



## TAX INCREMENT REINVESTMENT ZONE #2 AGENDA

WEDNESDAY, SEPTEMBER 4, 2024, 9:00 AM

Kerrville City Hall, City Council Chambers

701 Main Street, Kerrville, Texas



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Tax Increment Reinvestment Zone (TIRZ) #2.

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**1. CALL TO ORDER:**

**2. INVOCATION:**

**3. VISITORS / CITIZENS FORUM:**

**4. CONSIDERATION AND POSSIBLE ACTION:**

4.A Presentation of Project and Financing Plan. (*M Hornes, Assistant City Manager*)

Attachment: [20240904\\_TIRZ2 Project and Finance Plan.pdf](#)

4.B Presentation of the Development Agreement. (*J Behrens, Director of Finance*)

Attachment: [2024-15 Windridge Project Development Agreement, Lennar Homes of Texas Land and Construction, LTD, 2-6-2024.pdf](#)

**5. EXECUTIVE SESSION:**

**6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION.**

**7. ITEMS FOR FUTURE AGENDAS:**

**8. ADJOURN.**



## TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT ZONE CITY OF KERRVILLE, TEXAS

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**SUBJECT:** Presentation of Project and Financing Plan. (*M. Hornes, Assistant City Manager*)

**AGENDA DATE OF:** September 4, **DATE SUBMITTED:** August 27, 2024

**SUBMITTED BY:** Julie Behrens, Director of Finance

**EXHIBITS:**

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Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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**Kerrville 2050 Item?** Yes

**Key Priority Area** N/A

**Guiding Principle** N/A

**Action Item** N/A

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**SUMMARY STATEMENT:**

In accordance with Ordinance #2023-30 establishing the Tax Increment Reinvestment Zone, the Windridge TIRZ Board is required to approve the Project and Financing plan. The plan will also require City Council approval.

**RECOMMENDED ACTION:**

Approve Project and Financing Plan.

**ATTACHMENTS:**

[\*20240904\\_TIRZ2 Project and Finance Plan.pdf\*](#)

**CITY OF KERRVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE TWO  
PROJECT & FINANCING PLAN**

**Participation Levels:**

**City of Kerrville: 100%**

## **Introduction**

The City of Kerrville Tax Increment Reinvestment Zone Two (TIRZ #2) encompasses approximately 100.36 acres generally located along Loop 534 north of Olympic Drive and adjacent to Hal Peterson Middle School. The goal of the development of TIRZ #2 is to allow for partial reimbursement to a developer, Lennar Homes, for public infrastructure costs related to a new housing development focused on the construction of attainable housing. The new development will help satisfy a housing shortage in the City and support Kerrville 2050, the City's Comprehensive Plan, adopted by City Council in 2019. Workforce housing shortages are causing labor deficits to businesses in the City, especially in area schools, hospitals, and public safety departments. Because of the cost of infrastructure related to the project, without the TIRZ, this project would not be developed in a way to have near-term impact on the housing shortage. TIRZ #2 has a term of 30 years beginning January 1, 2024 and ending January 1, 2054.

## **Project Overview**

TIRZ #2 will provide financing through increment (above the base year) collected from the Maintenance & Operations (M&O) portion of property tax collected from homes developed within the zone in accordance with both Ordinance 2023-30 and Development Agreement 2024-15. Increment will be used to repay the developer for infrastructure costs incurred during project development. Lennar Homes is expected to incur expenses in an approximate amount of \$32,803,576 related to infrastructure development required to implement the project plan. The project will include construction of 490 homes over the course of eight years to be priced between 80% and 120% of the Area Median Family Income (AMFI) within Kerr County, Texas, as annually established by the Texas Department of Housing and Community Affairs (TDHCA) Home Program. No persons will be displaced as a result of the implementation of this plan. Zoning changes were made to this property, which is currently unimproved, by Ordinance 2023-29, in the following ways:

- Annexing the portion of the property outside of the City of Kerrville city limits into the City
- Changing a portion of the property from an Agricultural District and Public and Institutional District to a Planned Development District allowing for residential use
- Changing a portion of the property from an Agricultural District and Public and Institutional District to a General Commercial District
- This project was presented to and approved by City Council as follows:

### **Ordinance #2023-29**

Public Hearing and First Reading:	October 10, 2023
Final Approval and Second Reading:	November 14, 2023

### **Ordinance # 2023-30:**

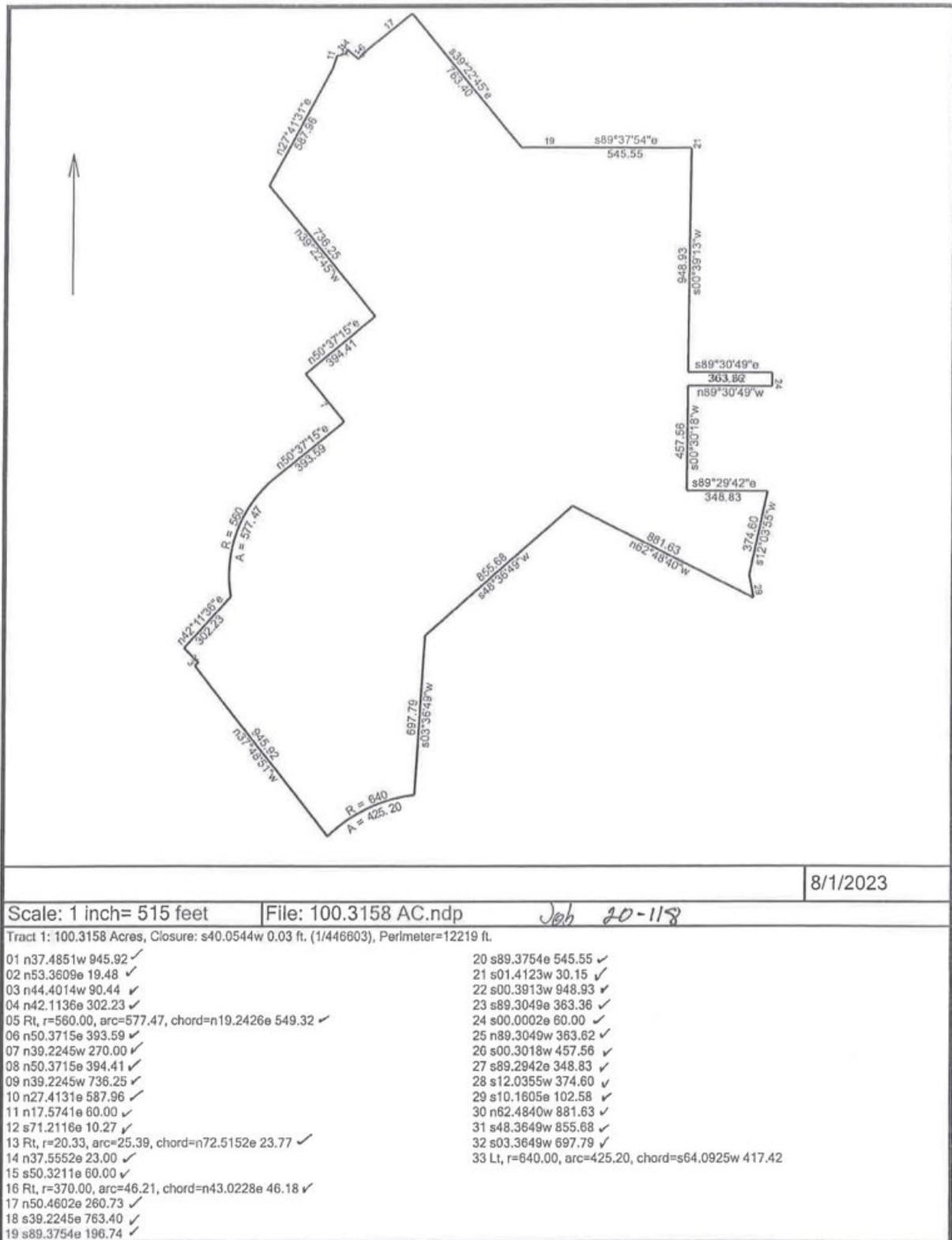
Public Hearing and First Reading:	October 10, 2023
Final Approval and Second Reading:	November 14, 2023

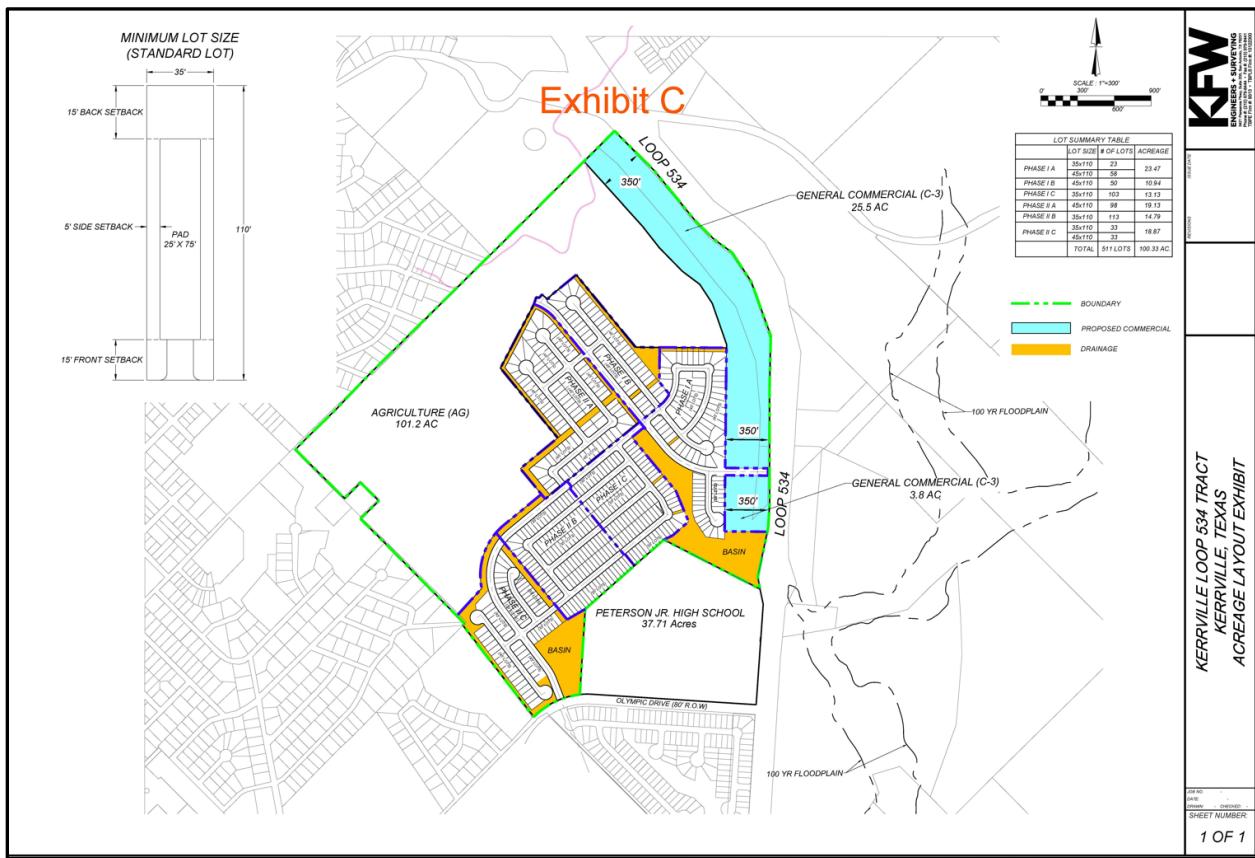
### **Development Agreement #2024-15:**

Approval:	January 23, 2024
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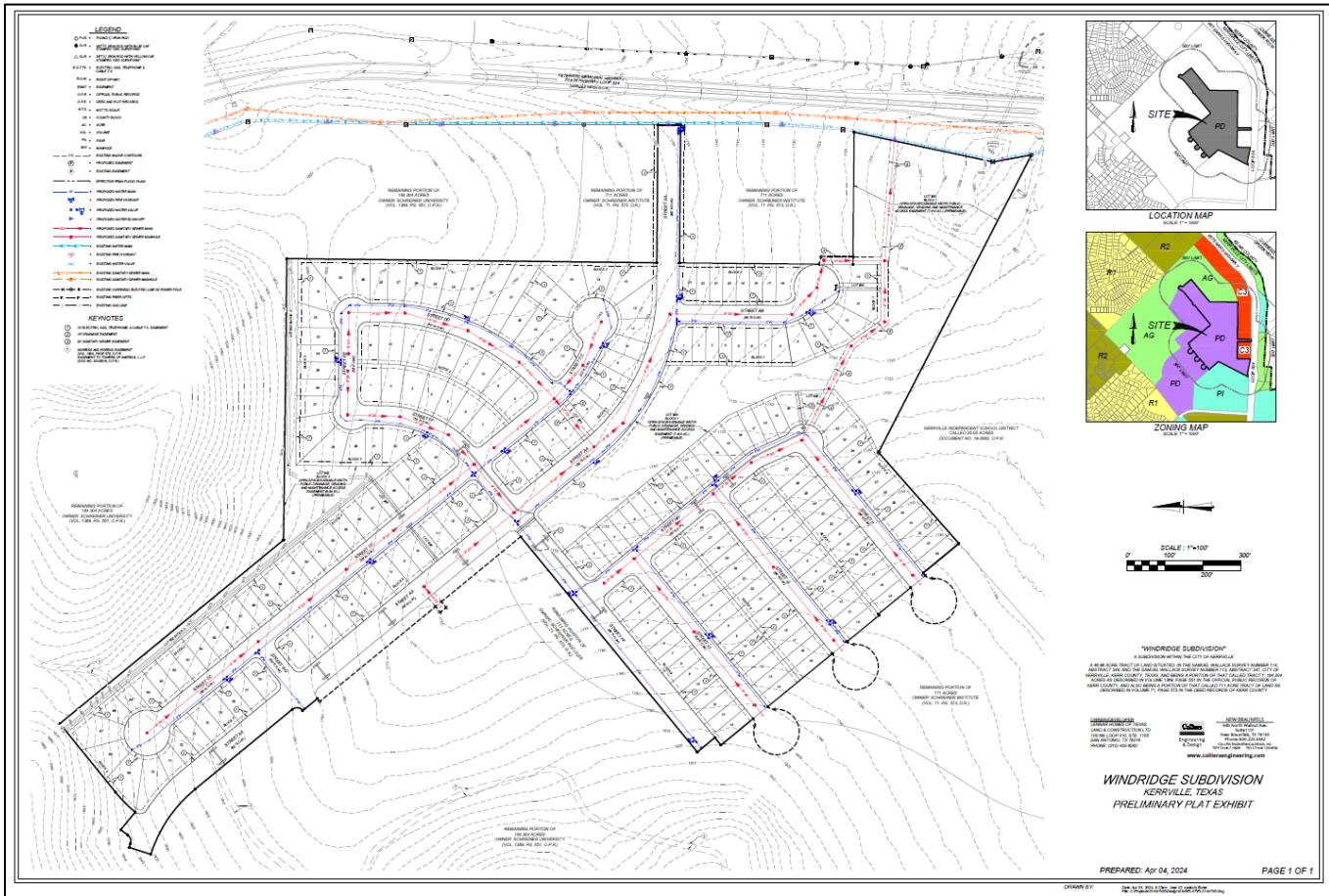
## PROJECT MAPS

### Exhibit B





## Preliminary Platt



## **Windridge Subdivision Preliminary Plat Conditions of Approval**

**Conditions, per City Code, to be completed prior to submitting Civil Construction Plans:**

- Approval of Adequate Facilities Plan
  - o Extend sewer and water to AG zoned property.
  - o Extend sewer in Street AA to serve future development.
  - o Extend water in Street AA to serve future development and to provide a loop for Street CC.
  - o Consider delaying construction of northern end of Street AA until needed for future development and install barricades at the intersection.
- Coordination with Fire to address the following:
  - o Accesses proposed for Street GG and Street FF need to meet the following:
    - D107.2 Remoteness
    - D107.1 Two separate fire apparatus access roads.

**Conditions to be completed prior to submitting Final Plat:**

- Approval of Civil Construction Plans

**Conditions to be completed prior to recording Final Plat:**

- Approval of Final Plat through P&Z
- Completion and approval of all civil construction improvements
- Payment of Parkland Dedication Fee

**Conditions to be completed prior to submitting for Building Permits:**

- Assignment of addresses for each single-family residential lot
- Recording of the Final Plat
- Completion and approval of all civil construction improvements related to fire safety
- Completion and operation of the Travis Booster Station

## **TIRZ Board**

A board of directors for the Zone shall consist of seven (7) members. Lennar Homes selected each of the members and submitted names to City Council. City Council appointed Lennar's selections to the Board were approved by City Council on January 23, 2024. The Board shall make recommendations to City Council concerning the administration, management, and operation of the zone. The Board shall prepare and adopt a project plan and a financing plan for the zone and present plans to City Council for its approval. The Board shall perform all duties imposed upon it by Chapter 311 of the Texas Tax Code and all other applicable laws. The Board is not authorized to issue bonds, impose taxes or fees, exercise power of eminent domain or give final approval to project of finance plans of the zone. The Board must also act in accordance with applicable ordinances and agreements approved by City Council for the zone.

## **Plan of Finance**

The tax year 2024 will be used to establish the base value of the TIRZ. The estimated appraised value of the TIRZ #2 is \$943,905. Official value will be updated once determined by Kerr Center Appraisal District upon completion of property division. Net Taxable Value will be considered the Base Value. Projected captured values that would be taxed to produce revenues to pay for the TIRZ expenses commenced the City's fiscal year 2024 with collections commencing in tax year 2024 (fiscal year 2025) in accordance with the City Council approved development agreement 2024-15 with Lennar Homes. Collections from the maintenance and operations (M&O) portion of property tax received from the defined geographical area will be deposited to the following funds as prescribed by Ordinance 2023-30:

City of Kerrville General Fund: 40%  
City of Kerrville TIRZ #2 Fund: 60%

The City of Kerrville TIRZ Board may only use the City of Kerrville (City) contribution to the TIRZ Fund to pay expenditures to reimburse the developer for infrastructure costs incurred as provided within development agreement 2024-15. The developer (Lennar Homes) is entitled to reimbursement up to a maximum of \$27,803,576. Payment to the developer will be reimbursed at a rate of 60% of increment collected above the base year. The City will retain 40% in the general fund.

The TIRZ collections for this project shall begin on January 1, 2024 and shall not extend beyond January 1, 2054. The City of Kerrville is the only participating taxing entity and, as such, is participating at 100%. Pursuant to Chapter 311.012, of the Texas Tax Code, TIRZ #2 is determined to be economically feasible.

## ADDITION OF PROPERTY TAX VALUATION PROVIDED BY DEVELOPER

Development Assumptions Provided by Developer							Detail		Fiscal Year	
Tax Year	Single Family						Projected Total Values	Cummulative Total Values		
	2.5 du/acre	Number of Homes	3.5 du/acre	Value of Homes	4.5 du/acre	Home Value to TAV	Value of Homes	Projected Total Values	Cummulative Total Values	
2024	-	-	-	-	-	-	-	-	-	2025
2025	-	72	-	285,000	-	95%	-	19,494,000	19,494,000	2026
2026	-	72	-	285,000	-	95%	-	19,494,000	38,988,000	2027
2027	-	72	-	285,000	-	95%	-	19,494,000	58,482,000	2028
2028	-	72	-	285,000	-	95%	-	19,494,000	77,976,000	2029
2029	-	72	-	285,000	-	95%	-	19,494,000	97,470,000	2030
2030	-	72	-	285,000	-	95%	-	19,494,000	116,964,000	2031
2031	-	72	-	285,000	-	95%	-	19,494,000	136,458,000	2032
2032	-	46	-	285,000	-	95%	-	12,454,500	148,912,500	2033
2033	-	-	-	-	-	-	-	-	148,912,500	2034
2034	-	-	-	-	-	-	-	-	148,912,500	2035
2035	-	-	-	-	-	-	-	-	148,912,500	2036
2036	-	-	-	-	-	-	-	-	148,912,500	2037
2037	-	-	-	-	-	-	-	-	148,912,500	2038
2038	-	-	-	-	-	-	-	-	148,912,500	2039
2039	-	-	-	-	-	-	-	-	148,912,500	2040
2040	-	-	-	-	-	-	-	-	148,912,500	2041
2041	-	-	-	-	-	-	-	-	148,912,500	2042
2042	-	-	-	-	-	-	-	-	148,912,500	2043
2043	-	-	-	-	-	-	-	-	148,912,500	2044
2044	-	-	-	-	-	-	-	-	148,912,500	2045
2045	-	-	-	-	-	-	-	-	148,912,500	2046
2046	-	-	-	-	-	-	-	-	148,912,500	2047
2047	-	-	-	-	-	-	-	-	148,912,500	2048
2048	-	-	-	-	-	-	-	-	148,912,500	2049
2049	-	-	-	-	-	-	-	-	148,912,500	2050
2050	-	-	-	-	-	-	-	-	148,912,500	2051
2051	-	-	-	-	-	-	-	-	148,912,500	2052

550	\$ 148,912,500
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<b>Other Assumptions</b>	
<b>City M&amp;O Tax Rate (2024)</b>	<b>\$ 0.4185</b>
<b>County M&amp;O Tax Rate (2023)</b>	<b>\$ -</b>

<b>Allocations of City Tax Rate on Incremental Values</b>	
<b>City Developer</b>	<b>40%</b>
<b>Developer</b>	<b>60%</b>

<b>Allocations of County Tax Rate on Incremental Values</b>	
<b>County Developer</b>	<b>0%</b>
<b>Developer</b>	<b>0%</b>

<b>Ad Valorem Tax Collections</b>	
<b>98.5%</b>	
<b>Home Value Applied to TAV</b>	
<b>95%</b>	
<b>Home Value Escalator</b>	
<b>1.00%</b>	

## PROJECTED REVENUES BASED ON ESTIMATED VALUATION

FISCAL YEAR	PROJECTED CUMMULATIVE TAXABLE ASSESSED VALUE		INCREMENTAL GROWTH IN ASSESSED VALUE	PROJECTED ANNUAL CITY REVENUE 40%	PROJECTED ANNUAL REBATE TO DEVELOPER 60%	TOTAL PROJECTED REVENUE
		GROWTH RATE				
2025	-	-	-	-	-	-
2026	19,494,000		19,494,000	32,143	48,215	80,359
2027	39,182,940	101%	19,688,940	64,608	96,913	161,521
2028	59,068,769	51%	19,885,829	97,398	146,097	243,495
2029	79,153,457	34%	20,084,688	130,515	195,773	326,288
2030	99,438,992	26%	20,285,535	163,964	245,946	409,910
2031	119,927,382	21%	20,488,390	197,747	296,621	494,368
2032	140,620,655	17%	20,693,274	231,868	347,802	579,670
2033	154,481,362	10%	13,860,707	254,723	382,084	636,807
2034	156,026,176	1%	1,544,814	257,270	385,905	643,175
2035	157,586,437	1%	1,560,262	259,843	389,764	649,607
2036	159,162,302	1%	1,575,864	262,441	393,662	656,103
2037	160,753,925	1%	1,591,623	265,066	397,598	662,664
2038	162,361,464	1%	1,607,539	267,716	401,574	669,290
2039	163,985,079	1%	1,623,615	270,393	405,590	675,983
2040	165,624,929	1%	1,639,851	273,097	409,646	682,743
2041	167,281,179	1%	1,656,249	275,828	413,742	689,571
2042	168,953,990	1%	1,672,812	278,587	417,880	696,466
2043	170,643,530	1%	1,689,540	281,372	422,059	703,431
2044	172,349,966	1%	1,706,435	284,186	426,279	710,465
2045	174,073,465	1%	1,723,500	287,028	430,542	717,570
2046	175,814,200	1%	1,740,735	289,898	434,847	724,746
2047	177,572,342	1%	1,758,142	292,797	439,196	731,993
2048	179,348,065	1%	1,775,723	295,725	443,588	739,313
2049	181,141,546	1%	1,793,481	298,682	448,024	746,706
2050	182,952,962	1%	1,811,415	301,669	452,504	754,173
2051	184,782,491	1%	1,829,530	304,686	457,029	761,715
2052	186,630,316	1%	1,847,825	307,733	461,599	769,332
2053	188,496,619	1%	1,866,303	310,810	466,215	777,025
2054	190,381,585	1%	1,884,966	313,918	470,877	784,796
<b>TOTAL</b>				<b>\$ 7,151,714</b>	<b>\$ 10,727,571</b>	<b>\$ 17,879,286</b>

### Footnotes

Taxable Assessed Values Provided by Developer  
Does not impact Debt Fund

## LOCATION OF PROPOSED PUBLIC INFRASTRUCTURE WITH ESTIMATED DEVELOPMENT COST PROVIDED BY DEVELOPER

### Windridge Opinion of Probable Cost (Phase 1A, 1B, 1C, 2A, 2B, & 2C)

Phase 1A OPC (Unit 1A)		Phase 1B OPC (Unit 1B)		Phase 1C OPC (Unit 1C)		Offsite OPC's	
Lots:	81	Lots:	50	Lots:	103	Improvements	Total Cost
Unit 1A Acreage	23.47	Unit 1B Acreage	10.94	Unit 1C Acreage	13.13	Street & Drainage	\$4,150,192.20
<b>Improvements &amp; Costs</b>	<b>Total Cost</b>	<b>Improvements &amp; Costs</b>	<b>Total Cost</b>	<b>Improvements &amp; Costs</b>	<b>Total Cost</b>	Water	\$684,277.50
Clearing & Grading	\$564,186.32	Clearing & Grading	\$336,444.75	Sewer	\$638,687.23	SWPPP	\$20,600.00
Street & Drainage	\$1,467,359.47	Street & Drainage	\$1,029,148.33	<b>Total Improvements</b>	<b>\$5,473,156.93</b>	Platting Costs	\$3,550.00
Water	\$281,361.66	Water	\$183,703.84	3% Mobilization	\$164,194.71	Other Construction Costs	\$425,500.00
Sewer	\$378,930.18	Sewer	\$201,263.27	10% Contingency	\$547,315.69		
SWPPP	\$25,000.00	SWPPP	\$19,700.00	10% Eng. Cost	\$547,315.69		
Platting Costs	\$4,480.00	Platting Costs	\$3,550.00	<b>Total Offsite OPC</b>	<b>\$6,731,983.02</b>		
Other Construction Costs	\$695,750.00	Other Construction Costs	\$425,500.00				
<b>Total Improvements &amp; Costs</b>	<b>\$3,417,067.63</b>	<b>Total Improvements &amp; Costs</b>	<b>\$2,199,310.19</b>	<b>Total Improvements &amp; Costs</b>	<b>\$3,446,245.87</b>		
3% Mobilization	\$102,512.03	3% Mobilization	\$65,979.31	3% Mobilization	\$103,387.38		
1% Testing	\$34,170.68	1% Testing	\$21,993.10	1% Testing	\$34,462.46		
1% Geotech	\$34,170.68	1% Geotech	\$21,993.10	1% Geotech	\$34,462.46		
10% Contingency	\$341,706.76	10% Contingency	\$219,931.02	10% Contingency	\$344,624.59		
10% Eng. Cost	\$341,706.76	10% Eng. Cost	\$219,931.02	10% Eng. Cost	\$344,624.59		
<b>Total OPC for Unit 1A</b>	<b>\$4,271,334.54</b>	<b>Total OPC for Unit 1B</b>	<b>\$2,749,137.74</b>	<b>Total OPC for Unit 1C</b>	<b>\$4,307,807.34</b>		
Phase 2A OPC (Unit 2A)		Phase 2B OPC (Unit 2B)		Phase 2C OPC (Unit 2C)		Total Project Cost	
Lots:	98	Lots:	113	Lots:	66	Lots:	511
Unit 2A Acreage	19.13	Unit 2B Acreage	14.79	Unit 2C Acreage	18.87	Total Acreage	100.33
<b>Improvements &amp; Costs</b>	<b>Total Cost</b>						
Clearing & Grading	\$651,728.34	Clearing & Grading	\$727,303.68	Clearing & Grading	\$458,862.20	Clearing & Grading	\$3,400,265.65
Street & Drainage	\$2,092,655.41	Street & Drainage	\$1,084,641.94	Street & Drainage	\$2,279,015.64	Street & Drainage	\$13,257,525.13
Water	\$355,425.10	Water	\$294,278.61	Water	\$218,366.92	Water	\$2,336,569.46
Sewer	\$433,596.51	Sewer	\$444,675.74	Sewer	\$294,440.67	Sewer	\$2,811,941.14
SWPPP	\$38,350.00	SWPPP	\$23,550.00	SWPPP	\$35,550.00	SWPPP	\$162,750.00
Platting Costs	\$4,990.00	Platting Costs	\$5,440.00	Platting Costs	\$4,030.00	Platting Costs	\$27,630.00
Other Construction Costs	\$837,000.00	Other Construction Costs	\$940,750.00	Other Construction Costs	\$570,000.00	Other Construction Costs	\$4,333,750.00
<b>Total Improvements &amp; Costs</b>	<b>\$4,413,745.36</b>	<b>Total Improvements &amp; Costs</b>	<b>\$3,520,639.97</b>	<b>Total Improvements &amp; Costs</b>	<b>\$3,860,265.43</b>	<b>Total Improvements &amp; Costs</b>	<b>\$26,330,431.38</b>
3% Mobilization	\$132,412.36	3% Mobilization	\$105,619.20	3% Mobilization	\$115,807.96	3% Mobilization	\$789,912.94
1% Testing	\$44,137.45	1% Testing	\$35,206.40	1% Testing	\$38,602.65	Testing	\$208,572.74
1% Geotech	\$44,137.45	1% Geotech	\$35,206.40	1% Geotech	\$38,602.65	Geotech	\$208,572.74
10% Contingency	\$441,374.54	10% Contingency	\$352,064.00	10% Contingency	\$386,026.54	10% Contingency	\$2,633,043.14
10% Eng. Cost	\$441,374.54	10% Eng. Cost	\$352,064.00	10% Eng. Cost	\$386,026.54	10% Eng. Cost	\$2,633,043.14
<b>Total OPC for Unit 2A</b>	<b>\$5,517,181.70</b>	<b>Total OPC for Unit 2B</b>	<b>\$4,400,799.96</b>	<b>Total OPC for Unit 2C</b>	<b>\$4,825,331.79</b>	<b>Total Cost of Project</b>	<b>\$32,803,576.09</b>

### Conclusion

Workforce housing is an issue that the City has been heavily focused on in recent years and is outlined in the City's Comprehensive Plan. Workforce shortages continue to be attributed to a lack of attainable housing in the area. This project will provide one solution to this problem. Without the creation of the TIRZ and the financing allowed by the zone, this property would not create a solution to the workforce housing issue in the near-term. The TIRZ #2 is in compliance with Tax Code 311.008 by encouraging future residential development.



## TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT ZONE CITY OF KERRVILLE, TEXAS

**SUBJECT:** Presentation of the Development Agreement. (*J Behrens, Director of Finance*)

**AGENDA DATE OF:** September 4, **DATE SUBMITTED:** August 27, 2024

**SUBMITTED BY:** Julie Behrens, Director of Finance

### EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

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**Kerrville 2050 Item?** Yes

**Key Priority Area** N/A

**Guiding Principle** N/A

**Action Item** N/A

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### SUMMARY STATEMENT:

#### RECOMMENDED ACTION:

Consider and approve the Development Agreement.

### ATTACHMENTS:

*2024-15 Windridge Project Development Agreement, Lennar Homes of Texas Land and Construction, LTD, 2-6-2024.pdf*

## WINDRIDGE PROJECT DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into by and between the **City of Kerrville, Texas**, a Texas home-rule city in Kerr County, Texas (the "City"); the **Board of Directors for Reinvestment Zone Number Two, City of Kerrville, Texas** (the "Board"); and **Lennar Homes of Texas Land and Construction, Ltd.**, a Texas limited partnership (the "Developer"); whom together may be referred as the "Parties" or individually as "Party".

### RECITALS

**WHEREAS**, in response to a petition submitted to the City in August 2023 by Schreiner University, City Council, pursuant to Ordinance No. 2023-30, as adopted on second reading on November 14, 2023 and effective as of January 1, 2024 (the "TIF Zone Ordinance"), created Reinvestment Zone Number Two, City of Kerrville, Texas (the "Windridge TIRZ" or "TIRZ") encompassing within its boundaries the "Property" or "Project Site" (as defined below) in accordance with the Tax Increment Financing Act, Texas Tax Code, Chapter 311 (the "Act"); and

**WHEREAS**, City Council, by adopting the TIF Zone Ordinance and creating the Windridge TIRZ, seeks to actively promote development and redevelopment which may not have occurred through private investment in the reasonably foreseeable future; and

**WHEREAS**, the TIF Zone Ordinance established the Board, authorized the Board to exercise limited rights, powers, and duties as provided to such boards under the Act, approved the *Windridge TIRZ Preliminary Project and Finance Plan*, and established a tax increment fund for the TIRZ (the "TIRZ #2 Fund"); and

**WHEREAS**, City Council and the Board recognize the importance of their continued role in development activities, and, by entering into this Agreement, intend to actively participate in funding a project that both facilitates City's economic goals and enhances property values within the TIRZ; and

**WHEREAS**, the neighborhood to be developed within the TIRZ by Developer, as successor in interest to the Property, is to be comprised of a minimum of four hundred ninety (490) single family residential homes; and

**WHEREAS**, the cost to construct the Public Improvements (hereinafter defined) required for development of the Property is estimated to be \$32,803,576.00, which amount is eligible for reimbursement from funds deposited into the TIRZ #2 Fund; and

**WHEREAS**, in accordance with Section 311.010(b) of the Act, the Board is authorized to enter into agreements to fund Project Costs (hereinafter defined) from the TIRZ #2 Fund that benefit the TIRZ; and

**WHEREAS**, on \_\_\_\_\_, 2024, the Board adopted Resolution \_\_\_\_\_ authorizing the execution of this Agreement to provide reimbursement for Project Costs; and

**WHEREAS**, on January 23, 2024, City approved the execution of this Agreement, pending and conditioned upon Board approval of the Agreement following City Council approval;

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement, the Parties severally and collectively agree, and by the execution hereof are bound, to the performance and accomplishment of tasks hereinafter described.

## **ARTICLE I. AGREEMENT PURPOSE**

Developer shall undertake the Project (hereinafter defined) which is anticipated to benefit City, enhance the value of all the taxable real property in the TIRZ, and promote economic development, which would not otherwise occur solely through private investment in the reasonably foreseeable future.

## **ARTICLE II. TERM**

The term of this Agreement shall commence on the Effective Date and shall terminate on the earlier of: (i) the date Developer receives the “Maximum Reimbursement Amount” (hereinafter defined); (ii) the date this Agreement is terminated as provided in Article XI (iii) the date of the termination of the Zone (hereinafter defined) pursuant to its initial creation (Ord. No. 2023-30), which is thirty (30) years from the effective date of such creation, and more specifically December 31, 2053.

## **ARTICLE III. DEFINITIONS**

- 3.1 **Annual Payment Date** – means a date up to ninety (90) days after October 1 of each calendar year during the term of this Agreement and where the City has received Contract Progress Payment Requests (“CPPR”), whether one or more, prior to October 1.
- 3.2 **Agreement, City, Board, and Developer** – shall have the meaning specified in the preamble of this Agreement.

3.3 **Act** – means the Tax Increment Financing Act, Texas Tax Code Chapter 311, as may be amended from time to time.

3.4 **Administrative Costs** – means the reasonable costs incurred directly and/or indirectly by City for the administration of the TIRZ.

3.5 **Adversarial Proceedings** – means any cause of action involving this Agreement filed by Developer against City, Board, and/or any Taxing Unit in any state or federal court, as well as any state or federal administrative hearing, but does not include Alternate Dispute Resolution proceedings, including arbitration.

3.6 **Available Tax Increment** – is the amount of property taxes levied and assessed by the Taxing Units on the Captured Appraised Value of real property taxable within the TIRZ, contributed by each Taxing Unit to the TIRZ #2 Fund, and distributed in accordance with the order of priority of payment of the TIRZ. As specified herein, City agrees that its contribution to the TIRZ #2 Fund shall be sixty percent (60%) of the maintenance and operations portion of its then current ad valorem tax assessed and collected against the Property.

3.7 **Captured Appraised Value** – means the total ad valorem taxable value of all real property taxable by a Taxing Unit and located in the TIRZ for the year less the Tax Increment Base of the Taxing Unit.

3.8 **City Council** – means the City Council of the City of Kerrville, Texas.

3.9 **City Manager** – means the City's City Manager or designee.

3.10 **City Tax Increment** – means the total amount of City property taxes deposited in the Tax Increment Fund in accordance with the TIF Zone Ordinance.

3.11 **Commencement of Construction** – means the submittal of an application to the City for a subdivision plat for at least one unit or portion of the Project or, the submittal of an application to the City for similar associated permits necessary for the progress and completion of the Project.

3.12 **Construction Schedule** – means a specific timetable for constructing the Project, which Developer shall cause Commencement of Construction at the Project Site as stated in Section 5.1 and shall use commercially reasonable efforts to cause the completion of the Project, subject to Force Majeure and any applicable provision of this Agreement, provided that Commencement of

Construction does not, nor is intended to, create an obligation for the Developer to complete construction of the Project.

- 3.13 **Contract Progress Payment Request (“CPPR”)** – means the request form prepared and submitted by Developer for reimbursement due to Developer pursuant to the requirements of this Agreement and the CPPR Form, attached hereto as **Exhibit A**.
- 3.14 **Development Regulations** – means the Zoning Code, the Subdivision Code, and all other ordinances, regulations, building codes, policies, specifications, and standards enacted or adopted by City relating to the development and use of real property located within City’s corporate limits and/or City’s extraterritorial jurisdiction; the construction and/or installation of public utilities and/or other public improvements; and the construction of buildings and/or other structures, whether public or private.
- 3.15 **Dwelling Unit** – means a single-family detached dwelling, as such phrase is defined in the City’s Zoning Code, constructed on a lot.
- 3.16 **Effective Date** – means the date this Agreement bears the signatures of authorized representatives of all the Parties, whether appearing on the same document or in identical counterparts as provided in Section 28.3.
- 3.17 **Force Majeure** – means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, City and/or Kerr County closures, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes affecting the area of the Zone that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than thirty (30)

days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

- 3.18 **Maximum Reimbursement Amount** – means the cumulative CPPR payments in the amount of **Twenty-Seven Million Eight Hundred Three Thousand Five Hundred Seventy-Six Dollars And No/100 Cents (\$27,803,576.00)**.
- 3.19 **Participation Agreement** – means an agreement between a taxing unit (other than the City) that levies taxes on the real property in the Zone that enters an agreement with the City for payment of all or a part of the tax increment produced by such taxing unit for contribution of tax increment funds for the Zone.
- 3.20 **Person** – means an individual, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.
- 3.21 **Project** – has the meaning found in Section 5.1 of this Agreement.
- 3.22 **Project and Financing Plan** – means the project and financing plan for the TIRZ as approved and amended by Board and the City Council from time to time.
- 3.23 **Project Costs or Eligible Costs** – means the costs that are incurred and paid by Developer for the design and construction of the Public Infrastructure and shall have the meaning as defined in Section 311.002 of the Act for “Project Costs” as of the Effective Date, including but not limited to hard construction costs, engineering fees, permitting fees, testing fees.
- 3.24 **Project Site or Property** – means that certain 100.36-acre real property generally located along Loop 534, north of Olympic Dr., and adjacent to Peterson Middle School in the City of Kerrville, Texas, as more fully described in the metes and bounds attached hereto and incorporated into this Agreement **Exhibit B**.
- 3.25 **Public Infrastructure** – means a street, water, wastewater, drainage (storm water), sidewalks, park facilities, utilities, and other improvements that is a part of one or more of the public facilities systems or listed in the Plan.

3.26 **Related Agreement** – means that Economic Development Grant Agreement between Developer and the City of Kerrville, Texas, Economic Improvement Corporation and any other agreement by and between the City and/or the Board and/or the Texas Economic Improvement Corporation, and Developer or any of Developer affiliates with respect to the Project.

3.27 **Services** – means water and wastewater utility services provided by the City for purposes of serving the Project.

3.28 **Tax Increment** – means the total amount of property taxes assessed and collected by the Taxing Units for the year on the Captured Appraised Value of real property taxable by the Taxing Units and located in the Zone.

3.29 **Tax Increment Base** – means the total appraised value of all real property taxable by a Taxing Unit for the year in which the Zone was designated (*i.e.*, 2024).

3.30 **TIRZ #2 Fund or Tax Increment Fund** – means the fund into which the Tax Increment is deposited in accordance with the TIF Zone Ordinance.

3.31 **Taxing Unit** – means City and any other political subdivision that taxes real property within the TIRZ and enters a Participation Agreement with City to contribute Tax Increment to the Tax Increment Fund.

3.32 **TIRZ or Zone** – means Reinvestment Zone Number Two, City of Kerrville, Texas, also known as the Windridge TIRZ.

3.33 **Workforce Housing** – means a newly constructed Dwelling Unit with a sales price within the Home Ownership Value Limits for households between 80% and 120% of the Area Median Family Income (“AMFI”) within Kerr County, Texas, as annually established by the Texas Department of Housing and Community Affairs (“TDHCA”) HOME Program (Title 10, Texas Government Code, Chapter 2306), or its successor program, which is purchased from the original builder of the Dwelling Unit by a Person. If the AMFI ceases to be published by TDHCA or its successors, the Parties agree to substitute a reasonable standard for the AMFI.

**Singular and Plural:** Words used in the singular, where the content so permits, also include the plural and vice versa, unless otherwise specified.

## ARTICLE IV. REPRESENTATIONS

- 4.1 **CITY'S AUTHORITY.** City represents that it is a home rule municipality located in Kerr County, Texas, and has authority to carry out the obligations contemplated by this Agreement.
- 4.2 **BOARD'S AUTHORITY.** The Board represents that the Windridge TIRZ, as established pursuant to the TIF Zone Ordinance, has the authority, through the Presiding Officer's affixed signature to this Agreement, to carry out the functions and operations contemplated by this Agreement.
- 4.3 **DEVELOPER'S AUTHORITY.** Developer represents that it has the right to enter into this Agreement and perform the requirements set forth herein. Developer's performance shall be lawful and shall not violate any applicable judgment, order, or regulation nor result in the creation of any claim against the City or Board for money or performance, any lien, charge, encumbrance, or security interest upon any asset of City or Board, except that this Agreement shall constitute a claim against the TIRZ #2 Fund only from Available Tax Increment to the extent provided herein. Developer shall have sufficient capital to perform all of its obligations under this Agreement when it needs to have said capital.
- 4.4 **NO BONDS.** Neither City nor Board will issue any bonds to cover any costs directly or indirectly related to Developer's improvement of the Windridge TIRZ under this Agreement.
- 4.5 **REASONABLE EFFORTS.** Each Party to this Agreement shall cooperate and make reasonable efforts to expedite the subject matter hereof and acknowledge that successful performance of this Agreement requires their continued cooperation.
- 4.6 **CONSENTS.** Each Party to this Agreement represents that the execution, delivery, and performance of this Agreement requires no consent or approval of any person that has not been obtained.
- 4.7 **DUTY TO COMPLETE PUBLIC INFRASTRUCTURE.** Each Party understands and agrees that Developer shall ensure the successful completion of all Public Infrastructure that it commences or causes to commence at no additional cost to City and/or the TIRZ in accordance with the terms of this Agreement. This Section 4.7 is not intended to create a duty to commence nor complete all Public Infrastructure within the TIRZ. Toward that end, Developer is subject to the City's Subdivision Code (Ch. 82, City's Code of Ordinances) and per that code,

Developer must submit security for its full completion of the Public Infrastructure.

4.8 NOT EFFECTIVE UNTIL EXECUTION OF INTERLOCAL AGREEMENTS. Each Party understands and agrees that certain provisions or requirements of this Agreement may additionally be subject to the execution of certain Interlocal Agreements for the Project that may be executed between City and one or more Taxing Units. To the extent such Interlocal Agreements are necessary, the provisions of this Agreement related to such Interlocal Agreements shall not be binding on the Parties until such Interlocal Agreements have been fully executed.

4.9 DEVELOPER BEARS THE RISK. Developer understands and agrees that any expenditure made by Developer in anticipation of reimbursement of TIRZ #2 Funds shall not be, nor shall be construed to be, the financial obligations of City, Board, and/or the Windridge TIRZ. Developer bears all risks associated with reimbursement, including, but not limited to incorrect estimates of tax increment, changes in tax rates or tax collections, changes in law or interpretations thereof, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in Development Regulations, changes in City policies, and unanticipated effects covered under the legal doctrine of Force Majeure. Any expenditure made by Developer in anticipation of reimbursement from the TIRZ #2 Fund shall never be an obligation of City's general funds but are only obligations of City and/or the Board to reimburse for eligible Project costs from TIRZ #2 Fund to the extent of the availability of TIRZ #2 Funds for reimbursement of qualified eligible Project costs subject to limitations herein.

4.10 RIGHT TO ASSIGN PAYMENT. Developer may not assign this Agreement in whole or part without the prior written consent of City and Board; provided, however, Developer may collaterally assign the payments to be made to Developer to a lender providing financing for Developer for the construction of the Project but subject to the requirements and limitations of this Agreement. Notwithstanding the forgoing, City and/or Board shall not be required to make any payments due herein to Developer to any third party and that CPPR reimbursement payments herein shall be made only to Developer, unless otherwise agreed to in writing by the Parties.

## ARTICLE V. THE PROJECT

5.1 PROJECT. The Project is a planned residential development which will contain a minimum of four hundred ninety (490) Dwelling Units designed and constructed in accordance with Developer's Watermill and Belmar Collections

set forth in **Exhibit C**, attached hereto and incorporated herein by reference, or of a similar size and quality of home, and that complies with the Development Regulations. Subject to delays relating to events of Force Majeure, Developer shall cause Commencement of Construction of the Project and/or the Public Infrastructure to occur not later than ninety (90) days after the Effective Date. Developer shall develop and sell Dwelling Units within the Development in accordance with the following:

- a. *Sales Pricing.* Developer shall develop lots and sell Dwelling Units within the Property at sales prices in accordance with affordability standards set forth herein for Workforce Housing. The applicable standards are those established by the Texas Department of Housing and Community Affairs (TDHCA), with the net sales price of the Dwelling Units being affordable to homebuyers earning between 80 percent and 120 percent of the area median family income (“AMFI”) within Kerr County, Texas. As an example, for 2023, the AMFI is \$84,600 for Kerr County and the upper threshold for workforce housing within the TDHCA HOME Program is \$275,000. “Net sales price” means that any incentives or closing cost assistance that Developer pays on behalf of a homebuyer will be credited to the sales price of the Dwelling Unit for purposes of this section. Based upon TDHCA regulations, the sales price of each Dwelling Unit may not exceed \$275,000 (“Maximum Sales Price”). For purposes of this Agreement, the AMFI and Maximum Sales Price of Dwelling Units shall be adjusted from time to time, but in no circumstance shall the Maximum Sales Price decrease.
- b. *Applicability of Pricing.* The Maximum Sales Price is only applicable to the initial sale of the Dwelling Unit.
- c. *Increase in Maximum Sales Price.* Where the relevant AMFI threshold is increased or construction costs increase beyond the reasonable control of the Developer prior to completion and sale of the final Dwelling Unit within the Development; and, Developer believes that the Maximum Sales Price needs to be increased due to significant increases in the cost of construction materials beyond Developer’s reasonable control; for example, where an increase in lumber prices or similar costs of materials occurs and requires Developer to increase the Maximum Sales Price by at least 2.9%, Developer shall provide the City Manager with specific documentation, including without limitation specific third party cost data or invoices, to justify such increase of the Maximum Sales Price for approval. Consideration and possible approval by the City Manager shall occur within 30 days after the City Manager’s receipt of such

documentation. Any such increase may only occur once per year (365 days). In addition, the Maximum Sales Price of a completed Dwelling Unit and lot shall be adjusted annually to reflect the then current AMFI and shall be effective with respect to contracts for the sale of lots with completed Dwelling Units entered after the effective date of any such adjustments; provided that such adjustment of the Maximum Sales Price does not constitute a decrease.

- d. *Vehicular Access.* Developer shall design and thereafter construct each driveway that serves a Dwelling Unit to be at least sixteen (16) feet wide. In addition, Developer shall design and thereafter ensure that at least 50% of the Dwelling Units include garages to be at least twenty (20) feet wide. Developer's design and construction of the parking spaces and garages shall comply with the Development Regulations. Developer shall work with City to address and alleviate potential parking concerns within the Project through establishing restrictive covenants to prohibit and/or limit on-street parking, such restrictions to be enforced by a homeowners' association.
- e. *Open Space.* Developer shall comply with Chapter 74, Article III of City Code of Ordinances relating to the dedication of land for park and open space uses and payment of a fee to City in lieu of such dedication.
- f. *Lighting.* Developer shall take all reasonable steps to protect the community from unnecessary light pollution in accordance with the "dark sky" standards.

5.2 **REIMBURSEMENT.** The reimbursement from TIRZ #2 Funds by City is subject to availability and priority of payment and is not intended to necessarily reimburse all costs incurred in connection with the Project or expenses incurred by Developer for performance of its obligations under this Agreement or with respect to all other obligations required by City pursuant to the Development Regulations. Neither City nor Board can guarantee that Available Tax Increment shall completely reimburse Developer. The TIRZ #2 Fund is the sole source of reimbursement to Developer for construction of the Public Infrastructure. Total reimbursement to Developer from the TIRZ #2 Fund will not exceed the Maximum Reimbursement Amount and Developer is eligible for reimbursement of Project Costs for Public Infrastructure only in accordance with this Agreement. When the Public Infrastructure has both private and public benefits, only that portion dedicated to the public may be reimbursed by the City.

5.3 **TAX INCREMENT FUND PRIORITIES.**

- a. The funds deposited in the Tax Increment Fund from the Zone shall only be used for the following and applied in the following order of priority:
  - (i) the reasonable administrative costs of the Zone;
  - (ii) Reimbursement Payments to Developer.
- b. The use of Tax Increment contributed by any Taxing Unit other than City shall be subject to any rules, regulations, restrictions, and limitations set forth in the respective Participation Agreement for such Taxing Unit.

**ARTICLE VI. DUTIES AND OBLIGATIONS OF DEVELOPER**

- 6.1 **DISCRETIONARY PROGRAM.** Developer agrees that the TIRZ #2 Fund administered by City is a discretionary program and that City and the Board have no obligation to extend tax increment financing to Developer, except as provided herein. Developer agrees that it has no vested rights under any regulations, ordinances, or laws, and waives any claim to be exempt from applicable provisions of the current and future City Charter, City Code, City Ordinances, and state or federal laws and regulations.
- 6.2 **COMPLIANCE.** Developer, for itself, its officers, and employees, agrees (and shall cause its consultants and contractors to agree) to exercise supervision over the construction of the Public Infrastructure associated with the Project. Developer shall retain overall responsibility for the Project. Developer shall comply (and shall cause its consultants, contractors, and subcontractors to comply) with all applicable provisions of the City Charter, the City Code, Development Regulations, and all applicable federal, state, and local laws. Developer shall cooperate with City and the Board in providing all necessary information in order to assist City in determining Developer's compliance with this Agreement.
- 6.3 **SUBMISSION OF PERMIT APPLICATIONS.** Developer shall make, or cause to be made, application for any necessary permits and approvals that are customarily required by City, the Development Regulations, and any applicable governmental authorities to be issued for the construction of the Project (and Public Infrastructure). Developer shall be responsible for the payment of all fees for all permits charged or imposed by the City or any other governmental agency related to the design and construction of the Project and

such fees or charges are not an eligible Project costs subject to reimbursement herein.

- 6.4 **COMPLIANCE.** Developer shall comply and cause its contractors to comply with all local and state laws and regulations regarding the design and construction of the Project in accordance with the approved plans and specifications, including, but not limited to, any applicable requirement relating to payment, performance, and maintenance bonds.
- 6.5 **PAYMENT AND PERFORMANCE BONDS.** Developer shall cause its general contractor(s) to obtain payment and performance bonds to ensure completion of the Public Infrastructure pursuant to Chapter 2253, Texas Government Code, as amended, which, in addition to being in favor of Developer shall name the City as co-beneficiary or co-obligee of the bonds for all phases of the construction of the Public Infrastructure on the Project Site, and which shall allow enforcement of such bonds by the City. Said bonds for each phase shall be in an amount sufficient to cover the entire contract cost of the construction and completion of the Public Infrastructure portions of the Project. Developer shall submit copies of the payment and performance bonds to the City.
- 6.6 **SUPERVISION OF CONSTRUCTION.** Developer retains overall responsibility for the Project and the Project Site; subject to this retention, Developer may delegate supervision duties over the construction of all Public Infrastructure and all other construction activities at the Project Site and cause said construction to be performed, at a minimum, in accordance with all legal requirements detailed in Section 6.2 above and also including Prevailing Wage, Chapter 2258 of the Texas Government Code, and its development applications approved by City, notwithstanding any other provision of this Agreement.
- 6.7 **PAYMENT OF APPLICABLE FEES.** Developer is responsible for paying all applicable permit fees and licenses which have not been lawfully waived to City and all other governmental agencies in relation to construction of the Project.
- 6.8 **PUBLIC INFRASTRUCTURE MAINTENANCE.** At its own expense, Developer shall maintain or cause to be maintained all Public Infrastructure paid for in whole or in part, from public funds, without regard to whether the work is done under public supervision or direction, until dedication to and acceptance by City and for one (1) year after completion. Upon acceptance of a street or drainage improvement for maintenance by City, Developer shall deliver to City a one (1) year extended warranty bond or maintenance bond naming City as the obligee. The cost of repair, replacement, reconstruction, and maintenance for defects discovered during the first year after completion disclosed to Developer by City

within a reasonable period of time, but no more than thirty (30) days from the time of discovery, shall be paid by Developer or the bond company and shall not be reimbursed from the TIRZ #2 Fund. After the expiration of the one (1) year extended warranty bond, the cost of the repair, replacement, reconstruction, and maintenance of Public Infrastructure dedicated to City shall be the sole responsibility of City. In addition:

- a. Developer, its officers, agents, employees, and contractors will not interfere with reasonable use of any of the Public Infrastructure by the general public, except for drainage retention improvements. In accordance with the Construction Schedule, Developer shall, without cost to City, dedicate (or grant a public easement) and cause the owner thereof to dedicate or grant, by plat or separate instrument in a form reasonably acceptable to City, the right-of-way and/or easements necessary for the construction, repair and maintenance of the Public infrastructure. The dedication of right-of-way and City's acceptance of Public Infrastructure shall follow the normal City process and procedures for such.
- a. The requirements of this Agreement cannot be waived or modified in any way by an engineer, employee, or City official or its subordinate agency with responsibility for inspecting or certifying Public Infrastructure. The actions of City, its employees and/or its agents do not work as an estoppel against City under this Agreement or the Development Regulations.

6.9 **PROJECT SITE INSPECTION.** Developer shall allow City, the Board and their representatives' reasonable access to the Project Site owned or controlled by Developer for inspections during and upon completion of construction of portions of the Project, and access to documents and records considered necessary to assess the Project and Developer's compliance with this Agreement. The City Manager, or designee shall be provided with a right of entry onto the Project Site to conduct random walk-through inspections of the Project's Development subject to all security and Project Site safety requirements.

6.10 **REQUESTS FOR REIMBURSEMENT.**

- a. Subject to Developer's continued satisfaction of all terms and conditions of this Agreement, including the obligation of Developer to repay the CPPR Payments pursuant to Article XI, City agrees to provide annual CPPR Payments to Developer for completed components of the Public Infrastructure. The City will make such payments solely from the Tax

Increment subject to the TIRZ priorities set forth in Section 5.3, and in an amount not to exceed the Maximum Reimbursement Amount. Developer may submit a CPPR to the City at any time and may submit more than one prior to any payment from City.

- b. The amount of each annual CPPR Payment shall be the amount of the Eligible Costs for Public Infrastructure that have not been paid to Developer after consideration and deduction of the Tax Increment Fund Priorities set forth in Section 5.3, above, not to exceed the Maximum Reimbursement Amount and subject to the limitations set forth herein. If there are insufficient Tax Increment Funds for an annual CPPR Payment, the unreimbursed Public Infrastructure Eligible Costs are carried forward, without interest, to succeeding Annual Payment dates until reimbursement has been made in full or termination of this Agreement, whichever occurs first.
- c. The Parties agree that the CPPR payments shall be paid solely from Tax Increment from the Property and only to the extent that funds are available in the TIRZ #2 Fund from the Tax Increment from the Zone during the term of this Agreement.
- d. Nothing in this Agreement shall be construed to obligate City and/or the Board to provide CPPR payments from any other source of funds or to otherwise require City and/or Board to pay Developer for Eligible Costs if there are insufficient funds in the TIRZ #2 Fund or if the Zone terminates prior to Developer being reimbursed in full for the Eligible Costs. Upon the termination of this Agreement or the expiration of the term of this Agreement, any Eligible Costs that remain un-reimbursed or that remain unpaid due to (i) lack of availability of TIRZ #2 Funds, or (ii) the failure of Developer to satisfy any precondition of CPPR payment under this Agreement, shall no longer be considered obligations of the Zone, and any obligation of City and/or the Board to pay the CPPR payments to Developer shall automatically expire and terminate on such date.
- e. Notwithstanding anything to the contrary, in the event that Developer submits a CPPR at least sixty (60) days prior to the termination of the TIRZ and there are still funds available in the TIRZ #2 Fund, the TIRZ #2 Fund and Board will survive beyond termination of the TIRZ only to the extent needed in order to consider and approve issuance of reimbursement from all qualifying outstanding CPPR requests. To effectuate this action, the City shall amend its TIF Zone Ordinance as necessary.

6.11 **THIRD PARTY OWNERSHIP.** No third-party purchaser of any portion of the Property or improvements constructed thereon shall be deemed an assignee under this Agreement or be entitled to receive any CPPR Payments directly from City and/or Board hereunder. In the absence of any approved and executed assignment that provides otherwise, CPPR Payments to Developer shall be calculated based on Tax Increment received by City regardless of property ownership.

6.12 **TAX PROTEST.**

- a. If Developer, any owner, or lessee of any real property and/or improvements within the Zone (collectively the "Protest Property") timely and properly protest or contest (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Protest Property, or any portion thereof, with the applicable appraisal district (or its successor) ("Tax Protest") the obligation of City and/or Board to provide the CPPR Payments from the Tax Increment Fund from Zone with respect to such Protest Property or portion thereof, for such tax year shall be abated with regard to the amount of ad valorem taxes that are in dispute (based on the amount or portion of Taxable Value of the Protest Property in dispute) until a final determination has been made of such Tax Protest. In the event of a Tax Protest, City shall send written notice to Developer of the amount of ad valorem taxes that are in dispute (based on the amount or portion of taxable value of the Protest Property in dispute or the entire amount if the contested amount is unknown to City). However, in the event a Tax Protest results in a final determination that changes the appraised value and/or the Taxable Value of the Protest Property, or the amount of ad valorem taxes assessed and due for the Protest Property, or portion thereof, after a CPPR Payment has been paid, which includes Tax Increment for such Protest Property for such tax year, the Tax Increment Fund applicable to such Protest Property will be adjusted accordingly and the CPPR payment with respect to such tax year shall be recomputed (increased or decreased, as the case may be) and the amount of any overpayment or underpayment shall reduce or increase the amount of the following year's CPPR Payment. If there are no further CPPR Payments due under this Agreement and Tax Increment with respect to such Protest Property is reduced Developer shall, within thirty (30) days after written demand from City, reimburse City for such over payment of any such CPPR Payment.
- b. If City determines that the amount of a CPPR Payment was less than the correct amount to which Developer was entitled (together with such

records, reports and other information necessary to support such determination), City shall pay such underpayment to Developer within thirty (30) days of such determination. If City determines that the amount of a CPPR Payment was greater than the correct amount to which Developer was entitled (together with such records, reports and other information necessary to support such determination) Developer shall pay such overpayment to City within thirty (30) days after receipt of written notification from City of such overpayment.

## ARTICLE VII. DUTIES AND OBLIGATIONS OF CITY AND BOARD

- 7.1 COORDINATION OF BOARD MEETINGS. City and Board agree that a) all meetings of the Board as well as all administrative functions shall be coordinated and facilitated by the City; and b) all notices for meetings of the Board shall be drafted and posted by the City Manager or designee, in accordance with state law. The City's TIF authority also extends to control of the Board Agenda in conjunction with any established City policies.
- 7.2 ELIGIBLE PROJECT COSTS. Following receipt by the City of a CPPR, the Board shall consider for approval Developer's request(s) for reimbursement of eligible Project Costs incurred by Developer in the course of constructing the Project. Project Costs shall be eligible for reimbursement only if approved by the Board and incurred in the performance of, and in compliance with, this Agreement and with all applicable laws. Following Board approval, CPPR shall be reviewed by City for final approval and issuance of reimbursement pursuant to this Agreement.
- 7.3 UTILITY AVAILABILITY. Developer has requested that City provide adequate water and wastewater service ("Utility Services") to the Project, which City has agreed to do in accordance with an agreement negotiated between the Parties pursuant to Texas Local Government Code §43.0672. City recognizes and affirms that such Utility Services shall be provided at the capacity required for the Project, provided (i) City's commitment to such capacity is conditioned upon Developer submitting a completed utility master plan to City; and (ii) Developer commencing the construction of approved on-site utility infrastructure to tie into City's existing utility systems, without the need for upgrades to City's existing utility system, not later than three (3) years after the Effective Date. Notwithstanding the foregoing condition, the commitment for Utility Services shall be for a term ending on the fifteenth (15) anniversary of the Effective Date, which term shall be automatically extended for one additional term of five (5) years if Developer has caused the completion of construction of at least 248 single family homes within the Project Site prior to the expiration of the initial fifteen (15) year period.

## ARTICLE VIII. COMPENSATION TO DEVELOPER

- 8.1 CPPR APPROVAL. Upon completion of portions of Public Infrastructure related to the Project, and as those improvements are specified in the Plan, Developer may submit to City a completed CPPR. The City Manager shall process each completed CPPR without unreasonable delay and prepare for the Board to meet and review such CPPR. Should there be discrepancies in the CPPR, or if more information is required, Developer will have thirty (30) days upon receipt of notice from City and/or the Board to correct any discrepancy or submit additional requested information. Failure to timely submit the additional information requested by City and/or Board may result in the delay of Developer's requested reimbursement.
- 8.2 INVALID PAYMENTS. If any payment to Developer is held invalid, ineligible, illegal, or unenforceable under applicable federal, state, or local laws, then and in that event, Developer shall repay such payment in full to City for deposit into the TIRZ #2 Fund.

## ARTICLE IX. INSURANCE

- 9.1 INSURANCE. Developer at its sole cost and expense, shall obtain and maintain in full force and effect during the term of this Agreement, (or shall cause the Contractor during construction of the Public Infrastructure) the following policies of insurance and coverage:
  - a. Commercial General Liability Policy covering bodily injury, death and property damage, including the property of a director, officer, employee or agent of City or Board, insuring against all claims, demands or actions relating to the work and services provided pursuant to this Agreement with minimum limits on a per occurrence of not less than One Million Dollars (\$1,000,000) combined single limit and Two Million Dollars (\$2,000,000) aggregate, including products and completed operations coverage. This policy shall be primary to any policy or policies carried by or available to City.
  - b. Workers' Compensation/Employer's Liability Insurance Policy in full accordance with the statutory requirements of the State of Texas and shall include bodily injury, occupational illness or disease coverage with minimum Employer's Liability limits of not less than \$500,000/\$500,000/\$500,000.
  - c. Automobile Liability Insurance Policy covering all operations of Developer and its Contractor pursuant to this Agreement involving the use of motor vehicles, including all owned, non-owned and hired vehicles

with minimum limits of not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury, death and property damage liability.

- d. Excess Liability Insurance Policy with a limit of not less than Five Million Dollars (\$5,000,000). Such insurance shall be in excess of the commercial general liability insurance, business auto liability insurance and employer's liability insurance. This insurance will apply as primary insurance with respect to any other insurance or self-insurance programs maintained by City and shall be provided on a "following form basis". Continuing commercial umbrella coverage, if any, shall include liability coverage for damage to the Contractor's completed work, including its sub-contractor(s), consultants and employees.
- e. Property/Builders Risk Insurance Policy with "all-risk" coverage covering all buildings and other improvements located or being constructed on the Property against loss or damage from perils covered by an all risk or special form policy in amounts not less than one hundred (100%) percent of the full insurable value of the buildings and other improvements to be constructed or included in the Property to include the interest of City.
- f. Professional Liability Insurance (if applicable) with limit of not less than Two Million Dollars (\$2,000,000) for all negligent acts, errors and omissions by Developer's engineers and architects that arise out of the performance of this Agreement.
- g. The Commercial General Liability, Worker's Compensation, Business Auto and Excess Liability insurance required pursuant to this Agreement shall be endorsed to provide for waivers of all rights of subrogation against City.
- h. Except for the Worker's Compensation Insurance and any Professional Liability Insurance, all insurance required pursuant to this Agreement shall include and name the officials, employees, or agents of City as additional insureds using Additional Insured Endorsements that provide the most comprehensive coverage to the officials, employees, or agents of City under Texas law including products/completed operations. The Additional Insured status for the officials, employees, or agents of City shall remain in force and effect for a minimum of two (2) years following abandonment or completion of the work and services provided pursuant to this Agreement.

- i. Certificates of Insurance and policy endorsements in a form reasonably satisfactory to City shall be delivered to City prior to any work under this Agreement, to include grading, construction relevant to the Public Infrastructure, or vertical construction and thereafter updated annually for a minimum of two (2) years following termination of this Agreement, abandonment or completion of the work. All required policies shall be endorsed to provide City with thirty (30) days advance notice of cancellation or material change in coverage. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements, Developer shall provide at least thirty (30) days prior written notice to the City of any cancellation, non-renewal and/or material changes to any of the policies of insurance. On every date of renewal of the required insurance policies, Developer shall deliver to City (and cause the Contractor to deliver to City) a Certificate of Insurance and policy endorsements to be issued evidencing the required insurance herein. In addition, Developer shall, within fifteen (15) days after written request, provide City with Certificates of Insurance and policy endorsements for the insurance required herein (which request may include copies of such policies). The failure to provide valid Certificates of Insurance and policy endorsements shall be deemed a breach of this Agreement following City's adherence to Section 11.3. All policies and endorsements shall remain in effect for not less than two (2) years after the completion of the Project.
- j. All policies of insurance required to be obtained by Developer and its Contractor pursuant to this Agreement shall be maintained with insurance carriers that are reasonably satisfactory to City and lawfully authorized to issue insurance in the State of Texas for the types and amounts of insurance required herein. All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A-VII" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by City. All insurance coverage required herein shall be evidenced by a certificate of insurance and policy endorsements submitted by Developer's and its Contractor's insurer.

## ARTICLE X. WORKERS COMPENSATION INSURANCE COVERAGE

10.1 **APPLICABILITY.** This Article is applicable only to construction of Public Infrastructure, the costs for which the Developer is seeking reimbursement from City and the Board, and is not intended to apply to the private improvements made by the Developer.

## 10.2 DEFINITIONS.

- a. *Certificate of coverage (“certificate”)* - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers’ compensation insurance coverage for the person’s or entity’s employees providing services on a phase of the Project for the duration of the project.
- b. *Duration of the project* - includes the time from the beginning of the work on the Project until the Developer's/person's work on the Project has been completed and accepted by the City.
- c. *Persons providing services on the Project (“subcontractor” in §406.096 of the Texas Labor Code)* - includes all persons or entities performing all or part of the services the Developer has undertaken to perform on the Project, regardless of whether that person contracted directly with the Developer and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the Project. “Services” include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a Project. “Services” does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- 10.3 Developer must provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Developer, if any, providing services on the Project, for the duration of the Project.
- 10.4 Developer must provide a certificate of coverage to the City prior to being awarded the contract.
- 10.5 If the coverage period shown on the Developer’s current certificate of coverage ends during the duration of the phase of the Project, Developer must, prior to the end of the coverage period, file a new certificate of coverage with the City showing that coverage has been extended.
- 10.6 Developer shall obtain from each contractor or subcontractor providing services on a project, and shall provide to the City:

- a. a certificate of coverage, prior to that contractor or subcontractor beginning work on the Project, so City will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
- b. no later than seven (7) days after receipt by Developer, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the phase of the Project.

10.7 Developer will retain all required certificates of coverage for the duration of the Project, and for one (1) year thereafter.

10.8 Developer will notify the City in writing by certified mail or personal delivery, within fifteen (15) days after the Developer knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.

10.9 Developer will post on the Project Site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

10.10 Developer will contractually require each person with whom it contracts to provide services on a Project, to:

- a. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the applicable phase of the Project;
- b. provide to the Developer, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project, for the duration of the applicable phase of the Project;
- c. provide the Developer, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the applicable phase of the Project;

- d. obtain from each other person with whom it contracts, and provide to the Developer:
  - (i) a certificate of coverage, prior to the other person beginning work on the Project; and
  - (ii) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the applicable phase of the Project;
- e. retain all required certificates of coverage on file for the duration of the applicable phase of the Project and for one year thereafter;
- f. notify the City in writing by certified mail or personal delivery, within ten (10) business days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and
- g. perform as required by Paragraphs a-f above with the certificates of coverage to be provided to the person for whom they are providing services.

10.11 By signing this Agreement or providing or causing to be provided a certificate of coverage, Developer represents that all its employees to provide services on the Project will be covered by workers' compensation coverage for the duration of the applicable Project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self Insurance Regulation. Providing false or misleading information may subject Developer to administrative penalties, criminal penalties, civil penalties, or other civil actions.

10.12 Developer's failure to comply with any of these provisions is a breach of this Agreement and entitles the City and/or Board to declare the Agreement void and exercise all legal remedies if the Developer does not cure the breach within thirty (30) days after receipt of notice of breach from the City without necessity of the ninety (90) day cure period as set forth in Section 11.3.2 of this Agreement.

## ARTICLE XI. TERMINATION AND RECAPTURE

- 11.1 **TERMINATION**. For purposes of this Agreement, termination means the expiration of the term, as provided by Article II. In addition, this Agreement may be terminated in the following manners: (1) Termination without cause pursuant to Section 11.2, (2) Termination for cause pursuant to Section 11.3, and (3) Termination by law pursuant to Section 11.4.
- 11.2 **TERMINATION WITHOUT CAUSE**. This Agreement may be terminated by mutual consent and a written agreement of the Parties. In such case, the Parties shall agree upon the reason(s) of such termination, the termination conditions, any proposed payment of outstanding reimbursements due, any pay-back plan of disbursed funds, and the proposed effective date of such termination.
- 11.3 **TERMINATION FOR CAUSE/DEFAULT**. Upon written notice, which must be provided in accordance with Article XVI, City and/or Board shall have the right to terminate this Agreement for cause, in whole or in part, if Developer fails to: (1) comply with any material term or condition of this Agreement, which shall be deemed a default (provided for the purposes of this Section 11.3, a deviation of five percent (5%) or less in the number of homes stated in Section 5.1 of this Agreement shall not be a breach); and (2) fails to cure such default in accordance with the requirements set forth in this Article. Pursuant to this Section 11.3, termination by City and the Board shall be subject to the following:
  - 11.3.1 **NOTICE OF DEFAULT**. After sending a written notice of default, the City and Board will not distribute TIRZ #2 Funds to Developer until the default is cured.
  - 11.3.2 **CURE**. Upon receiving the notice of default resulting from a breach of this Agreement, Developer shall cure the default not later than ninety (90) days from the date of delivery of such notice (the "Cure Period"). In the case of a default which Developer submits cannot with due diligence be cured within the required Cure Period, the City Manager shall decide, within his or her sole and reasonable discretion, whether to approve or not approve an extension of the Cure Period for a period that is reasonably necessary to allow Developer to cure such default. Thereafter, Developer shall commence to cure such default and thereafter diligently pursue such cure such that the default is cured before the expiration of the Cure Period, as extended. If there are no reasonable means to cure the default, the notice of default shall include the a detailed description

of the default and the basis for such default being incurable, in which case said notice of default may serve as notice of termination.

11.3.3 **FAILURE TO CURE.** If Developer fails to cure any default of this Agreement within the Cure Period (as extended, if applicable), City and/or Board may, upon issuance to Developer of a written notice of termination, terminate this Agreement in whole or in part. Such notification shall include the reasons for such termination, the effective date of such termination; and, in the case of partial termination, the portion of the Agreement to be terminated.

11.3.4 **REMEDIES UPON DEFAULT.** The Parties shall have the right to seek any remedy in law to which they may be entitled, in addition to termination and repayment of funds, excluding the remedy of specific performance, if a Party defaults under the terms of this Agreement and fails to cure such default within any applicable Cure Period. City and/or Board shall have the right to recapture disbursed funds associated directly with such default, in accordance with Section 11.5, below, and Developer shall repay all such disbursed funds.

11.4 **TERMINATION BY LAW.** If any applicable state or federal law or regulation is enacted or promulgated which prohibits the performance of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

11.5 **RECAPTURE.** Only in the event of a termination pursuant to Section 11.3 for cause, City and/or Board, shall have the right to recapture all disbursed funds, as set forth herein, made under this Agreement and Developer shall repay disbursed funds as requested by City and/or the Board in the said notice of termination not later than sixty (60) days after the effective date of termination.

11.6 **CLOSE-OUT.** Regardless of how this Agreement is terminated, Developer shall effect an orderly transfer to City or its designee, at no additional cost to City, copies of all completed or partially completed documents, records, or reports, produced as a result of or pertaining to this Agreement, regardless of storage medium, if so requested by City; alternatively, all such documents, records, and reports shall be retained by Developer in accordance with Article XIV of this Agreement. Reimbursements due to Developer, at the time of termination, will be conditioned upon delivery of all documents, records, or reports, if requested by City. Not later than ninety (90) days after the effective date of completion, or termination or expiration of this Agreement, Developer shall submit to City and/or Board all requests for reimbursements in accordance

with Section 6.10 above through the effective date of termination. Failure by Developer to submit requests for reimbursements within said ninety (90) days shall constitute a Waiver by Developer of any right or claim to collect Available Tax Increment that Developer may be otherwise eligible for pursuant to this Agreement.

## ARTICLE XII. INDEMNIFICATION

- 12.1 DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY, DEFEND, AND HOLD HARMLESS, CITY (AND CITY'S ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, AND REPRESENTATIVES), AND BOARD (AND THE OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, AND REPRESENTATIVES OF BOARD)(COLLECTIVELY, THE INDEMNIFIED PARTIES), INDIVIDUALLY OR COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON ANY ONE OR MORE OF THE INDEMNIFIED PARTIES, DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT, CONTRACTOR, OR SUBCONTRACTOR OF DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OF THE RIGHTS OR PERFORMANCE OF THE DUTIES UNDER THIS AGREEMENT, ALL WITHOUT HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE INDEMNIFIED PARTIES UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES, UNDER THIS AGREEMENT.
- 12.2 IT IS THE EXPRESS INTENT OF THE PARTIES TO THIS AGREEMENT THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY DEVELOPER TO INDEMNIFY, PROTECT, AND HOLD HARMLESS THE INDEMNIFIED

FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE; PROVIDED HOWEVER, THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION SHALL APPLY ONLY WHEN THE NEGLIGENT ACT OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IS A CONTRIBUTORY CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE, AND SHALL HAVE NO APPLICATION WHEN THE NEGLIGENT ACT OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IS THE SOLE CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE. DEVELOPER AGREES TO DEFEND, AT ITS OWN EXPENSE AND ON BEHALF OF THE INDEMNIFIED PARTIES AND IN THE NAME OF THE APPLICABLE INDEMNIFIED PARTIES ANY CLAIM OR LITIGATION BROUGHT AGAINST ONE OR MORE OF THE INDEMNIFIED PARTIES, IN CONNECTION WITH ANY SUCH INJURY, DEATH, OR DAMAGE FOR WHICH THIS INDEMNITY SHALL APPLY, AS SET FORTH ABOVE.

### ARTICLE XIII. LIABILITY

- 13.1 DEVELOPER. As among City, the Board, any Taxing Unit, and Developer, Developer shall be solely responsible for compensation payable to any employee, contractor, or subcontractor of the Developer, and none of Developer's employees, contractors, or subcontractors will be deemed to be employees, agents, contractors, or subcontractors of City, Board, or any Taxing Unit as a result of the Agreement.
- 13.2 CITY AND BOARD. To the extent permitted by Texas law, no director, officer, employee or agent of City, Board, or any other Taxing Unit shall be personally responsible for any liability arising under or growing out of this Agreement.

### ARTICLE XIV. RECORDS

- 14.1 RECORDS; AUDIT. Developer shall (and cause its contractors to) keep and maintain all documents, papers, accounting records, financial statements, receipts, invoices, and other documentation relating to the Project Costs incurred by Developer for the Public Infrastructure and the reimbursement of Project Costs for a period of two (2) years following the termination of this Agreement (and then transferred for retention to the City at no cost to the City upon written request). Upon not less than 48-hours prior written notice by City and/or Board, Developer shall provide access to City and/or Board, or persons or entities designated by such Parties, during normal business hours for the purpose of making audits, examinations, excerpts, and transcriptions access to such records at a location designated by Developer within Kerr County, Texas. This Section shall survive the termination of this Agreement.

14.2 **DISCREPANCIES**. Should City or any Taxing Unit discover errors in the internal controls or in the record keeping associated with the Project, Developer shall be notified of such errors and the Parties shall consult on what steps may be necessary to correct such discrepancies within a reasonable period of time, not to exceed sixty (60) days after discovery. The City and Board shall be informed in writing of the action taken to correct such discrepancies.

14.3 **OVERCHARGES**. If it is determined as a result of such audit that Developer has been reimbursed for the cost of the Public Infrastructure in an amount in excess of what Developer actually paid, then such overcharges shall be immediately returned to City and the Board for deposit in the TIRZ #2 Fund and become due and payable with interest at the maximum legal rate under applicable law from the date City paid such overcharges. In addition, if the audit determines the requested reimbursement payments that for which payment was made are more than two (2) percent of the actual Project Costs incurred by Developer, then Developer shall pay the cost of such audit in addition to refunding such exceed reimbursement payments as provided in the prior sentence.

## ARTICLE XV. ASSIGNMENT

15.1 **ASSIGNMENT BY CITY**. City and/or Board may assign this Agreement without prior consent of Developer upon thirty (30) days prior written notice to Developer.

15.2 **ASSIGNMENT BY DEVELOPER**. Developer may not assign this Agreement in whole or in part without the prior written consent of City and Board. Notwithstanding the foregoing: (i) Developer or any permitted assignee of Developer shall have the right to grant a security interest in this Agreement by collaterally assigning all of Developer's (or permitted assignee's) rights under this Agreement to Developer's lender as security for a loan for the Project or the applicable portion thereof. At no time shall City and/or Board be required to make any payments under this Agreement to any party other than Developer or a party to whom this Agreement has been fully assigned and has agreed in writing to assume all liabilities and obligations of Developer as set forth in this Agreement; and (ii) Developer may assign this Agreement in whole or in part to a qualified purchaser of the entire Property upon the thirty (30) days prior written notice to City and Board and upon the written approval of City and Board evidenced by a resolution of each such Party provided such assignee expressly assumes the obligations of the Developer under this Agreement in writing in a form approved by the City and the Board.

## ARTICLE XVI. NOTICE

All notices, demands, consents, approvals and other communications (each, a "Notice") which are required or desired to be given by any Party to the other Parties under this Agreement shall be in writing and shall be (a) hand delivered, (b) sent by U.S. registered or certified mail, postage prepaid, return receipt requested, (c) sent by reputable overnight courier service, or (d) transmitted by email, addressed to the appropriate Party at its address set forth below, or at such other address as such Party shall have last designated by Notice to the other. Notices shall be deemed given when delivered, if delivered by hand, by U.S. mail or by overnight courier, or, if sent by email, upon the earlier of when receipt of such email is acknowledged by the recipient by email or when a copy of such email is received by the recipient pursuant to one of the methods described in (a), (b) or (c) above. Rejection or other refusal by the addressee to accept a Notice or the inability to deliver the Notice because of a changed address of which no Notice was given shall be deemed to be receipt of the Notice sent. Notice addresses for the Parties are as follows:

**If to City:**

City of Kerrville  
Attn: City Manager  
Kerrville City Hall  
701 Main Street  
Kerrville, Texas 78028

**If to the Board:**

City of Kerrville Windridge TIRZ Board  
Attn: Director of Finance  
Kerrville City Hall  
701 Main Street  
Kerrville, Texas 78028

**If to Developer:**

Lennar Homes of Texas  
Attn: Clifton Karam  
100 NE Loop 410, Ste. 1155  
San Antonio, Texas 78216

## ARTICLE XVII. INDEPENDENT CONTRACTORS

17.1 **No AGENCY.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties. It is understood and agreed by the Parties that Developer, City, and Board, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibilities or liabilities to third

parties in connection with these actions. All Parties expressly agree that in performing their obligations pursuant to this Agreement, City, Board, and Developer at no time shall be acting as agents for any of the other Parties that all consultants or contractors engaged by the Board and/or Developer respectively shall be independent contractors of the Board and/or the Developer.

17.2 **No AUTHORITY**. The Parties further understand and agree that no Party has authority to bind any other Party or to hold out to third parties that it has the authority to bind the other Parties.

## ARTICLE XVIII. TAXES

Developer shall pay, on or before the respective due dates, to the appropriate collecting authority all applicable Federal, State, and local taxes and fees which are now or may be levied upon the Project Site owned by Developer, Developer or upon Developer's business conducted on the Project Site or upon any of Developer's property used in connection therewith, including employment taxes. Developer shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by Developer.

## ARTICLE XIX. CHANGES AND AMENDMENTS

19.1 **AMENDMENT**. This Agreement may be amended only by the mutual written agreement of the Parties.

19.2 **CONSTRUCTION SCHEDULE**. Notwithstanding the above, any Construction Schedule may be amended, as evidenced by written approval of the City Manager. If an amendment to any Construction Schedule will result in a material change to this Agreement, then such amendment shall comply with the requirements of Section 19.1 above. For the purposes of Sections 19.1 and 19.2, the Parties agree that one or more extensions of construction timeframes set forth in any Construction Schedule that, cumulative, are less than twelve (12) months shall not be deemed a material change to this Agreement. No change under this Section 19.2 may result in an increase in the maximum contribution of City or any other Taxing Unit of their respective Tax Increments into the TIRZ #2 Fund. Developer may rely on the determination of the City Manager whether a change in the Construction Schedule would result in a material change to the overall Project requirements.

19.3 **AUTOMATIC INCORPORATION OF LAWS**. Changes in local, state, and federal rules, regulations, or laws applicable to the Parties' obligations under this Agreement may occur during the term of this Agreement, which changes shall be automatically incorporated into this Agreement without written amendment

to this Agreement and shall become a part as of the effective date of the change in rule, regulation or law. Notwithstanding the foregoing, nothing contained herein shall be deemed to be a waiver by Developer of any right by Developer to assert or seek any vested rights pursuant to any applicable statute, law or regulation.

## **ARTICLE XX. SEVERABILITY**

If any clause or provision of this Agreement is held invalid, illegal, or unenforceable under present or future federal, state or local laws, then said clause or provision shall not affect any other clause or provision, and the remainder of this Agreement shall be construed as if such clause or provision was never contained herein. It is also the intent of the Parties that in lieu of each invalid, illegal, or unenforceable provision, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

## **ARTICLE XXI. LITIGATION EXPENSES**

- 21.1 During the term of this Agreement, if Developer files or pursues an adversarial proceeding regarding this Agreement against City, the Taxing Units and /or the Board, without first engaging in good faith mediation of the dispute, then all access to funding provided hereunder shall be withheld and Developer will be ineligible for consideration to receive any future tax increment funding while any adversarial proceedings remain unresolved.
- 21.2 Under no circumstances will the Available Tax Increment received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against City, the Taxing Units, the Board or any other public entity. Nothing contained in this Article shall effect or otherwise affect the indemnity provisions contained in Article XII.

## **ARTICLE XXII. LEGAL AUTHORITY**

Each person executing this Agreement on behalf of the respective Party, represents, warrants, assures, and guarantees that such person has full legal authority to execute this Agreement on behalf of such Party, and to bind such Party to all the terms, conditions, provisions, and obligations of this Agreement.

## **ARTICLE XXIII. VENUE AND GOVERNING LAW**

- 23.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICT OF LAW RULES.

23.2 Venue and jurisdiction arising under or in connection with this Agreement shall lie exclusively in a state district court of Kerr County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

## ARTICLE XXIV. PARTIES' REPRESENTATIONS

This Agreement has been jointly negotiated by City, Board, and Developer and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

## ARTICLE XXV. CAPTIONS

All captions used in this Agreement are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the Parties to this Agreement.

## ARTICLE XXVI. LICENSES/CERTIFICATIONS

Developer warrants and certifies that, to its knowledge, any person providing services hereunder has the requisite training, license, and/or certification to provide said services and meets the competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

## ARTICLE XXVII. ENTIRE AGREEMENT

27.1 No CONTRADICTIONS. This written Agreement embodies the final and entire Agreement among the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties.

27.2 INCORPORATION OF EXHIBITS. Each Exhibit referenced below shall be incorporated herein for all purposes as an essential part of this Agreement, which governs the rights and duties of the Parties pursuant to this Agreement, except that if there is a conflict between an Exhibit and a provision of this Agreement, the provision of this Agreement shall prevail over the Exhibit.

**EXHIBIT A:** Contract Progress Payment Request (CPPR) Form  
**EXHIBIT B:** Property Description  
**EXHIBIT C:** Developer's Watermill and Belmar Collections

27.3 COUNTERPARTS. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

27.4 EMPLOYMENT OF UNDOCUMENTED WORKERS. During the term of this Agreement, Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Developer shall repay the amount of the reimbursements paid to the Developer herein and any other funds received by Developer from City and/or Board as of the date of such violation within 120 days after the date Developer is notified by City and/or Board of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Developer is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Developer or by a person with whom Developer contracts.

27.5 SURVIVAL OF COVENANTS. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period following the termination of this Agreement shall survive termination.

27.6 BOYCOTT ISRAEL; BOYCOTT ENERGY COMPANIES; AND PROHIBITION OF DISCRIMINATION AGAINST FIREARM ENTITIES AND FIREARM TRADE ASSOCIATIONS.

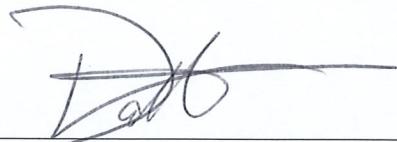
- a. Developer verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.
- b. Developer verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.
- c. Developer verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.
- d. This section does not apply if Developer is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Developer has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

27.7 CONDITIONS PRECEDENT. This Agreement is subject to, and the obligations of the Parties are expressly conditioned upon the City adopting an ordinance approving the Project and Financing Plan.

**IN WITNESS THEREOF**, the Parties have caused this instrument to be signed on the date of each signature below.

*(Signatures begin on following page)*

**CITY OF KERRVILLE,**  
a Texas Home Rule Municipality



\_\_\_\_\_  
Dalton Rice, City Manager

\_\_\_\_\_  
1/30/2024  
Date

**BOARD OF DIRECTORS**  
Windridge TIRZ #2

\_\_\_\_\_  
Presiding Officer

\_\_\_\_\_  
Date

**LENNAR HOMES OF TEXAS LAND  
CONSTRUCTION, LTD.**  
a Texas limited partnership

By: U.S. Home LLC, a Delaware limited liability  
Company, its General Partner

\_\_\_\_\_  
Brian Barron  
Vice President

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Michael C. Hayes, City Attorney

**CITY OF KERRVILLE,**  
a Texas Home Rule Municipality



\_\_\_\_\_  
Dalton Rice, City Manager

\_\_\_\_\_  
1/30/2024  
Date

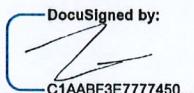
**BOARD OF DIRECTORS**  
Windridge TIRZ #2

\_\_\_\_\_  
Presiding Officer

\_\_\_\_\_  
Date

**LENNAR HOMES OF TEXAS LAND  
CONSTRUCTION, LTD.**  
a Texas limited partnership

By: U.S. Home LLC, a Delaware limited liability  
Company, its General Partner

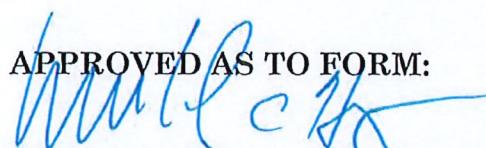
\_\_\_\_\_  
DocuSigned by:  


\_\_\_\_\_  
Brian Barron  
Vice President

2/3/2024

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

**EXHIBIT****A**

**CITY OF KERRVILLE**  
**CONTRACT PROGRESS PAYMENT REQUEST (CPPR)**  
**FORM AND REQUIREMENTS**

Prior to submitting an invoice to request reimbursement, the developer must submit to the City of Kerrville (the "City"):

- All approved Master Development Plans (MDPs), recorded plats, City approved construction plans and inspections.
- Copies of the payment and performance bond in accordance with the executed Development Agreement.
- Letters of acceptance from City departments or other agencies certifying the public infrastructure was constructed and accepted in accordance with all applicable rules, regulations, and codes.

When submitting an invoice for reimbursement, a summary page (refer to Sample Packet, page 2) must accompany all invoices to include: (a) related project name; (b) invoice number; (c) period covered by invoices and phase covered by invoices. Invoices must be submitted in the categories listed in the approved Final Finance Plan Sources and Uses page. The Sources and Uses page is broken down into phases and categories on a forecasted maximum allowable cost.

Each category should have their own separate summary page (refer to Sample Packet, page 2) itemizing invoices, submitted in each appropriate category. The summary page will need to include maximum allowable cost, actual invoice amount, Plat or MDP number (if applicable) and method payment. This maximum allowable cost is the forecasted amount that was projected for each category in the phase.

A receipt and/or cancelled check must accompany each invoice to qualify for reimbursement. The invoice must refer to the related project. The dates and amount on invoices must coincide with receipt or cancelled checks. The invoice total must calculate correctly and tie to the summary page.

Each column is defined below: (refer to Sample Packet, page 2)

- Column A is the category from the Sources and Uses page for projected expenses.
- Column B is the forecasted maximum allowable cost per the Final Finance Plan.
- Column C is the actual developer's expense and invoice number.
- Column D is the amount of prior requests.
- Column E is the balance column. The balance is the difference between the projected expenses and the actual developer's expenses. The balance column will be used for internal tracking purposes only.

All invoice Payments must be accompanied by:

- Receipt or Cancelled Check
- Must Reference the Project

**(SAMPLE) Reimbursement for TIRZ Expenses**

PROJECT NAME: TIRZ NAME		PERIOD COVERED BY THIS INVOICE: DATE – DATE			
INVOICE #		PHASES COVERED BY THIS INVOICE: PHASE X			
	A	B	C	D	E
Section	Activity	Maximum Allowable from Finance Plan	Invoice Number and Amount	Prior Requests	**Balance
1	Example Cost 1	Max Finance Plan Example	Invoice for Example Cost 1	0	Remaining Balance (B1 – A1)
2	Example Cost 2	Max Finance Plan Example	Invoice for Example Cost 2	0	Remaining Balance (B2 – A2)
3	Example Cost 3	Max Finance Plan Example	Invoice for Example Cost 3	0	Remaining Balance (B3 – A3)
4	Example Cost 4	Max Finance Plan Example	Invoice for Example Cost 4	0	Remaining Balance (B4 – A4)
5	Example Cost 5	Max Finance Plan Example	Invoice for Example Cost 5	0	Remaining Balance (B5 – A5)

\*\*The Balance Column is used for internal tracking purposes only.

**Certification**

I certify that to the best of my knowledge and belief the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and the payment due has not been previously reimbursed.

Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

EXHIBIT  
B

Windridge Property Description



has joined **Colliers Engineering & Design**  
TBPE FIRM #9513 / TBPLS FIRM #101223-00

**ZONING DESCRIPTION FOR  
A 100.36 ACRE TRACT**

A **100.36 acre** tract of land situated in the Samuel Wallace Survey Number 114, Abstract No. 348, and Samuel Wallace Survey Number 113, Abstract No. 347, Kerr County, Texas, and being a portion of that called 184.304 acre tract of land described as TRACT 1 and as conveyed to Schreiner University and recorded July 12, 2004 in Volume 1369, Page 551, in the Official Public Records of Kerr County, Texas (O.P.R.), and also being a portion of that called 711 acre tract of land as conveyed to Schreiner Institute and recorded November 16, 1943 in Volume 71, Page 573 in the Deed Records of Kerr County, Texas (D.R.) said 100.36 acre tract being more particularly described by metes and bounds as follows:

**BEGINNING** at a found  $\frac{1}{2}$ " iron rod in the northerly right-of-way line of Olympic Drive (80' wide right-of-way) as dedicated in Volume 1077, Page 339 in the O.P.R.), for a southeasterly corner of that called 8.89 acre tract conveyed to S. Hendricks and Sharon McClure Revocable Living Trust and recorded in Document Number 17-02066, and for the most southwesterly corner of the tract described herein;

**THENCE:** N  $37^{\circ}48'51''$  W, along and with the northeasterly line of said 8.89 acre tract and the southwesterly line of said TRACT 1, a distance of **945.92 feet** to a found  $\frac{1}{2}$ " iron rod for the southeasterly corner of College Cove Addition Subdivision as recorded in Volume 2, Page 93, Plat Records of Kerr County, Texas (P.R.), for the most northerly corner of said 8.89 acre tract;

**THENCE:** along and with the northeasterly line of said College Cove Addition and the southwesterly line of said TRACT 1, the following two (2) courses:

1. N  $53^{\circ}36'09''$  E, a distance of **19.48 feet** to a calculated point
2. N  $44^{\circ}40'14''$  W, a distance of **90.44 feet** to a calculated point for the most westerly corner of the tract herein described,

**THENCE:** over and across said TRACT 1 and said 711 acre tract, the following twenty (20) courses:

1. N  $42^{\circ}11'36''$  E, a distance of **302.23 feet** to a calculated point;
2. the arc of said non-tangent curve to the right a distance of **577.47 feet**, having a radius of **560.00 feet**, a delta angle of **062 $^{\circ}25'38''$** , and a chord which bears N  $19^{\circ}24'26''$  E, a distance of **549.32 feet** to a to a calculated point;
3. N  $50^{\circ}37'15''$  E, a distance of **393.59 feet** to a calculated point;
4. N  $39^{\circ}22'45''$  W, a distance of **270.00 feet** to a calculated point;
5. N  $50^{\circ}37'15''$  E, a distance of **394.41 feet** to a calculated point;
6. N  $39^{\circ}22'45''$  W, a distance of **736.25 feet** to a calculated point;
7. N  $27^{\circ}41'31''$  E, a distance of **587.96 feet** to a calculated point;
8. N  $17^{\circ}57'41''$  E, a distance of **60.00 feet** to a calculated point;
9. S  $71^{\circ}21'16''$  E, a distance of **10.27 feet** to a calculated point;

10. the arc of said non-tangent curve to the **right** a distance of **25.39 feet**, having a radius of **20.33 feet**, a delta angle of **071°33'45"**, and a chord which bears **N 72°51'52" E**, a distance of **23.77 feet** to a calculated point;
11. **N 37°55'52" E**, a distance of **23.00 feet** to a calculated point;
12. **S 50°32'11" E**, a distance of **60.00 feet** to a calculated point;
13. the arc of said non-tangent curve to the **right** a distance of **46.21 feet**, having a radius of **370.00 feet**, a delta angle of **007°09'19"**, and a chord which bears **N 43°02'28" E**, a distance of **46.18 feet** to a calculated point;
14. **N 50°46'02" E**, a distance of **260.73 feet** to a calculated point;
15. **S 39°22'45" E**, a distance of **763.40 feet** to a calculated point;
16. **S 89°37'54" E**, a distance of **196.74 feet** to a calculated point;
17. **S 89°37'54" E**, a distance of **545.55 feet** to a calculated point for the most easterly corner of the tract herein described;
18. **S 01°41'23" W**, a distance of **30.15 feet** to a calculated point;
19. **S 00°39'13" W**, a distance of **948.93 feet** to a calculated point;
20. **S 89°30'49" E**, a distance of **363.36 feet** to a calculated point in the northwesterly right-of-way of State Highway Loop 534;

**THENCE: S 00°00'02" E** along and with the northwesterly right-of-way of State Highway Loop 534, a distance of **60.00 feet** to a calculated point;

**THENCE:** over and across said 711 acre tract, the following three (3) courses:

1. **N 89°30'49" W**, a distance of **363.62 feet** to a calculated point;
2. **S 00°30'18" W**, a distance of **457.56 feet** to a calculated point;
3. **S 89°29'42" E**, a distance of **348.83 feet** to a calculated point in the northwesterly right-of-way of State Highway Loop 534;

**THENCE:** along and with the northwesterly right-of-way of State Highway Loop 534, the following (2) courses:

1. **S 12°03'55" W**, a distance of **374.60 feet** to a found TXDOT Type I monument;
2. **S 10°16'05" E**, a distance of **102.58 feet** to a found iron rod for a northeasterly corner of that called 35.05 acre tract of land as conveyed to Kerrville Independent School District and recorded January 25, 2019 in Document No. 19-00623 in the O.P.R.;

**THENCE:** along and with the northerly lines of said 35.05 acre tract, the following three (3) courses:

1. **N 62°48'40" W**, a distance of **881.63 feet** to a found **½" iron rod**;
2. **S 48°36'49" W**, a distance of **855.68 feet** to a found **½" iron rod**;
3. **S 03°36'49" W**, a distance of **697.79 feet** to a TXDOT Type II monument found in the northerly right-of-way of Olympic Drive and for the beginning of a non-tangent curve;

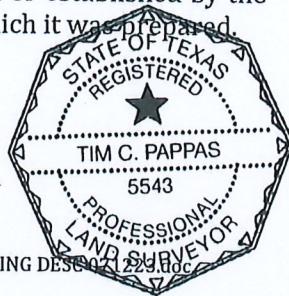
**THENCE:** along and with the northerly right-of-way of Olympic Drive, with the arc of said non-tangent curve to the **left** a distance of **425.20 feet**, having a radius of **640.00 feet**, a delta angle of **038°03'58"**, and a chord which bears **S 64°09'25" W**, a distance of **417.43 feet** to the **POINT OF BEGINNING** and containing **100.36 acres** more or less, and being described in accordance with a

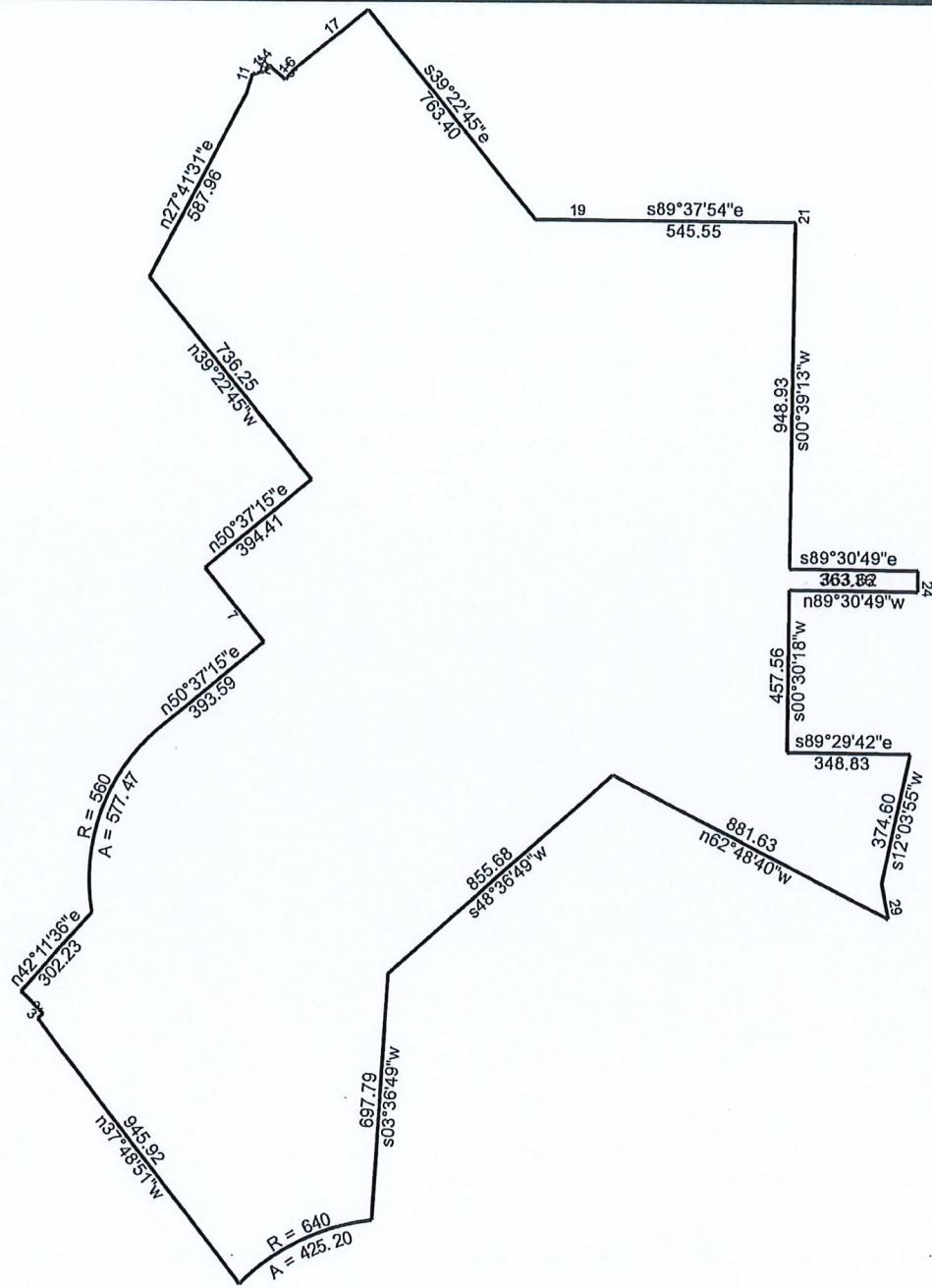
survey prepared by CED Surveying. Bearings are based on NAD83 Texas State Plane South Central Zone.

NOTE: This document was prepared under 22 TAC §663.21, and reflects the results of an on the ground survey performed by CED Engineers and Surveying, but is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

Job No.: 20-118  
Prepared by: KFW Surveying  
Date: July 31, 2023  
File: S:\Draw 2020\20-118 Kerrville Veterans Highway\DOCS\20-118 100.36 AC ZONING DESIGN.dwg

1 AUG  
2023





8/1/2023

Scale: 1 inch= 515 feet

File: 100.3158 AC.ndp

Job 20-118

Tract 1: 100.3158 Acres, Closure: s40.0544w 0.03 ft. (1/446603), Perimeter=12219 ft.

01 n37.4851w 945.92 ✓  
 02 n53.3609e 19.48 ✓  
 03 n44.4014w 90.44 ✓  
 04 n42.1136e 302.23 ✓  
 05 Rt, r=560.00, arc=577.47, chord=n19.2426e 549.32 ✓  
 06 n50.3715e 393.59 ✓  
 07 n39.2245w 270.00 ✓  
 08 n50.3715e 394.41 ✓  
 09 n39.2245w 736.25 ✓  
 10 n27.4131e 587.96 ✓  
 11 n17.5741e 60.00 ✓  
 12 s71.2116e 10.27 ✓  
 13 Rt, r=20.33, arc=25.39, chord=n72.5152e 23.77 ✓  
 14 n37.5552e 23.00 ✓  
 15 s50.3211e 60.00 ✓  
 16 Rt, r=370.00, arc=46.21, chord=n43.0228e 46.18 ✓  
 17 n50.4602e 260.73 ✓  
 18 s39.2245e 763.40 ✓  
 19 s89.3754e 196.74 ✓

20 s89.3754e 545.55 ✓  
 21 s01.4123w 30.15 ✓  
 22 s00.3913w 948.93 ✓  
 23 s89.3049e 363.36 ✓  
 24 s00.0002e 60.00 ✓  
 25 n89.3049w 363.62 ✓  
 26 s00.3018w 457.56 ✓  
 27 s89.2942e 348.83 ✓  
 28 s12.0355w 374.60 ✓  
 29 s10.1605e 102.58 ✓  
 30 n62.4840w 881.63 ✓  
 31 s48.3649w 855.68 ✓  
 32 s03.3649w 697.79 ✓  
 33 Lt, r=640.00, arc=425.20, chord=s64.0925w 417.42

CONTRACT NO. 2024-15

# Fullerton

Watermill collection

1,217 sq ft · Plan 3410

1-story

3 beds · 2 baths · 2 car garage

EXHIBIT  
C



Fullerton A



Fullerton B



Fullerton C



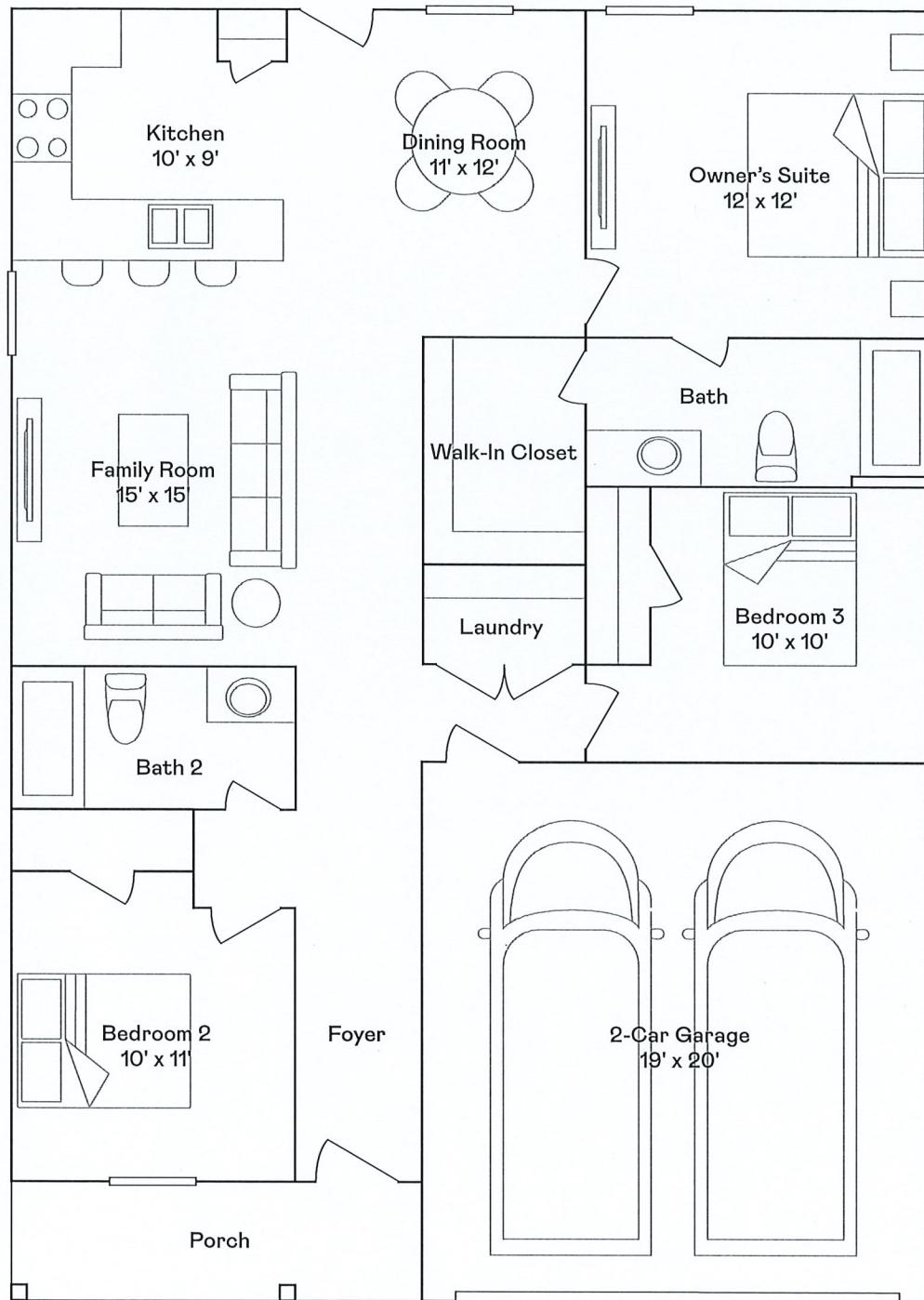
Fullerton D

**Fullerton**  
Watermill collection

1,217 sq ft · Plan 3410

1-story

3 beds · 2 baths · 2 car garage



Starts 05.30.22  
210-393-8095 | [Lennar.com](http://Lennar.com)

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CONTRACT NO. 2024-15

# Gannes

Watermill collection

1,474 sq ft · Plan 3420

1-story

3 beds · 2 baths · 2 car garage



Gannes A



Gannes B



Gannes C



Gannes D

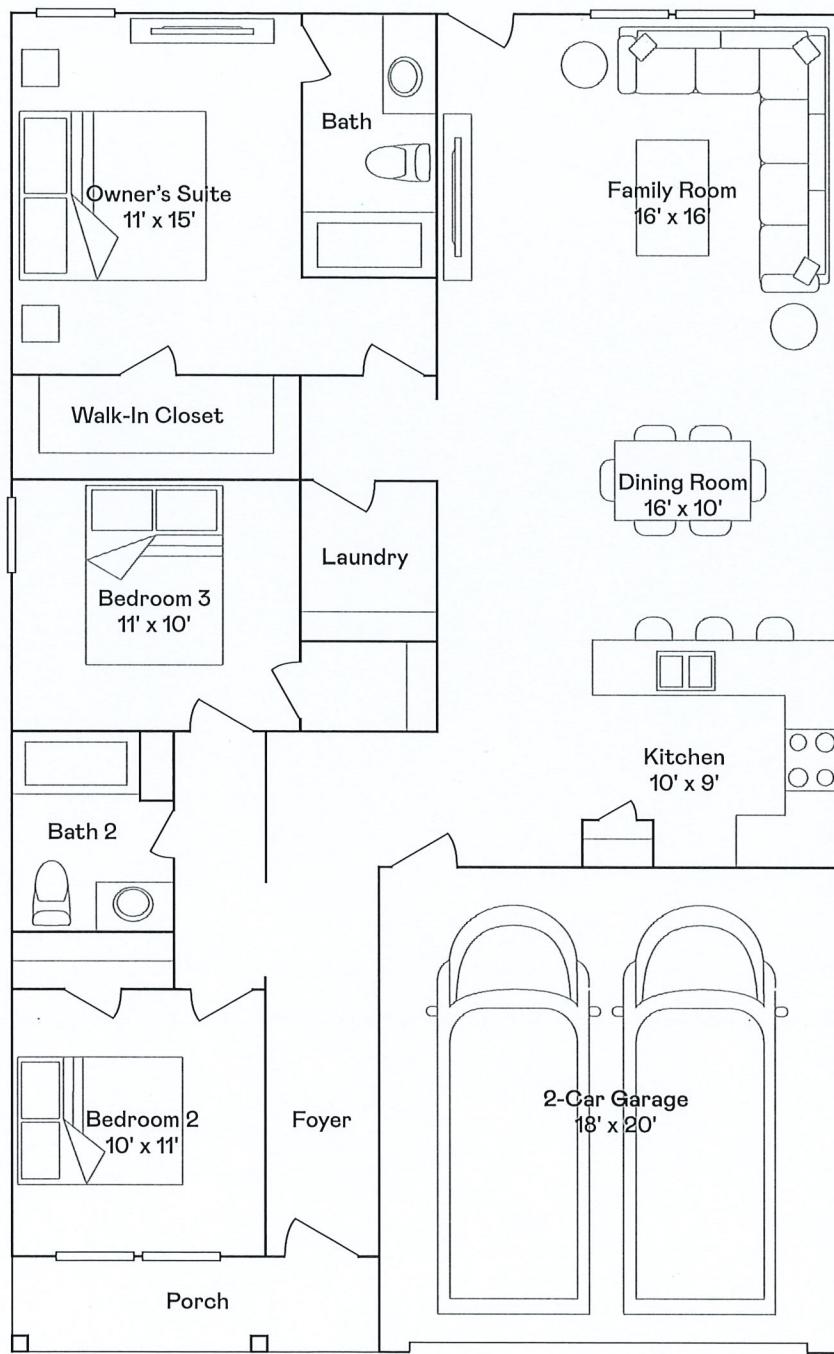
# Gannes

Watermill collection

1,474 sq ft · Plan 3420

1-story

3 beds · 2 baths · 2 car garage



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CONTRACT NO. 202415

# Nettleton

Watermill collection

1,667sq ft · Plan 3430

1-story

4 beds · 2 baths · 2 car garage



Nettleton A



Nettleton B



Nettleton C



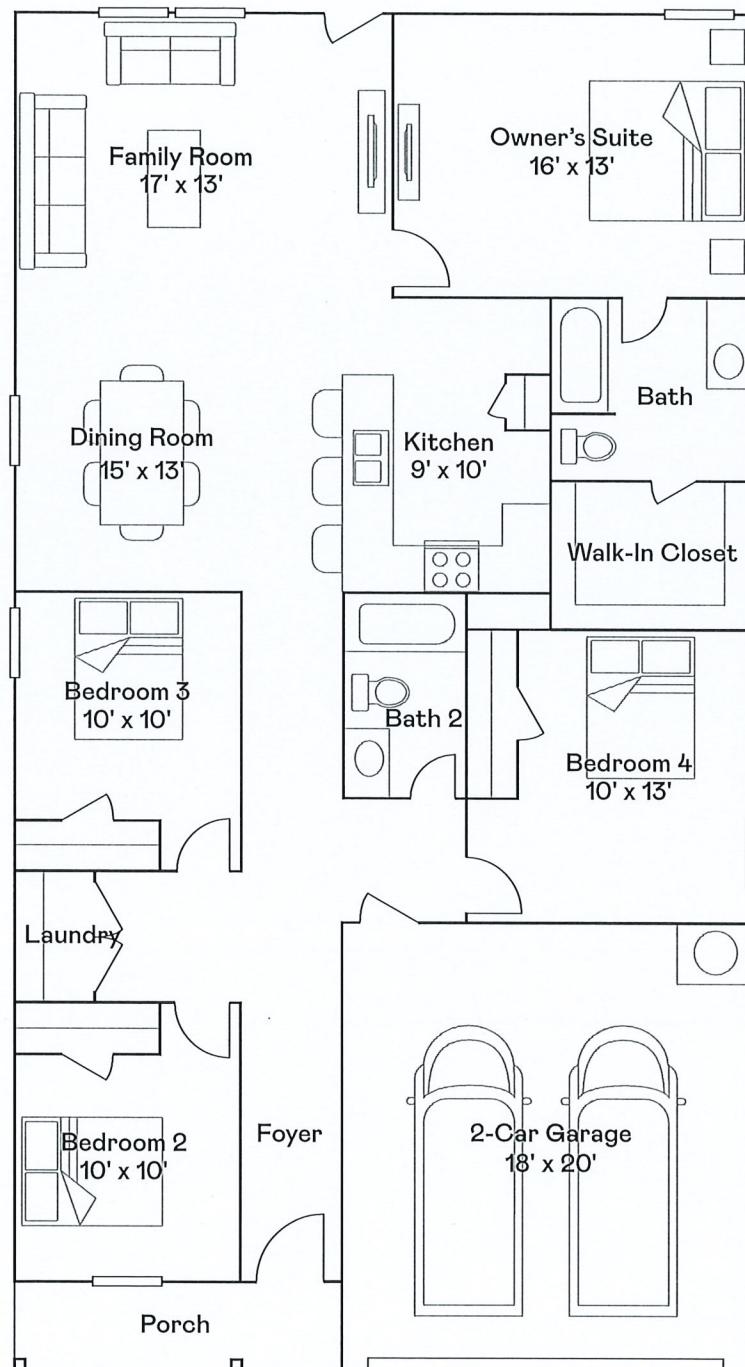
Nettleton D

Nettleton  
Watermill collection

1,667sq ft · Plan 3430

1-story

4 beds · 2 baths · 2 car garage



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CONTRACT NO. 2021H15

# Selsey

Watermill collection

1,874 sq ft · plan 3440

2-story

4 beds · 2.5 baths · 2 car garage

Loft



Selsey A



Selsey B



Selsey C



Selsey D

# Selsey

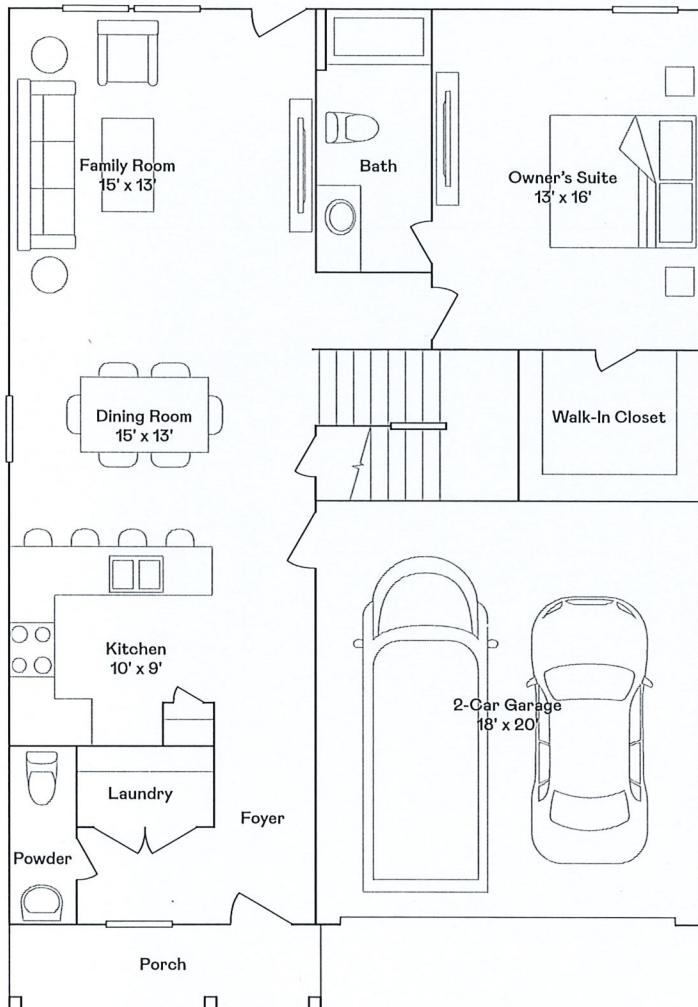
Watermill collection

1,874 sq ft · plan 3440

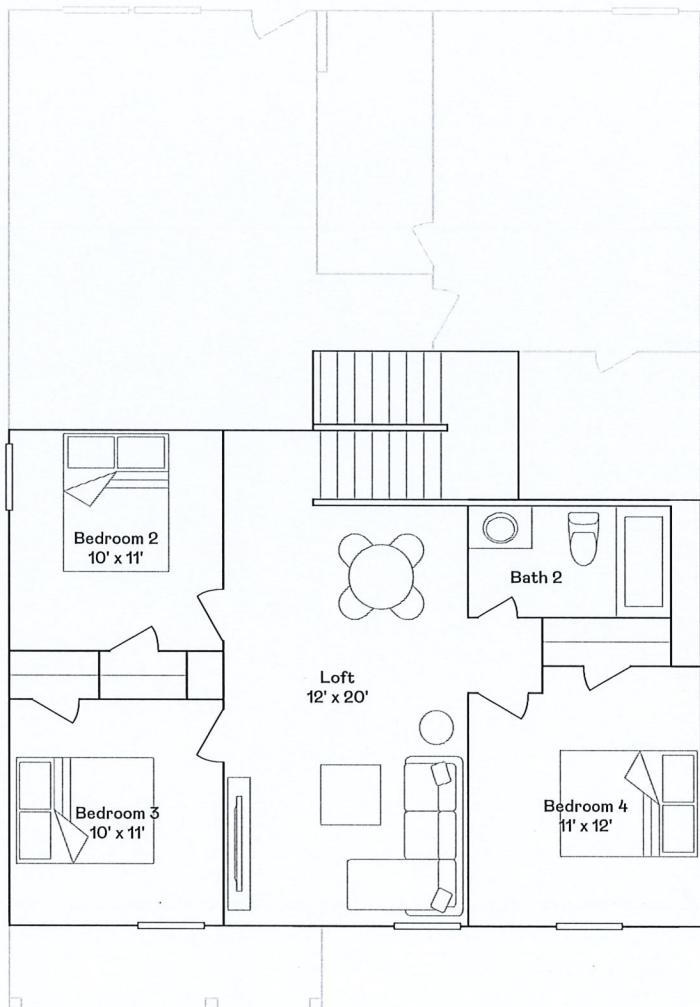
2-story

4 beds · 2.5 baths · 2 car garage

Loft



First Floor



Second Floor

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CONTRACT NO. 2024-15

**Pitney**  
Belmar Collection

1,300 Sq ft · Plan 2420

1 story

3 beds · 2 baths · 2 car garage



Pitney A



Pitney B



Pitney C



Pitney D

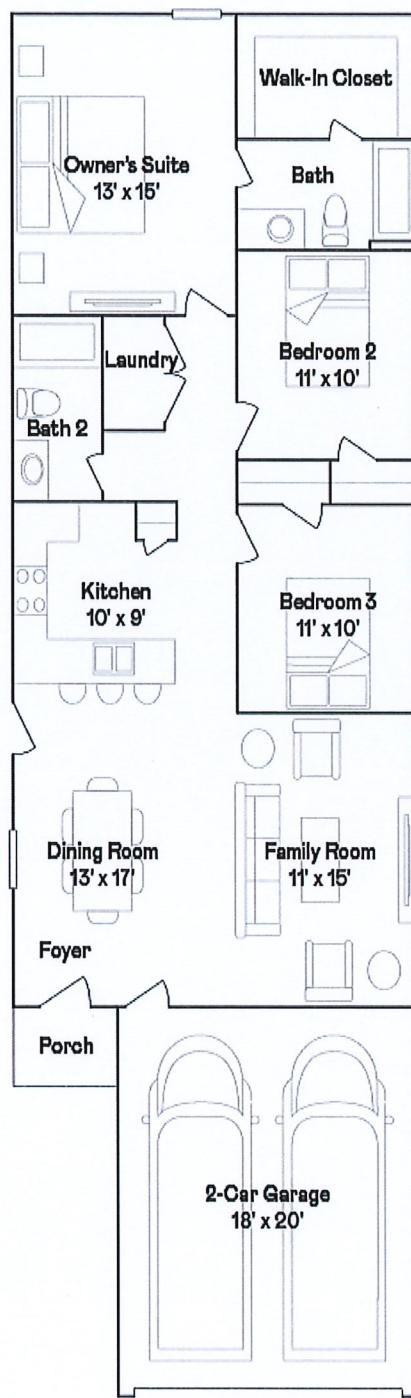
# Pitney

Belmar Collection

1,300 Sq ft · Plan 2420

1 story

3 beds · 2 baths · 2 car garage



Starts 02.28.22  
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CONTRACT NO. 2024-15

# Trenton

Belmar Collection

1,492 Sq ft · Plan 2430

1 story

4 beds · 2 baths · 2 car garage



Trenton A



Trenton B



Trenton C



Trenton D

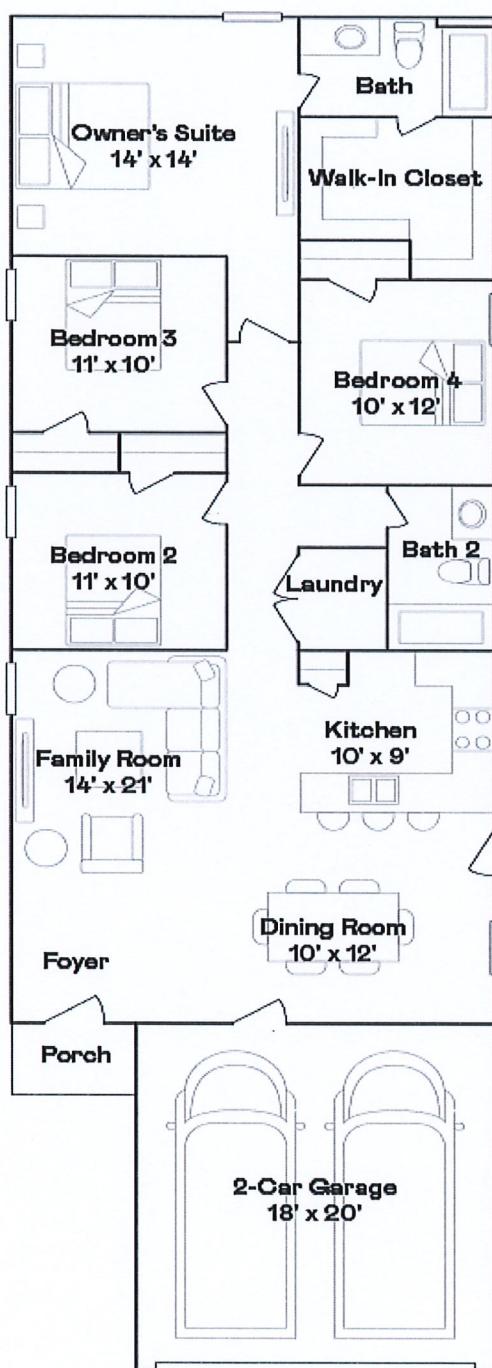
# Trenton

Belmar Collection

1,492 Sq ft · Plan 2430

1 story

4 beds · 2 baths · 2 car garage



Starts 02.28.22  
210-393-8095 | [Lennar.com](http://Lennar.com)

**LENNAR**

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CONTRACT NO. 2024-15