 in maturity amount or any integral multiple thereof with respect to the Premium Compound Interest Bonds.

"*Bond Insurer*"or "*Insurer*" means the provider of a municipal bond insurance policy, if any, for a Series of the Bonds as determined by the Pricing Officer in the Pricing Certificate or any other entity that insures or guarantees the payment of principal and interest on any Bonds.

"*Bonds*" means one or more Series of Bonds and includes collectively the Premium Compound Interest Bonds and Current Interest Bonds initially issued and delivered pursuant to this Bond order and the Pricing Certificate and all substitute Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"*Book-Entry-Only System*" means the book-entry system of bond registration provided in Section 6, or any successor system of book-entry registration.

"*Business Day*" means any day which is not a Saturday, Sunday or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed.

"*Cede & Co.*" means the designated nominee and its successors and assigns of The Depository Trust Company, New York.

"*City*" and "*Issuer*" mean the City of San Marcos, Texas, and where appropriate, the City Council.

"*City Council*" means the governing body of the City.

"*Closing Date*" means the date of initial delivery of and payment for a Series of Bonds.

"*Compounded Amount*" means, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof plus all interest accrued and compounded to the particular date of calculation.

"*Compounding Dates*" means the dates on which interest is compounded on the Premium Compound Interest Bonds as set forth in the Accretion Table attached to a Pricing Certificate.

"*Current Interest Bonds*" means the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in a Pricing Certificate.

"*Defeasance Securities*" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"*Depository*" means one or more official depository banks of the City.

"*DTC*" means The Depository Trust Company, New York, New York and its successors and assigns.

"*DTC Participant*" means securities 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.

"*Escrow Agent*" means Regions Bank, Houston, Texas or any successor escrow agent under the Escrow Agreement or such other legally qualified institution as may be determined by the Pricing Officer.

"*Escrow Agreement*" means one or more agreements by and between the City and the Escrow Agent relating to refunding the Refunded Obligations.

"*Federal Securities*" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"*Fiscal Year*" means the twelve-month accounting period used by the City in connection with the operation of the System, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the City, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

"*Holder*," "*Holders,*" "*Owners*" or "*Registered Owners*" means any person or entity in whose name a Bond is registered in the Security Register, for any Parity Obligation.

"*Initial Bond*s" means the Bonds authorized, issued, and initially delivered as provided in Section 4 of this Ordinance.

"*Insurance Policy*" means an insurance policy issued by any Insurer guaranteeing the scheduled principal of and interest on the Bonds when due.

"*Interest and Sinking Fund*" means the special fund maintained by the provisions of Section 8 of this Ordinance.

"*Interest Payment Date*" means a date on which interest on the Bonds is due and payable.

"*Issuance Date*" means the date of delivery of a Series of Bonds.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Ordinance*" means this ordinance finally adopted by the City Council on September 3, 2019.

"*Outstanding*", when used with respect to Bonds, means, as of the date of determination, all Bonds theretofore delivered under this Ordinance, except:

(1) Bonds theretofore cancelled and delivered to the City or delivered to the Paying Agent/Registrar for cancellation;

(2) Bonds deemed paid pursuant to the provisions of Section 9 of this Ordinance;

(3) Bonds upon transfer of or in exchange for and in lieu of which other Bonds have been authenticated and delivered pursuant to this Ordinance

(4) Bonds under which the obligations of the City have been released, discharged or extinguished in accordance with the terms thereof.

"*Permitted Investments*" means any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as

amended or other applicable law.

"*Premium Compound Interest Bonds*" means the Bonds on which no interest is paid prior to maturity, maturing in various amounts and in the aggregate principal amount as set forth in the Pricing Certificate.

"*Pricing Certificate*" means a Pricing Certificate of the City's Pricing Officer to be executed and delivered pursuant to Section 4 hereof in connection with the issuance of a Series of Bonds.

"*Pricing Officer*" means the City Manager, acting as the designated pricing officer of the City to execute the Pricing Certificate. In the absence of the City Manager, the Assistant City Manager or Director of Finance may act as the designated pricing officer of the City to execute the Pricing Certificate.

"*Rating Agency*" means any nationally recognized securities rating agency which has assigned, at the request of the City, a rating to the Parity Obligations.

"*Record Date*" means Record Date as defined in Section 7, the Form of Bonds.

"*Redemption Date*" means a date fixed for redemption of any Bond pursuant to the terms of this Ordinance.

"*Refunded Obligations*" means those Refundable Obligations designated by the Pricing Officer in the Pricing Certificate to be refunded.

"*Refundable Obligations*" means all or a portion of the City's outstanding debt obligations, whether secured by taxes, revenues or a combination thereof.

"*Register*" or "*Registration Books*" means the registry system maintained on behalf of the City by the Registrar in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

"*Replacement Bonds*" means the Bonds authorized by the City to be issued in substitution for lost, apparently destroyed, or wrongfully taken Bonds as provided in Section 10 of this Ordinance.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

"Series" means a separate series of Bonds as specified by or pursuant to the terms of this Ordinance and the related Pricing Certificate.

"*Taxable Bonds*" means a Series of Bonds bearing interest at a taxable rate.

"*Tax-Exempt Bonds*" means a Series of Bonds bearing interest which is excludable from

gross income for Federal taxation purposes pursuant to Section 103 of the Code.

EXHIBIT B
CONTINUING DISCLOSURE
DESCRIPTION OF ANNUAL ACCOUNTING PRINCIPLES

The following information is referred to in Section 16 of this Ordinance.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in the paragraph above.

File #: ID#20-273, **Version:** 1

AGENDA CAPTION:
Hold discussion regarding the recent use of the policy and purpose statements in Section 2.421 of the San Marcos Code of Ethics as the basis of ethics complaints; and provide direction to staff
Meeting date: May 19, 2020

Department: City Attorney's Office - Per Mayor Hughson and Council Member Marquez

Amount & Source of Funding
Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Core Services

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The San Marcos Code of Ethics is a city ordinance that includes general policy and purpose statements that explain the need for having an ethics code and the benefits derived from adopting one. Those provisions are contained in Section 2.421 of the San Marcos City Code. A copy of that section is attached.

The San Marcos Code of Ethics also contains specific conflict of interest provisions, standards of conduct for officers and employees, and restrictions on former city employees. Those provisions are contained in Sections 2.423 through 2.426 of the San Marcos City Code. Violations of those provisions can be alleged by any San Marcos resident by means of an ethics complaint filed with the City Attorney's Office and presented to the Ethics Review Commission. A copy of Sections 2.423 through 2.426 are attached as background information.

As a relatively recent development, ethics complaints have been filed that are based on the general policy and purpose statements in Section 2.421 of the Code of Ethics instead of the specific provisions in Sections 2.423 through 2.426 of the code. Such complaints have included allegations having nothing to do with an officer or employee's performance of his or her official duties. Ethics complaints have been filed against city officials for expressing opinions on matters of public policy and, in one instance, for endorsing candidates for public office. The ethics ordinance was not intended to be used as a political weapon, to intimidate, or to embarras city officials or employees.

This agenda item was posted for discussion and to seek direction on bringing forward an amendment to Section 2.421 of the San Marcos City Code to clearly state that the policy and purpose provisions in that section cannot be cited or used by a citizen or considered by the Ethics Review Commission as the basis of an ethics complaint against any officer or employee of the city.

A redlined draft of Section 2.421, including suggested wording to provide clarification in a new subsection (e), is attached for council's review and discussion.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

Sec. 2.421. - Policy and purposes.

(a) *General policy statement.* It is the policy of the city that all city officials and employees shall conduct themselves both inside and outside the city's service so as to give no occasion for distrust of their integrity, impartiality or devotion to the best interest of the city and the public trust which the city holds.

(b) *Appearance of impropriety*. Public service is a public trust. All city officials and employees are stewards of the public trust. They have a responsibility to the citizens of the city to administer and enforce the City Charter and city ordinances. To ensure and enhance public confidence in city government, each city official and employee must strive not only to maintain technical compliance with the principles of ethical conduct set forth in this article and in state law, but also to avoid the appearance of impropriety at all times.

(c) This code of ethics has five purposes:

(1) To encourage ethical conduct on the part of city officials and employees;

(2) To encourage public service with the city;

(3) To establish standards for ethical conduct for city officials and employees by defining and prohibiting conduct that is incompatible with the interests of the city;

(4) To require disclosure by city officials and employees of their economic interests that may conflict with the interests of the city; and

(5) To serve as a basis for disciplining those who fail to abide by its terms.

(d) This code of ethics is not intended to be used as a political weapon or to intimidate or embarrass affected persons. The officials charged with administration of this code of ethics shall administer it in a manner that avoids any such use of this code of ethics.

(e) This Section 2.421 is intended only to set forth the policy and purposes for adoption of the San Marcos Code of Ethics; it shall not be cited, used, or considered by a citizen or by the Ethics Review Commission as the basis of an ethics complaint filed against any officer or employee of the city.

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Sec. 2.423. - Prohibition against involvement in actions affecting economic interests.

(a) *General rule.* It is unlawful for a city official or employee to take any official action that he or she knows is likely to:

(1) Affect an economic interest of:

a. The official or employee;

b. His or her immediate family member;

c. A member of his or her household;

d. An outside employer of the official or employee or of his or her immediate family member;

e. A business entity in which the official or employee or his or her immediate family member holds an economic interest;

f. A business entity for which the city official or employee serves as an officer or director or in any other policy making position;

g. A person or business entity from whom the official or employee, or his or her immediate family member, has solicited, received and not rejected, or accepted any benefit or an offer of employment within the past twenty-four months; or

h. A person, business entity, or association from whom the official has received a campaign contribution in an amount exceeding $300.00. This provision does not apply to campaign contributions received prior to November 7, 2018. This provision does not apply in circumstances where four or more council members would be prohibited from voting on a matter.

(2) Confer a benefit on the official or employee, or deprive the official or employee of a benefit, where the effect of the action on the official or employee is distinguishable from the effect of the action on members of the public in general or a substantial segment of the public.

(b) *Meaning of "affect".*

(1) In subsection (a)(1) above, an action is likely to affect an official's or employee's economic interest if it meets all of the following:

a. The action is likely to have an effect on that interest, either positive or negative, that is distinguishable from its effect on members of the public in general or a substantial segment of the public.

b. The effect of the action on that interest is direct, and not secondary or indirect. However, the action need not be the only producing cause of the effect in order for the effect to be direct.

c. The effect on the interest must be more than insignificant or de minimis in nature or value.

(2) In determining whether a person, entity or property is or was affected by a vote or decision, it will not be necessary to prove the actual existence or occurrence of an economic effect or consequence if the effect or consequence would be reasonably expected to exist or occur.

(c) *Recusal and disclosure.* A city official or employee whose conduct would otherwise violate subsection (a), or a state conflict of interest law, if he or she took an action must abstain from participation in the action in accordance with the following:

(1) Immediately refrain from further participation in the matter, including communications with any persons likely to consider the matter, such as any department, agency, commission or board of the city, from the time he or she discovers or reasonably should have discovered the matter triggering the recusal and until a decision regarding the matter has been made by the council, board or commission having final approval authority.

(2) Promptly file a form for disclosing the nature and extent of the interest triggering the recusal with the city clerk, if the person is an official, or with the person's supervisor, if the person is an employee;

(3) Promptly notify the person's supervisor of the nature and extent of the interest triggering the recusal, if the person is a city employee, so that the supervisor can reassign responsibility for handling the matter to another person; and

(4) Publicly disclose the interest triggering the recusal immediately after the agenda item has been called up for discussion or action, if the person is a member of a city board, commission, or city council, and leave the room while the board, commission, or city council is discussing or voting on the matter.

(Ord. No. 2017-20 , § 1, 11-21-17; Ord. No. 2018-37 , § 2, 9-18-18; Ord. No. 2018-39 , § 1, 10-16-18)

Sec. 2.424. - Standards of conduct.

(a) *Standards for immediate family members.* It is unlawful for an immediate family member to intentionally or knowingly:

(1) Solicit, accept or agree to accept from another person any benefit that the member's relative, who is a city officer or employee, is prohibited from soliciting, accepting or agreeing to accept under state law;

(2) Misuse any official information obtained from the member's relative, who is a city officer or employee, to which the relative has access by virtue of the relative's office or employment and that has not been made public, in a manner prohibited as to the relative under state law; or

(3) Misuse, as defined in V.T.C.A., Penal Code § 39.01, any city property, services, personnel or any other thing of value belonging to the city that has come into the member's custody or possession by virtue of the office or employment of the member's relative who is a city officer or employee.

(b) *Representation and appearance at meetings.* No city officer or employee shall knowingly:

(1) Appear before the body of which the officer or employee is a member, as a representative for any private person, including the officer or employee or any immediate family member, or any group or interest;

(2) Represent, directly or indirectly, any private person, including the officer or employee or any immediate family member, or any group or interest in any action or proceeding against the interests of the city or in any litigation in which the city or any department, agency, commission or board thereof is a party;

(3) Accept other employment or engage in outside activities incompatible with the full and proper discharge of city duties or that might impair independent judgment in the performance of city duties; or

(4) Make a false statement of material fact at a public meeting.

This subsection shall not be construed to deprive an officer or employee of the right to due process under the law, including the right to represent himself/herself in a court proceeding.

(c) *Representation by council members.* No city council member shall knowingly represent any private person, including the city council member or any immediate family member, or any group or interest in any matter before any department, agency, commission or board of the city, except that city council members may represent their interests in their owner-occupied homesteads before a board, agency, commission or department of the city other than the city council.

(d) *Representation in municipal court.* In any action or proceeding in the municipal court which is instituted by a city officer or employee in the course of official duties:

(1) No city council member shall knowingly represent any private person other than himself or herself. If a city council member elects to have a trial in municipal court, the city council, without

the participation of the affected city council member, will appoint a special judge to preside over the trial.

(2) No city officer or employee shall knowingly represent any private person other than himself or herself, including any immediate family member, or any group or interest.

(e) *Representation in land use and development matters.* A member of the planning and zoning commission shall not knowingly represent the member or any other person, group or interest in any matter before the zoning board of adjustments involving land use or development, and a member of the zoning board of adjustments shall not knowingly represent the member or any other person, group or interest in any matter before the planning and zoning commission involving land use or development. This subsection does not apply to members representing their interests in their owner-occupied homesteads.

(f) *Prohibited use of city position.* A city official or employee shall not use his or her position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure, for any person (including himself or herself) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons. A city official or employee who represents to a person that the official or employee may provide an advantage or impediment to the person based on the official's or employee's office or position violates this rule.

(Ord. No. 2017-20 , § 1, 11-21-17)

Sec. 2.425. - Contracts with city; eligibility for appointment or election to office.

(a) No member of the city council and no city employee shall have a financial interest in the sale to the city of any land, materials, supplies or service, outside of the person's position with the city. Any person having an interest shall be ineligible for election as a city council member or appointment as a city employee, and any city council member or city employee who acquires an interest shall forfeit the office or employment. Any violation of this subsection with the actual or constructive knowledge of the city council member or employee shall render the contract voidable by the city manager or the city council.

(b) In subsection (a) of this section and in subsection 2.425(c), the term "sale to the city" includes a sale to city-sponsored entities and organizations subject to substantial control by the city in one or more of the following respects:

(1) All or a majority of the governing body of the entity or organization is appointed by the city council;

(2) The city provides more than one-half of the operating funds of the entity or organization;

(3) The city has approval authority over purchasing decisions made by the entity or organization;

(4) The city has approval authority over bonds or other indebtedness issued by the entity or organization; or

(5) The city has approval authority over the budget of the organization.

(c) This section does not apply to acquisition of property by the city as a result of eminent domain proceedings or the threat of eminent domain proceedings.

(Ord. No. 2017-20 , § 1, 11-21-17)

Sec. 2.426. - Restrictions on former employees.

(a) No former city employee shall, for a period of two years from the date of leaving city employment, knowingly:

(1) Appear at a meeting of a board or commission staffed by members of the department of which the employee was a member, as a representative for any private person, including the employee or any immediate family member, or any group or interest.

(2) Represent, directly or indirectly, any private person, including the former employee or any immediate family member, or any group or interest in any action or proceeding against the interests of the city or in any litigation in which the city or any department, agency, commission or board thereof is a party.

This subsection shall not be construed to deprive a former employee of the right to due process under the law, including the right to represent himself/herself in a court proceeding.

(b) In any action or proceeding in the municipal court which is instituted by a city officer or employee in the course of official duties, no former city employee shall, for a period of two years from the date of leaving city employment, knowingly represent any private person other than himself or herself, including any immediate family member, or any group or interest.

(c) For a period of two years from the date of leaving employment, a former city employee shall not have any financial interest in the sale to the city of any land, materials, supplies or service. Any violation of this subsection with the actual or constructive knowledge of the former city employee shall render the contract voidable by the city manager or the city council. This subsection shall not apply to a former city employee whose employment was terminated as part of a reduction in force or to a former employee whose skills or experience are so unique that failure to contract with him or her would be a detriment to the city as determined by the city manager.

(Ord. No. 2017-20 , § 1, 11-21-17)

File #: ID#20-198, **Version:** 1

AGENDA CAPTION:

Executive Session in accordance with Section §551.074 of the Texas Government Code: Personnel Matters - to discuss and provideAnnual Appointee Evaluations to the City Attorney and Interim City Clerk.

File #: ID#20-199, **Version:** 1

AGENDA CAPTION:

Consider action, by motion, or provide direction to Staff regarding the following Executive Session item in accordance with Section §551.074 of the Texas Government Code: Personnel Matters - to discuss and provide Annual Appointee Evaluations to the City Attorney and Interim City Clerk.