

**MEADOWLARK PRESERVE PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT**

BETWEEN

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

AND

THE CITY OF PFLUGERVILLE, TEXAS

**MEADOWLARK PRESERVE PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT**

This Meadowlark Preserve Public Improvement District Financing Agreement (this “**Agreement**”), dated as of August 27, 2024 (the “**Effective Date**”), is entered into between **LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.**, a Texas limited partnership (together, and including its Designated Successors and Assigns, the “**Owner**”), and the **CITY OF PFLUGERVILLE, TEXAS** (the “**City**”), a municipal corporation, acting by and through its duly authorized representative. Definitions used herein are set forth in Exhibit “A” attached hereto and made a part hereof.

Recitals:

WHEREAS, Owner owns a total of approximately 97.882 acres of land more particularly described on Exhibit “B” attached hereto and made a part hereof (the “**Property**”);

WHEREAS, the Property will be developed as a single-family residential development, in accordance with the Development Agreement entered into between the Owner and the City on October 11, 2022, and adopted by the City pursuant to Ordinance No. 1997-22-10-11-1040 (the “**Development Agreement**”);

WHEREAS, the City Council (as defined in Exhibit “A”) authorized the formation of the Meadowlark Preserve Public Improvement District (the “**District**”) pursuant to Resolution No. 1038 on September 27, 2022 in accordance with the PID Act (as defined in Exhibit “A”);

WHEREAS, pursuant to the terms of this Agreement, the City has agreed to allow financing of certain Authorized Improvements within the Property via a public improvement district;

WHEREAS, the Owner proposes to construct certain Authorized Improvements that are intended to benefit the Property. The Authorized Improvements will be more fully described in the Service and Assessment Plan (or an update thereto) to be approved by the City.

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement), at the request and with the consent, approval and agreement of the Owner, adopt the Assessment Ordinance and adopt the Service and Assessment Plan that provides for the construction and financing of certain public improvements within the District, payable in whole or in part, by and from assessments levied against property within the District, as will be more specifically provided for in the Service and Assessment Plan;

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement) levy assessments on all or a portion of the property located within the District and issue bonds for payment of costs associated with construction and/or acquisition of the Authorized Improvements included in the Service and Assessment Plan, as such plan may be amended from time to time;

WHEREAS, the City has determined that it is in its best interests to contract with the Owner for the construction of the Authorized Improvements, which will result in the efficient and effective implementation of the Service and Assessment Plan, once approved;

WHEREAS, from the proceeds of the PID Bonds, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, acquire those certain Authorized Improvements provided for in this Agreement and the Owner will be reimbursed for the costs of acquisition, construction and improvement of the Segments that are completed from time to time and operative, subject to the terms and limitations set forth herein; and

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property (Article II), the Construction of Authorized Improvements to be Acquired by the City (Article III), acquisition, ownership and maintenance of Authorized Improvements within the District (Article IV), and the issuance of bonds for the financing of the Authorized Improvements (Article V).

ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters.

(a) On September 27, 2022, the City authorized the creation of the District pursuant to Resolution No.1038 (the "Creation Resolution"). The District includes all of the Property.

(b) It is anticipated that all of the Authorized Improvements that will be constructed will benefit the entire District. As such, it is currently contemplated that there will be one series of PID Bonds issued for the entire District to reimburse the Owner for Actual Costs expended on those Authorized Improvements. The Owner does retain the right to revise the plan to accommodate a phased approach for proposed PID Bonds.

(c) The Owner acknowledges and agrees that the Service and Assessment Plan must comply with the requirements of Texas Local Government Code §§ 372.013 and 372.014 and be presented to the City Council for review and approval prior to PID Bonds being issued. The Parties agree that the Service and Assessment Plan will be based on information provided by the Owner and that such information is subject to review and verification. The Service and Assessment Plan will comply with the requirements of Chapter 372, Texas Local Government Code and the Texas Attorney General's Office. The annual indebtedness defined by the Service Plan shall be consistent with the terms for the issuance of PID Bonds as set forth in this Agreement. The estimated cost of the Authorized Improvements will be supported by an engineer's report containing detailed cost estimates. After approval, the Service and Assessment Plan will be updated and amended by the Administrator at least once per year, and submitted for the City Council's review and approval,

with a copy to the Owner concurrently therewith.

(d) Special Assessments on any portion of the Property will bear a direct proportional relationship to and be less than or equal to the special benefit of the Authorized Improvements within the District.

(e) Special Assessments on any given portion of the Property may be adjusted so long as the Special Assessments are determined in accordance with the Service and Assessment Plan.

(f) Promptly following submission to the City of an Assessment Levy Request, the City shall use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to consider approving and adopting an Assessment Ordinance relating to such request within three months thereafter, which Assessment Ordinance shall (i) approve a Service and Assessment Plan (or amendment or update thereof), (ii) levy said Special Assessments, and (iii) establish the timeframe for collection of said Special Assessments. If an Assessment Ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and orders required to effectuate and implement the Service and Assessment Plan and Assessment Ordinance. This Agreement shall serve as Owner's initial Assessment Levy Request.

Section 2.02. Apportionment and Levy of Assessments.

As stated above, the City intends to levy Special Assessments on the Property in accordance herewith and with the Service and Assessment Plan (as such plan is amended from time to time) at such time as an Assessment Ordinance is approved by the City. The City's apportionment and levy of Special Assessments shall be made in accordance with the PID Act.

Section 2.03. Collection of Assessments.

(a) The City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to the Assessment Ordinance during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Special Assessments due on any portion of the Property until the PID Bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full, defeasance or otherwise; provided that certain portions of the Property, as will be defined in the Service and Assessment Plan, will not be subject to the Special Assessments. The City shall use good and sound practices to collect the Special Assessments consistent with the City's policies and standard practices applicable to the collection of City taxes and assessments.

(b) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, the Special Assessment Revenues collected annually from the Property will be deposited in the Bond Pledged Revenue Account of the Pledged Revenue Fund and thereafter transferred as more particularly set forth in the Indenture.

(c) Further notwithstanding anything to the contrary contained herein, the City covenants to use diligent, good faith efforts to contract with Travis County for the collection of

the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Property and will be collected as part of and in the same manner as ad valorem taxes.

Section 2.04. Approval and Recordation of Special Assessments through Landowner Agreement.

Concurrently with the levy of the Special Assessments for any portion of the Property, the Owner shall execute a “**Landowner Agreement**” (herein so called) which shall (i) approve and accept the apportionment of the Special Assessments in the Service and Assessment Plan, the creation of the District, and the levy of the Special Assessments by the City and (ii) approve and accept the terms of the Buyer Disclosure Program. The Landowner Agreement further shall (a) evidence the landowner’s intent that the Special Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Special Assessments; and (b) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State, County, City, or school district.

Section 2.05. Actual Costs; Reimbursement of Owner-Expended Costs

(a) Notwithstanding anything to the contrary contained herein, the City and Owner hereby acknowledge and agree that the Actual Costs expended by Owner may not be fully reimbursed from the PID Bonds. The City and Owner hereby acknowledge and agree that the provisions of this Section 2.05 shall hereby constitute a “reimbursement” under Chapter 372 of the Texas Local Government Code.

(b) The Owner reimbursement provisions contained in this Section 2.05 shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than net proceeds from the PID Bonds and Special Assessment Revenues.

(c) Owner’s right, title and interest to the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee, as defined in this subsection 2.05(c) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Subject to the terms of Section 8.03 hereof, Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Owner’s right, title, or interest under this Agreement including, but not limited to, any right, title or interest of Owner in and to payment of its unreimbursed Actual Costs (a “**Transfer**,” and the person or entity to whom the transfer is made, a “**Transferee**”). The Owner waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by the Owner without any obligation to investigate or confirm the Transfer.

Section 2.06. Obligations Secured by Pledged Revenues.

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES.

FURTHERMORE, ALL REIMBURSEMENTS FROM THE CITY TO OWNER FROM SPECIAL ASSESSMENTS ARE SUBORDINATE TO PAYMENT OF THE APPLICABLE PID BONDS, ONCE ISSUED, AND THE ESTABLISHMENT OF ANY OTHER FUNDS HELD UNDER THE INDENTURE ALL AS SET FORTH IN THE INDENTURE. SUCH REIMBURSEMENTS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. THE OWNER SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNER TO PAY REIMBURSEMENTS OUT OF ANY FUNDS OF THE CITY OTHER THAN AS PROVIDED IN THE INDENTURE.

ARTICLE III. CONSTRUCTION AND ACQUISITION

Section 3.01. Acquisition of Authorized Improvements.

(a) The Owner will dedicate the Authorized Improvements identified in Exhibit “D” and in the Service and Assessment Plan to the City, subject to subsection (b) below, upon completion of said Authorized Improvements and the City will accept dedication of such Authorized Improvements after confirming that the applicable Authorized Improvements have been completed in accordance with this Agreement and Regulatory Requirements.

(b) In the event any Authorized Improvements are dedicated to an Owners’ Association, the Owner shall execute and deliver to the City an easement in the form acceptable to the City providing for the public use of the Authorized Improvement.

Section 3.02. Designation of Construction Manager, Construction Engineers.

(a) The City hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this Article III, subject to the City's review and approval of design specifications and easement locations.

(b) Inspection of the construction of all Authorized Improvements shall be by the City Construction Representative or its designees. If the PID Bonds have not been issued, the Owner shall pay the inspection fee which shall be included in the Actual Cost and may later be reimbursed to the Owner when PID Bonds are issued. If the PID Bonds have been issued, the Owner may pay the inspection fee out of the PID Bond proceeds.

(c) The City shall cooperate with the Owner in connection with Owner's services as Construction Manager.

(d) The Owner shall designate the consulting engineers for the Authorized Improvements for the compensation specified by the Owner.

Section 3.03. Designation of Construction Manager Subcontractor.

The City acknowledges and agrees that the Owner may subcontract out all or some of the duties of Construction Manager to a third party. The Owner may designate an individual, company, partnership or other entity as a subcontractor for construction management services for one or more Authorized Improvements or distinct Segments thereof.

Section 3.04. Fiscal Security.

The Owner shall provide evidence of financial security sufficient to fund the Authorized Improvements, which fiscal security shall solely be in the form of evidence of available funds to the Owner in cash, a letter of credit, a completion agreement, or an acceptable lending facility, only to the extent that the Authorized Improvements have not already been completed and paid for by the Owner or otherwise to the extent that the PID Bonds are insufficient to fund such Authorized Improvements; provided, however, that the Owner shall not be required to post additional fiscal security for an applicable Authorized Improvement if the Owner has already posted fiscal in connection with a preliminary or final plat. Delivery of fiscal security is required prior to publication of the Preliminary Limited Offering Memorandum related to the issuance of PID Bonds. If prior to commencement of construction of a given Authorized Improvement, there are funds within the Project Fund of the Indenture sufficient to pay for completion of that Authorized Improvement, that are not otherwise anticipated to be used for another Authorized Improvement, it is intended that the Owner not be required to post fiscal security for the applicable Authorized Improvement. If subcontractors providing labor or materials for the Authorized Improvements file claims or otherwise give notice asserting failure to receive payment for such labor or materials, the City may require the Owner to post a payment bond for the estimated cost of constructing the Authorized Improvements. The Owner shall give the City a copy of any such claims within three business days of receipt of the claim.

Section 3.05. Maintenance of Project, Warranties.

Unless otherwise provided for herein, the Owner shall maintain each Authorized Improvement (or Segment thereof) in good and safe condition until such Authorized Improvement (or Segment thereof) is accepted by the City. The City's acceptance of Authorized Improvements shall be in accordance with the City standard rules and procedures for the acceptance of subdivision improvements, as modified by this Agreement. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement. On or before the acceptance by the City of an Authorized Improvement (or Segment thereof), the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement (or Segment thereof).

Section 3.06. Regulatory Requirements; Exemption from Public Bidding.

(a) Notwithstanding anything to the contrary contained herein, the Owners shall be responsible for the costs of designing, constructing, and obtaining the City's acceptance of the Authorized Improvements, in accordance with Regulatory Requirements, the City-approved plans and specifications, and good engineering practices. The Owner will be entitled to reimbursement for the Actual Costs of the Authorized Improvements as provided in this Agreement and any other agreement with the City, and subject to the terms and limitations of said agreements; provided that Owner will be responsible for the costs that exceed the authorized reimbursement amounts. Once Owner begins construction of any Authorized Improvement or Segment thereof, Owner shall complete said Authorized Improvement or Segment thereof within a commercially reasonable time.

(b) It is agreed that the District will be exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9) which states that a project is exempt from such policies if "paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements".

(c) The City Construction Representative agrees to cooperate with the Owner to the extent reasonably possible without detriment to proper engineering review, comment, and revision on the review and approval of the engineering, design, plans, and specifications of all Authorized Improvements submitted by the Owner.

Section 3.07. Additional Requirements for Authorized Improvements Funded with Progress Payments.

The following additional requirements shall be applicable to Authorized Improvements funded in accordance with the procedures set forth in Section 4.02:

(a) All change orders or costs increases for applicable Authorized Improvements must be approved by the Owner, Construction Manager and the City Construction Representative, to the extent any such change order is in excess of \$100,000.00; provided that no change order

(regardless of the amount) shall substantially change the character or nature of the Authorized Improvement. The Construction Manager shall provide copies of all approved change orders to the Financial Advisor, Underwriter and Trustee within ten (10) days after approval.

(b) After the Effective Date and prior to commencement of construction of an Authorized Improvement, Owner shall cause its general contractor to provide a payment and performance bond meeting the requirements set forth in Chapter 2253, Texas Government Code.

Section 3.08. Owner's Association

(a) The Owner has created, or will create, one or more homeowners associations for the Property (collectively the "**Owners' Association**"), and shall establish bylaws, rules, regulations and restrictive covenants (collectively the "**Association Regulations**") to assure the Owner's Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owners' Association pursuant to this Section, and plat notes that appear on final plats for the Property.

(b) The Owners' Association dues and assessments required to be established, maintained and collected by the Owners' Association pursuant to this Agreement shall be in addition to, and not in lieu of, any and all other fees, charges and assessments that will be applicable to the Property.

Section 3.09. Buyer Disclosure Program

(a) The Owner agrees to comply with the Buyer Disclosure Program described in Exhibit "G" attached hereto.

Section 3.10. Sales and Use Tax Exemption

(a) The parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the Texas Tax Code from sales and use taxes levied by the State of Texas, or by any County, City, special district, or other political subdivision of the State, as set forth in Texas Tax Code Section 151.309.

(b) The City will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and Owner shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

ARTICLE IV. PAYMENT FOR AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements.

(a) Any payment obligation of the City hereunder shall be payable solely from Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds. Unless approved by the City, no other funds, revenues, taxes, or income of any kind other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Special Assessments Revenues or, if PID Bonds are issued, the proceeds of such bonds. None of the City, nor any of its elected or appointed officials or any of its respective officers, employees, consultants or representatives shall incur any liability hereunder to the Owner or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

(b) The City does not warrant, either expressed or implied, that the Special Assessment Revenues or proceeds of the PID Bonds will be sufficient for the construction or acquisition of all of those particular Authorized Improvements. The Parties anticipate that the Actual Costs to construct the Authorized Improvements will be greater than the Special Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of the PID Bonds or Special Assessment Revenues.

(c) Upon completion of an Authorized Improvement, the Owner shall dedicate or convey, and the City shall accept or acquire, as more particularly described in Article III above, the given Authorized Improvement for the Actual Cost, after such Authorized Improvement is completed and has been accepted by the City. The general process for the reimbursement of the Actual Costs of the Authorized Improvements is detailed in this Section 4.01. Upon written acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the City shall thereafter be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.

(d) The procedures set forth in Section 4.02(d) below shall apply to all Certifications for Payment regardless of which account within the applicable Project Fund the actual funds are being paid from.

(e) Upon written request of the Owner, the City, pursuant to the provisions of Section 2.01(f), will consider the adoption of the Assessment Ordinance that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements and the Special Assessments and (ii) levies said Special Assessments. The City will levy and collect such Special Assessments in accordance with the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Ordinance as further provided in this Agreement.

Section 4.02. Payments for Authorized Improvements Prior to PID Bond Issuance

a) Upon the approval of the Assessment Ordinance and, if the City levies Special Assessments prior to issuance of PID Bonds, then prior to the issuance of PID Bonds, the City shall bill and collect the Special Assessment Revenues collected from the Assessed Property as described in subparagraph (d) below.

(b) Subject to Section 4.02(a) above, the costs of the Authorized Improvements may be initially financed through the applicable Acquisition and Reimbursement Agreement. Pursuant to the terms of such Acquisition and Reimbursement Agreement, the Owner shall dedicate or convey, and the City shall accept or acquire, as more particularly described in Article III of this Agreement, the Authorized Improvement for the Cost thereof, after such Authorized Improvement is completed and has been accepted by the City. The general process for funding the Authorized Improvements before the issuance of PID Bonds is described in this Section 4.02(b), and more specifically described in an Acquisition and Reimbursement Agreement.

(c) Pursuant to an Acquisition and Reimbursement Agreement, the City will reimburse the Owner for Actual Costs incurred in connection with the applicable Authorized Improvements until PID Bonds are issued in an amount necessary to reimburse Owner for the Actual Costs of the applicable Authorized Improvements less any amounts already reimbursed to Owner pursuant to an Acquisition and Reimbursement Agreement. The Owner will be reimbursed only for those Actual Costs for which Special Assessment Revenues or PID Bond proceeds are available.

(d) Upon written request of the Owner, the City, pursuant to the provisions of Section 2.01(f), shall consider the adoption of an Assessment Ordinance. Once approved, the City will collect the Special Assessments for its Authorized Improvements in accordance with the Service and Assessment Plan and the applicable Assessment Ordinance. Upon collection of such Special Assessments, and prior to the issuance of PID Bonds, the City will hold the Special Assessments in a designated account separate from the City's other accounts (the "**Operating Account**"), such funds to be used to reimburse Owner for the Actual Costs of the applicable Authorized Improvements pursuant to the terms of an Acquisition and Reimbursement Agreement. Once PID Bonds have been issued, the proceeds of such PID Bonds will be transferred to the Trustee and deposited in the proper funds and accounts in the priority set forth in the applicable Indenture. Special Assessment Revenues shall only be used to reimburse the Owner for the Actual Costs of the Authorized Improvements in accordance with this Agreement, the applicable Indenture and the Acquisition and Reimbursement Agreement.

(e) Pursuant to an Acquisition and Reimbursement Agreement, and as more fully described therein, the Owner may submit a Certification for Payment, substantially in the form provided in Exhibit "E", to the City for payment of the Actual Costs of an Authorized Improvement from funds then available in the appropriate subaccount of the Operating Account held by the City.

Section 4.03. Payments for Authorized Improvements Upon the Issuance of PID Bonds

(a) Upon submittal of a Bond Issuance Request to the City, the City shall thereafter use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to consider the adoption of an ordinance authorizing the issuance of PID Bonds to reimburse the Owner for Actual Costs of those Authorized Improvements that are

complete at the time of bond issue less any amounts already reimbursed to Owner pursuant to the Acquisition and Reimbursement Agreement.

(b) The proceeds from the issuance of the PID Bonds available to reimburse Owner for the Actual Costs of the Authorized Improvements remaining after payment of amounts under Section 4.02 of this Agreement (if applicable) will be held by the Trustee in various segregated accounts under the Project Fund established pursuant to the Indenture. Those sums held in the various segregated accounts will be reimbursed to the Owner by the Trustee to reimburse Owner the Actual Costs of the Authorized Improvements (as more particularly specified herein and as will be more particularly specified in the Service and Assessment Plan) upon receipt of a completed Certification for Payment substantially in the form as attached hereto in Exhibit "E". At least thirty (30) calendar days prior to the time of the closing of the PID Bonds, Owner may submit a Closing Disbursement Request substantially in the form attached hereto in Exhibit "F" executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Owner Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City Construction Representative shall conduct a review to verify the Owner Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, the City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, the Owner shall be reimbursed an amount equal to the applicable Owner Expended Funds.

(c) Any Authorized Improvements that have not been completed by the Owner by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.03 and the Indenture. Such payments shall be made by the Trustee no more frequently than monthly and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Construction Manager. If the City Construction Representative disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with the City Construction Representative's comments, the Certification for Payment can be approved.

(d) The general process for the reimbursement of Authorized Improvements from funds on deposit in the Project Fund is as follows:

(1) the Owner shall deliver to the City Construction Representative and the Administrator the following:

(i) a Certification for Payment substantially in the form attached hereto as Exhibit "E" executed by the Construction Manager and the Project Engineer evidencing the Actual Costs,

(ii) evidence of the acceptance by the City of those Authorized Improvements to be reimbursed from the proceeds of the PID Bond in question and the conveyance to the City (for Completed Authorized Improvements only), and

(iii) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and

verification in a form acceptable that any subcontractors have been paid.

(2) After the Certification for Payment is submitted to the City Construction Representative and the Administrator, the City shall conduct a review to (i) confirm those Authorized Improvements to be funded by proceeds of the PID Bonds were constructed in accordance with the plans therefor (for completed Authorized Improvements only), (ii) verify the Actual Costs of Authorized Improvements specified in such Certification for Payment, (iii) confirm the Owner is current on all taxes, Special Assessments, and fees and not in default under this Agreement, including with respect to all information required from the Owner for timely disclosures as required by any applicable continuing disclosure agreement, and (iv) confirm the Owner has not received a Default Notice (as defined in the Development Agreement) and failed to cure such Default (as defined in the Development Agreement) pursuant to the terms of the Development Agreement (collectively, the “**Certification for Payment Approval Conditions**”). The City Construction Representative agrees to conduct such review and cost verification in an expeditious manner after the Certification for Payment is submitted. The Owner agrees to cooperate with the City in conducting each such review and to provide the City Construction Representative with such additional information and documentation as is reasonably necessary for the City Construction Representative to conclude each such review.

(3) Within thirty (30) days after the City’s receipt of a Certification for Payment, the City shall either (i) notify the Owner that the Certification for Payment Approval Conditions have been satisfied, or (ii) notify the Owner that the City has determined, in its reasonable discretion, that the Certification for Payment Approval Conditions have not been satisfied, provide the Owner with an explanation as to basis under Section 4.03(d)(2)(i) or (ii) for such determination, and the Owner shall work in good faith with the City to remedy the stated deficiency. Once the City notifies the Owner that the Certification for Payment Approval Conditions have been satisfied, then within thirty (30) days after such determination the City shall (A) accept those Authorized Improvements not previously accepted by the City Construction Representative, and (B) execute the Certification for Payment, and forward the same to the City Manager. The City Manager shall then have up to three (3) business days to forward the executed Certification for Payment to the Trustee for payment. The Parties hereby agree that the City’s failure to execute a Certification for Payment for any reason other than the Certification for Payment Approval Conditions shall be considered a default under Article VII of this Agreement.

(e) In addition to the submitted items required in Section 4.02(d) above, in order to obtain the final progress payment for an Authorized Improvement funded by the PID Bonds pursuant to this Section 4.03, the Owner shall have provided to the City an assignment of the warranties and guaranties, if applicable, and the City required maintenance bond for such Authorized Improvement.

Section 4.04. Assignment of Right to Payment of Unreimbursed Costs

Owner’s right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole

or in part without the consent of (but with notice to) the City, all or any portion of Owner's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either PID Bond proceeds or Special Assessment Revenues, (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the issuance of municipal securities by any other state of the United States or political subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by the Owner without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Owner and the City in the Disclosure Agreement of Owner.

ARTICLE V. PID BONDS

Section 5.01. Issuance of PID Bonds.

(a) Subject to the terms and conditions set forth in this Section V, the City intends to pay for the Authorized Improvements, by issuing PID Bonds in one or more series. The City shall use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue, as expediently and prudently possible, the PID Bonds, within three (3) months of receipt of a Bond Issuance Request. The failure of the City to issue PID Bonds shall not constitute a failure by the City or otherwise result in a default by the City as set forth in Article VII herein. The Owner shall not be relieved of its duty to construct or cause to be constructed the Authorized Improvements even if there are insufficient funds in the Project Fund to pay the Actual Costs. The Authorized Improvements to be constructed and funded in connection with the PID Bonds are detailed on the chart attached hereto as Exhibit "D" and the Service and Assessment Plan.

(b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed \$25,000,000.

(c) The final maturity for each series of PID Bonds shall occur no later than 30 years from the issuance date of said PID Bonds.

(d) PID Bonds are not required to be issued under this Article V unless: (1) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City receives at the time of issuance an opinion of counsel selected by the City stating in effect that the PID Bonds are legal and valid under Texas law and that all preconditions to their issuance under State law have been satisfied; and (iii) the approving opinion of the Attorney General of the State of Texas as required by the PID Act.

(e) If proceeds from PID Bonds are still available after all the Authorized Improvements are accepted by the City and Owner has been reimbursed for all unreimbursed Actual Costs incurred in connection therewith, the proceeds may be utilized to finance other

Authorized Improvements within the Property for which reimbursements are not being received by the Owner from other public sources.

(f) The City will (i) select the Underwriter for each series of PID Bonds, (ii) determine credit criteria; (iii) investor suitability; (iv) structure of each series of such bonds; and (v) the continuing disclosure requirements for each series of such bonds, each with input from the Owner, but in every instance the City shall make the final decision regarding all terms and matters related to the issuance and sale of a series of PID Bonds.

(g) Prior to the levy of Special Assessments and issuance of PID Bonds, Owner must be current on all taxes, Special Assessments, fees and not in default under any agreement with the City, including information required from Owner for timely disclosures as required by any applicable continuing disclosure agreement.

(h) The minimum appraised value to lien ratio of any series of PID Bonds shall be at least 2.50 to 1 (the "Minimum Value to Lien Ratio") as measured by an independent appraisal prepared by an appraiser (which may include the Travis Central Appraisal District) selected by the City. The City reserves the right to require the appraised value to lien ratio for any series of PID Bonds to be above the Minimum Value to Lien Ratio based upon the bond market conditions existing at the time of such proposed sale.

(i) The annual assessment to Parcel owners within the PID shall be no more than the equivalent of a \$.75 per \$100 tax rate on the "Estimated Buildout Value" of the Parcel as will be provided for and defined in the Service and Assessment Plan.

Section 5.02. Project Fund.

(a) The City hereby covenants and agrees that if PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The portion of the proceeds of the PID Bonds issued to pay Actual Costs of Authorized Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Project Fund.

(b) As described in subparagraph (a) above, proceeds from the PID Bonds will be placed in the applicable subaccount of the Project Fund which will be held by the Trustee under the Indenture.

Section 5.03. Denomination, Maturity, Interest, and Security for Bonds.

(a) The PID Bonds shall be finally authorized by the City Council and shall be issued in the denominations, shall mature and be prepaid, shall bear interest, and shall be secured by and payable solely from the PID Bond Security, all to be as described and provided in the PID Bond Ordinance or Indenture, as applicable.

(b) The final and adopted versions of the PID Bond Ordinance and the Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the PID Bonds when and as issued and

delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Owner and consistent with this Agreement.

Section 5.04. Sale of PID Bonds.

Once approved, the PID Bonds shall be issued by the City and shall be marketed and sold as determined by the City with the cooperation and assistance of the Owner in all respects with respect to the preparation of marketing documents, such as preliminary and final offering memoranda or in such other marketing and/or sales method mutually agreed upon by the City and the Owner. The Owner agrees to provide such financial and operating information as may be necessary for the issuance of the PID Bonds to comply with applicable securities laws and the provisions of Securities and Exchange Rule 15c2-12.

Section 5.05. Acquisition and Reimbursement Agreements.

(a) It is intended that the costs of all Authorized Improvement will be initially financed through one or more Acquisition and Reimbursement Agreements. As provided in Section 4.03 above, prior to commencing construction of any Authorized Improvement, the Owner and the City will enter into an Acquisition and Reimbursement Agreement, which will provide for Special Assessments that will reimburse the Owner for Actual Costs incurred in connection with the Authorized Improvement until PID Bonds are issued in an amount necessary to reimburse Owner for the Actual Costs of the applicable Authorized Improvement less any amounts already reimbursed to Owner pursuant to an Acquisition and Reimbursement Agreement.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.01. Representations and Warranties of City.

The City makes the following representations and warranty for the benefit of the Owner:

That the City is a municipal corporation and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Representation and Warranties of Owner

The Owner makes the following representations, warranties and covenants for the benefit of the City:

(a) The Owner is a limited partnership duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Owner has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

(c) This Agreement is a valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) That (i) Owner will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to Certification for Payments.

(e) For a period of two years after the final Acceptance Date of the final phase of the Authorized Improvements, the Owner covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with sound accounting practices and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

ARTICLE VII. DEFAULT AND REMEDIES

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt of such notice (or five (5) days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subparagraph (c). Upon a breach of this Agreement, the non-defaulting Party may in any court of competent jurisdiction, by an action or proceeding at law or in equity, secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) while the City is in default under this Agreement.

(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, communicable disease outbreaks, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article. In no event shall the obligation to make monetary payments be subject to force majeure.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as may be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Pflugerville
 Attn: City Manager
 100 East Main Street, Suite 300
 P.O. Box 589
 Pflugerville, TX 78691

With a copy to: McCall, Parkhurst & Horton L.L.P.
 Attn: Richard Donoghue
 600 Congress Ave, Suite 2150
 Austin, Texas 78701

If to Owner: Lennar Homes of Texas Land and Construction, Ltd.
 Attn: Kenneth Blaker
 13620 N. FM 620
 Building B, Suite 150
 Austin, Texas 78717

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Talley Williams
221 W. 6th, Suite 1300
Austin, Texas 78701

Section 8.02. Fee Arrangement.

(a) The Owner agrees that it will pay all of the City’s reasonable costs and expenses (including the City’s third party advisors and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the Service and Assessment Plan (including legal fees and financial advisory fees) (“**City PID Costs**”). Prior to closing of the PID Bonds, the City shall (i) submit to the Owner and the Trustee invoices and other supporting documentation evidencing the City PID Costs and (ii) direct the Trustee to pay these fees, as applicable, to the City or on behalf of the City from proceeds of the initial PID Bonds. In addition to any City PID Costs pursuant to the preceding sentences, all fees of legal counsel related to the issuance of the PID Bonds, including fees for the review of the District creation and District administration documentation, the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds incurred by the Owner or otherwise, will be paid at closing from proceeds of the initial PID Bonds. It is hereby acknowledged and agreed that fees for the City’s Bond Counsel, Trustee, Trustee’s Counsel, Financial Advisor, the Underwriter, and Underwriter’s Counsel will be paid at the Issue Date of the PID Bonds in accordance with the budget attached as Exhibit “H” hereto.

(b) The City has entered into a separate agreement with an Administrator to administer the District after Closing. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts that will be set forth in the Service and Assessment Plan.

(c) The City will work with the Administrator to use good faith efforts to maintain reasonable Annual Collection Costs, as such term will defined in the Service and Assessment Plan. The PID Administrator shall be responsible for preparation of the Service and Assessment Plan and any annual updates or amendments thereto. The PID Administrator shall be required by the City to provide all drafts and final copies of the Service and Assessment Plan, including amendments and annual updates thereto, to the Owner, at the same time such drafts or copies are provided to the City.

Section 8.03. Assignment.

(a) Notwithstanding Section 4.04 above, Owner may, in its sole and absolute discretion, transfer or assign its rights or obligations under this Agreement with respect to all or part of the Property from time to time to an Affiliate or Development Partner without the consent of the City. Until such time as the Authorized Improvements have been completed, Owner shall not transfer or assign its rights or obligations under this Agreement with respect to all or a part of the Property to a non-Affiliate or non-Development Partner without the prior administrative consent of the City, such consent not to be unreasonably withheld, so long as the non-Affiliate or non-Development Partner entity is not in default in the payment of taxes, assessments, fees, or any

agreements with the City. Owner shall promptly provide the City with written notice of any such assignment. Upon such assignment or partial assignment, Owner shall be fully released from any and all future obligations under this Agreement and shall have no liability for such obligations with respect to this Agreement for the part of the Property so assigned.

(b) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

(c) This Agreement shall be binding upon the Parties, their grantees, successors, assigns, or subsequent purchaser. In the event of an assignment of fee ownership, in whole or in part, of the Property by Owner, only the grantees and assignees and then current owners of any portion of the Property so assigned shall be liable under this Agreement for any subsequent default occurring after the conveyance and affecting only the portion or portions of the Property so assigned. Any reference to Owner or City shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not. Each contract, deed or conveyance of any kind conveying all or a portion of the Property will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not they are set out in full or by reference in said contract, deed or conveyance.

Section 8.04. Term of Agreement.

This Agreement shall terminate on the date on which the City and Owner discharge all of their obligations hereunder. This section 8.04 is a covenant running with the land and is binding on the Owner's successors and assigns.

Section 8.05. Construction of Certain Terms.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender include either gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

(e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.

(f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.

(g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Authorized Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.06. Table of Contents; Titles and Headings.

The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.07. Amendments.

This Agreement may only be amended, modified, revised or changed by written instrument executed by the Parties.

Section 8.08. Time.

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 8.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 8.10. Entire Agreement.

This Agreement contains the entire agreement of the Parties.

Section 8.11. Severability; Waiver.

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.12. Owner as Independent Contractor.

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the City.

Section 8.13. Supplemental Agreements.

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement will be included in the Service and Assessment Plan, Assessment Ordinance, PID Bond Ordinance and Indenture.

Section 8.14. City's Acceptance of Authorized Improvements.

The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements.

Section 8.15. Verifications of Statutory Representations and Covenants.

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

notwithstanding anything in this Agreement to the contrary.

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

(b) No Boycott of Israel. The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

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

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

Section 8.16. Form 1295

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

Section 8.16. Exhibits.

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit A - Definitions
- Exhibit B - Property
- Exhibit C - Intentionally Omitted
- Exhibit D - Authorized Improvements
- Exhibit E - Form of Certification for Payment
- Exhibit F - Closing Disbursement Request
- Exhibit G - Buyer Disclosure Program
- Exhibit H - Budget (City Consultants)

[Signatures on next page.]

CITY OF PFLUGERVILLE, TEXAS
a home rule city and Texas municipal corporation

By: _____
Name: _____
Title: _____

[Signatures continue on next page.]

**Lennar Homes of Texas Land and
Construction, Ltd.**
a Texas limited partnership

By: Lennar Texas Holding
Company
a Texas corporation
Its: General Partner

By: _____

Name: _____

Title: _____

Exhibit "A"

DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

"Acceptance Date" means, with respect to a Segment, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

"Acquisition and Reimbursement Agreement" means (whether one or more) an agreement that provides for construction and dedication of a Authorized Improvement (or Segment) to the City prior to the Owner being paid out of the applicable PID Bond proceeds, whereby all or a portion of the Actual Costs will be paid to Owner initially from Special Assessment Revenues (and ultimately from PID Bonds) to reimburse the Owner for actual costs paid by the Owner that are eligible to be paid with PID Bond proceeds.

"Actual Cost(s) of the Authorized Improvements" means the Owner's demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the City. The Actual Costs may include (a) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, acquisition, installation, construction and/or implementation of such Authorized Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvements, (c) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to the Authorized Improvements; (d) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvements, (e) all related permitting, zoning and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus Interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore

"Administrator" means the employee or designee of the City, including a third party designee whom the City designates by contract, who shall have the responsibilities provided for herein and in the Service and Assessment Plan. As of the Effective Date, the City has designated P3Works as the Administrator.

"Administrative Expenses" means the administrative, organization, and operation costs and expenses associated with, or incident to, the administration, organization, operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) issuing, paying and redeeming

the PID Bonds, (vi) investing or depositing the Special Assessments, (vii) complying with the PID Act with respect to the PID Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel), and (ix) administering the construction of the Authorized Improvements, in accordance with the terms of this Agreement.

"Affiliate" means any entity that controls, is controlled by, or is under common control with the Owner.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installments" means the annual installment payment of a Special Assessment as calculated by the Administrator and approved by the City Council, and as will be further defined in the Service and Assessment Plan.

"Assessment Levy Request" means a written request made by Owner to the City to levy Special Assessments. This Agreement shall serve as Owner's Assessment Levy Request.

"Assessed Property" means for any year, Parcels within the District other than Non-Benefited Property.

"Assessment Ordinance" means the ordinance adopted by the City Council approving the Service and Assessment Plan (or such amendments to the Assessment Plan) and levying the Special Assessments, as required by Article II of this Agreement.

"Attorney General" means the Texas Attorney General's Office.

"Authorized Improvement(s)" means individually or collectively any, each, and, or, all improvements authorized under Section 372.003 of the PID Act, as will be more specifically described in a Service and Assessment Plan, once approved.

"Bond Issuance Costs" means costs relating to the authorization, sale and issuance of the PID Bonds including printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Trustee, including its first annual administration fee, expenses incurred by the City or Owners in connection with the issuance of the PID Bonds, Financial Advisor fees, the SAP Consultant fees, the bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the PID Bonds and other costs, charges and fees in connection with the issuance of the PID Bonds.

"Bond Issuance Request" means the written request made by Owner to the City to issue PID Bonds in good faith as evidenced by Owner's expenditure of necessary amounts for market studies, financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

"Bond Pledged Revenue Account" means the separate and unique account under the Pledged Revenue Fund established by the City under such name pursuant to the Indenture where the portion of the Special Assessment Revenue allocated to the payment of debt service on the PID Bonds shall be deposited as set forth in Section 2.03 hereof.

“Buyer Disclosure Program” means the disclosure program, administered by the PID Administrator as set forth in Exhibit “G” attached hereto or as otherwise agreed to by the City and the Owner(s) that establishes a mechanism to disclose to each “end user/homeowner” the terms and conditions under which their lot or parcel is burdened by the District.

“Certification for Payment” means the certificate in substantially the same form attached hereto as Exhibit “E”.

“City” has the meaning given in the recitals to this Agreement.

“City Construction Representative” means the employee or designee of the City carrying out the duties as described in this Agreement.

“City Council” means the duly elected governing body and council of the City.

“City Manager” means the City Manager of the City or their designee(s).

“City PID Costs” has the meaning given in Section 8.02(a) of this Agreement.

“Closing Disbursement Request” has the meaning given in Section 4.02(d) of this Agreement.

“Construction Manager” means initially the Owner, and thereafter subject to change in accordance with Section 3.03 of this Agreement. The City acknowledges and agrees that (i) the Owner intends to subcontract out the duties of Construction Manager to a third party and (ii) Owner’s hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Section 3.03.

“County” means Travis County, Texas.

“Designated Successors and Assigns” shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

“Development Agreement” has the meaning given in the recitals to this Agreement.

“Development Partner” means an entity that the Owner sells all or a portion of the Property to for purposes of assisting the Owner with the responsibilities of developing the horizontal infrastructure and/or other improvements within the Project; provided however, the Owner retains the right to purchase all of the land or developed lots (as applicable) within the Property by said agreement in order to construct residential homes.

“District” has the meaning given in the recitals to this Agreement.

“**Effective Date**” has the meaning given in the recitals to this Agreement.

“**Financial Advisor**” means RBC.

“**Indenture**” means that certain Indenture of Trust between the City and Trustee covering the PID Bonds for the Property, as it may be amended from time to time.

“**Interest**” shall mean the interest rate charged for the applicable PID Bonds or such other interest rate as may be required by applicable law.

“**Issue Date**” means the date of the initial delivery of the applicable PID Bonds.

“**Non-Benefitted Property**” means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements, as determined by the City Council, including Parcels owned by a public entity. A Parcel is not assessed if the Parcel is identified as Non-Benefitted Property at the time the Special Assessments (i) are levied or (ii) are reallocated pursuant to an amendment to the Service and Assessment Plan.

“**Notice**” means any notice, writing, or other communication given under this Agreement.

“**Operating Account**” has the meaning given in Section 4.02(d) of this Agreement.

“**Owner**” has the meaning given in the recitals to this Agreement.

“**Owners’ Association**” means a homeowner’s association or property owner’s association.

“**Owner Expended Funds**” means any qualified and permitted costs approved by the City (including, but not limited to any funds expended by Owner for cost of issuance fees) which shall, concurrently with the initial draw from the applicable PID Bonds, be paid to Owner.

“**Parcel**” means a property identified by either a tax map identification number assigned by the Travis Central Appraisal District for real property tax purpose, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Travis County, or by any other means determined by the City.

“**Party**” means the Owner or the City, as parties to this Agreement, and “**Parties**” means collectively, the Owner and the City.

“**Payment Request**” means the document to be provided by the Owner to substantiate the Actual Cost of one or more Segments.

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

“**PID Bond Ordinance**” means and refers to the ordinance or ordinances of the City Council that will authorize and approve the issuance and sale of the PID Bonds and provide for their security and payment, either under the terms of the Bond Ordinance or the Indenture related to the PID Bonds.

“PID Bond Security” means the funds that are to be pledged in or pursuant to the PID Bond Ordinance or the Indenture to the payment of the debt service requirements on the PID Bonds, consisting of the Special Assessments, including earnings and income derived from the investment or deposit of Special Assessments in the special funds or accounts created and established for the payment and security of the PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

“PID Bonds” means the bonds to be issued by the City, which may include funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by a pledge of the PID Bond Security pursuant to the authority granted in the PID Act, and as required by this Agreement for the purposes of (i) financing the costs of the Authorized Improvements and related costs, and (ii) reimbursing the Owner for Actual Costs paid prior to the issuance of and payment for the PID Bonds.

“Pledged Revenue Fund” means the separate and unique fund established by the City under such name pursuant to the Indenture wherein the Special Assessment Revenues are deposited.

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

“Project Costs” means the total of all Actual Costs.

“Project Engineer” means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Pape-Dawson Engineers.

“Project Fund” means the separate and unique fund established by the City under such name pursuant to the applicable Indenture as described in Section 5.02 hereof.

“Property” has the meaning given in the recitals to this Agreement.

“Regulatory Requirements” means the requirements and provisions of any state or federal law, and any permits, rules, orders or regulations issued or adopted from time to time by any regulatory authority, state, federal or other, having jurisdiction over the Authorized Improvements, as adjusted by the PUD.

“SAP Consultant” means Development Planning and Financing Group, Inc.

“Segment” or “Segments” means the discrete portions of the Authorized Improvements identified as such.

“Service and Assessment Plan” means the Meadowlark Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions and findings

approved and agreed to by the Owner, as required by Article II of this Agreement. The Parties hereby acknowledge that the Service and Assessment Plan may be amended from time to time.

“Special Assessments” means the assessments levied against properties in the District, as provided for in the applicable Assessment Ordinance and in the Service and Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Special Assessment Revenues” means the monies collected from Special Assessments, including supplemental assessments and reassessments, interest, expenses, or penalties on Special Assessments, prepayments, foreclosure proceeds, and proceeds from a guarantor, if any, of the Special Assessments.

“State” means the State of Texas.

“Trustee” means the trustee under the Indenture, and any successor thereto permitted under the Indenture.

“Underwriter” means a qualified, third party underwriter selected by the City.

“Unpaid Balance” shall have the meaning given in the applicable Acquisition and Reimbursement Agreement.

Exhibit "B"



FIELD NOTES FOR "TRACT 1"

A 97.882 ACRE OR 4,263,759 SQUARE FOOT TRACT OF LAND, SITUATED IN THE JOHN LEISSE SURVEY, SECTION NO. 18, ABSTRACT NO. 496 IN TRAVIS COUNTY, TEXAS. BEING A CALLED 50 ACRE TRACT (FIRST TRACT), BEING A PORTION OF A CALLED 45 ACRE TRACT (SECOND TRACT), AND BEING ALL OF A CALLED 5.24 ACRE TRACT (THIRD TRACT), SAVE AND EXCEPT A 0.28 OF AN ACRE TO GEORGE S. MATTHEWS COUNTY JUDGE IN DEED DATED MAY 16, 1925, ALL AS NOTED IN AN EXECUTER'S DEED RECORDED IN DOCUMENT NO. 2009129811 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS. SAID 97.882 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

BEGINNING at an iron rod with cap marked "SA Garza Engineers" found on a point in the south margin of Jesse Bohls Road, said point being in the west right-of-way line of Cameron Road, a variable width right-of-way, same being the northeast corner of said 50-acre tract for the northeast corner and **POINT OF BEGINNING** hereof;

THENCE S 27°09'09" W, with the west right-of-way line of said Cameron Road, same being the east boundary line of said 50-acre tract, and, in part, with the east boundary line of said 5.24-acre tract, a distance of **2519.38 feet** to a found mag nail with washer stamped "SPPC" found in the south side of a cedar fence post, being in the west right-of-way line of said Cameron Road, said point being the southeast corner of said 5.24-acre tract, same being the northeast corner of a called 10.290-acre tract (Tract 6) conveyed to SBJV Investments, LTD., recorded in Document No. 2017091667 of the Official Public Records of Travis County, Texas for the southeast corner hereof;

THENCE N 39°36'41" W, departing the west right-of-way line of said Cameron Road, with the south boundary line of said 5.24-acre tract, same being the north boundary line of said 10.290-acre tract, at a distance of 752.10 feet passing an iron rod with cap marked "Bryan Tech Services" found at the northwest corner of said 10.290-acre tract, same being the northeast corner of a called 84.3-acre tract (Tract 3) conveyed to SBJV Investments LTD, recorded said Document No. 2017091667, continuing with the south boundary line of said 5.24-acre tract, same being the north boundary line of said 84.3-acre tract, a total distance of **1127.67 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" found on a point in the east boundary line of a called 20.292-acre tract (Tract 5), conveyed to SBJV Investments LTD, recorded said Document No. 2017091667, at the west corner of said 5.24-acre tract, same being the southwest corner of said 50-acre tract, also being the northwest corner of said 84.3-acre tract for the southernmost southwest corner hereof;

THENCE N 27°28'49" E, with the west boundary line of said 50-acre tract, same being the east boundary line of said 20.292-acre tract, a distance of **284.86 feet** to an iron rod with cap marked "Bryan Tech Services" found on a point in the west boundary line of said 50-acre tract, said point being the southeast corner of said 45-acre tract, same being the northeast corner of said 20.292-acre tract for the southwest ell corner hereof;

THENCE N 63°15'45" W, departing the west boundary line of said 50-acre tract, with the south boundary line of said 45-acre tract, same being the north boundary line of said 20.292-acre tract, at a distance of

722.42 feet passing an iron rod with cap marked "Bryan Tech Services" found at the northwest corner of said 20.292-acre tract, same being the northeast corner of a called 33.233-acre tract (Tract 4) conveyed to SBJV Investments LTD, recorded said Document No. 2017091667, continuing with the south boundary line of said 45-acre tract, same being the north boundary line of said 33.233-acre tract, a total distance of **1082.97 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set in the east boundary line of a called 18.90-acre tract (Tract 2), conveyed to CE Development, Inc., recorded in Document No. 2018072720 of the Official Public Records of Travis County, Texas, said point being the southwest corner of said 45-acre tract, same being the northwest corner of a called 33.233-acre tract for the westernmost southwest corner hereof;

THENCE with the west boundary line of said 45-acre tract, same being the east boundary line of said 18.90-acre tract, and, in part, with the east margin of said Jesse Bohls Road, the following () courses and distances:

1. **N 26°45'16" E**, a distance of **348.02 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a point of tangent curvature hereof,
2. along the arc of a curve to the right, having a **radius of 380.00 feet**, a **central angle of 17°10'16"**, a **chord bearing and distance of N 35°20'24" E, 113.46 feet**, for an **arc length of 113.88 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a point of reverse curvature hereof,
3. along the arc of a curve to the left, having a **radius of 560.00 feet**, a **central angle of 17°07'55"**, a **chord bearing and distance of N 35°21'34" E, 166.82 feet**, for an **arc length of 167.44 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a point of tangency hereof, and
4. **N 26°45'16" E**, a distance of **913.08 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a point of tangency hereof;

THENCE along the arc of a curve to the right, with the southwest margin of said Jesse Bohls Road, said curve having a **radius of 260.00 feet**, a **central angle of 90°29'11"**, a **chord bearing and distance of N 71°59'51" E, 369.25 feet**, for an **arc length of 410.61 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a point of tangency hereof,

THENCE S 62°45'33" E, with the north boundary line of said 45-acre tract, and, in part, with the north boundary line of said 50-acre tract, same being the south margin of said Jesse Bohls Road, a distance of **1825.91 feet** to the **POINT OF BEGINNING** and containing 97.882 acres in Williamson County, Texas. Said tract being described in accordance with an on the ground survey prepared under Job No. 59014-21 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: May 17, 2021
JOB No.: 51160-00
DOC.ID.: H:\Survey\CIVIL\51260-00\Word\
FN51060-00_97.882Ac_Tract 1.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-01



Exhibit “C”

INTENTIONALLY OMITTED

Exhibit “D”

AUTHORIZED IMPROVEMENTS

Hard Costs

- Wastewater
- Drainage (other than ponds)
- Streets/Paving
- Erosion Controls
- Clearing/Earth Work
- Ponds
- Lift Station
- Offsite Wastewater
- Offsite Drainage
- Offsite Streets
- Entry Monument & Entry Landscape
- Common Area and Pocket Park
- Trails
- Fencing

Soft Costs

- Engineering Fees
- Inspection & Plat Fees
- PID Formation Costs
- Legal & Environmental Fees

Exhibit “E”

**FORM OF CERTIFICATION FOR PAYMENT
(Design – Meadowlark Preserve)**

_____ (“**Construction Manager**”)
hereby requests payment for the percentage of design costs completed (the “**Design Costs**”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Meadowlark Preserve Public Improvement District Financing Agreement between (the “**City**”), dated as of _____ (the “**Finance Agreement**”). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The design work described in Attachment A has been completed in the percentages stated therein.

3. The true and correct Design Costs for which payment is requested are set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.

4. Attached hereto as Attachment B is a true and correct copy of a unconditional waiver(s) evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.

5. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to be added]

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Design Costs are hereby approved.

Date: _____

CITY OF PFLUGERVILLE, TEXAS

By: _____
City Construction Representative

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

<u>Description of Design Work</u>	<u>Percentage of Design Work Completed under this Certification for Payment</u>	<u>Design Costs</u>	<u>Total Percentage of Design Work Completed</u>
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ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – unconditional waivers]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

EXHIBIT "E"
FORM OF CERTIFICATION FOR PAYMENT
(Construction – Meadowlark Preserve)

_____ (“Construction Manager”) hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the “Draw Actual Costs”). Capitalized undefined terms shall have the meanings ascribed thereto in the Meadowlark Preserve Public Improvement District Financing Agreement between **LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.**, a Texas limited partnership and the City of Pflugerville, Texas (the “City”), dated as of _____. In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The true and correct Draw Actual Costs for which payment is requested are set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
3. Attached hereto as Attachment B is a true and correct copy of a true and correct copy of unconditional waiver(s) evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to
Be inserted]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

Project Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Draw Actual Costs of each such Segment is hereby approved.

Date: _____

CITY OF PFLUGERVILLE, TEXAS

By: _____
City Construction Manager

ATTACHMENT A TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Draw Actual Costs</u>
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ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[unconditional waivers – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[RECEIPTS – ATTACHED]

Exhibit “F”

FORM OF CLOSING DISBURSEMENT REQUEST

(Closing Disbursement Request – Meadowlark Preserve)

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent _____ (including its Designated Successors and Assigns, the “**Owner**”) and requests payment to the Owner from the applicable account of the Project Fund from _____ (the “**Trustee**”) in the amount of \$_____ to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Meadowlark Preserve Public Improvement District (the “**District**”), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City of Pflugerville, Texas (the “**City**”) and the Trustee dated as of _____, 20__ (the “**Indenture**”) relating to the “[INSERT NAME OF BONDS] (the “**PID Bonds**”).

In connection with the above referenced payment, the Owner represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Owner is in compliance with the terms and provisions of the PID Financing Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the PID Financing Agreement for the payment hereby requested have been satisfied.
6. The Owner agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding amount and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

OWNER

By: _____

Its: _____

By: _____

Name: _____

Title: _____

Exhibit “G”

BUYER DISCLOSURE PROGRAM

A Builder¹ for an Assessed Parcel shall provide each residential homebuyer or purchaser of Commercial property (the “**Buyer**”) with the “Notice of Obligation to Pay Public Improvement District Assessment to the City of Pflugerville” in accordance with the PID Act and on the form attached to the Service and Assessment Plan.

2. A Builder for an Assessed Parcel shall provide evidence of compliance with 1 above, signed by such Buyer, to the City upon receipt of a written request by the City or Owner which sets forth the City’s mailing address and other contact information.

3. A Builder for an Assessed Parcel shall prominently display signage provided by the Owner or the PID Administrator in its model homes, if any, located within the Property.

4. If prepared and provided by the City and approved by Owner (such approval not to be unreasonably withheld), a Builder for an Assessed Parcel shall distribute informational brochures about the existence and effect of the PID in prospective homebuyer and commercial property buyer sales packets.

5. A Builder shall include Special Assessments in estimated property taxes if such Builder estimates monthly ownership costs for prospective property buyers for an Assessed Parcel.

6. The Owner must post signage along the main entry/exits located at the boundaries of the Public Improvement District that identifies the area as a Public Improvement District. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ A “Builder” shall be defined as a commercial builder or developer who is in the business of (a) constructing and/or selling residences to individual home buyers and/or (b) developing, constructing and/or selling commercial property to end users (e.g. multifamily, office, hotel).

Exhibit “H”

BUDGET

City’s Financial Advisor	2.00% of par value of each series of bonds
Bond Counsel	2.00% of par value of each series of bonds, minimum of \$50,000 per series
Underwriter	2.00% of par value of each series of bonds
Underwriter's Counsel	1.00% of par value of each series of bonds