NOTICE OF REGULAR CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, SEPTEMBER 21, 2020

6:00 P.M.

Notice is hereby given of a meeting of the Tomball City Council, to be held on Monday, September 21, 2020 at 6:00 P.M., City Hall, 401 Market Street, Tomball, Texas 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1.0 Call to Order

1.1 IN ACCORDANCE WITH ORDER OF THE OFFICE OF THE GOVERNOR ISSUED MARCH 16, 2020, THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THEMEETING SCHEDULED FOR SEPTEMBER 21, 2020, 6:00 P.M., AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. IN ORDER TO ADVANCE THE PUBLIC HEALTH GOAL OF LIMITING FACE-TO-FACE MEETINGS (ALSO CALLED "SOCIAL DISTANCING") TO SLOW THE SPREAD OF THE CORONAVIRUS (COVID-19), THERE WILL BE LIMITED PUBLIC ACCESS TO THE LOCATION DESCRIBED ABOVE. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT https://tomballtx.gov/Archive.aspx?AMID=38; A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): **+1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799**

US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 965 4058 3969. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

2.0 Invocation

- Led by Pastor Jerry Williams – EPIC Ministries

3.0 Pledges to U.S. and Texas Flags

4.0 Public Comments and Receipt of Petitions *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.]*

5.0 Reports and Announcements

- Reports by City staff and Members of Council about items of community interest on which no action will be taken:

6.0 Approve the Minutes of the Regular September 7, 2020 City Council Meeting and the Special September 14, 2020 City Council Meeting.

7.0 Old Business:

7.1 Adopt, on Second Reading, Ordinance No. 2020-25, an Ordinance Amending the Code of Ordinances of the City of Tomball, Texas by Amending Section 34-1, Definitions, and Section 34-7, Miscellaneous Sign Provisions, of Article I, In General, of Chapter 34, Signs, to Add a Definition of Old Town Area and to Apply Regulations to Sign Colors within the Old Town Area; Providing for Severability; Providing for a Penalty of An Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof; Making Findings of Fact; and Providing for Other Related Matters

7.2 Approve, on Second Reading, Resolution No. 2020-26-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and TCG Capital, LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a 44,000 square foot indoor sports facility to be located at 19220 Theis Ln., Tomball, Texas 77375. The estimated amount of expenditures for such Project is $119,450.00.

7.3 Adopt, on Second Reading, Ordinance No. 2020-26, an Ordinance of the City of Tomball, Texas Approving a Service and Assessment Plan and Assessment Roll

for Authorized Improvements for The Raburn Reserve Public Improvement District (The "District"); Making a Finding of Special Benefit to Certain Property in The District; Levying Assessments Against Certain Property within The District and Establishing a Lien on Such Property; Providing for Payment of the Assessment in Accordance with Chapter 372, Texas Local Government Code, as Amended; Providing for the Method of Assessment and the Payment of the Assessments; Providing Penalties and Interest on Delinquent Assessments; Providing for Severability and Providing an Effective Date

8.0 New Business:

8.1 Adopt, **on First and Only Reading**, Ordinance No. 2020-27, an Ordinance Approving and Authorizing the Issuance and Sale of the City of Tomball Special Assessment Revenue Bonds, (Raburn Reserve Public Improvement District Improvement Area #1 Project); Approving and Authorizing a Master Indenture of Trust and First Supplemental Indenture of Trust and Other Agreements and Documents in Connection Therewith; Making Findings with Respect to the Issuance of Such Bonds; and Providing an Effective Date

8.2 Approve Resolution No. 2020-29, A Resolution Of The City Council Of The City Of Tomball, Texas Approving A Reimbursement Agreement Relating To Improvement Area #1 Of The Raburn Reserve Public Improvement District

8.3 Approve Resolution No. 2020-30, a Resolution of the City Council of the City of Tomball, Texas, Supporting the Passage of Legislation during the 87th Regular Session of the Texas Legislature (2021), to Allow for the Expenditure of Municipal Hotel Occupancy Tax Revenue by the City for Construction of Improvements in Municipal Parks

8.4 Approve Resolution No. 2020-31, a Resolution of the City of Tomball, Texas, Amending the Master Fee Schedule for Fiscal Year 2020-2021

8.5 Approve Resolution No. 2020-32, a Resolution of the City of Tomball, Texas, Adopting and Ratifying the City of Tomball's Investment Policy, as set forth in the City's Administrative Policy No. 13, entitled "Investment Policy"

8.6 Award Contract and Authorize the City Manager to Execute an Agreement for Grant Administration Services with Langford Community Management Services for E&P Project 2020-10035, Community Development Block Grant – Mitigation Project

8.7 Award Contract and Authorize the City Manager to Execute an Agreement for Professional Engineering Services with Huitt-Zollars for E&P Project 2020-10035, Community Development Block Grant – Mitigation Project

8.8 Appoint Assistant Court Clerk Inez Sanchez as Juvenile Case Manager for the Tomball Municipal Court

8.9 Approve Revisions to Administrative Policy No. 27, Adopting Policies and Procedures Necessary to Receive State and Federal Grant Funding

8.10 Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.074 - Personnel Matters: Deliberation of the Appointment, Employment, and Duties of a Public Officer or Employee – City Manager

8.11 Consideration and Possible Action regarding Amendments to and Extension of the Employment Contract for Robert Hauck, City Manager

9.0 Adjournment

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall; City of Tomball, Texas, a place readily accessible to the general public at all times, on the 17th day of September 2020 by 5:00 p.m., and remained posted for at least 72 continuous hours proceeding the scheduled time of said meeting.

Doris Speer

_____

Doris Speer
City Secretary, TRMC

This facility is wheelchair accessible and accessible parking spaces are available Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please feel free to contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information.

AGENDAS MAY ALSO BE VIEWED ONLINE AT www.ci.tomball.tx.us.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

- Led by Pastor Jerry Williams – EPIC Ministries

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda:

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

- Reports by City staff and Members of Council about items of community interest on which no action will be taken:

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda:

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Approve the Minutes of the Regular September 7, 2020 City Council Meeting and the Special September 14, 2020 City Council Meeting.

Background:

Origination:
City Secretary

Recommendation:
Approve

Party(ies) responsible for placing this item on agenda:
City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Minutes of the Regular September 7, 2020 City Council Meeting
Minutes of the Special September 14, 2020 City Council Meeting

MINUTES OF REGULAR CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, SEPTEMBER 8, 2020
6:00 P.M.

The City Council of the City of Tomball, Texas, conducted the meeting scheduled for August 3, 2020, at 6:03 p.m., at 401 Market Street, Tomball, Texas, 77375, via video/telephone conference (Zoom).

1.0 Mayor Fagan called the meeting to order at 6:00 p.m., having established a quorum. Mayor Fagan read a statement regarding the process for the conduct of the meeting via Zoom and telephone. Members present (in person):

Councilman Ford
Councilman Stoll
Councilman Townsend
Councilman Klein Quinn

Members present (via video):

Councilman Degges

Others present:

City Manager – Robert Hauck (in person)
Assistant City Manager – David Esquivel (in person)
City Secretary – Doris Speer (in person)
Assistant City Secretary – Tracylynn Garcia
City Attorney – Justin Pruitt (in person)
Legal Secretary-Olson & Olson – Layla Walker (via video)
Fire Chief – Randy Parr (in person)
Fire Marshall – Joe Sykora (via video)
Assistant Fire Chief – Taner Drake (in person)
Police Chief – Jeff Bert (in person)
Marketing Director – Mike Baxter (via video)
Finance Director – Glenn Windsor (in person)
Director of Public Works – Beth Jones (in person)
Director of Community Development – Craig Meyers (in person)
Police Officer-Investigations – Cleo Thomas (in person)
Pastor Scott Zyblot – Silver Spring Baptist Church (via video)

2.0 The invocation was led by Pastor Slavatore Sberna – People Church.

3.0 Pledges to U. S. and Texas Flags were led by Fire Marshall Joe Sykora.

4.0 No public comments were received.

5.0 Presentations:

- Mayor Fagan administered the Oath of Office to Taner Drake, new Assistant Fire Chief
- Mayor Fagan presented certificates to Shanna Botelho, Kathryn Caspersen and Brandy Oliver, who have earned Level I Municipal Court Clerk Certification

6.0 Reports and Announcements:

- ***GrooveFest 2020 – September 19, 2020 at the Depot – a Virtual Event***
- ***Reports by City staff and members of council about items of community interest on which no action will be taken:***
  - ***Beth Jones presented an Update on Broussard Park***
  - ***Mike Baxter provided information about the upcoming virtual GrooveFest 2020-Details***

7.0 Motion was made by Councilman Stoll, second by Councilman Klein Quinn, to approve the Minutes of the August 14, 2020 Special Joint Meeting with City Council and TEDC and the August 17, 2020 Regular Tomball City Council Meeting.

Motion carried unanimously.

8.0 Old Business:

8.1 Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt on Second Reading, Ordinance No. 2020-23, an Ordinance of the City Council of the City of Tomball, Texas. Adopting the Budget for the City of Tomball, Texas, for Fiscal Year 2020-2021; and Authorizing the City Manager to Approve Intra-Departmental (Within the Same Department Only) Transfers of Budgeted Funds; and Amending the Budget for the 2019-2020 Fiscal Year in Accordance with Actual Expenditures; and Providing Other Details Relating to the Passage of This Ordinance. Vote was as follows:

Councilman Townsend	Aye
Councilman Klein Quinn	Aye
Councilman Ford	Aye
Councilman Stoll	Aye
Councilman Degges	Aye

Motion carried unanimously.

9.0 New Business Consent Agenda:

9.1 Cast Ballot for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees (TML-IRP)

9.2 Approve Continued Participation in Harris County Emergency Operations Plan and Authorize the Mayor to Execute the Necessary Harris County Document Accepting the Revisions to the Harris County Emergency Operations Basic Plan Document

Motion was made by Councilman Townsend, second by Councilman Ford, to approve Items 9.1 and 9.2. Vote was as follows:

Councilman Ford	Aye
Councilman Stoll	Aye
Councilman Degges	Aye
Councilman Townsend	Aye
Councilman Klein Quinn	Aye

Motion carried unanimously.

10.0 New Business:

10.1 Motion was made by Councilman Townsend, second by Councilman Klein Quinn to ratify the FY 2020-2021 Budget and Find that the Proposed Tax Rate of $.337862/$100 Does Not Exceed the No-New-Revenue Tax Rate and Will Not Generate More Property Tax Revenue than the FY 2019-2020 Budget

Motion carried unanimously.

10.4 Conduct Public Hearing regarding the Proposed 2020 Tax Rate of $0.337862/$100 Assessed Value for the City of Tomball, Texas

- Mayor Fagan opened the Public Hearing of the City Council of the City of Tomball regarding the Proposed 2020 Tax Rate of $0.337862/$100 Assessed Value for the City of Tomball, Texas at 6:21 p.m.

  Receiving no public comments, Mayor Fagan closed the Public Hearing at 6:21 pm.

10.2 Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt $0.173583 as the Portion of the Tax Rate to Fund the Interest and Sinking (Debt Service) Fund for Fiscal Year 2020-2021

Motion carried unanimously.

10.3 Motion was made by Councilman Ford, second by Councilman Townsend, to adopt $0.164279 as the Portion of the Tax Rate to Fund the Maintenance and Operations (M&O) Fund for Fiscal Year 2020-2021

Motion carried unanimously.

10.5 Motion was made by Councilman Townsend, second by Councilman Ford, to read Ordinance No. 2020-24 by caption only on First Reading.

Motion carried unanimously.

Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt, on First Reading, Ordinance No. 2020-24, an Ordinance of the City of Tomball, Texas, Setting the Tax Levy of $0.337862/$100 Value Assessed for the Year 2020 on All Taxable Real and Personal Property Located in the City of Tomball, Texas; Providing for Penalty, Interest, and Additional Penalty on Taxes Not Timely Paid; and Providing Other Matters Relating to the Subject. Vote was as follows:

Councilman Townsend	Aye
Councilman Klein Quinn	Aye
Councilman Ford	Aye
Councilman Stoll	Aye
Councilman Degges	Aye

Motion carried unanimously.

10.6 The Mayor announced the Date for the Final Vote on the 2020 Tax Rate will be at a Special City Council Meeting on September 14, 2020 at 5:00 p.m.

No action necessary.

10.7 Conduct Public Hearing of the City Council of the City of Tomball regarding Proposed Assessments to be Levied Against Certain Assessable Property in the Raburn Reserve Public Improvement District (TPID 10)

- Mayor Fagan opened the Public Hearing of the City Council of the City of Tomball of the City Council of the City of Tomball Regarding Proposed Assessments to be levied against Certain Assessable Property in the Raburn Reserve Public Improvement District (TPID 10) at 6:25 p.m.

  Receiving no public comments, Mayor Fagan closed the Public Hearing at 6:25 pm.

10.8 Motion was made by Councilman Townsend, second by Councilman Ford, to read Ordinance No. 2020-26 by caption only on First Reading.

Motion carried unanimously.

Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt, on First Reading, Ordinance No. 2020-26, an Ordinance of the City of Tomball, Texas Approving a Service and Assessment Plan and Assessment Roll for Authorized Improvements for The Raburn Reserve Public Improvement District (The "District"); Making a Finding of Special Benefit to Certain Property in The District; Levying Assessments Against Certain Property within The District and Establishing a Lien on Such Property; Providing for Payment of the Assessment in Accordance with Chapter 372, Texas Local Government Code, as Amended; Providing for the Method of Assessment and the Payment of the Assessments; Providing Penalties and Interest on Delinquent Assessments; Providing for Severability and Providing an Effective Date Vote was as follows:

Councilman Townsend	Aye
Councilman Klein Quinn	Aye
Councilman Ford	Aye
Councilman Stoll	Aye
Councilman Degges	Aye

Motion carried unanimously.

10.9 Motion was made by Councilman Townsend, second by Councilman Klein Quinn to approve Resolution 2020-28, A Resolution Of The City Council Of The City Of Tomball, Texas Approving The Distribution Of A Preliminary Limited Offering Memorandum For Its Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)

Motion carried unanimously.

10.10 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve on First Reading, Resolution No. 2020-26-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and TCG Capital, LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a 44,000 square foot indoor sports facility to be located at 19220 Theis Ln., Tomball, Texas 77375. The estimated amount of expenditures for such Project is $119,450.00.

Motion carried unanimously.

10.11 Motion was made by Councilman Ford, second by Councilman Stoll, to approve as a Project of the Tomball Economic Development Corporation, an agreement with CCJ Collaborations, LLC to make direct incentives to or expenditures for the creation or retention of primary jobs associated with the development of a 10,500 square foot brewery and restaurant facility to be located on Lot 16 of the Tomball Business and Technology Park. The estimated amount of expenditures for such Project is $254,502.00.

Motion carried unanimously.

10.12 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve the Tomball Economic Development Corporation (TEDC) 2020-2021 Strategic Work Plan

Motion carried unanimously.

10.13 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve the Tomball Economic Development Corporation (TEDC) 2020-2023 Strategic Plan

Motion carried unanimously.

10.14 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve the Tomball Economic Development Corporation (TEDC) Fiscal Year 2020-2021 Budget

Motion carried unanimously.

10.15 Motion was made by Councilman Townsend, second by Councilman Ford, to read Ordinance No. 2020-25 by caption only on First Reading.

Motion carried unanimously.

Motion was made by Councilman Townsend, second by Councilman Stoll, to adopt, on First Reading, Ordinance No. 2020-25, an Ordinance Amending the Code of Ordinances of the City of Tomball, Texas by Amending Section 34-1, Definitions, and Section 34-7, Miscellaneous Sign Provisions, of Article I, In General, of Chapter 34, Signs, to Add a Definition of Old Town Area and to Apply Regulations to Sign Colors within the Old Town Area; Providing for Severability; Providing for a Penalty of An Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof; Making Findings of Fact; and Providing for Other Related Matters. Vote was as follows:

Councilman Townsend	Aye
Councilman Klein Quinn	Aye
Councilman Ford	Aye
Councilman Stoll	Nay
Councilman Degges	Aye

Motion carried 4 votes aye, 1 vote nay.

10.16 Motion was made by Councilman Townsend, second by Councilman Klein Quinn, Health Insurance Contracts for City Employees with Blue Cross Blue Shield and Cigna.

Motion carried unanimously.

10.17 Motion was made by Councilman Townsend, second by Councilman Ford, to approve Amendments to Administrative Policy No. 27, Policies and Procedures to Receive State and Federal Grant Funding.

Motion carried unanimously.

10.18 Motion was made by Councilman Townsend, second by Councilman Klein Quinn, to approve Resolution No. 2020-27, a Resolution of the City Council of the City of Tomball, Texas, Authorizing the Submission of a Community Development Block Grant – Mitigation Project Application to the General Land Office; and Authorizing the City Manager or Assistant City Manager to Act as the City's Executive Officer and Authorized Representative in All Matters Pertaining to the City's Participation in the Community Development & Revitalization Program

Motion carried unanimously.

10.19 Motion was made by Councilman Townsend, second by Councilman Stoll, to approve Gas Sales Agreement, Supplier Addendum and Participant Addendum with Symmetry Energy Solutions for the City's North and South Gates and Authorize the City Manager to Execute the Agreement.

Motion carried unanimously.

11.0 Motion was made by Councilman Townsend, second by Councilman Ford, to adjourn.

Motion carried unanimously.

Meeting adjourned.

PASSED AND APPROVED this the 21st day of September 2020.

Doris Speer, TRMC, MMC
City Secretary

Gretchen Fagan
Mayor

MINUTES OF SPECIAL CITY COUNCIL MEETING
CITY OF TOMBALL, TEXAS

MONDAY, SEPTEMBER 14, 2020

5:00 P.M.

The City Council of the City of Tomball, Texas, conducted the meeting scheduled for September 14, 2020, at 5:00 p.m., at 401 Market Street, Tomball, Texas, 77375, via video/telephone conference (Zoom).

1.0 Mayor Fagan called the meeting to order at 5:00 p.m., having established a quorum. Mayor Fagan read a statement regarding the process for the conduct of the meeting via Zoom and telephone. Members present (in person):

Councilman Stoll
Councilman Degges
Councilman Townsend
Councilman Klein Quinn

Members present (via video):
Councilman Ford

Others present:

City Manager – Robert Hauck (in person)
Assistant City Manager – David Esquivel (in person)
City Secretary – Doris Speer (in person)
Assistant City Secretary – Tracylynn Garcia (in person)
Legal Secretary-Olson & Olson – Layla Walker (via video)
Finance Director – Glenn Windsor (in person)
Director of Public Works – Beth Jones (in person)

2.0 No Public Comments were received.

3.0 Old Business:

3.1 Motion was made by Councilman Townsend, second by Councilman Stoll to adopt on Second Reading, Ordinance No. 2020-24, an Ordinance of the City of Tomball, Texas, Setting the Tax Levy of $0.337862/$100 Value Assessed for the Year 2020 on All Taxable Real and Personal Property Located in the City of Tomball, Texas; Providing for Penalty, Interest, and Additional Penalty on Taxes Not Timely Paid; and Providing Other Matters Relating to the Subject. Vote was as follows:

Councilman Stoll	AYE
Councilman Degges	AYE
Councilman Townsend	AYE
Councilman Klein Quinn	AYE
Councilman Ford	AYE

Motion carried unanimously.

4.0 Motion was made by Councilman Townsend, second by Councilman Klein Quinn, to adjourn.

Motion carried unanimously.

Meeting adjourned.

PASSED AND APPROVED this the 21 day of September 2020.

Doris Speer, TRMC, MMC
City Secretary

Gretchen Fagan
Mayor

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

Adopt, on Second Reading, Ordinance No. 2020-25, an Ordinance Amending the Code of Ordinances of the City of Tomball, Texas by Amending Section 34-1, Definitions, and Section 34-7, Miscellaneous Sign Provisions, of Article I, In General, of Chapter 34, Signs, to Add a Definition of Old Town Area and to Apply Regulations to Sign Colors within the Old Town Area; Providing for Severability; Providing for a Penalty of An Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof; Making Findings of Fact; and Providing for Other Related Matters

Background:

Ordinance No. 2020-25 amends Chapter 34-Signs by defining the Old Town Area of Tomball and prohibiting bright or fluorescent colors on signs within that defined area. The proposed amendment complements the Zoning regulations within the same area (Old Town Area), which prohibits those types of colors on building facades.

Origination:

Community Development Department

Recommendation:

Approval

Party(ies) responsible for placing this item on agenda:

Craig T. Meyers, Community Development Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Ordinance No. 2020-25
Revised Map of Tomball-1912

ORDINANCE NO. 2020-25

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF TOMBALL, TEXAS BY AMENDING SECTION 34-1, DEFINITIONS, AND SECTION 34-7, MISCELLANEOUS SIGN PROVISIONS, OF ARTICLE I, IN GENERAL, OF CHAPTER 34, SIGNS, TO ADD A DEFINITION OF OLD TOWN AREA AND TO APPLY REGULATIONS TO SIGN COLORS WITHIN THE OLD TOWN AREA; PROVIDING FOR SEVERABILITY; PROVIDING FOR A PENALTY OF AN AMOUNT NOT TO EXCEED $2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; MAKING FINDINGS OF FACT; AND PROVIDING FOR OTHER RELATED MATTERS.

* * * * * * * * *

WHEREAS, the City Council of the City of Tomball, Texas finds that it is in the best interest of the health, safety and welfare of its citizens to amend the regulations of signs; and

WHEREAS, the City Council desires to regulate signs in the manner set forth in this ordinance; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. The facts and matters contained in the preamble to this ordinance are hereby found to be true and correct.

Section 2. Section 34-1, Definitions, of Article I, In general, of Chapter 34, Signs, of the City of Tomball Code of Ordinances is hereby amended to add the language underscored below as follows:

"**Section 34-1. – Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Old Town Area means the area within the boundary of the Revised Map of Tomball, recorded with the County on July 9, 1912."

Section 3. Section 34-7, Miscellaneous sign provisions, of Article I, In general, of Chapter 34, Signs, of the City of Tomball Code of Ordinances is hereby amended to add the language underscored below as follows:

"**Section 34-7. – Miscellaneous sign provisions.**

(a) *Banner signs.* A property shall be limited to one on-premises or one off-premises banner signs, with a maximum size of 32 square feet. All banners signs shall be considered temporary in nature, as defined in this chapter. Excluding signs as specified under subsections 34-5(b)(2) and (b)(3)d.

(b) *Political signs.* A sign that contains primarily a political message and that is located on private real property with the consent of the property owner is exempt from the permit requirements of this chapter. Private real property does not include real property subject to an easement or other encumbrance that allows a municipality to use the property for a public purpose; provided, however, the sign may not have a sign area greater than 36 square feet, be more than eight feet high, be illuminated or have a moving part. This subsection does not apply to a sign, including a billboard, that contains primarily a political message on a temporary basis and that is generally available for rent or purchase to carry commercial advertising or other messages that are not primarily political.

(c) *Signs on public rights-of-way.*

(1) With the exception of signs lawfully permitted or erected prior to the effective date of the ordinance from which this chapter is derived, it shall be unlawful to place a sign upon a public street, public sidewalk, public alley, public right-of-way, public curb, or other public improvement in any public street or grounds, on any public bridge or part of same, or on any public building or structure of any kind belonging to the city, or in any public place, or on any public improvement unless express consent therefor shall have first been granted by the city council. However, coin-operated devices used to display and vend newspapers may so be placed, so long as they are not placed to impede vehicular or pedestrian traffic. This subsection does not apply to public property leased for private business purposes.

(2) Subdivision identification signs erected or painted directly upon the face of lawfully existing fences or walls are permitted, provided that:

a. The subdivision sign is facing a street which serves as an entrance to the subdivision to which such sign pertains;

b. The subdivision sign, or any part thereof, does not extend outward more than six inches from the face of the fence or wall upon which it is mounted; and

c. The subdivision sign, or any part thereof, does not extend above the fence or wall upon which it is mounted.

(3) Any unlawful sign found on public property, buildings, or structures belonging to the city or within a public right-of-way of a public street, public sidewalk, or public alley shall be seized and removal thereof is hereby authorized in addition to authority under chapter 20, article II. The sign administrator, employees of the police department and the department of public works are hereby authorized to impound any signs found on public property, buildings or structures, or a public street, public sidewalk, or public alley and transport or cause the same to be transported to a location to be designated by the sign administrator for storage. Any sign impounded and stored and not redeemed by the owner thereof within 30 days may be destroyed or sold at public auction in the same manner as surplus property of the city.

(4) During the early voting period through the end of the following Election Day, a maximum of two temporary political signs for each candidate, measure, or political party may be placed within the designated electioneering area of the early voting or voting polling place building's premises, which is also outside the prohibited area. The designated electioneering area is the portion of the grassy strip north of the Public Works Building, 501-B James Street, located outside the 100-foot prohibited area, and the area in Heritage Plaza, 400 Market Street, outside the designated 100-foot prohibited area. Such two signs shall each have a maximum area of four square feet but may contain the same message on both sides. Such signs must be placed in the designated electioneering area in a manner so as not to block or obscure other political signs. Such signs shall only be allowed from 7:00 a.m. on the beginning of the early voting period until 7:00 p.m. on Election Day, at which time the signs shall be removed by the person or organization placing them.

a. Any unauthorized persons removing political signs otherwise permitted by this section shall be guilty of a misdemeanor and subject to a fine as provided in section 1-14.

b. Failure to remove permitted signs in accordance with the section is a violation of this chapter subject to a fine as provided in this Code.

c. On Election Day only, each candidate may erect a single tent, canopy, or similar item encumbering or encroaching on public property in Heritage Plaza, 400 Market Street, in the designated location, located outside the 100-foot prohibited area, as decided during the drawing for location in Heritage Plaza conducted prior to the beginning of early voting.

d. Any signs on public property not permitted may be removed by the city. Any political signs installed prior to the authorized time, placed in a location other than the designated location delineated, or not removed within the time prescribed herein, may be removed by city personnel and discarded or destroyed.

e. The provisions of this subsection shall not apply to notices posted by order of the court or notices to the public as required by law to be posted in a public place.

(d) In the "Old Town Area," bright or fluorescent colors shall not be permitted on any part of any sign."

Section 4. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 5. Any person who shall intentionally, knowingly, recklessly or with criminal negligence violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed $2,000. Each day of violation shall constitute a separate offense.

FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 8th DAY OF SEPTEMBER 2020.

COUNCILMAN FORD	AYE
COUNCILMAN STOLL	NAY
COUNCILMAN DEGGES	AYE
COUNCILMAN TOWNSEND	AYE
COUNCILMAN KLEIN QUINN	AYE

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 21ST DAY OF SEPTEMBER 2020.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DEGGES	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN KLEIN QUINN	_____

_____
Gretchen Fagan, Mayor

ATTEST:

_____
Doris Speer, City Secretary

25

REVISED MAP OF TOMBALL HARRIS CO. TEXAS.

DIVISION POINT ON T. & B. V. RY.

SCALE 1" = 200'

EXPLANATION

SOLD OPEN

BUSINESS LOTS 25'X100' TO 20' ALLEY

RESIDENCE LOTS 65'X140' TO 15' ALLEY

OTHERWISE DIMENSIONS SHOWN ON MAP

T. & B. V. Ry. PROPERTY.

OLD TOWN AREA

VOL. — PAGE 25

JULY 8, 1912

DEDICATION

KNOW ALL MEN BY THESE PRESENTS: That we, C. C. Lineberger and F.W. Lineberger, composing the firm of Lineberger Bros. Realty Co, owners of above described property, do hereby accept the above as a correct revised plat of the same and do hereby dedicate the streets and alleys shown thereon to the public forever. Witness our hands this 3rd day of July A D. 1912

Lineberger Bros. Realty Co.

C. C. Lineberger F W Lineberger.

The State of Texas,

County of Dallas Before me, Edward P. Dougherty, a Notary Public in and for Dallas Co., Texas on this day personally appeared C. C. Lineberger and F. W. Lineberger known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therin expressed.

Witness my hand and seal of office this 3rd day of July A D 1912

(seal) Edward P. Dougherty, Notary Public Dallas Co, Texas

File No. 103818

Filed for Record - July 8, 1912 at 8 o'clock A.M. Recorded, July 9, 1912 at 4.30 o'clock P.M.

Geo Jones Clerk County Court Harris Co, Texas. By H. H. Markham Deputy

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

Approve, on Second Reading, Resolution No. 2020-26-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and TCG Capital, LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a 44,000 square foot indoor sports facility to be located at 19220 Theis Ln., Tomball, Texas 77375. The estimated amount of expenditures for such Project is $119,450.00.

Background:

On August 11, 2020, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, a performance agreement with TCG Capital, LLC for assistance with infrastructure costs related to the development of a proposed 44,000 square foot indoor sports facility to be located at 19220 Theis Ln., Tomball, Texas 77375.

Targeted infrastructure projects that will promote or develop new or expanded business enterprises are authorized expenditures under the Development Corporation Act.

The Tomball City Council has final approval authority over all programs and expenditures of the TEDC. Final approval of this project requires the adoption of Resolution No. 2020-26-TEDC after two separate readings.

Origination:

Jorge Campos, Managing Partner, TCG Capital, LLC

Recommendation:

Approve Resolution No. 2020-26-TEDC on first reading.

Funding:

Yes

Account Number:Project Grants

Party(ies) responsible for placing this item on agenda:

Kelly Violette, Executive Director, Tomball Economic Development Corporation

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Resolution No. 2020-26-TEDC
TEDC Memo
Request Letter
TEDC Performance Agreement
Economic Impact Analysis

RESOLUTION NO. 2020-26-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION'S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN THE CORPORATION AND TCG CAPITAL, LLC, TO PROMOTE AND DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the "TEDC"), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the "Act"), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of One Hundred Nineteen Thousand Four Hundred Fifty Dollars ($119,450.00), found by the Board to be required or suitable to promote a new business development by TCG Capital, LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business enterprises and is in the best interests of the citizenry; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of One Hundred Nineteen Thousand Four Hundred Fifty Dollars ($119,450.00), to TCG Capital, LLC in accordance with an economic development agreement by and between the TEDC and TCG Capital, LLC, to promote and develop a new or expanded business enterprises, to be located at 19220 Theis Ln., Tomball, TX 77375.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged

invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this _____ day of _____, 2020.

PASSED, APPROVED, AND RESOLVED on second and final reading this _____ day of _____, 2020.

_____
Gretchen Fagan, Mayor

ATTEST:

_____
Doris Speer, City Secretary

TOMBALL
ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: September 8, 2020

SUBJECT: TCG Capital, LLC

ITEM TYPE: Action

The Tomball Economic Development Corporation has received a request from Jorge Campos, Managing Member of TCG Capital, LLC, for assistance with infrastructure costs related to the development of a proposed indoor sports facility.

TCG Capital, LLC, proposes to develop approximately 2.986 acres located at 19220 Theis Ln., Tomball, Texas, 77375. The development will consist of an approximately 44,000 square-foot indoor sports facility, comprised of 6 indoor volleyball courts, 2 indoor basketball courts, lobby, concession, pro shop and office space on the second floor. The estimated capital investment for the project is over $4.7 million.

The eligible infrastructure improvements include water, sanitary, gas, storm sewer, telecommunications, electric utilities and related site improvements totaling approximately $1,194,500.00.

Targeted infrastructure that will promote the development and expansion of business enterprise is a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

An economic impact analysis is included with the agreement to show the impact of this project on Tomball's economy. Per the analysis, the 5-year net benefit of this project on Tomball's economy is $305,054.00.

If the agreement between the TEDC and TCG Capital, LLC is approved as a Project of the Corporation, the grant funding amount will not exceed $119,450.00, based on 10% of the actual expenditures for the eligible infrastructure improvements.

TCG Capital LLC
9303 Stratford Pl
Tomball, TX 77375

Date: August 6, 2020

Tomball Economic Development
29201 Quinn Road, Suite B
Tomball, TX 77375

RE: Tomball Sportsplex – Request for Grant

To Whom It May Concern:

I would like to formally request a grant to assist with infrastructure and site construction costs of a new sports complex in Tomball. I think this will be a great project for the city of Tomball. I have purchased a 3 acre tract and am building a volleyball and basketball indoor facility.

Overview Project

I plan to build a tilt wall structure for an indoor volleyball and basketball sports facility with a lobby and office space on a second floor. Additionally, a parking lot with 176 parking spots will be included. The facility is ~44,000 sq ft (6 volleyball courts, 2 basketball / volleyball courts, lobby, concession, pro shop and offices) on a 3 acre tract on Theis Lane in Tomball, Texas. The anchor tenant will be a local volleyball club in town (moved from the Woodlands in 2017). They will occupy the 6 volleyball courts, lobby area and offices (65% of the facility). They have seen tremendous growth since their time in Tomball and have outgrown their existing facility. This will ensure they remain in Tomball and continue to expand here locally. Additionally, this new facility will allow them to host tournaments and bring tourism to Tomball. As they expand, they have added additional coaches, directors and staff.

Further, the remaining 2 basketball / volleyball courts will be available for use to the community. Programs will be offered for kids and adults to engage in active sports indoors in a fun competitive environment without the monotony of going to the "gym" and lifting weights, etc. This will include summer camps (introduction to sports such as basketball, indoor soccer, etc), adult volleyball and basketball leagues throughout the year, basketball and volleyball open gyms and private court rentals. Other opportunities that we would focus on would be hosting tournaments for basketball or volleyball games including local or statewide. As we build out our programs and garner interest from the local community, we will look to hire full time staff to help manage programs, community outreach and organizing tournaments. Initially, we expect to hire 2 full time employees and 1 part time employee within the first 12 months.

Project Costs and Timing

The total project cost is estimated to be $4,800,000 with approximately $1,100,000 devoted for site and infrastructure costs.

TCG Capital LLC
9303 Stratford Pl
Tomball, TX 77375

	Cost
3 acre tract (already purchased)	$600,000
Building Cost	$3,400,000
Interior Build Out (verbal budgets received)	$800,000
Total Project Cost	**$4,800,000**

The construction is estimated to be completed by Q1/Q2 2021.

Expansion

As we build out programs and interest, we have started early planning for Phase 2 expansion. We have already purchased an adjacent 1.5 acre tract. The raw land is currently not cleared but would allow us to be ready to meet continued demand and provide us an ability to host larger tournaments and offer more programs to Tomball and surrounding community. We have internally discussed, expanding the basketball courts, constructing baseball training facilities including batting cages, outdoor soccer / football fields, etc.

Benefits to Tomball

We firmly believe this facility will provide a huge benefit to the city of Tomball both economically as well as intangibly. The benefits to Tomball include:

1. Maintains one of the largest competitive volleyball clubs in Tomball (originally was lured from the Woodlands)
2. Increased need for coaches, trainers, program directors and other sports related jobs
3. Increased property tax revenue to the City and schools
4. Increased tourism traffic throughout the year (will create additional demand for hotels, shopping and eating) – tournaments expected to be held throughout the year
5. Benefit to all city of Tomball citizens who enjoy playing sports and eliminates the need to drive outside of Tomball to find an indoor sports facility

I am fully committed to bringing a first class indoor sports facility to Tomball and want to build a great reputation throughout all of Texas. I request that you approve this grant request and look forward to discussing.

All the Best,

Jorge Campos
TCG Capital, LLC, Managing Member
Email: jorge@tcgcap.com

TCG Capital LLC
9303 Stratford Pl
Tomball, TX 77375

Phone: 713-202-8759

AGREEMENT

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

This Agreement (the "Agreement") is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the "TEDC"), and **TCG Capital, LLC** (the "Company"), 9303 Stratford Place, Tomball, TX 77375.

W I T N E S S E T H :

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the "City"), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to develop a 2.986-acre tract of land within the City, located at 19220 Theis Ln., Tomball, Texas 77375 (the "Property"), more particularly described in Exhibit "A," attached hereto and made a part hereof; and

WHEREAS, the Company plans to expend over Four Million Dollars ($4,000,000) to construct a 44,000 square foot indoor sports facility (the "Improvements") on the site, more particularly described in Exhibit "B," attached hereto and made a part hereof; and

WHEREAS, the Company also proposes to create three (3) new full-time employment positions in Tomball in conjunction with the opening of its business operations on the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of One Hundred and Nineteen Thousand Four Hundred and Fifty Dollars ($119,450.00), or an amount equal to up to ten percent (10%) of actual construction costs if less than the sum stated above, to assist in the construction of infrastructure necessary to promote and develop new business enterprises on the Property. The infrastructure found by the Board of Directors of TEDC to be required to develop the Property are certain drainage facilities and related improvements, site improvements, water, sanitary sewer, and electric, utilities to the exterior of the buildings (the "Infrastructure Improvements"), identified and described in Exhibit "C," attached hereto and made a part hereof; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

The Company covenants and agrees that it will construct and maintain on the Property a 44,00 square-foot indoor sports facility (the "Improvements") identified and described in Exhibit "B," attached hereto and made a part hereof. In conjunction with the development of the Property, the Company further agrees to construct the Improvements contemplated by this Agreement, in accordance with the requirements of the ordinances of the City and the plans and specifications approved by the City. The Company further represents and agrees that it will

DRAFT

certify the costs of the construction of such Infrastructure Improvements to the TEDC prior to construction.

2.

Construction of the Improvements on the Property, including construction of the Infrastructure Improvements, must commence within 180 days from the date of this Agreement (the "Start Date"), and the Company shall notify the TEDC of such Start Date. The construction of the Improvements to the Property, including construction of the Infrastructure Improvements, shall be completed, and all necessary occupancy permits from the City shall be obtained within eighteen (18) months from the Effective Date of this agreement. Extensions of these deadlines due to extenuating circumstances or uncontrollable delay may be granted by the Board of Directors of the TEDC at its sole discretion.

3.

The Company further covenants and agrees that the Improvements described in Paragraph 1 hereof will be occupied and that the indoor sports facility will be maintained on the property for a term of at least five (5) years.

4.

The Company further covenants and agrees that the Company or any owner or leasee of the Improvements does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States.

5.

DRAFT

In consideration of the Company's representations, promises, and covenants, TEDC agrees to reimburse the Company for the actual cost of the Infrastructure Improvements up to the amount of One Hundred and Nineteen Thousand Four Hundred and Fifty Dollars ($119,450.00), or an amount equal to up to ten percent (10%) of actual construction costs if less than the sum stated above. The TEDC agrees to reimburse the Company for such amount within thirty (30) days of receipt of a letter from the Company requesting such payment and including: (a) certification of the costs of constructing the Infrastructure Improvements; (b) a copy of the City's occupancy permit for the Improvements to the Property; (c) verification from the City acknowledging that all necessary plats, permits, plans, and specifications have been received, reviewed, and approved; (d) certification that the Infrastructure Improvements have been constructed in accordance with the approved plans and specifications; and (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Infrastructure Improvements have been paid and any and all liens and claims regarding such work have been released.

6.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½%) per annum, within thirty (30) days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company, or any owner or lessee of the Improvements, is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with

DRAFT

interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½%) per annum, within thirty (30) days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, lessees, affiliates, and subsidiaries, and shall remain in force whether the Company sells, leases, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

DRAFT

If to Company: TCG Capital, LLC
9303 Stratford Place
Tomball, Texas 77375
Attn: Jorge Campos
TCG Capital, LLC, Managing Member

9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

DRAFT

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2020 (the "Effective Date").

TCG Capital, LLC

By: _____
Name: Jorge Campos
Title: Managing Member

ATTEST:

By: _____
Name: _____
Title: _____

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: President, Board of Directors

ATTEST:

By: _____
Name: _____
Title: Secretary, Board of Directors

DRAFT

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2020, by Jorge Campos, Managing Member, TCG Capital, LLC., for and on behalf of said company.

_____
Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2020, by _____, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

_____
Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

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Exhibit A

Legal Description of Property

TOPOGRAPHIC SURVEY OF
2.986 AC./130,071 SQ. FT.
LOTS 1 & 2, BLOCK 1 OF THEIS ROAD WAREHOUSES
F.C. NO. 683774, H.C.M.R.
SITUATED IN THE
PRUITT SURVEY, A-629
CITY OF TOMBALL, HARRIS COUNTY, TEXAS

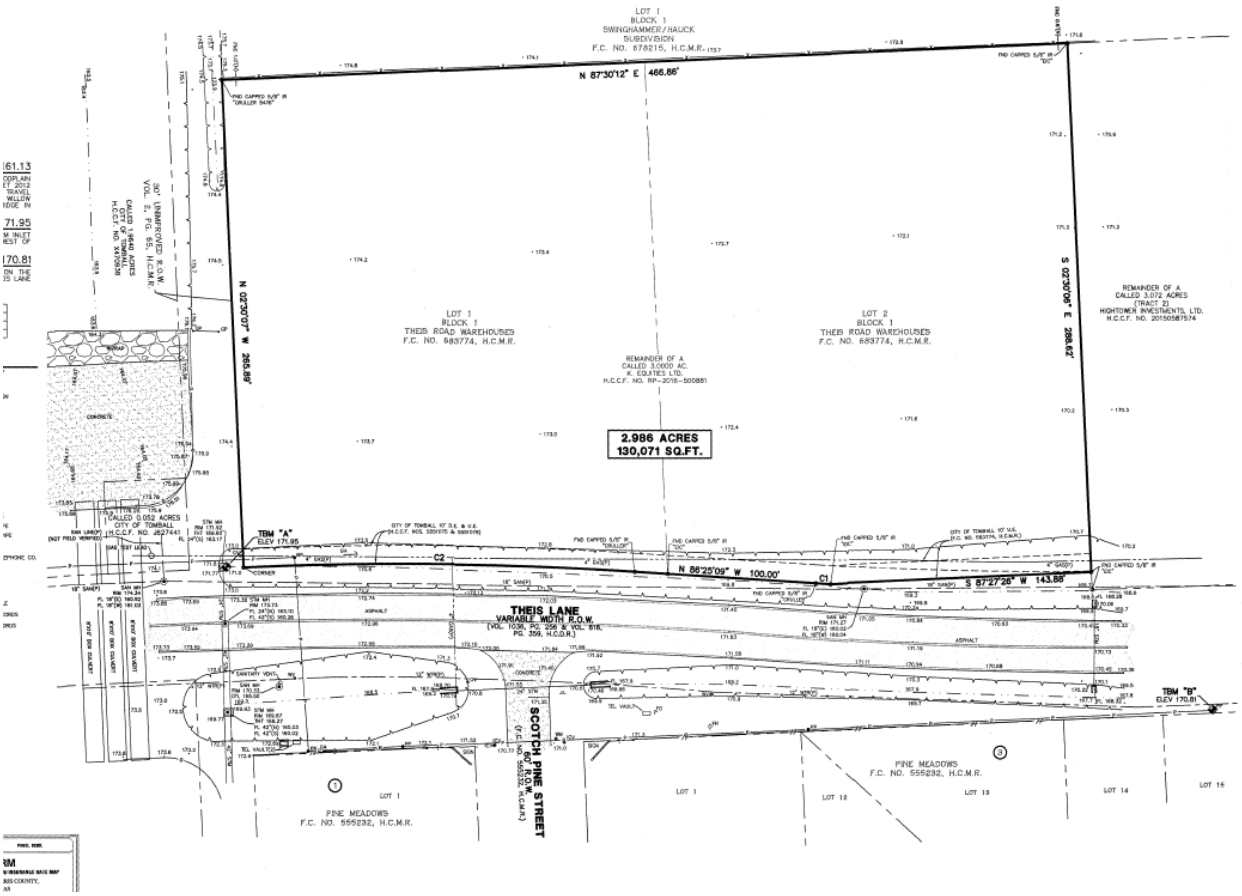

Exhibit B

Description of Improvements

Construction of a 44,000 square foot indoor sports facility.

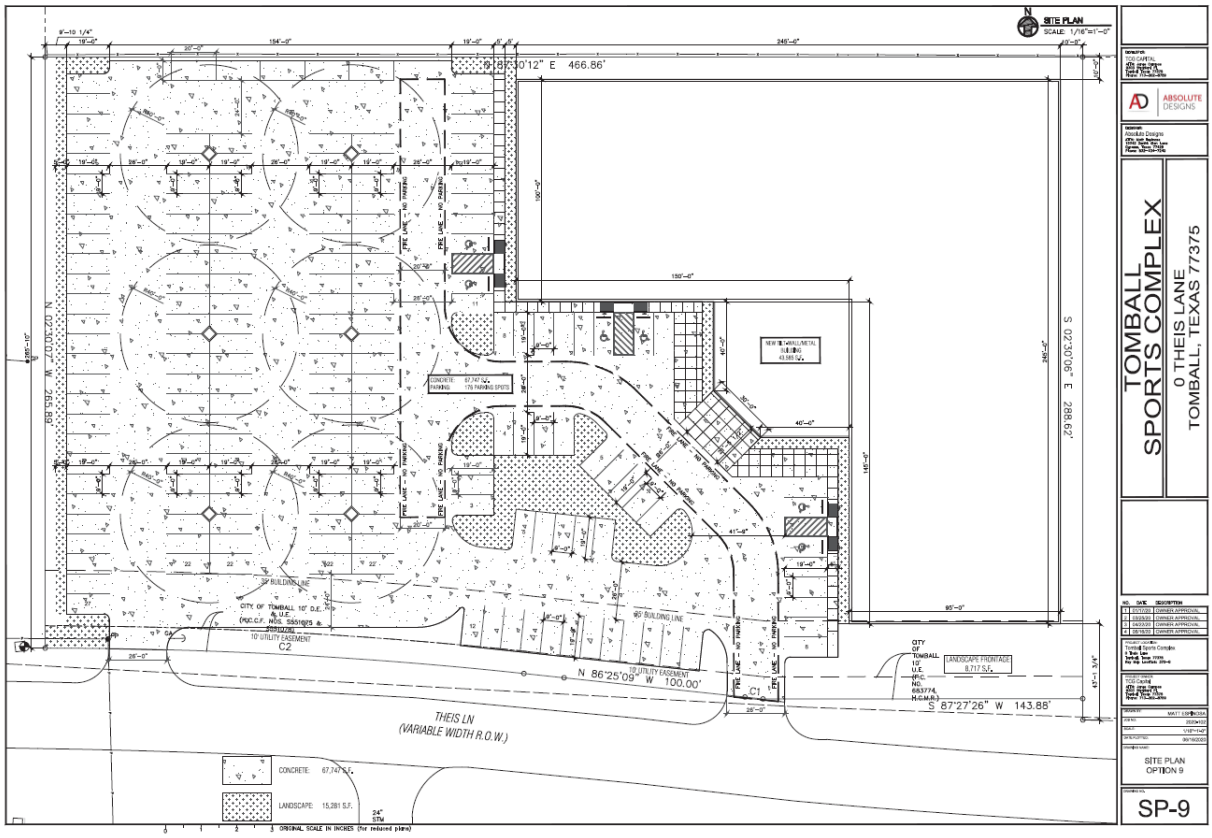

Exhibit C

Description of Infrastructure Improvements

43,585 SF. TILT-WALL SHELL BUILDING

ITEM	AMOUNT
General Conditions	$140,000.00
Surveying	$12,500.00
SWPPP Control	$10,000.00
Site and Concrete Testing	$20,000.00
Site Work	$250,000.00
Storm	$60,000.00
Foundations	$275,000.00
Site Concrete	$304,000.00
Electrical	$85,000.00
Plumbing	$38,000.00
Total Job Cost	$1,194,500.00

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EXECUTIVE SUMMARY

A REPORT OF THE ECONOMIC IMPACT OF TCG CAPITAL (SPORTS COMPLEX) IN TOMBALL, TX

August 6, 2020

Prepared by:
Tomball Economic Development Corporation
29201 Quinn Rd., Suite B
Tomball, Texas 77375

TOMBALL
ECONOMIC DEVELOPMENT CORP.

Prepared using Total Impact

IMPACT DataSource

PURPOSE & LIMITATIONS

This report presents the results of an analysis undertaken by the Tomball Economic Development Corporation using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model is a customized software program licensed to the Tomball Economic Development Corporation. The model includes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in Tomball Economic Development Corporation's Total Impact User Guide.

The analysis relies on prospective estimates of business activity that may not be realized. Tomball Economic Development Corporation made reasonable efforts to ensure that the project-specific data entered into the Total Impact model reflects realistic estimates of future activity.

No warranty or representation is made by Tomball Economic Development Corporation or Impact DataSource that any of the estimates or results contained in this study will actually be achieved.

CONTENTS

Economic Impact
Introduction.... 4
Description of the Project.... 4
Economic Impact Overview.... 4
Temporary Construction Impact.... 6

Fiscal Impact
Fiscal Impact Overview.... 7
Impact from Project and Workers.... 8

Public Support
Non-Tax Incentives.... 10

Methodology
Overview of Methodology 12
About Impact DataSource.... 13

Introduction

This report presents the results of an economic impact analysis performed using Total Impact, a model developed by Impact DataSource. The report estimates the impact that a potential project in the City of Tomball will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Description of the Project

This project includes the construction of a 44,000 square foot sports facility on a 3-acre tract on Theis Lane. The facility will be tilt wall construction and will include 6 volleyball courts, 2 basketball / volleyball courts, lobby, concession, a pro shop and offices.

Economic Impact Overview

The Project's operations will support employment and other economic impacts in the community. The 3.0 workers directly employed by the Project will earn approximately $41,000 per year on average over the next 10 years. This direct activity will support 0.6 indirect and induced workers in the community earning $80,000 on average over the next 10 years. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately $1.7 million over the next 10 years.

On average, the Project will generate $0.2 million in direct economic output over the next 10 years. Spin-off businesses in the community will produce $0.1 million in economic output per year as a result of the Project. In total, the Project will support $0.4 million in economic output per year on average. Economic output is the value of goods and services produced in the economy and can be thought of as revenues for businesses. The economic output calculations in this report were estimated using the RIMS II economic impact model and the Project's employment estimates.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the community, the Project is estimated to support approximately $9.9 million in taxable sales over the next 10 years.

Table 1. Economic Impact Over the Next 10 Years

	Direct	Indirect & Induced	Total
Number of permanent direct, indirect, and induced jobs to be created	3.0	0.6	3.6
Salaries to be paid to direct, indirect, and induced workers	$1,194,344	$464,002	$1,658,346
Economic output generated by direct, indirect, and induced activity	$2,428,415	$1,125,570	$3,553,985
Taxable sales and purchases expected in the City	$9,867,596	$12,992	$9,880,588

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

Table 2. Population Impacts Over the Next 10 Years

	Direct	Indirect & Induced	Total
Number of direct, indirect, and induced workers who will move to the City	0.1	0.0	0.1
Number of new residents in the City	0.3	0.0	0.3
Number of new residential properties to be built in the City	0.0	0.0	0.0
Number of new students expected to attend local school district	0.1	0.0	0.1

The Project is estimated to support an average of approximately $5.5 million in new non-residential taxable property each year over the next 10 years. The taxable value of property supported by the Project over the 10-year period is shown in the following table.

Table 3. Value of Taxable Property Supported by the Project Over the Next 10 Years

		The Project's Property					Total
Year	New Residential Property	Land	Buildings & Other Real Prop. Improvements	Furniture, Fixtures, & Equipment	Inventories	Subtotal Nonresidential Property	Residential & Nonresidential Property
1	$0	$600,000	$4,400,000	$80,000	$20,000	$5,100,000	$5,100,000
2	$0	$612,000	$4,488,000	$72,000	$21,000	$5,193,000	$5,193,000
3	$0	$624,240	$4,577,760	$64,000	$22,050	$5,288,050	$5,288,050
4	$0	$636,725	$4,669,315	$56,000	$23,153	$5,385,193	$5,385,193
5	$0	$649,459	$4,762,702	$48,000	$24,310	$5,484,471	$5,484,471
6	$0	$662,448	$4,857,956	$40,000	$25,526	$5,585,930	$5,585,930
7	$0	$675,697	$4,955,115	$32,000	$26,802	$5,689,614	$5,689,614
8	$0	$689,211	$5,054,217	$24,000	$28,142	$5,795,570	$5,795,570
9	$0	$702,996	$5,155,301	$16,000	$29,549	$5,903,846	$5,903,846
10	$0	$717,056	$5,258,407	$16,000	$31,027	$6,022,489	$6,022,489

The taxable value of residential property represents the value of properties that may be constructed as a result of new workers moving to the community.

This analysis assumes the residential real property appreciation rate to be 2.0% per year. The Project's real property is assumed to appreciate at a rate of 2.0% per year. The analysis assumes the Project's furniture, fixtures, and equipment will depreciate over time according to the depreciation schedule shown in Appendix A.

Temporary Construction Impact

The Project will include an initial period of construction where $4.4 million will be spent to construct new buildings and other real property improvements. It is assumed that 50.0% of the construction expenditure will be spent on materials and 50.0% on labor. The temporary construction activity will support temporary economic impacts in the community in the form of temporary construction employment and sales for local construction firms.

Table 4. Spending and Estimated Direct Employment Impact of Project-Related Construction Activity

			Amount
Total construction expenditure			$4,400,000
	Materials	*$2,200,000*	
	Labor	*$2,200,000*	
Temporary Construction Workers Supported (Average Earnings = $51,300)			42.9

The following table presents the temporary economic impacts resulting from the construction.

Table 5. Temporary Economic Impact of Project-Related Construction Activity

	Direct	Indirect & Induced	Total
Number of temporary direct, indirect, and induced job years to be supported*	42.9	31.9	74.8
Salaries to be paid to direct, indirect, and induced workers	$2,200,000	$1,149,280	$3,349,280
Revenues or sales for businesses related to construction	$4,400,000	$3,912,920	$8,312,920

** A job year is defined as full employment for one person for 2080 hours in a 12-month span.*

Sales tax calculations related to construction activity are presented in the following table. The sales tax revenue generated from construction-period taxable spending is included in the fiscal impact for affected districts in Year 1 of this analysis.

Table 6. Construction-Related Taxable Spending

	Estimate
Expenditure for Materials	$2,200,000
Percent of Materials subject to local tax	50.0%
Subtotal Taxable Materials	$1,100,000
Expenditure for Labor / Paid to construction workers	$2,200,000
Percent of gross earnings spent on taxable goods and services	24.0%
Percent of taxable spending done locally	10.0%
Subtotal Taxable Construction Worker Spending	$52,800
Expenditure for Furniture, Fixtures, & Equipment (FF&E)	$80,000
Percent of FF&E subject to local tax	10.0%
Subtotal Taxable FF&E Purchases	$8,000
Total Construction-Related Taxable Spending	$1,160,800

The above construction analysis focuses on the impact resulting from the Project's construction investments identified in Year 1. If construction will be phased in over several years or an expansion is planned in a later year, parallel calculations will be performed for those years.

Fiscal Impact Overview

The Project will generate additional benefits and costs for the City. Overall, the City will receive approximately $840,200 in net benefits over the 10-year period. The table below displays the estimated additional benefits, costs, and net benefits to be received by the City over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

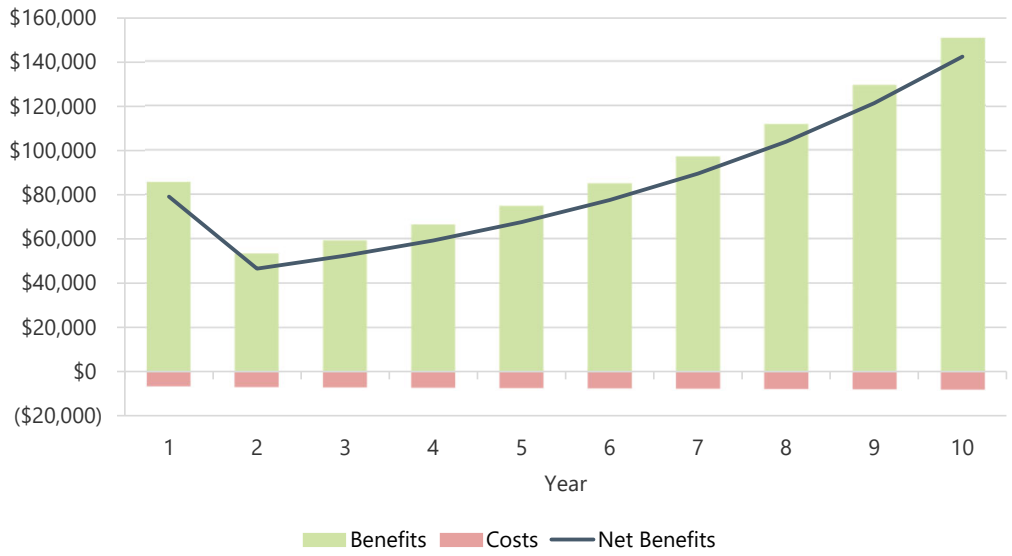
Table 7. City of Tomball: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Sales Taxes	$197,612
Property Taxes - Project	$189,331
Property Taxes - New Residential	$0
Utility Revenue	$64,034
Utility Franchise Fees	$7,562
Building Permits and Fees	$14,190
Hotel Occupancy Taxes	$436,330
Miscellaneous Taxes & User Fees	$5,329
Subtotal Benefits	$914,387
Cost of Providing Municipal Services	($6,954)
Cost of Providing Utility Services	($67,236)
Subtotal Costs	($74,189)
Net Benefits	$840,198
Present Value (5% discount rate)	*$622,398*

Table 8. Year-by-Year Benefits, Costs, and Net Benefits for the City of Tomball

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	$85,708	($6,593)	$79,115	$79,115
2	$53,507	($6,930)	$46,577	$125,692
3	$59,461	($7,068)	$52,393	$178,085
4	$66,542	($7,210)	$59,333	$237,418
5	$74,990	($7,354)	$67,636	$305,054
6	$85,096	($7,501)	$77,595	$382,648
7	$97,219	($7,651)	$89,568	$472,216
8	$111,801	($7,804)	$103,997	$576,213
9	$129,387	($7,960)	$121,427	$697,640
10	$150,677	($8,119)	$142,557	$840,198
Total	$914,387	($74,189)	$840,198	

Figure 1. Annual Fiscal Net Benefits for the City of Tomball



Impact from Project and Workers

The City will receive benefits from the activity, spending, and investments associated with (1) the Project and (2) the workers. These benefits, associated costs, and resulting net benefits for the next 10 years are shown below for these two categories.

Table 9: Net Benefits to the City from the Project and Workers

	The Project	Workers	Total
Sales Taxes	$196,683	$929	$197,612
Real Property Taxes	$186,942	$0	$186,942
FF&E Property Taxes	$1,530	$0	$1,530
Inventory Property Taxes	$859	$0	$859
New Residential Property Taxes	$0	$0	$0
Utility Revenue	$62,413	$1,621	$64,034
Utility Franchise Fees	$7,455	$106	$7,562
Building Permits and Fees	$14,190	$0	$14,190
Hotel Occupancy Taxes	$436,330	$0	$436,330
Miscellaneous Taxes & User Fees	$4,905	$424	$5,329
Subtotal Benefits	$911,308	$3,079	$914,387
Cost of Providing Municipal Services	($6,402)	($552)	($6,954)
Cost of Providing Utility Services	($65,534)	($1,702)	($67,236)
Subtotal Costs	($71,936)	($2,253)	($74,189)
Net Benefits	$839,372	$826	$840,198
Percent of Total Net Benefits	*99.9%*	*0.1%*	

Non-Tax Incentives

At the request of the firm, The City of Tomball may consider abating taxes on the firm's property. The table below identifies the type of firm property for which the city may consider abating taxes.

Table 14. Incentives Under Consideration

Year	Enter Incentive Description
1	$119,450
2	$0
3	$0
4	$0
5	$0
6	$0
7	$0
8	$0
9	$0
10	$0
Total	$119,450

These financial incentives may be considered an investment in the Project made by the EDC and/or City. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the city, treating the incentives as the initial investment and the net benefits to the city as the return on investment. The payback period is the number of years that it will take the city to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

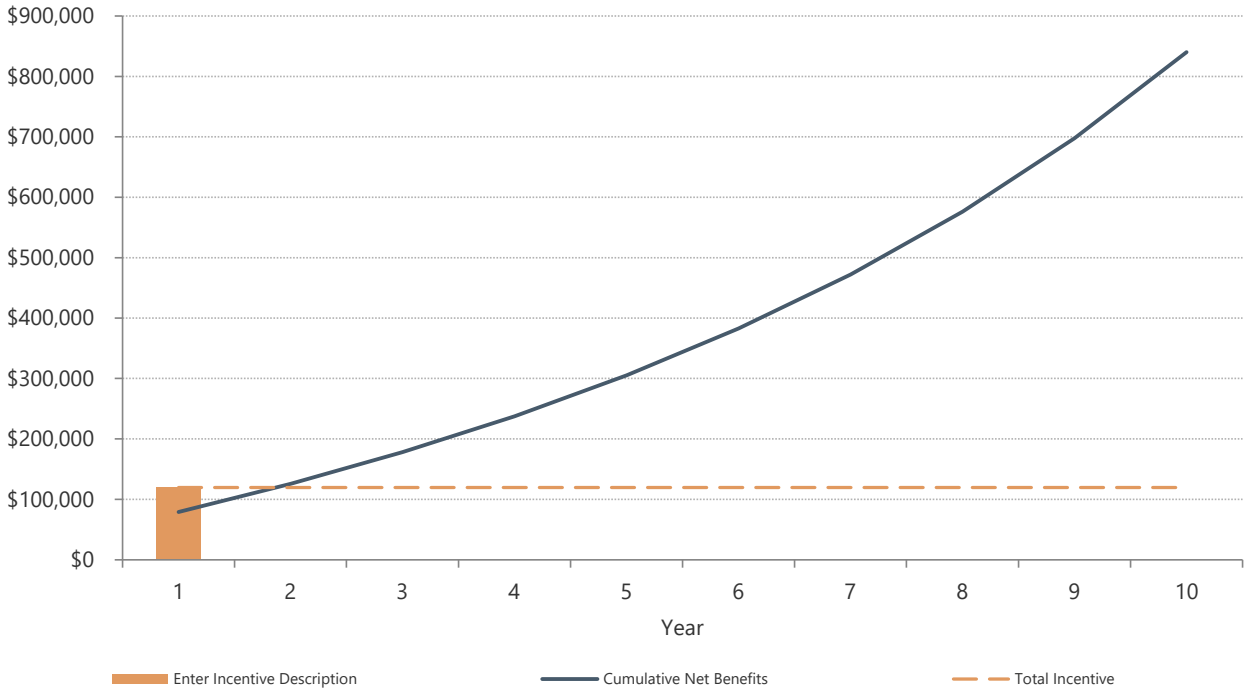
Table 15. Analysis of Incentives

Total Non-Tax Incentive	$119,450
Rate of Return - 5 Years	51.1%
Rate of Return - 10 Years	70.3%
Payback period (years)	1.9

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the City. The intersection indicates the length of time until the incentives are paid back.

Figure 2. Incentives Under Consideration



Overview of Methodology

This report presents the results of an analysis undertaken by the Tomball Economic Development Corporation using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

713900 Other amusement and recreation industries		City	County
Employment Multiplier	(Type II Direct Effect)	1.2038	1.4051
Earnings Multiplier	(Type II Direct Effect)	1.3885	1.7723

The fiscal impacts calculated in this report are detailed in Appendix C. Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach. This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by the city and county to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs. This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced.

However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 2,500 economic impact analyses of firms, projects, and activities in most industry groups in Texas and more than 30 other states.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

Adopt, on Second Reading, Ordinance No. 2020-26, an Ordinance of the City of Tomball, Texas Approving a Service and Assessment Plan and Assessment Roll for Authorized Improvements for The Raburn Reserve Public Improvement District (The "District"); Making a Finding of Special Benefit to Certain Property in The District; Levying Assessments Against Certain Property within The District and Establishing a Lien on Such Property; Providing for Payment of the Assessment in Accordance with Chapter 372, Texas Local Government Code, as Amended; Providing for the Method of Assessment and the Payment of the Assessments; Providing Penalties and Interest on Delinquent Assessments; Providing for Severability and Providing an Effective Date

Background:

Ordinance No. 2020-26 approves the Service and Assessment Plan and Assessment Roll for the Raburn Reserve Public Improvement District (TPID 10).

Origination:

HT Raburn Reserve Development L.P.

Recommendation:

Approval

Party(ies) responsible for placing this item on agenda:

Craig T. Meyers, Community Development Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Ordinance No. 2020-26

ORDINANCE NO. 2020-26

AN ORDINANCE OF THE CITY OF TOMBALL, TEXAS APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR AUTHORIZED IMPROVEMENTS FOR THE RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT (THE "DISTRICT"); MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Tomball, Texas (the "City") received a petition meeting the requirements of Sec. 372.005 of the Public Improvement District Assessment Act (the "Act") requesting the creation of a public improvement district over a portion of the area within the corporate limits of the City to be known as the Raburn Reserve Public Improvement District (the "District"); and

WHEREAS, the petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the boundaries of the proposed District, as determined by the then current ad valorem tax rolls of the Harris Central Appraisal District and the signatures of property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the City; and

WHEREAS, on August 5, 2019, the City Council accepted the Petition and called a public hearing for September 3, 2019, on the creation of the District and the advisability of the improvements; and

WHEREAS, notice of the hearing was published in a newspaper of general circulation in the City in which the District is to be located on August 14, 2019; and,

WHEREAS, on August 16, 2019, notice to the owners of property within the proposed District was sent by first-class mail to the owners of 100% of the property subject to assessment under the proposed District containing the information required by the Act such that such owners had actual knowledge of the public hearing to be held on September 3, 2019; and

WHEREAS, the City Council opened and conducted such public hearing on the advisability of the improvements and the creation of the District, and closed such hearing on September 3, 2019; and

WHEREAS, the City Council approved the creation of the PID by Resolution No. 2019-41 approved on October 7, 2019 (the "Original Creation Resolution") and published the Original Creation Resolution as authorized by the Act; and

WHEREAS, on October 7, 2019 the City approved Resolution No. 2019-42 calling a public hearing on the addition of land to the boundaries of the PID; and

WHEREAS, on October 9, 2019, notice of public hearing was mailed to the owners of the Property within the PID and notice of the public hearing was published in a newspaper of general circulation, in the PID on October 23, 2019; and

WHEREAS, the City Council opened and conducted such public hearing on the addition of additional land to the PID and closed such hearing on November 4, 2019 and approved an amended and restated resolution (the "Amended Creation Resolution") creating the PID and adding the additional land to the boundaries of the PID; and

WHEREAS, the City re-published the Amended Creation Resolution in a newspaper of general circulation in the City and the PID; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after such publication; and

WHEREAS, the District is to be developed in phases and assessments are anticipated to be levied in each development phase (each an "Improvement Area"); and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of a Preliminary Service and Assessment Plan for Authorized Improvements within Improvement Area #1 of the District (the "Service and Assessment Plan") and an assessment roll for Improvement Area #1 of the District (the "Assessment Roll") that states the assessment against each parcel of land within Improvement Area #1 of the District (the "Assessments"); and

WHEREAS, the City called a public hearing regarding the proposed levy of Assessments pursuant to the Preliminary Plan and the proposed Assessment Roll on property within Improvement Area #1 of the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice on August 12, 2020 in a newspaper of general circulation within the City to consider the proposed Service and Assessment Plan for the District and the levy of the Assessments, as defined in the Service and Assessment Plan, on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the Act, caused the mailing of notice of the public hearing to consider the proposed Service and Assessment Plan and the Assessment Roll attached to the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing at 6:00 p.m. on the 8th day of September, 2020, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the Authorized Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the developer of property within the District as described in the Service and Assessment Plan for the District is ready to commence the construction and acquisition of the Authorized Improvements within the District; and

WHEREAS, the City wishes to levy assessments on the property within the District for the Authorized Improvements as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council finds and determines that the Service and Assessment Plan and Assessment Roll attached thereto should be approved and that the Assessments should be levied on property within the District as provided in this Ordinance and the Service and Assessment Plan and Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements, the Assessment Roll or the levy of Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the District, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act.

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

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Terms. Terms not otherwise defined herein are defined in the Service and Assessment Plan attached hereto as Exhibit A.

Section 3. Findings. The findings and determinations set forth in the preambles are hereby incorporated by reference for all purposes. The City Council hereby finds, determined and orders, as follows:

a. The apportionment of the Costs of the Authorized Improvements, and the Administrative Expenses pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each property

will receive from the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

b. The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements;

c. The Service and Assessment Plan apportions the costs of the Authorized Improvements to be assessed against each Assessed Property in the District and such apportionment is made on the basis of special benefits accruing to each Assessed Property because of the Authorized Improvements.

d. All of the real property in the District which is being assessed in the amounts shown in the Service and Assessment Plan and Assessment Roll will be benefited by the Authorized Improvements proposed to be provided through the District in the Service and Assessment Plan, and each parcel of real property in the District will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;

e. The method of apportionment of the costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Authorized Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the costs;

f. The Service and Assessment Plan should be approved as the service plan and assessment plan for the District, as described in Section 372.013 and 372.014 of the Act;

g. The Assessment Roll in the form attached to the Service and Assessment Plan should be approved as the assessment roll for the District;

h. The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the improvements needed and required for the area within the District; and

i. A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon.

Section 4. Assessment Plan. The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the Act as a service plan and an assessment plan for the Authorized Improvements within the District.

Section 5. Assessment Roll. The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the Act as the assessment roll for the Authorized Improvements within the District.

Section 6. Levy and Payment of Assessments for Costs of Authorized Improvements.

a. The City Council hereby levies Assessments on each Assessed Property located within the District, as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll, as special assessments on the properties within the District as set forth in the Service and Assessment Plan and the Assessment Roll.

b. The levy of the Assessments shall be effective on the date of execution of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

c. The collection of the Assessments shall be as described in the Service and Assessment Plan.

d. Each Assessment may be pre-paid or paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

e. Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

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

g. The Administrative Expenses for Assessed Properties shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 7. Method of Assessment. The method of apportioning the costs of the Authorized Improvements is as set forth in the Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Assessments. Delinquent Assessments shall be subject to the penalties, interest, procedures and foreclosure sales set forth in the Service and Assessment Plan. The Assessments shall have lien priority as specified in the Act and the Service and Assessment Plan.

Section 9. Prepayments of Assessments. As provided in Section 372.018(f) of the Act and in the Service and Assessment Plan, the owner (the "Owner") of any Assessed Property may prepay the Assessments levied by this Ordinance as set forth in the Service and Assessment Plan.

Section 10. Lien Priority. As provided in the Act, the City Council and owners of the Assessed Property intend for the obligations, covenants and burdens on the owners of Assessed Property, including without limitation such owner's obligations related to payment of the Assessments and the Annual Installments, to constitute a covenant running with the land. The Assessments and the Annual Installments levied hereby shall be binding upon the Assessed Property, and the owners of Assessed Properties, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Act.

Section 11. Administrator and Collector of Assessments.

a. Administrator. The City shall administer the Service and Assessment Plan and the Assessments levied by this Ordinance. The City has appointed a third-party administrator (the "Administrator") to administer the Service and Assessment Plan and the Assessments. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such services shall constitute an Administrative Expense.

b. Collector. The City may collect the assessments or may, by future action, appoint a third-party collector of the Assessments. The City is hereby authorized to enter into an agreement with a third-party for the collection of the Assessments. The City may also contract with any other qualified collection agent selected by the City or may collect the Assessments on its own behalf. The costs of such collection contracts shall constitute an Administrative Expense.

Section 12. Applicability of Tax Code. To the extent not inconsistent with this Ordinance and the Act or other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of Assessments by the City.

Section 13. Severability. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 14. Effective Date. This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution thereof.

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FIRST READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 8th DAY OF SEPTEMBER 2020.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DEGGES	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN KLEIN QUINN	_____

SECOND READING:

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 21ST DAY OF SEPTEMBER 2020.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DEGGES	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN KLEIN QUINN	_____

_____
Gretchen Fagan, Mayor

ATTEST:

_____
Doris Speer, City Secretary

EXHIBIT A

SERVICE AND ASSESSMENT PLAN
AND ASSESSMENT ROLL

Raburn Reserve Public Improvement District

SERVICE AND ASSESSMENT PLAN

SEPTEMBER 8, 2020

TABLE OF CONTENTS

Table of Contents 1
Introduction 2
Section I: Definitions 3
Section II: The District 8
Section III: Authorized Improvements 9
Section IV: Service Plan 11
Section V: Assessment Plan 11
Section VI: Terms of the Assessments 14
Section VII: Assessment Roll 21
Section VIII: Additional Provisions 21
List of Exhibits 23
Exhibit A – District Legal Description 24
Exhibit B – District Boundary Map 27
Exhibit C – Authorized Improvements 28
Exhibit D – Service Plan 29
Exhibit E – Sources and Uses 30
Exhibit F – Improvement Area #1 Assessment Roll 31
Exhibit G-1 – Improvement Area #1 Annual Installments 34
Exhibit G-2 – Lot Type 1 Annual Installments 35
Exhibit H – Maximum Assessment and Special Benefit per Lot Type 36
Exhibit I – Concept Plan 37
Exhibit J– Improvement Area #1 Improvements Maps 38
Exhibit K – Notice of PID Assessment Termination 43
Exhibit L – Improvement Area #1 Plat 46

INTRODUCTION

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

On October 7, 2019, the City passed and approved Resolution No. 2019-41 authorizing the creation of the District in accordance with the PID Act, as amended, which authorization was effective upon publication as required by the PID Act.

On November 4, the City passed and approved Resolution No. 2019-45 which amends and restates Resolution No. 2019-41 by incorporating the increased area of the District as a result of right-of-way abandonments. The revised boundary of the District encompasses approximately 105 acres.

The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 105 acres located within the City, as described by metes and bounds on **Exhibit A** and depicted on **Exhibit B**.

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

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

The PID Act requires an assessment roll that states the assessment against each parcel determined by the method chosen by the City Council. The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel by the Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F.**

SECTION I: DEFINITIONS

"Actual Costs" mean, with respect to Authorized Improvements, the Owner's demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvements, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Authorized Improvement as set forth in this Service and Assessment Plan, except for authorized reallocations, which include Cost Underruns (as defined in the Development Agreement) in any category of Authorized Improvements being reallocated to cover Cost Overruns (as defined in the Development Agreement) in any different category of Authorized Improvements as approved by the City. Actual Costs may include: (1) the costs incurred by, caused to be incurred by, or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) construction management fees equal to 4% of cost of the Authorized Improvements; (4) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) 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; and (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, and governmental fees and charges.

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

"Additional Interest Rate" means an amount not to exceed 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Improvement Area #1 Assessments securing the Improvement Area #1 Reimbursement Obligation.

"Administrative Expense Fund" means the fund established pursuant to the Indenture where the funds to pay the Annual Collection Costs will be deposited.

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

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the construction,

operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments, including the costs of foreclosure; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, the administration of the Improvement Area #1 Reimbursement Agreement, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

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

"Assessed Property" means any Parcel within the District against which an Assessment is levied and does not include Non-Benefitted Parcels.

"Assessment" means an assessment (including interest thereon) levied against a Parcel within the District and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act.

"Assessment Ordinance" means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

"Assessment Plan" means the methodology employed to assess the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

"Assessment Roll" means the assessment roll for the Assessed Property within the District, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit F.**

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including District Formation Costs and Bond Issuance Costs, as described in **Section III**.

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

"City" means the City of Tomball, Texas.

"City Council" means the duly elected governing body of the City.

"County" means Harris County, Texas.

"Delinquency and Prepayment Reserve Fund" means the funds established pursuant to the Indenture where the Additional Interest will be deposited.

"Delinquent Collection Costs" mean costs related to the foreclosure of the lien on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney's fees to the extent permitted by law, but excluding amounts representing interest and penalty interest.

"Developer" means HT Raburn Reserve Development, L.P. a Texas limited partnership.

"Development Agreement" means that certain Raburn Reserve Development Agreement between the City and the Developer dated as of October 7, 2019, as amended by that certain First Amendment to Raburn Reserve Development Agreement effective June 15, 2020.

"District" means the Raburn Reserve Public Improvement District containing approximately 105 acres located within the City as shown on **Exhibit B** and more specifically described on **Exhibit A.**

"District Formation Costs" means costs incurred by the Developer including attorney fees, financial consultant fees, and other fees related to the formation of the District and the levy of Assessments.

"Estimated Buildout Value" means the estimated buildout value of an Assessed Property, and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that may impact value.

"Future Improvement Areas" means the property within the District, excluding Improvement Area #1. Future Improvement Areas may be developed in phases after Improvement Area #1.

"Future Improvement Area Bonds" mean bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area that are secured by Assessments levied on Assessed Property within such Future Improvement Area.

"Future Improvement Area Improvements" mean those Authorized Improvements which will confer a special benefit solely on the related Future Improvement Area.

"Improvement Area" means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1 and each area within the Future Improvement Areas that is specifically defined and designated as a phase of the District.

"Improvement Area #1" means approximately 40 acres located within the District, as shown on **Exhibit A** and more specifically detailed on the Improvement Area #1 Plat attached as **Exhibit L**.

"Improvement Area #1 Annual Installment" means the annual installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest, as applicable.

"Improvement Area #1 Assessed Property" means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

"Improvement Area #1 Assessment" means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #1 Improvements" mean those Authorized Improvements that only benefit Improvement Area #1.

"Improvement Area #1 Plat" means the plat recorded in the Official Public Records of the County on August 12, 2020 and attached as **Exhibit L**.

"Improvement Area #1 Reimbursement Agreement" means that certain "Raburn Reserve Public Improvement District Improvement Area #1 Acquisition and Reimbursement Agreement" effective _____ entered into by and between the City and Developer, whereby all or a portion of the Actual Costs will be paid to the Developer from Improvement Area #1 Assessments to reimburse the Developer for Actual Costs paid by the Developer, that are eligible to be paid with Improvement Area #1 Assessments plus interest.

"Improvement Area #1 Reimbursement Obligation" means an amount not to exceed $1,690,000 secured by Improvement Area #1 Assessments to be paid to Developer pursuant to the Improvement Area #1 Reimbursement Agreement.

"Improvement Area #1 Series A Bonds" means those certain "City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)", that are secured by Improvement Area #1 Assessments.

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

"Lot" means a tract of land upon which the levy of Assessments is based in this Service and Assessment Plan, that is (1) a "lot" in a subdivision plat recorded in the official records of the County, (2) a development/concept plan or (3) a preliminary plat.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. general retail, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed and approved by the City Council.

"Lot Type 1" means a residential Lot within Improvement Area #1 marketed to homebuilders as a 50' Lot.

"**Maximum Assessment**" means for Lot Type 1, $31,429, as reduced annually by the principal portion of the Annual Installment and as shown on **Exhibit H**.

"Non-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit. Assessed Property converted to Non-Benefited Property, if the Assessments are not reallocated pursuant to the provisions herein, remain subject to the Assessments and requires the Assessments to be prepaid as provided herein.

"Owner" means the Developer and any successor developer of property in the District or any portion thereof.

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

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

"PID Bonds" means bonds issued by the City to finance the Authorized Improvements and secured in whole or in part by Assessments, including Annual Installments thereof.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent Annual Installment of an Assessment are not to

be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"Prepayment Costs" means principal and interest, including Additional Interest, and Annual Collection Costs incurred up to the date of Prepayment, and including any penalties.

"Reimbursement Agreement" means any reimbursement agreement, including the Improvement Area #1 Reimbursement Agreement, between the City and the Developer pursuant to which the City agrees to levy Assessments on an Improvement Area and all or a portion of such Assessments are paid to the Developer to reimburse the Actual Costs related to such Improvement Area.

"Reimbursement Obligation" means the amount to be paid to the Developer pursuant to a Reimbursement Agreement.

"Residential Lot" means a Lot designed to include a residential home within a final subdivision plat and as determined by the Administrator and confirmed by the City Council.

"Service and Assessment Plan" means this Service and Assessment Plan as updated and amended from time to time.

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

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

SECTION II: THE DISTRICT

The District includes approximately 105 contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit A** and depicted on **Exhibit B.** Development of the District is anticipated to include approximately 362 single-family homes, as shown on **Exhibit I**.

Improvement Area #1 includes approximately 40 acres as more particularly described in the Improvement Area #1 Plat on **Exhibit L** and depicted on **Exhibit B.** Development of Improvement Area #1 is anticipated to contain 133 single-family homes.

It is anticipated there will be two additional Future Improvement Areas within the District. As Future Improvement Areas are developed and in connection with the issuance of any Future Improvement Area Bonds, this Service and Assessment Plan will be amended to update the Exhibits. A map of the property that will comprise the Future Improvement Areas is depicted on **Exhibit B**.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C** and depicted on **Exhibit J**.

A. Improvement Area #1 Improvements

- *Roadway*

  Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Water*

  Improvements including trench excavation and embedment, trench safety, plastic/metal piping, service connections, water mains, valves, fire hydrants, testing, earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Wastewater*

  Improvements including trench excavation and embedment, trench safety, plastic/metal piping, manholes, service connections, sewer mains, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Storm Water*

  Improvements including earthen channels, swales, curb and drop inlets, storm sewer mains, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm water. The storm water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by

the City.

- *Natural Gas*

  Improvements including trench excavation and embedment, trench safety, plastic/metal piping, manholes, service connections, gas mains, valves, testing, earthwork, excavation, erosion control, and all necessary appurtenances required to provide natural gas service. The Natural Gas improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Soft Costs*

  Costs incurred in the establishment, administration and operation of the District; costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, and contingency; and, costs associated with financing the Authorized Improvements.

- *District Formation Costs*

  Costs incurred by the Developer including attorney fees, financial consultant fees, and other fees related to the formation of the District allocable to Improvement Area #1 and the levy of Improvement Area #1 Assessments.

B. Future Improvement Area Improvements

As Future Improvement Areas are developed and Assessments are levied on Assessed Property within the Future Improvement Areas, this Service and Assessment Plan will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the Assessed Property inside each Future Improvement Area.

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

  Equals the amount required to fund a reserve under an applicable Indenture.

- *Capitalized Interest*

  Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds and includes a

fee for underwriter's counsel.

- *Deposit to Delinquency and Prepayment Reserve Fund*

  Includes initial deposit to Delinquency and Prepayment Reserve Fund.

- *Deposit to Administrative Expense Fund*

  Includes first year Annual Collection Costs.

- *Cost of Issuance*

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

Upon completion of construction of the Authorized Improvements, any cost underruns within a line item of Authorized Improvements, may be available to pay cost overruns on any other Authorized Improvement line item with the approval of the City; such changes shall be set forth in an Annual Update to the Service and Assessment Plan.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated, at least annually, and approved by the City Council. The Service Plan for the District is summarized on **Exhibit D**.

The sources and uses of funds required to construct the Authorized Improvements and pay the District Formation Costs and Bond Issuance Costs are summarized on **Exhibit E**. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other

manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Improvement Area #1 Improvements shall be allocated according to the formula in **Section VI.A**, and all Lots within Improvement Area #1 are determined to be Lot Type 1 Lots. As such, each Lot within Improvement Area #1 is allocated the same Assessment and all Lots within Improvement Area #1 are equally benefitted by the Improvement Area #1 Improvements. Upon subdivision or consolidation of an Improvement Area #1 Assessed Property, the Improvement Area #1 Improvements shall be reallocated to each Lot Type based on Estimated Buildout Value described in **Section VI**.

When, and if, Future Improvement Areas are developed and the issuance of Future Improvement Area Bonds are contemplated, this Service and Assessment Plan will be amended to determine the assessment methodology necessary to apply equal shares of Actual Costs of Future Improvement Area Improvements on Assessed Property similarly benefited within that Future Improvement Area.

B. Assessments

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Assessed Property as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G-1** and the projected Annual Installments for Lot Type 1 are shown on **Exhibit G-2**, subject to revisions made during any Annual Service Plan Update.

The Maximum Assessment for Lot Type 1 is shown on **Exhibit H**. In no case will the Assessment for Lot Type 1 exceed the Maximum Assessment.

When, and if, Future Improvement Areas are developed and the issuance of Future Improvement Area Bonds are contemplated, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installment associated with the costs of Future

Improvement Area Improvements or each Lot located within a Future Improvement Area. The Assessment shall not exceed the benefit received by the Assessed Property.

C. Findings of Special Benefit

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

- *Improvement Area #1*

  1. The cost of Improvement Area #1 Improvements equal $5,951,204 as shown on **Exhibit C**; and

  2. The Improvement Area #1 Improvements, and the issuance of PID Bonds, including financing costs, allow the Improvement Area #1 Assessed Property to be developed into residential lots, which are inherently more valuable than raw, undeveloped vacant land. As such, the Developer intends for the increase in value of the land resulting from the construction of the Improvement Area #1 Improvements to be greater than the cost of the Improvement Area #1 Improvements, with the difference equaling the Developer's profit. As such, the City Council has determined that the Improvement Area #1 Assessed Property receives special benefit equal to or greater than the costs of the Improvement Area #1 Improvements; and

  3. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Improvements, which equal $4,180,000 as shown on the Improvement Area #1 Assessment Roll, attached hereto on **Exhibit F**; and

  4. The special benefit ($5,951,204) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Improvements is equal or greater than the amount of the Improvement Area #1 Assessments ($4,180,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Improvements; and

  5. At the time the City Council approved the Assessment Ordinance for the Improvement Area #1 Assessments, the Developer owned 100% of the Improvement Area #1 Assessed Property. The Developer has acknowledged that the Improvement Area #1 Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Developer has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the

Assessment Ordinance for the Improvement Area #1 Assessments; (2) the Service and Assessment Plan and the Assessment Ordinance for the Improvement Area #1 Assessments, and (3) the levying of Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

Exhibit H shows the estimated special benefit per Lot Type within Improvement Area #1 based on the Improvement Area #1 Plat attached as **Exhibit L**.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessments remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of Annual Installments in the amounts shown on **Exhibit G-1**, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property for purposes of paying debt service on the PID Bonds shall exceed the interest rate on the PID Bonds by the Additional Interest Rate. Additional Interest will not be collected on the Improvement Area #1 Reimbursement Obligation. Additional Interest shall be collected as part of each Annual Installment collected for purposes of paying debt service on the PID Bonds *and* shall be deposited into the Delinquency and Prepayment Reserve Fund, pursuant to the Indenture.

F. Future Bonds to Finance Improvement Area #1 Reimbursement Obligation

The City may issue PID Bonds to finance the remaining Improvement Area #1 Reimbursement Obligation. At the time of such financing, the interest currently charged and paid on the portion of the Improvement Area #1 Assessments allocated to Improvement Area #1 Reimbursement Obligation shall cease being paid to the Developer and the portion of the Improvement Area #1 Assessments currently allocated to the Improvement Area #1 Reimbursement Obligation shall then bear interest at the rate of the PID Bonds issued to finance the Improvement Area #1 Reimbursement Obligation plus the Additional Interest.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the

division among the newly divided Assessed Properties according to the following formula:

A = B x (C ÷ D)

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

A = [B x (C ÷ D)]/E

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E= the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

The sum of the Assessments for all newly subdivided Parcels shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision.

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

3. Upon Consolidation

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

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit H** for the applicable Lot Type, and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.B.**

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the City approving a final subdivision plat for Improvement Area #1 Assessed Property, the Administrator will certify that such plat will not result in the Assessment for Lot Type 1 exceeding the Maximum Assessment. If the Administrator determines that the resulting Assessment for Lot Type 1 exceeds the Maximum Assessment, then (1) the Assessment applicable to Lot Type 1 shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

D. Reduction of Assessments

If, as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the costs estimated herein, each Assessment shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Any excess PID Bond

proceeds remaining as a result of a cost savings for Authorized Improvements shall be applied to redeem the applicable series of outstanding PID Bonds. Any such reduction in the costs of the Authorized Improvements shall also reduce the Reimbursement Obligation under the related Reimbursement Agreement. The Assessments for each Improvement Area shall not, however, be reduced to an amount less than the related outstanding PID Bonds.

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

Similarly, if a portion of the Authorized Improvements to be funded with a series of PID Bonds or pursuant to a Reimbursement Agreement are not undertaken resulting in excess PID Bond proceeds or excess Assessment revenues, then the City may, in its discretion (i) in accordance with the applicable Indenture, reduce the Assessment for each Assessed Property securing the applicable PID Bonds on a pro-rata basis, or as otherwise determined by the City in accordance with the Indenture, to reflect only the Actual Costs that were expended and deposit and apply such excess PID Bond proceeds as described in the paragraph above or as authorized in the Indenture or (ii) reduce the applicable Improvement Area Assessment and the corresponding Reimbursement Obligation.

The Assessments shall not be reduced to an amount less than the amount due on the related outstanding series of PID Bonds and any related Reimbursement Obligation, as such Reimbursement Obligation may be reduced pursuant to this Section. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Assessed Properties from the Authorized Improvements completed.

If all the Authorized Improvements are not undertaken in any Improvement Area resulting in excess PID Bonds proceeds and excess Assessment revenues, then the City shall, at its discretion (i) in accordance with the applicable Indenture, reduce Assessments and Annual Installments for each applicable Assessed Property on a pro-rata basis to reflect only the amounts required to repay the PID Bonds, including interest on the PID Bonds, Additional Interest, Annual Collection Costs, and/or (ii) reduce the outstanding Reimbursement Obligation relating to the applicable Reimbursement Agreement and reduce the applicable Assessments and Annual Installments to reflect only the amount required to repay the resulting reduced Reimbursement Obligation, if any. The applicable excess PID Bond proceeds shall be applied to redeem PID Bonds as set forth in the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the amount due on the related outstanding PID Bonds.

The City Council may reduce the Assessments and the Annual Installments for Assessed Property (1) in an amount that represents the Authorized Improvements provided for each property; (2) by an equal percentage per Residential Lot; or (3) In any other manner determined by the City Council to be the most fair and practical means of reducing the Assessments for Assessed Property, such that the sum of the resulting reduced Assessments equals the amount required to repay the PID Bonds, including interest on the PID Bonds, Additional Interest, the Annual Collection Costs portion of the Assessment, and any Reimbursement Obligation.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any portion of an Assessment in accordance with the PID Act, including all Prepayment Costs. If Prepayments will result in redemption of PID Bonds, the payment amount shall be reduced by the amount, if any, of reserve funds applied to the redemption under the Indenture, net of any other costs applicable to the redemption of PID Bonds as set forth in the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

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

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

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

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "**Remaining Property**") following the reclassification of the Taken Property as Non-Benefited Property. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property.

Following the initiation of the Taking, the Administrator will be required to determine the portion of the Assessment that was levied against the Assessed Property that would have been allocated to the Taken Property prior to its reclassification as Non-Benefitted Property based on a manner that results in imposing equal shares of the costs of the applicable Authorized Improvements on property similarly benefitted.

The owner shall make a Prepayment of the Assessment in an amount equal to the amount determined by the Administrator in the above paragraph prior to the transfer of ownership of the Taken Property.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Remaining Property shall be subject to the $100 Assessment, and the Owner shall owe $10 as a prepayment for the Taken Property.

Notwithstanding the previous paragraphs in this subsection if the Administrator determines that the Taking prevents the Remaining Property from being developed as shown on the final plat, the owner shall be required to prepay the total amount of the Assessment levied against the Remaining Property within sixty (60) days of such determination.

G. Payment of Assessment in Annual Installments

Exhibit G-1 shows the projected Annual Installments, **Exhibit G-2** shows the Lot Type 1 Annual Installments. Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

If any Parcel shown on the Assessment Roll is assigned multiple tax identification numbers, the Annual Installment shall be allocated pro rata based on the acreage of the property as shown by Harris County Appraisal District for each tax identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated pro rata among Assessed Property for which Assessments remain unpaid based on the amount of the outstanding Assessment on each Assessed Property. Annual Installments shall be collected in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to PID Bonds issued for Improvement Area #1 shall be due when billed and shall be delinquent if not paid prior to February 1, 2021.

Failure of an Owner to receive an invoice for an Annual Installment on the property tax bill shall not relieve the Owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act.

H. Allocating Annual Installments if Assessed Property is Sold

If Assessed Property is sold, the Annual Installment shall be allocated between the buyer and seller in the same methodology as property taxes.

SECTION VII: ASSESSMENT ROLL

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

As Future Neighborhood Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment for each Lot located within such Future Improvement Areas.

SECTION VIII: ADDITIONAL PROVISIONS

A. Administrative Review

To the extent consistent with the PID Act, an Owner of Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date the invoice or other bill for the Annual Installment is received. If the Owner fails to give such notice, such Owners shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred. The City may elect to designate a third party who is not an officer or employee of the City to serve as administrator of the District.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property Owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the District for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council, shall be conclusive as long as there is a reasonable basis for such

determination. This procedure shall be exclusive and its exhaustion by any property Owner shall be a condition precedent to any other appeal or legal action by such Owner.

B. Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the Owner of the affected Assessed Property a recordable "Notice of the PID Assessment Termination," attached hereto as **Exhibit K**.

C. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan; and (4) for any other purpose authorized by the PID Act.

D. Administration and Interpretation

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

E. Severability

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

LIST OF EXHIBITS

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

Exhibit A	District Legal Description
Exhibit B	District Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G-1	Improvement Area #1 Annual Installments
Exhibit G-2	Lot Type 1 Annual Installments
Exhibit H	Maximum Assessment and Special Benefit per Lot Type
Exhibit I	Concept Plan
Exhibit J	Improvement Area #1 Improvements Map
Exhibit K	Notice of PID Assessment Termination
Exhibit L	Improvement Area #1 Plat

EXHIBIT A – DISTRICT LEGAL DESCRIPTION

105.0452 acres of land situated in the Jesse Pruitt Survey, Abstract Number 629, City of Tomball, Harris County, Texas, being those certain Outlots 338, 339, 341, 342, 343, 344, 346, 349, 350, 352, 353, 355, 356, 358, 359, 361, 362, 363, 364, 365, a portion of Outlot 354 all as shown on the Corrected Map of Tomball Outlots, a subdivision as shown on map or plat recorded under Volume 4, Page 75 of the Map Records of Harris County, Texas, all of that certain called 0.2616 of one acre, 0.7990 of one acre and 0.2732 of one acre of land all described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number RP-2019-400099, said 105.0452 acres of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found in the Easterly right-of-way line of South Persimmon Road (30 foot right-of-way), for the Northwesterly corner of said Outlot 338;

Thence, N 87°35'04" E, along the Southerly line of that certain Lot 1 of Persimmon Properties, a subdivision as shown on map or plat recorded under Film Code Number 679815 of the Map Records of Harris County, Texas, a distance of 1,156.29 feet to a 5/8 inch iron rod with cap set in the Westerly right-of-way line of an Unimproved right-of-way (variable width right-of-way) as shown on said Corrected Map of Tomball Outlots, for the Northeasterly corner of said Outlot 339, from which a found 5/8 inch iron rod with cap bears N 49°09'38" W, 3.69 feet;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way, a distance of 1,132.81 feet to a 5/8 inch iron rod with cap set for the Northeasterly corner of that certain Outlot 347 of said Corrected Map of Tomball Outlots, from which a found 5/8 inch iron rod bears S 87°44'47" W, 6.90 feet;

Thence, S 87°44'47" W, along the common line of said Outlots 344 and 347, a distance of 584.30 feet to a 5/8 inch iron rod with cap set for the common corner of said Outlots 343, 344, 346 and 347;

Thence, S 02°18'20" E, along the common line of said Outlots 346 and 347, a distance of 377.60 feet to a 5/8 inch iron rod with cap set for the common corner of said Outlots 346, 347, 349 and 350;

Thence, N 87°44'47" E, along the common line of said Outlots 347 and 350, a distance of 585.84 feet to a 5/8 inch iron rod with cap set in the Westerly right-of-way line of said Unimproved right-of-way, for the Southeasterly corner of said Outlot 347, from which a found 5/8 inch iron rod bears S 87°44'47" W, 4.31 feet;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way, a distance of 162.27 feet to the Northwesterly corner of said 0.2616 acre tract;

Thence, N 87°47'53" E, along the Southerly line of that certain Tract C of Truss Houston, Inc., a subdivision as shown on map or plat recorded under Volume 335, Page 107 of the Map Records of Harris County, Texas and a projection thereof, at 30.00 feet crossing said Unimproved right-of-way, in all a total distance of 508.88 feet to a 5/8 inch iron rod with cap found in the Westerly right-of-way line of Huffsmith Kohrville Road (right-of-way width varies);

Thence, S 02°08'45" E, along the Westerly right-of-way line of said Huffsmith Kohrville Road, a distance of 375.13 feet to a 1 inch iron rod found at the intersection with the Northerly right-of-way line of Sutton Lane (30 foot Unimproved right-of-way) as shown on said Corrected Map of Tomball Outlots, from which a found 5/8 inch iron rod with cap bears N 61°10'47" W, 0.87 feet;

Thence, S 87°15'14" W, along the Northerly right-of-way line of said Sutton Lane and a projection thereof, at 476.29 feet pass the Southeasterly corner of said 0.2616 acre tract, in all a total distance of 506.29 feet to the Southwesterly corner of said 0.2616 acre tract;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way (30 foot right-of-way along this course), a distance of 832.20 feet to the Northwesterly corner of said 0.2732 acre tract;

Thence, N 87°15'10" E, along the Southerly line of that certain Reserve “B” of the Final Plat of Calvary Baptist of Tomball Subdivision, a subdivision as shown on map or plat recorded under Film Code Number 520133 of the Map Records of Harris County, Texas and a projection thereof, at 30.00 feet crossing said Unimproved right-of-way, in all a total distance of 572.96 feet to a 5/8 inch iron rod with cap found for the Northwesterly corner of that certain Reserve “C” of said Final Plat of Calvary Baptist of Tomball Subdivision and the Northeasterly corner of said Outlot 365;

Thence, S 02°32'04" E, along the Westerly line of said Reserve “C”, a distance of 397.96 feet to a 1/2 inch iron rod found for the most Northerly Northeast corner of that certain called 10.27 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk’s File Number G259047 and the Northeasterly corner of said Outlot 368;

Thence, S 87°22'37" W, along the Northerly line of said 10.27 acre tract and the Northerly line of said Outlot 368 and a projection thereof, at 542.93 feet pass the Southeasterly corner of said 0.2732 acre tract, in all a total distance of 572.93 feet to the Southwesterly corner of said 0.2732 acre tract;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way (30 foot right-of-way along this course), a distance of 496.74 feet to a 5/8 inch iron rod with cap set for the Southeasterly corner of said Outlot 364 and the Northeasterly corner of that certain Outlot 367 of said Corrected Map of Tomball Outlots, from which a found 1/2 inch iron pipe bears N 87°51'27" E, 30.70 feet;

Thence, S 87°51'27" W, along the Northerly line of that certain Outlot 366 of said Corrected Map of Tomball Outlots and said Outlot 367, a distance of 1,162.57 feet to a PK Nail found in the Easterly right-of-way line of South Persimmon Road (30 foot right-of-way), for the Northwesterly corner of said Outlot 366 and the Southwesterly corner of said Outlot 363;

Thence, N 02°26'40" W, along the Easterly right-of-way line of said South Persimmon Road, a distance of 3,772.74 feet to the POINT OF BEGINNING and containing 105.0452 acres of land.

EXHIBIT B – DISTRICT BOUNDARY MAP

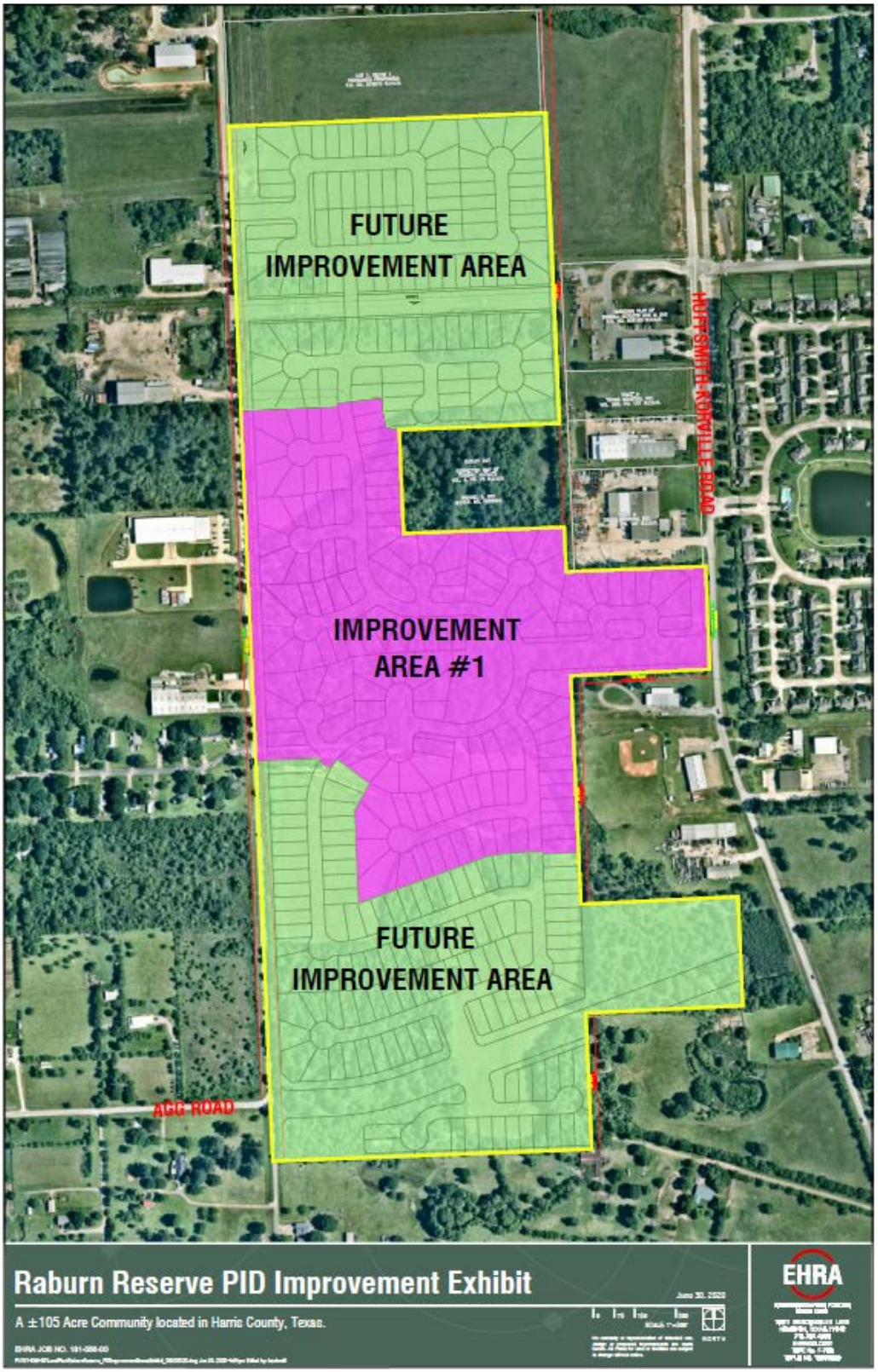


EXHIBIT C – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Improvement Area #1 %	Improvement Area #1 Cost
Improvement Area #1 Improvements			
Roadway [b]	1,882,152	100.00%	$ 1,882,152
Water	212,679	100.00%	212,679
Wastewater	499,294	100.00%	499,294
Storm Water [c]	1,362,175	100.00%	1,362,175
Natural Gas	150,840	100.00%	150,840
Soft Costs [d]	760,656	100.00%	760,656
	$ 4,867,795		$ 4,867,795
Bond Issuance Costs [e]			
District Formation Costs	$ 150,000		$ 150,000
Debt Service Reserve Fund	231,113		231,113
Capitalized Interest	112,396		112,396
Deposit to Delinquency and Prepayment Reserve	20,900		20,900
Deposit to Administrative Expense Fund	60,000		60,000
Underwriter's Discount	200,000		200,000
Cost of Issuance	309,000		309,000
	$ 1,083,408		$ 1,083,408
Total	**$ 5,951,204**		**$ 5,951,204**

Footnotes:

[a] Costs pursuant to EHRA Engineering's Preliminary Cost Estimate.

[b] Roadway includes excavation, paving, clearing, grubbing and site prep.

[c] Storm Water includes on and off-site costs as well as storm water pollution prevention plan.

[d] Soft Costs include engineering fees, geotech and construction materials testing fees and construction staking fees.

[e] Bond Issuance Costs include estimated costs for issuing PID Bonds to refund the Improvement Area #1 Reimbursement Obligation.

EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		**1/31/2021**	**1/31/2022**	**1/31/2023**	**1/31/2024**	**1/31/2025**
Improvement Area #1 Series A Bonds						
Principal		$ -	$ 35,000.00	$ 40,000.00	$ 40,000.00	$ 45,000.00
Interest		$ 112,395.83	$ 124,500.00	$ 122,750.00	$ 120,750.00	$ 118,750.00
Capitalized Interest		$ (112,395.83)	$ -	$ -	$ -	$ -
	(1)	$ -	$ 159,500.00	$ 162,750.00	$ 160,750.00	$ 163,750.00
Improvement Area #1 Reimbursement Obligation						
Principal		$ -	$ 30,000.00	$ 25,000.00	$ 30,000.00	$ 30,000.00
Interest		$ -	$ 80,275.00	$ 78,850.00	$ 77,662.50	$ 76,237.50
	(2)	$ -	$ 110,275.00	$ 103,850.00	$ 107,662.50	$ 106,237.50
Annual Collection Costs	(3)	$ -	$ 53,000.00	$ 53,000.00	$ 53,000.00	$ 53,000.00
Prepayment and Delinquency Reserve	(4)	$ -	$ 12,450.00	$ 12,275.00	$ 12,075.00	$ 11,875.00
Total Annual Installment	**(5)=(1)+(2)+(3)+(4)**	**$ -**	**$ 335,225.00**	**$ 331,875.00**	**$ 333,487.50**	**$ 334,862.50**
Total Annual Expenditures	(6)	$ 2,525,779.00	$ 2,342,015.00	$ -	$ -	$ -

Preliminary and subject to change.

EXHIBIT E – SOURCES AND USES

	Improvement Area #1 Series A Bond	Improvement Area #1 Reimbursement Obligation	Developer Contribution	Improvement Area #1 Total
Sources of Funds				
Improvement Area #1 Series A Bond	$ 2,490,000	$ -	$ -	$ 2,490,000
Improvement Area #1 Reimbursement Obligation	-	1,690,000	-	1,690,000
Developer Contribution	-	-	1,771,204	1,771,204
Total Sources	**$ 2,490,000**	**$ 1,690,000**	**$ 1,771,204**	**$ 5,951,204**
Uses of Funds				
Improvement Area #1 Improvements	$ 1,857,154	$ 1,389,438	$ 1,621,204	$ 4,867,795
Bond Issuance Costs				
District Formation Costs	$ -	$ -	$ 150,000	$ 150,000
Debt Service Reserve Fund	173,500	57,613	-	231,113
Capitalized Interest	112,396	-	-	112,396
Deposit to Delinquency and Prepayment Reserve	12,450	8,450	-	20,900
Deposit to Administrative Expense Fund	60,000	-	-	60,000
Underwriter's Discount	100,000	100,000	-	200,000
Cost of Issuance	174,500	134,500	-	309,000
	$ 632,846	**$ 300,563**	**$ 150,000**	**$ 1,083,408**
Total Uses	**$ 2,490,000**	**$ 1,690,000**	**$ 1,771,204**	**$ 5,951,204**

Note: Bond Issuance Costs are estiamtes and will be updated at the time of bond issuance.

Preliminary and subject to change.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Improvement Area #1	
Lot and Block	Lot Type	Outstanding Assessment	Annual Installment due 1/31/21[1]
Block 1, Lot 1	1	$ 31,428.57	$ -
Block 1, Lot 2	1	$ 31,428.57	$ -
Block 1, Lot 3	1	$ 31,428.57	$ -
Block 1, Lot 4	1	$ 31,428.57	$ -
Block 1, Lot 5	1	$ 31,428.57	$ -
Block 1, Lot 6	1	$ 31,428.57	$ -
Block 1, Lot 7	1	$ 31,428.57	$ -
Block 1, Lot 8	1	$ 31,428.57	$ -
Block 1, Lot 9	1	$ 31,428.57	$ -
Block 1, Lot 10	1	$ 31,428.57	$ -
Block 1, Lot 11	1	$ 31,428.57	$ -
Block 1, Lot 12	1	$ 31,428.57	$ -
Block 1, Lot 13	1	$ 31,428.57	$ -
Block 1, Lot 14	1	$ 31,428.57	$ -
Block 1, Lot 15	1	$ 31,428.57	$ -
Block 1, Lot 16	1	$ 31,428.57	$ -
Block 1, Lot 17	1	$ 31,428.57	$ -
Block 1, Lot 18	1	$ 31,428.57	$ -
Block 1, Lot 19	1	$ 31,428.57	$ -
Block 1, Lot 20	1	$ 31,428.57	$ -
Block 1, Lot 21	1	$ 31,428.57	$ -
Block 1, Lot 22	1	$ 31,428.57	$ -
Block 1, Lot 23	1	$ 31,428.57	$ -
Block 1, Lot 24	1	$ 31,428.57	$ -
Block 1, Lot 25	1	$ 31,428.57	$ -
Block 1, Lot 26	1	$ 31,428.57	$ -
Block 1, Lot 27	1	$ 31,428.57	$ -
Block 1, Lot 28	1	$ 31,428.57	$ -
Block 1, Lot 29	1	$ 31,428.57	$ -
Block 1, Lot 30	1	$ 31,428.57	$ -
Block 1, Lot 31	1	$ 31,428.57	$ -
Block 1, Lot 32	1	$ 31,428.57	$ -
Block 1, Lot 33	1	$ 31,428.57	$ -
Block 1, Lot 34	1	$ 31,428.57	$ -
Block 1, Lot 35	1	$ 31,428.57	$ -
Block 1, Lot 36	1	$ 31,428.57	$ -
Block 1, Lot 37	1	$ 31,428.57	$ -
Block 1, Lot 38	1	$ 31,428.57	$ -
Block 1, Lot 39	1	$ 31,428.57	$ -
Block 1, Lot 40	1	$ 31,428.57	$ -

Preliminary and subject to change.

Lot and Block	Lot Type	Improvement Area #1 Outstanding Assessment	Improvement Area #1 Annual Installment due 1/31/21[1]
Block 1, Lot 41	1	$ 31,428.57	$ -
Block 1, Lot 42	1	$ 31,428.57	$ -
Block 1, Lot 43	1	$ 31,428.57	$ -
Block 1, Lot 44	1	$ 31,428.57	$ -
Block 1, Lot 45	1	$ 31,428.57	$ -
Block 1, Lot 46	1	$ 31,428.57	$ -
Block 1, Lot 47	1	$ 31,428.57	$ -
Block 1, Lot 48	1	$ 31,428.57	$ -
Block 1, Lot 49	1	$ 31,428.57	$ -
Block 1, Lot 50	1	$ 31,428.57	$ -
Block 1, Lot 51	1	$ 31,428.57	$ -
Block 1, Lot 52	1	$ 31,428.57	$ -
Block 1, Lot 53	1	$ 31,428.57	$ -
Block 1, Lot 54	1	$ 31,428.57	$ -
Block 1, Lot 55	1	$ 31,428.57	$ -
Block 1, Lot 56	1	$ 31,428.57	$ -
Block 2, Lot 1	1	$ 31,428.57	$ -
Block 2, Lot 2	1	$ 31,428.57	$ -
Block 2, Lot 3	1	$ 31,428.57	$ -
Block 2, Lot 4	1	$ 31,428.57	$ -
Block 2, Lot 5	1	$ 31,428.57	$ -
Block 2, Lot 6	1	$ 31,428.57	$ -
Block 2, Lot 7	1	$ 31,428.57	$ -
Block 2, Lot 8	1	$ 31,428.57	$ -
Block 2, Lot 9	1	$ 31,428.57	$ -
Block 2, Lot 10	1	$ 31,428.57	$ -
Block 2, Lot 11	1	$ 31,428.57	$ -
Block 2, Lot 12	1	$ 31,428.57	$ -
Block 2, Lot 13	1	$ 31,428.57	$ -
Block 2, Lot 14	1	$ 31,428.57	$ -
Block 2, Lot 15	1	$ 31,428.57	$ -
Block 2, Lot 16	1	$ 31,428.57	$ -
Block 2, Lot 17	1	$ 31,428.57	$ -
Block 2, Lot 18	1	$ 31,428.57	$ -
Block 2, Lot 19	1	$ 31,428.57	$ -
Block 2, Lot 20	1	$ 31,428.57	$ -
Block 2, Lot 21	1	$ 31,428.57	$ -
Block 2, Lot 22	1	$ 31,428.57	$ -
Block 2, Lot 23	1	$ 31,428.57	$ -
Block 2, Lot 24	1	$ 31,428.57	$ -
Block 2, Lot 25	1	$ 31,428.57	$ -
Block 2, Lot 26	1	$ 31,428.57	$ -
Block 2, Lot 27	1	$ 31,428.57	$ -
Block 2, Lot 28	1	$ 31,428.57	$ -
Block 2, Lot 29	1	$ 31,428.57	$ -
Block 2, Lot 30	1	$ 31,428.57	$ -
Block 2, Lot 31	1	$ 31,428.57	$ -
Block 2, Lot 32	1	$ 31,428.57	$ -
Block 3, Lot 1	1	$ 31,428.57	$ -
Block 3, Lot 2	1	$ 31,428.57	$ -

Preliminary and subject to change.

		Improvement Area #1	
Lot and Block	Lot Type	Outstanding Assessment	Annual Installment due 1/31/21[1]
Block 3, Lot 3	1	$ 31,428.57	$ -
Block 3, Lot 4	1	$ 31,428.57	$ -
Block 3, Lot 5	1	$ 31,428.57	$ -
Block 3, Lot 6	1	$ 31,428.57	$ -
Block 3, Lot 7	1	$ 31,428.57	$ -
Block 3, Lot 8	1	$ 31,428.57	$ -
Block 3, Lot 9	1	$ 31,428.57	$ -
Block 3, Lot 10	1	$ 31,428.57	$ -
Block 3, Lot 11	1	$ 31,428.57	$ -
Block 4, Lot 1	1	$ 31,428.57	$ -
Block 4, Lot 2	1	$ 31,428.57	$ -
Block 4, Lot 3	1	$ 31,428.57	$ -
Block 4, Lot 4	1	$ 31,428.57	$ -
Block 4, Lot 5	1	$ 31,428.57	$ -
Block 4, Lot 6	1	$ 31,428.57	$ -
Block 4, Lot 7	1	$ 31,428.57	$ -
Block 4, Lot 8	1	$ 31,428.57	$ -
Block 4, Lot 9	1	$ 31,428.57	$ -
Block 4, Lot 10	1	$ 31,428.57	$ -
Block 4, Lot 11	1	$ 31,428.57	$ -
Block 4, Lot 12	1	$ 31,428.57	$ -
Block 4, Lot 13	1	$ 31,428.57	$ -
Block 4, Lot 14	1	$ 31,428.57	$ -
Block 4, Lot 15	1	$ 31,428.57	$ -
Block 4, Lot 16	1	$ 31,428.57	$ -
Block 4, Lot 17	1	$ 31,428.57	$ -
Block 4, Lot 18	1	$ 31,428.57	$ -
Block 4, Lot 19	1	$ 31,428.57	$ -
Block 4, Lot 20	1	$ 31,428.57	$ -
Block 4, Lot 21	1	$ 31,428.57	$ -
Block 4, Lot 22	1	$ 31,428.57	$ -
Block 4, Lot 23	1	$ 31,428.57	$ -
Block 4, Lot 24	1	$ 31,428.57	$ -
Block 4, Lot 25	1	$ 31,428.57	$ -
Block 4, Lot 26	1	$ 31,428.57	$ -
Block 4, Lot 27	1	$ 31,428.57	$ -
Block 4, Lot 28	1	$ 31,428.57	$ -
Block 4, Lot 29	1	$ 31,428.57	$ -
Block 4, Lot 30	1	$ 31,428.57	$ -
Block 4, Lot 31	1	$ 31,428.57	$ -
Block 4, Lot 32	1	$ 31,428.57	$ -
Block 4, Lot 33	1	$ 31,428.57	$ -
Block 4, Lot 34	1	$ 31,428.57	$ -
Total		**$ 4,180,000.00**	**$ -**

[1] These lots have not been assigned a Property ID by the Harris County Appraisal District. Capitalized interest will cover the debt service requirements through the first installment which is due 1/31/2022. The Outstanding Assessment shown is the principal portion of the Assessment only and does not include accrued interest. Totals may not sum due to rounding.

Preliminary and subject to change.

EXHIBIT G-1 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

	Improvement Area #1 Series A Bonds			IA #1 Reimbursement Obligation				
Annual Installments Due	Principal	Interest[1]	Capitalized Interest	Principal	Interest[2]	Additional Interest	Annual Collection Costs[3]	Total Annual Installment
1/31/2021	$ -	$ 112,396	$ (112,396)	$ -	$ -	$ -	$ -	$ -
1/31/2022	$ 35,000	$ 124,500	$ -	$ 30,000	$ 80,275	$ 12,450	$ 53,000	$ 335,225
1/31/2023	$ 40,000	$ 122,750	$ -	$ 25,000	$ 78,850	$ 12,275	$ 53,000	$ 331,875
1/31/2024	$ 40,000	$ 120,750	$ -	$ 30,000	$ 77,663	$ 12,075	$ 53,000	$ 333,488
1/31/2025	$ 45,000	$ 118,750	$ -	$ 30,000	$ 76,238	$ 11,875	$ 53,000	$ 334,863
1/31/2026	$ 45,000	$ 116,500	$ -	$ 35,000	$ 74,813	$ 11,650	$ 53,000	$ 335,963
1/31/2027	$ 50,000	$ 114,250	$ -	$ 30,000	$ 73,150	$ 11,425	$ 53,000	$ 331,825
1/31/2028	$ 50,000	$ 111,750	$ -	$ 35,000	$ 71,725	$ 11,175	$ 53,000	$ 332,650
1/31/2029	$ 55,000	$ 109,250	$ -	$ 35,000	$ 70,063	$ 10,925	$ 53,000	$ 333,238
1/31/2030	$ 55,000	$ 106,500	$ -	$ 40,000	$ 68,400	$ 10,650	$ 53,000	$ 333,550
1/31/2031	$ 60,000	$ 103,750	$ -	$ 40,000	$ 66,500	$ 10,375	$ 53,000	$ 333,625
1/31/2032	$ 65,000	$ 100,750	$ -	$ 40,000	$ 64,600	$ 10,075	$ 53,000	$ 333,425
1/31/2033	$ 65,000	$ 97,500	$ -	$ 45,000	$ 62,700	$ 9,750	$ 53,000	$ 332,950
1/31/2034	$ 70,000	$ 94,250	$ -	$ 50,000	$ 60,563	$ 9,425	$ 53,000	$ 337,238
1/31/2035	$ 75,000	$ 90,750	$ -	$ 50,000	$ 58,188	$ 9,075	$ 53,000	$ 336,013
1/31/2036	$ 80,000	$ 87,000	$ -	$ 50,000	$ 55,813	$ 8,700	$ 53,000	$ 334,513
1/31/2037	$ 80,000	$ 83,000	$ -	$ 60,000	$ 53,438	$ 8,300	$ 53,000	$ 337,738
1/31/2038	$ 85,000	$ 79,000	$ -	$ 60,000	$ 50,588	$ 7,900	$ 53,000	$ 335,488
1/31/2039	$ 90,000	$ 74,750	$ -	$ 65,000	$ 47,738	$ 7,475	$ 53,000	$ 337,963
1/31/2040	$ 95,000	$ 70,250	$ -	$ 65,000	$ 44,650	$ 7,025	$ 53,000	$ 334,925
1/31/2041	$ 100,000	$ 65,500	$ -	$ 70,000	$ 41,563	$ 6,550	$ 53,000	$ 336,613
1/31/2042	$ 105,000	$ 60,500	$ -	$ 75,000	$ 38,238	$ 6,050	$ 53,000	$ 337,788
1/31/2043	$ 115,000	$ 55,250	$ -	$ 75,000	$ 34,675	$ 5,525	$ 53,000	$ 338,450
1/31/2044	$ 120,000	$ 49,500	$ -	$ 80,000	$ 31,113	$ 4,950	$ 53,000	$ 338,563
1/31/2045	$ 125,000	$ 43,500	$ -	$ 85,000	$ 27,313	$ 4,350	$ 53,000	$ 338,163
1/31/2046	$ 135,000	$ 37,250	$ -	$ 85,000	$ 23,275	$ 3,725	$ 53,000	$ 337,250
1/31/2047	$ 140,000	$ 30,500	$ -	$ 95,000	$ 19,238	$ 3,050	$ 53,000	$ 340,788
1/31/2048	$ 150,000	$ 23,500	$ -	$ 95,000	$ 14,725	$ 2,350	$ 53,000	$ 338,575
1/31/2049	$ 155,000	$ 16,000	$ -	$ 105,000	$ 10,213	$ 1,600	$ 53,000	$ 340,813
1/31/2050	$ 165,000	$ 8,250	$ -	$ 110,000	$ 5,225	$ 825	$ 53,000	$ 342,300
Total	**$ 2,490,000**	**$ 2,428,146**	**$ (112,396)**	**$ 1,690,000**	**$ 1,481,525**	**$ 231,575**	**$ 1,537,000**	**$ 9,745,850**

[1] Interest on the Improvement Area #1 Bonds is calculated at a 5.00% rate.

[2] Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.75% rate.

[3] $60 per lot ($7,980 for Improvement Area #1) is budgeted for costs incurred by City staff for administering the PID.

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

Preliminary and subject to change.

EXHIBIT G-2 – LOT TYPE 1 ANNUAL INSTALLMENTS

	Improvement Area #1 Series A Bonds			IA #1 Reimbursement Obligation				
Annual Installments Due	Principal	Interest[1]	Capitalized Interest	Principal	Interest[2]	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2021	$ -	$ 845.08	$ (845.08)	$ -	$ -	$ -	$ -	$ -
1/31/2022	$ 263.16	$ 936.09	$ -	$ 225.56	$ 603.57	$ 93.61	$ 398.50	$ 2,520.49
1/31/2023	$ 300.75	$ 922.93	$ -	$ 187.97	$ 592.86	$ 92.29	$ 398.50	$ 2,495.30
1/31/2024	$ 300.75	$ 907.89	$ -	$ 225.56	$ 583.93	$ 90.79	$ 398.50	$ 2,507.42
1/31/2025	$ 338.35	$ 892.86	$ -	$ 225.56	$ 573.21	$ 89.29	$ 398.50	$ 2,517.76
1/31/2026	$ 338.35	$ 875.94	$ -	$ 263.16	$ 562.50	$ 87.59	$ 398.50	$ 2,526.03
1/31/2027	$ 375.94	$ 859.02	$ -	$ 225.56	$ 550.00	$ 85.90	$ 398.50	$ 2,494.92
1/31/2028	$ 375.94	$ 840.23	$ -	$ 263.16	$ 539.29	$ 84.02	$ 398.50	$ 2,501.13
1/31/2029	$ 413.53	$ 821.43	$ -	$ 263.16	$ 526.79	$ 82.14	$ 398.50	$ 2,505.55
1/31/2030	$ 413.53	$ 800.75	$ -	$ 300.75	$ 514.29	$ 80.08	$ 398.50	$ 2,507.89
1/31/2031	$ 451.13	$ 780.08	$ -	$ 300.75	$ 500.00	$ 78.01	$ 398.50	$ 2,508.46
1/31/2032	$ 488.72	$ 757.52	$ -	$ 300.75	$ 485.71	$ 75.75	$ 398.50	$ 2,506.95
1/31/2033	$ 488.72	$ 733.08	$ -	$ 338.35	$ 471.43	$ 73.31	$ 398.50	$ 2,503.38
1/31/2034	$ 526.32	$ 708.65	$ -	$ 375.94	$ 455.36	$ 70.86	$ 398.50	$ 2,535.62
1/31/2035	$ 563.91	$ 682.33	$ -	$ 375.94	$ 437.50	$ 68.23	$ 398.50	$ 2,526.41
1/31/2036	$ 601.50	$ 654.14	$ -	$ 375.94	$ 419.64	$ 65.41	$ 398.50	$ 2,515.13
1/31/2037	$ 601.50	$ 624.06	$ -	$ 451.13	$ 401.79	$ 62.41	$ 398.50	$ 2,539.38
1/31/2038	$ 639.10	$ 593.98	$ -	$ 451.13	$ 380.36	$ 59.40	$ 398.50	$ 2,522.46
1/31/2039	$ 676.69	$ 562.03	$ -	$ 488.72	$ 358.93	$ 56.20	$ 398.50	$ 2,541.07
1/31/2040	$ 714.29	$ 528.20	$ -	$ 488.72	$ 335.71	$ 52.82	$ 398.50	$ 2,518.23
1/31/2041	$ 751.88	$ 492.48	$ -	$ 526.32	$ 312.50	$ 49.25	$ 398.50	$ 2,530.92
1/31/2042	$ 789.47	$ 454.89	$ -	$ 563.91	$ 287.50	$ 45.49	$ 398.50	$ 2,539.76
1/31/2043	$ 864.66	$ 415.41	$ -	$ 563.91	$ 260.71	$ 41.54	$ 398.50	$ 2,544.74
1/31/2044	$ 902.26	$ 372.18	$ -	$ 601.50	$ 233.93	$ 37.22	$ 398.50	$ 2,545.58
1/31/2045	$ 939.85	$ 327.07	$ -	$ 639.10	$ 205.36	$ 32.71	$ 398.50	$ 2,542.58
1/31/2046	$ 1,015.04	$ 280.08	$ -	$ 639.10	$ 175.00	$ 28.01	$ 398.50	$ 2,535.71
1/31/2047	$ 1,052.63	$ 229.32	$ -	$ 714.29	$ 144.64	$ 22.93	$ 398.50	$ 2,562.31
1/31/2048	$ 1,127.82	$ 176.69	$ -	$ 714.29	$ 110.71	$ 17.67	$ 398.50	$ 2,545.68
1/31/2049	$ 1,165.41	$ 120.30	$ -	$ 789.47	$ 76.79	$ 12.03	$ 398.50	$ 2,562.50
1/31/2050	$ 1,240.60	$ 62.03	$ -	$ 827.07	$ 39.29	$ 6.20	$ 398.50	$ 2,573.68
Total	**$ 18,721.80**	**$ 18,256.74**	**$ (845.08)**	**$ 12,706.77**	**$ 11,139.29**	**$ 1,741.17**	**$ 11,556.39**	**$ 73,277.07**

[1] Interest on the Improvement Area #1 Bonds is calculated at a 5.00% rate.

[2] Interest on the Improvement Area #1 Reimbursement Obligation is calculated at a 4.75% rate.

[3] $60 per lot ($7,980 for Improvement Area #1) is budgeted for costs incurred by City staff for administering the PID.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates and subject to the recording of the Preliminary Plat attached as Exhibit L. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Preliminary and subject to change.

EXHIBIT H – MAXIMUM ASSESSMENT AND SPECIAL BENEFIT PER LOT TYPE

Lot Type	Units	Assessment	Maximum Assessment per Lot Type	Special Benefit	Special Benefit per Lot Type
Improvement Area #1					
1	133	$ 4,180,000	$ 31,429	$ 5,951,204	$ 44,746
Total	**133**	**$ 4,180,000**		**$ 5,951,204**	

Note: Subject to the Improvement Area #1 Plat attached as **Exhibit L**.

Preliminary and subject to change.

EXHIBIT I – CONCEPT PLAN

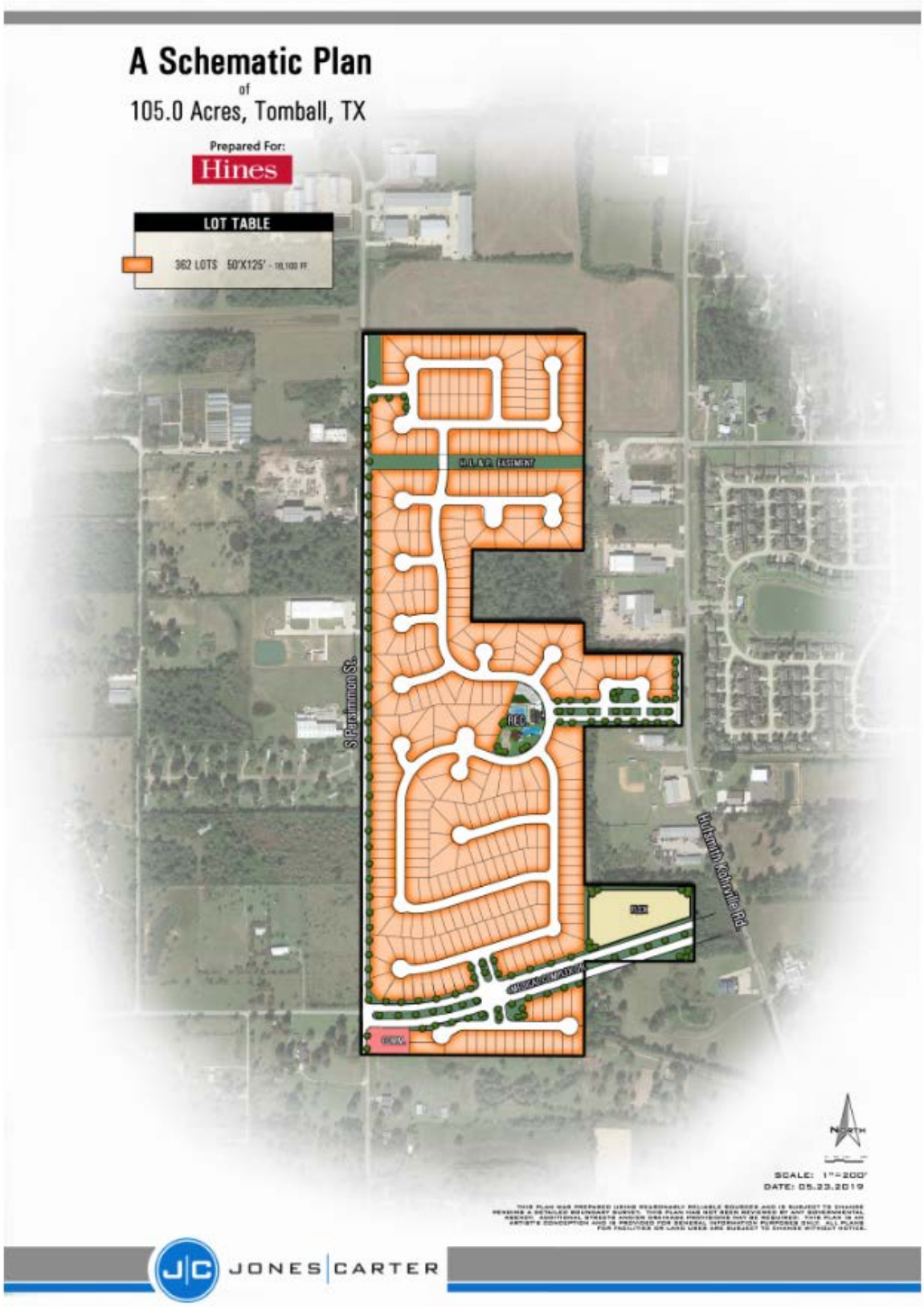
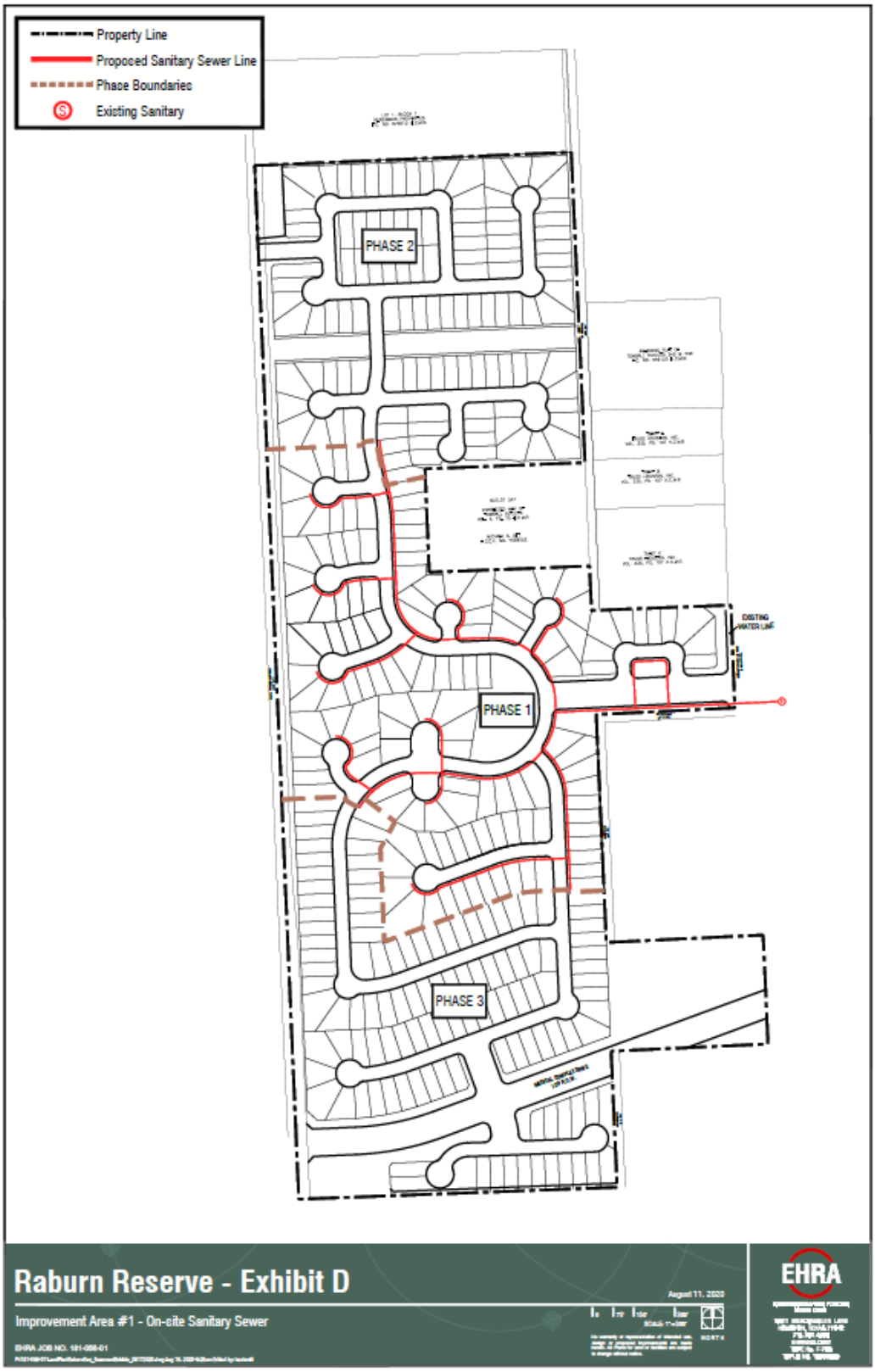
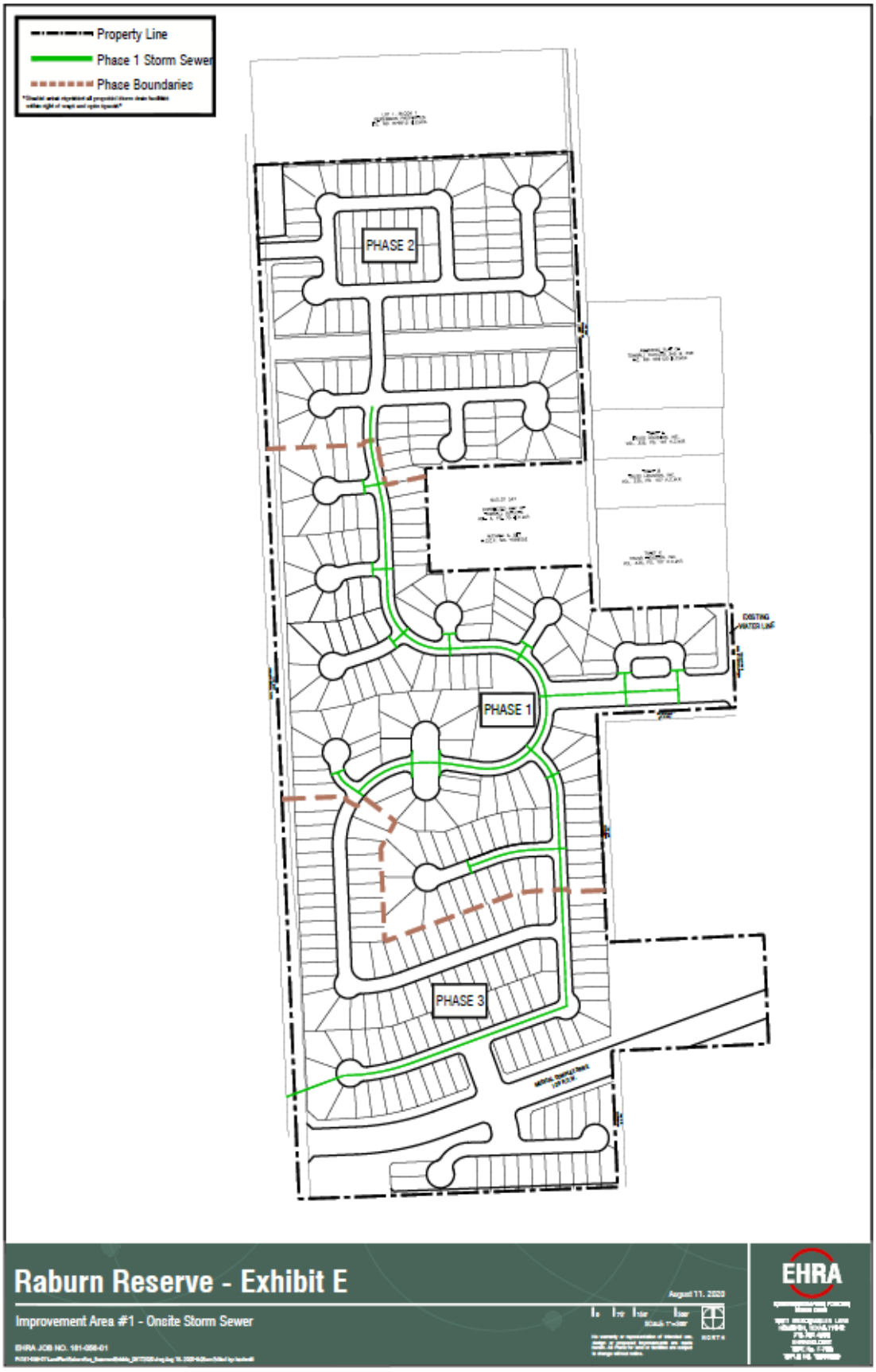
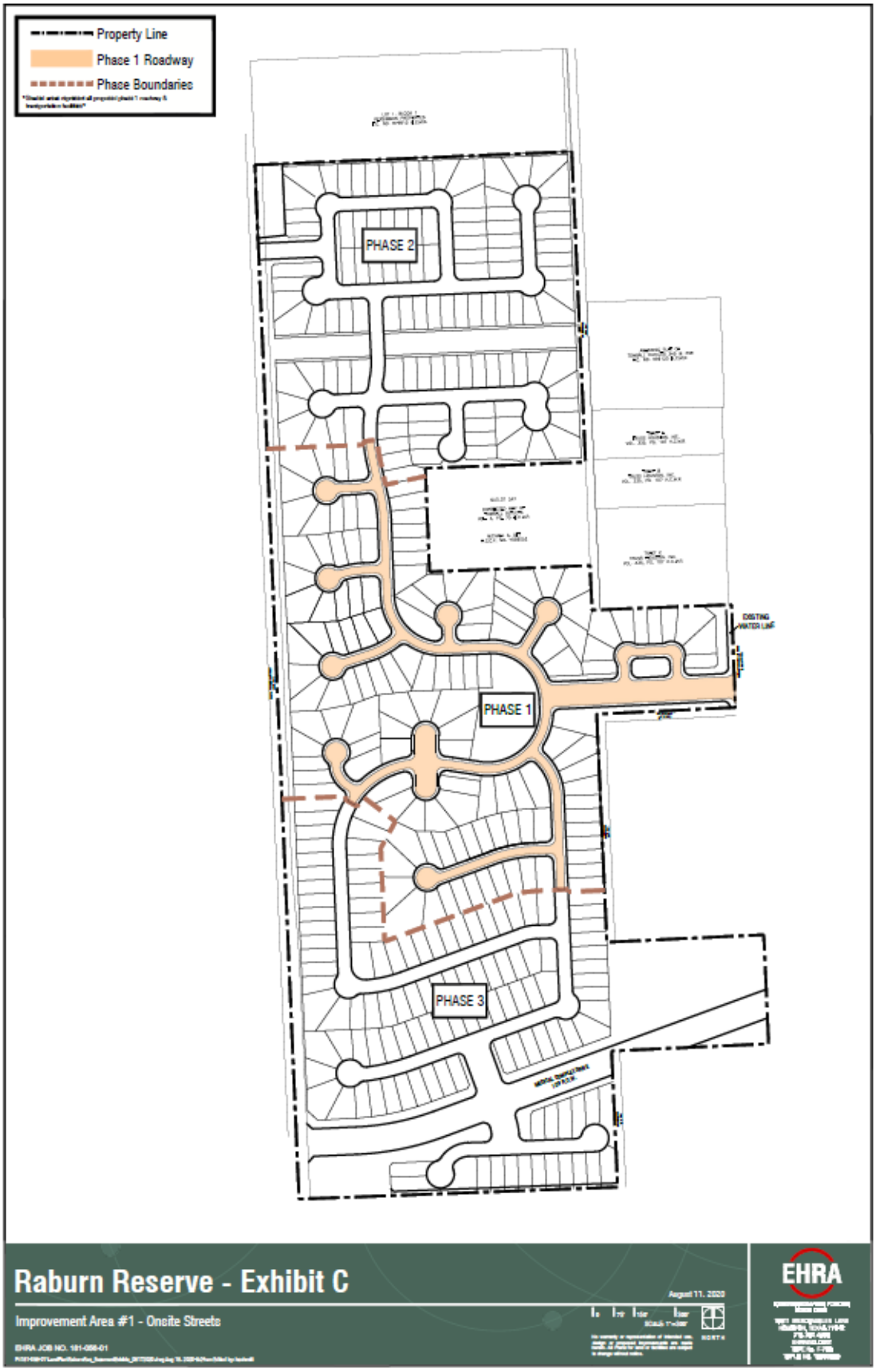
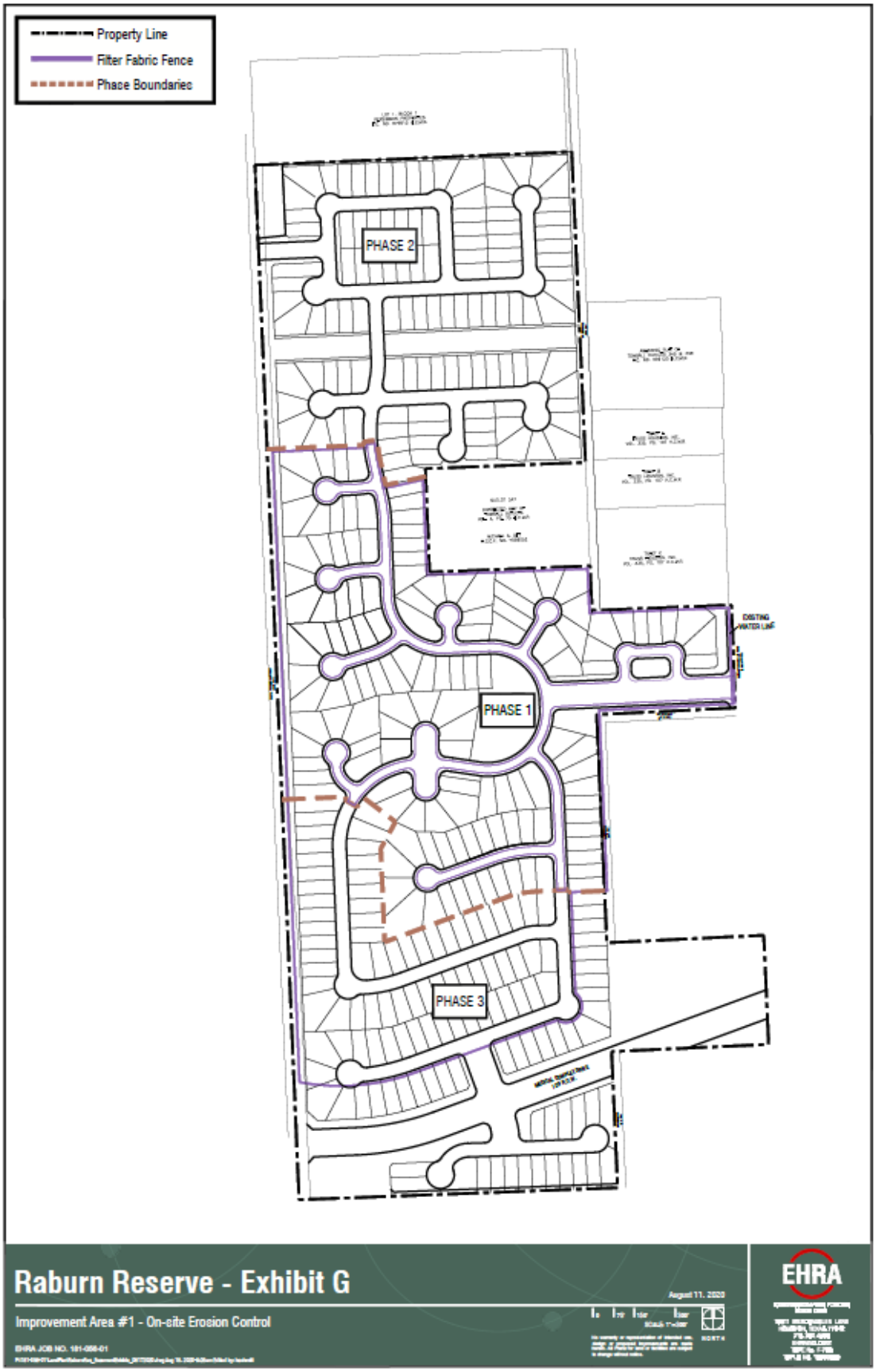


EXHIBIT J– IMPROVEMENT AREA #1 IMPROVEMENTS MAPS




Property Line
Phase 1 Storm Sewer
Phase Boundaries
PHASE 2
PHASE 1
PHASE 3
EXISTING WATER LINE
Raburn Reserve - Exhibit E
Improvement Area #1 - Onsite Storm Sewer
August 11, 2020
EHRA


Property Line
Phase 1 Roadway
Phase Boundaries
PHASE 2
PHASE 1
PHASE 3
EXISTING WATER LINE
Raburn Reserve - Exhibit C
Improvement Area #1 - Onsite Streets
August 11, 2020
EHRA


Property Line
Filter Fabric Fence
Phase Boundaries
PHASE 2
PHASE 1
PHASE 3
EXISTING WATER LINE
Raburn Reserve - Exhibit G
Improvement Area #1 - On-site Erosion Control
August 11, 2020
EHRA JOB NO. 101-056-01
EHRA

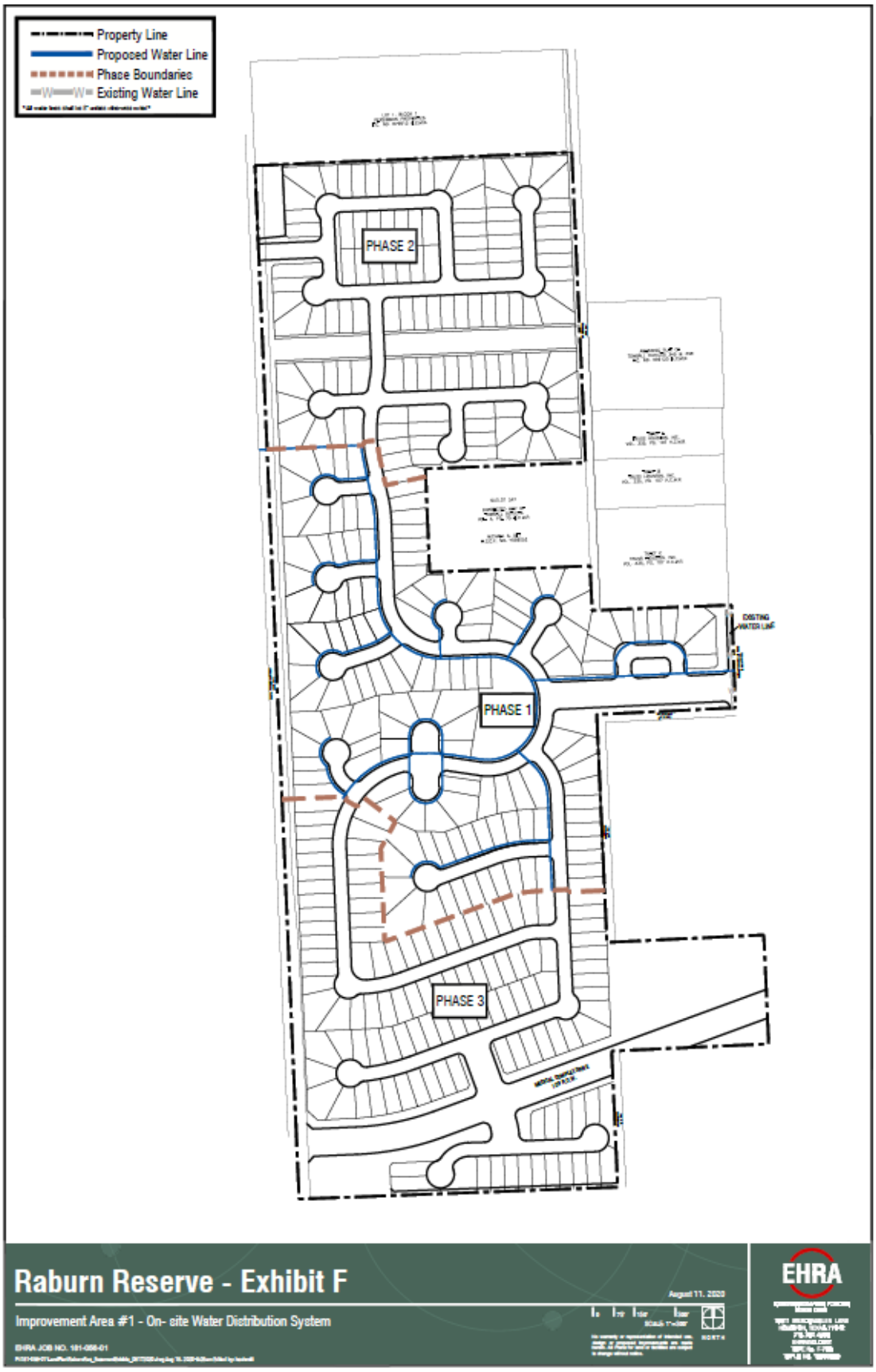

Property Line
Proposed Water Line
Phase Boundaries
Existing Water Line
PHASE 2
PHASE 1
PHASE 3
EXISTING WATER LINE
Raburn Reserve - Exhibit F
Improvement Area #1 - On- site Water Distribution System
August 11, 2020
EHRA

EXHIBIT K – NOTICE OF PID ASSESSMENT TERMINATION

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

[Date]
Harris County Civil Courthouse
Honorable [County Clerk Name]
201 Caroline, Suite 310
Houston, Texas 77002

Re: City of Tomball Lien Release documents for filing

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

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

City of Tomball
Attn: [City Secretary]
401 Market Street
Tomball, Texas 77375

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

Sincerely,
[Signature]

P3Works, LLC
P: (817)393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary]
City of Tomball
401 Market Street
Tomball, Texas 77375

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Tomball, Texas.

RECITALS

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

WHEREAS, on or about October 7, 2019 the City Council for the City, approved Resolution No. 2019-41, creating the Raburn Reserve Public Improvement District; and

WHEREAS, on or about November 4, 2019 the City Council for the City, approved Resolution No. 2019-45, amending and restating Resolution No. 2019-41 by incorporating an increased area of the Raburn Reserve Public Improvement District; and

WHEREAS, the Raburn Reserve Public Improvement District consists of approximately 105 contiguous acres located within the City; and

WHEREAS, on or about _____, 2020, the City Council, approved Ordinance No. ____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Raburn Reserve Public Improvement District; and

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

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

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

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, as established by Ordinance No. _____, which levied the Assessment in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

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

CITY OF TOMBALL, TEXAS,

By: _____
[Name], [Title]

ATTEST:

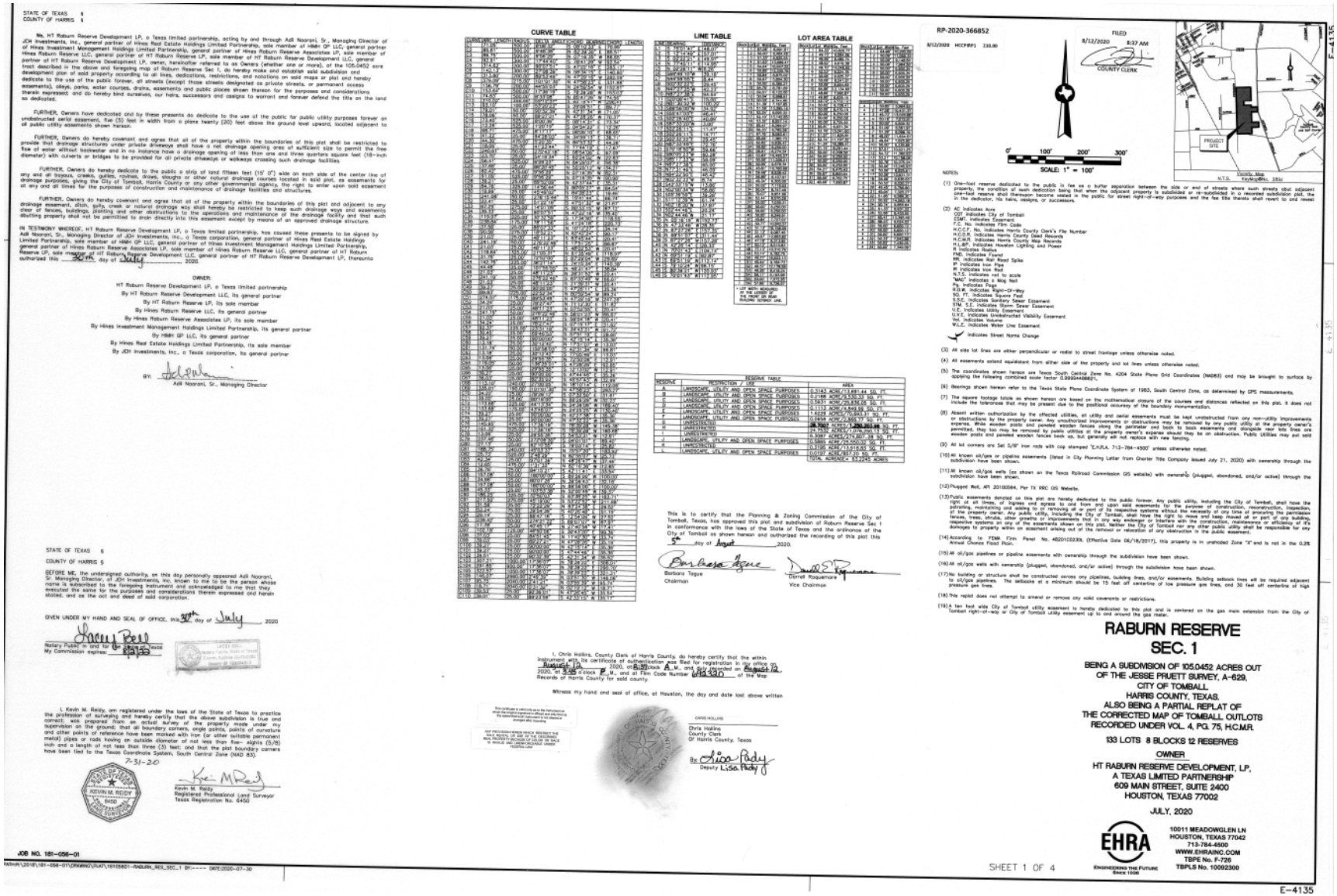
_____
[Secretary Name], City Secretary

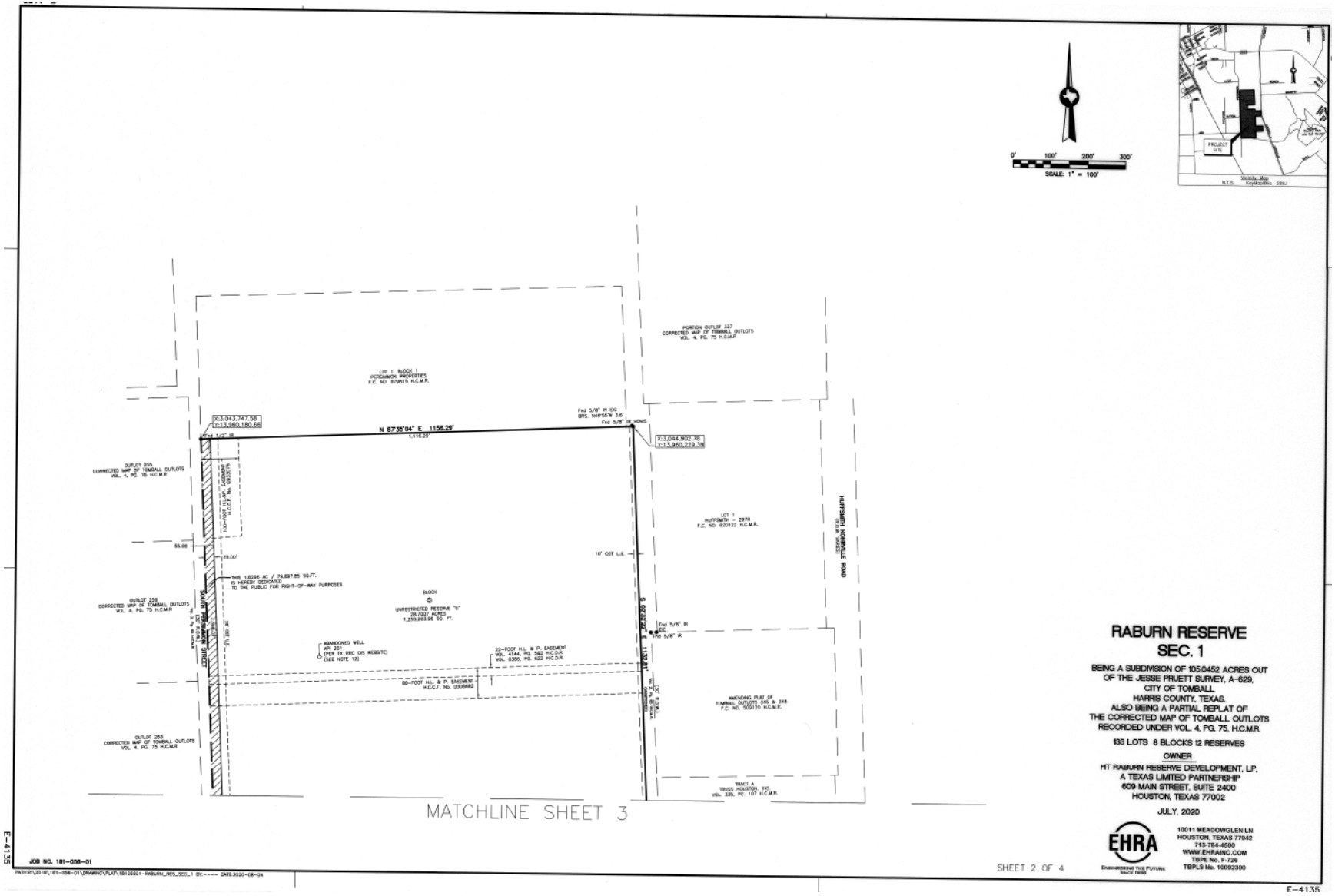
STATE OF TEXAS **§**
§
COUNTY OF _____ **§**

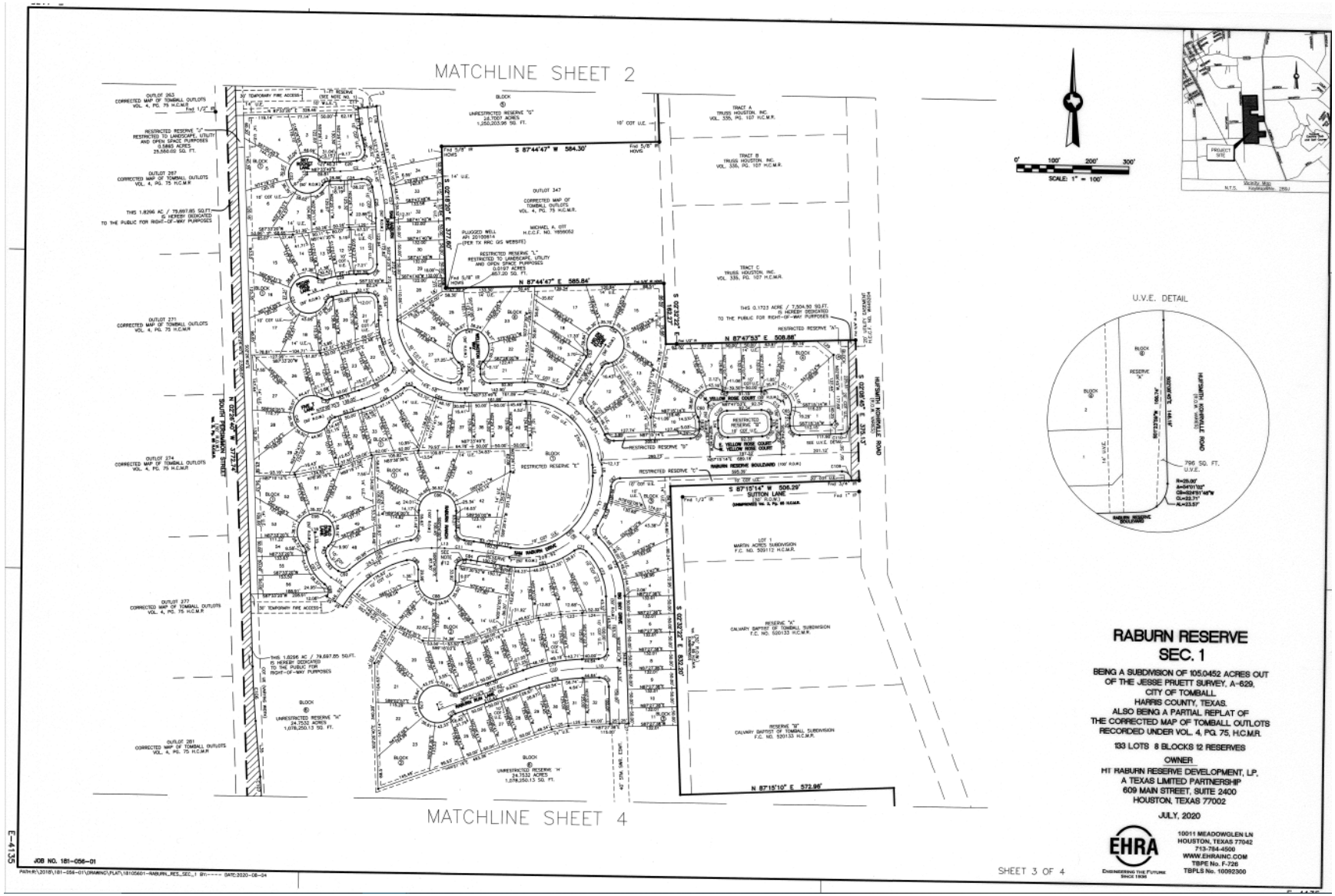
This instrument was acknowledged before me on the ____ day of _____, 20__, by [Name], [Title] for the City of Tomball, Texas, on behalf of said municipality.

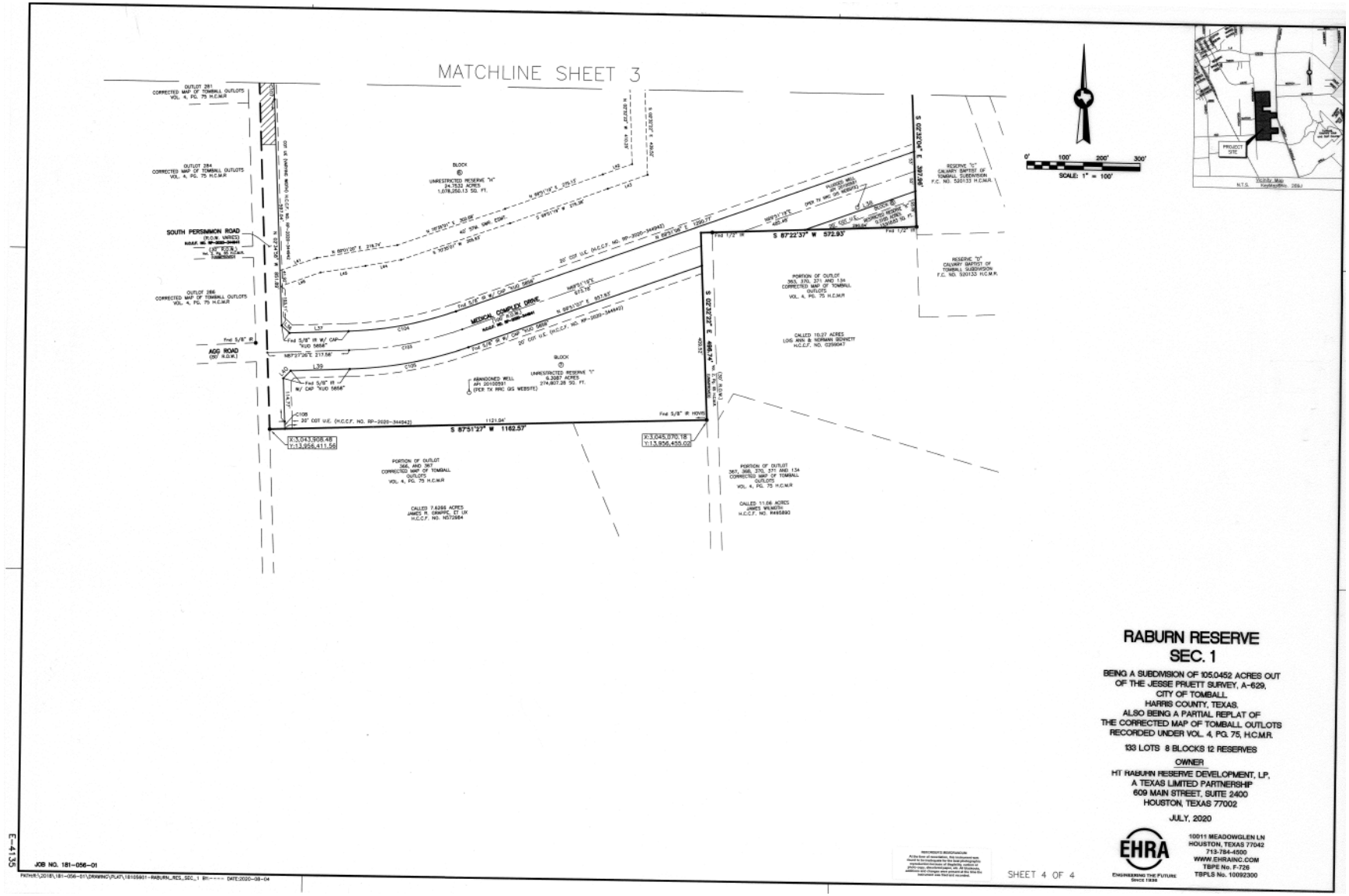
_____
Notary Public, State of Texas

EXHIBIT L – IMPROVEMENT AREA #1 PLAT




SCALE: 1" = 100'
PROJECT SITE
MATCHLINE SHEET 3
RABURN RESERVE
SEC. 1
BEING A SUBDIVISION OF 105.0452 ACRES OUT
OF THE JESSE PRUETT SURVEY, A-629,
CITY OF TOMBALL
HARRIS COUNTY, TEXAS.
ALSO BEING A PARTIAL REPLAT OF
THE CORRECTED MAP OF TOMBALL OUTLOTS
RECORDED UNDER VOL. 4, PG. 75, H.C.M.R.
133 LOTS 8 BLOCKS 12 RESERVES
OWNER
HT RABURN RESERVE DEVELOPMENT, L.P.
A TEXAS LIMITED PARTNERSHIP
609 MAIN STREET, SUITE 2400
HOUSTON, TEXAS 77002
JULY, 2020
EHRA
10011 MEADOWGLEN LN
HOUSTON, TEXAS 77042
713-784-4500
WWW.EHRAINC.COM
TBPE No. F-726
TBPLS No. 10092300
SHEET 2 OF 4
JOB NO. 181-056-01


MATCHLINE SHEET 2
MATCHLINE SHEET 4
U.V.E. DETAIL
RABURN RESERVE
SEC. 1
BEING A SUBDIVISION OF 105.0452 ACRES OUT
OF THE JESSE PRUETT SURVEY, A-629,
CITY OF TOMBALL
HARRIS COUNTY, TEXAS.
ALSO BEING A PARTIAL REPLAT OF
THE CORRECTED MAP OF TOMBALL OUTLOTS
RECORDED UNDER VOL. 4, PG. 75, H.C.M.R.
133 LOTS 8 BLOCKS 12 RESERVES
OWNER
HT RABURN RESERVE DEVELOPMENT, LP.
A TEXAS LIMITED PARTNERSHIP
609 MAIN STREET, SUITE 2400
HOUSTON, TEXAS 77002
JULY, 2020
EHRA
10011 MEADOWGLEN LN
HOUSTON, TEXAS 77042
713-784-4500
WWW.EHRAINC.COM
TBPE No. F-726
TBPLS No. 10092300
SHEET 3 OF 4
JOB NO. 181-056-01
E-4135


MATCHLINE SHEET 3
SOUTH PERSIMMON ROAD
AGG ROAD
MEDICAL COMPLEX DRIVE
S 87°22'37" W 572.93'
S 87°51'27" W 1162.57'
SCALE: 1" = 100'
RABURN RESERVE
SEC. 1
BEING A SUBDIVISION OF 105.0452 ACRES OUT
OF THE JESSE PRUETT SURVEY, A-629,
CITY OF TOMBALL,
HARRIS COUNTY, TEXAS.
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TBPLS No. 10092300
JOB NO. 181-056-01
SHEET 4 OF 4

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

Adopt, **on First and Only Reading**, Ordinance No. 2020-27, an Ordinance Approving and Authorizing the Issuance and Sale of the City of Tomball Special Assessment Revenue Bonds, (Raburn Reserve Public Improvement District Improvement Area #1 Project); Approving and Authorizing a Master Indenture of Trust and First Supplemental Indenture of Trust and Other Agreements and Documents in Connection Therewith; Making Findings with Respect to the Issuance of Such Bonds; and Providing an Effective Date

Background:

Origination:

HT Raburn Reserve Development, L.P.

Recommendation:

Approval

Party(ies) responsible for placing this item on agenda:

Craig T. Meyers, Community Development Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Ordinance No. 2020-27
Master Indenture of Trust
First Supplemental Indenture
Bond Purchase Agreement
Continuing Disclosure Agreement of Issuer
Master Agreement for Dissemination Agent Services

ORDINANCE NO. 2020-27

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF TOMBALL SPECIAL ASSESSMENT REVENUE BONDS, (RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT); APPROVING AND AUTHORIZING A MASTER INDENTURE OF TRUST AND FIRST SUPPLEMENTAL INDENTURE OF TRUST AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Tomball, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the "PID Act"), has previously established the Raburn Reserve Public Improvement District (the "District"), pursuant to an Amended and Restated Resolution adopted by the City Council of the City (the "City Council") on November 4, 2019; and

WHEREAS, pursuant to the PID Act, the City Council published notice and held a public hearing on September 8, 2020, regarding the levy of special assessments on property within Improvement Area #1 of the District, and after the conduct of such public hearing adopted an Ordinance (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the City Council approved and accepted the Service and Assessment Plan (as defined and described in the Assessment Ordinance, the "Service and Assessment Plan") relating to the District and levied the Assessments against the Assessed Property within Improvement Area #1 of the District, as set forth on the Assessment Roll. Capitalized terms used in this preamble and not otherwise defined shall have the meaning assigned thereto in the Service and Assessment Plan; and

WHEREAS, the City is authorized by the PID Act to issue its revenue bonds payable from the Assessments on Assessed Property in Improvement Area #1 of the District (the "Improvement Area #1 Bonds") for the purposes of (i) paying the costs of the Authorized Improvements in Improvement Area #1 identified in the Service and Assessment Plan, (ii) paying capitalized interest on Improvement Area #1 Bonds, (iii) funding a reserve fund for payment of principal and interest on Improvement Area #1 Bonds, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuing Improvement Area #1 Bonds; and

WHEREAS, the City Council has found and determined to (i) approve the issuance of the Improvement Area #1 Bonds to finance the Authorized Improvements identified in the Service and Assessment Plan on the terms described herein, (ii) approve the form, terms and provisions of the Master Indenture (as defined herein) and First Supplemental Indenture (as defined herein); and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein. Terms not otherwise defined in Sections 2 through 6 herein shall have the definitions as set forth in the Indenture (defined herein).

Section 2. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to in the Master Indenture or in the First Supplemental Indenture.

Section 3. Approval of Issuance of Improvement Area #1 Bonds and Master Indenture of Trust. The issuance of Improvement Area #1 Bonds for the purpose of providing funds for (i) paying a portion of the costs of the Authorized Improvements, (ii) paying capitalized interest on the Bonds, (iii) funding the Bond Reserve Account of the Reserve Fund, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of each series of Improvement Area #1 Bonds, are hereby authorized and approved.

(a) The Improvement Area #1 Bonds shall be issued and secured under that certain Master Indenture of Trust dated September 1, 2020 by and between the City and the Bank of New York Mellon Trust company, N.A. as trustee (the "Master Indenture"), and pursuant to supplemental indentures for each series as authorized by the Master Indenture. Such Master Indenture is hereby approved in the substantially final form presented at this meeting, with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor of the City, such approval to be evidenced by the execution and delivery of the Master Indenture. The Mayor of the City is hereby authorized and directed to execute the Master Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor.

(b) The Improvement Area #1 Bonds issued pursuant to the Master Indenture shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in a supplemental indenture. The Improvement Area #1 Bonds shall be in substantially the form set forth in the Master Indenture and in a supplemental indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Improvement Area #1 Bonds. The Improvement Area #1 Bonds shall be payable from and secured solely by the Assessments levied on the Assessed Property for the Authorized Improvements, as set forth in the Service and Assessment Plan and other assets of the "Trust Estate" (as defined in the Indentures) pledged to such Improvement Area #1 Bonds, and shall never be payable from ad valorem taxes.

Section 4. Approval of First Supplemental Indenture and Series 2020 Bonds. The City of Tomball, Texas Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1 Project)(the "Series 2020 Bonds") shall be issued and secured under the Master Indenture and under that certain first supplemental indenture of trust dated September 1, 2020 by and between the City and the Bank of New York Trust Company, N.A., as trustee (the "First Supplemental Indenture" and together with the Master Indenture, the "Indentures"). The First Supplemental Indenture is hereby approved in the substantially final form presented at this meeting, with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor of the City, such approval to be evidenced by the execution and delivery of the First Supplemental Indenture. The Mayor of the City is hereby authorized and directed to execute the First Supplemental Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor

Section 5. Sale of Bonds. Improvement Area #1 Bonds shall be sold pursuant to the provisions of the Master Indenture and supplemental indentures. The Series 2020 Bonds shall be sold as set forth in the First Supplemental Indenture.

Section 6. Limited Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Series 2020 Bonds and any addenda, supplement or amendment thereto presented to and considered by the City Council shall be approved in the First Supplemental Indenture. Limited Offering Memoranda for additional series of Improvement Area #1 Bonds shall be approved in a supplemental indenture.

Section 7. Continuing Disclosure Agreement. The City shall provide continuing disclosure for the Series 2020 Bonds as set forth in the First Supplemental Indenture. Continuing disclosure agreements for additional series of Improvement Area #1 Bonds issued pursuant to the Master Indenture shall be approved in a Supplemental Indenture. In connection with its continuing disclosure obligations for the Series 2020 Bonds, the City hereby approves that certain Master Agreement for Dissemination Agent Services (the "Master Agreement") by and between the City and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc., as presented at the meeting. The City Manager or the Mayor are hereby authorized to execute such Master Agreement.

Section 8. Additional Actions. The Mayor, the City Manager and each other officer, employee and agent of the City are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance, including the making of modifications to this Ordinance and the Indenture as necessary to obtain approval of the Bonds by the Attorney General of the State, the Mayor, the City Manager and each other officer, employee and agent of the City are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance, including any required consents relating to land transfers. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed $9,500).

Section 9. Effective Date. This Ordinance shall take effect immediately upon its adoption by the City Council of the City.

[Signature Page Follows]

READ, PASSED, AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 21st DAY OF SEPTEMBER 2020.

COUNCILMAN FORD	_____
COUNCILMAN STOLL	_____
COUNCILMAN DEGGES	_____
COUNCILMAN TOWNSEND	_____
COUNCILMAN KLEIN QUINN	_____

_____
Gretchen Fagan, Mayor

ATTEST:

_____
Doris Speer, City Secretary

MASTER INDENTURE OF TRUST

By and Between

CITY OF TOMBALL, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

DATED AS OF September 1, 2020

SECURING

CITY OF TOMBALL, TEXAS

IMPROVEMENT AREA #1 BONDS

(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT)

TABLE OF CONTENTS

Page

ARTICLE 1 DEFINITIONS, FINDINGS AND INTERPRETATION 5
Section 1.1. Definitions 5
Section 1.2. Findings 12
Section 1.3. Table of Contents, Titles and Headings 12
Section 1.4. Interpretation 13

ARTICLE 2 AUTHORIZATION 13
Section 2.1. Authorization of Improvement Area #1 Bonds 13
Section 2.2. Conditions Precedent to Issuance of Improvement Area #1 Bonds 13
Section 2.3. Other Encumbrances Prohibited 14

ARTICLE 3 PURPOSES, PLEDGE AND SECURITY 14
Section 3.1. Purposes of Master Indenture, Contract with Owners 14
Section 3.2. Confirmation of Assessments 14
Section 3.3. Collection and Enforcement of Assessments 14
Section 3.4. Against Encumbrances 15
Section 3.5. Pledge and Security; Assignment to Trustee 15
Section 3.6. Security Agreement 16
Section 3.7. Security for the Bonds 17
Section 3.8. Limited Obligations 17
Section 3.9. Authorization for Master Indenture 17
Section 3.10. Contract with Owners and Trustee 18

ARTICLE 4 TERMS, PROVISIONS AND AUTHENTICATION OF IMPROVEMENT AREA #1 BONDS 18
Section 4.1. Form and Denominations 18
Section 4.2. Title, Legends 18
Section 4.3. Medium of Payment 18
Section 4.4. Improvement Area #1 Bonds Terms 18
Section 4.5. Appointment of Initial Paying Agent/Registrar 19
Section 4.6. Owner of the Improvement Area #1 Bonds 19
Section 4.7. Execution and Authentication of Improvement Area #1 Bonds 20
Section 4.8. Improvement Area #1 Bonds in Certificated or Book-Entry-Only Form 20

ARTICLE 5 FUNDS AND ACCOUNTS 20
Section 5.1. Establishment of Funds and Accounts 20
Section 5.2. Bond Fund 24
Section 5.3. Project Fund 24
Section 5.4. Redemption Fund 26
Section 5.5. Bond Reserve Account 27
Section 5.6. Delinquency and Prepayment Reserve Account 28

Section 5.7. Rebate Fund 29
Section 5.8. Administrative Fund 29
Section 5.9. Improvement Area #1 Reimbursement Fund 30

Section 5.10. Investment of Funds 30
Section 5.11. Investment Income 31
Section 5.12. Security of Funds 31

ARTICLE 6 LIABILITY OF CITY 32
Section 6.1. Liability of City 32

ARTICLE 7 THE TRUSTEE 33
Section 7.1. Trustee as Registrar and Paying Agent 33
Section 7.2. Trustee Entitled to Indemnity 33
Section 7.3. Responsibilities of the Trustee 34
Section 7.4. Property Held in Trust 37
Section 7.5. Trustee Protected in Relying on Certain Documents 38
Section 7.6. Compensation 38
Section 7.7. Permitted Acts 39
Section 7.8. Resignation of Trustee 39
Section 7.9. Removal of Trustee 39
Section 7.10. Successor Trustee 39
Section 7.11. Transfer of Rights and Property to Successor Trustee 40
Section 7.12. Merger, Conversion or Consolidation of Trustee 41
Section 7.13. Trustee to File Continuation Statements 41
Section 7.14. Accounts, Periodic Reports and Certificates 41
Section 7.15. Construction of Master Indenture 41

ARTICLE 8 MODIFICATION OR AMENDMENT OF THIS INDENTURE 42
Section 8.1. Amendments Permitted 42
Section 8.2. Owners' Meetings 43
Section 8.3. Procedure for Amendment with Written Consent of Owners 43
Section 8.4. Effect of Supplemental Indenture 44
Section 8.5. Endorsement or Replacement of Improvement Area #1 Bonds Issued After Amendments 44
Section 8.6. Amendatory Endorsement of Improvement Area #1 Bonds 44
Section 8.7. Execution of Supplemental Indenture 44

ARTICLE 9 DEFAULT AND REMEDIES 45
Section 9.1. Events of Default 45
Section 9.2. Immediate Remedies for Default 45
Section 9.3. Restriction on Owner's Action 46
Section 9.4. Application of Revenues and Other Moneys After Default 47
Section 9.5. Effect of Waiver 48
Section 9.6. Waiver of Default 48
Section 9.7. No Acceleration 48
Section 9.8. Mailing of Notice 48

Section 9.9. Exclusion of Improvement Area #1 Bonds 48

ARTICLE 10 GENERAL COVENANTS AND REPRESENTATIONS 48
Section 10.1. Records and Accounts 48
Section 10.2. Representations as to Pledged Revenues 49
Section 10.3. General 49
Section 10.4. Federal Tax Matters 49
Improvement Area #1 Bonds may be issued as taxable or tax-exempt obligations pursuant to a Supplemental Indenture 49

ARTICLE 11 SPECIAL COVENANTS 50
Section 11.1. Further Assurances; Due Performance 50
Section 11.2. Additional Obligations; Other Obligations or Other Liens 50
Section 11.3. Books of Record 51

ARTICLE 12 PAYMENT AND CANCELLATION OF THE IMPROVEMENT AREA #1 BONDS AND SATISFACTION OF THE INDENTURE 51
Section 12.1. Trust Irrevocable 51
Section 12.2. Satisfaction of Master Indenture 51
Section 12.3. Improvement Area #1 Bonds Deemed Paid 51

ARTICLE 13 MISCELLANEOUS 52
Section 13.1. Benefits of Master Indenture Limited to Parties 52
Section 13.2. Successor is Deemed Included in All References to Predecessor 52
Section 13.3. Execution of Documents and Proof of Ownership by Owners 53
Section 13.4. Waiver of Personal Liability 53
Section 13.5. Notices to and Demands on City and Trustee 53
Section 13.6. Partial Invalidity 55
Section 13.7. Applicable Laws 55
Section 13.8. Payment on Business Day 55
Section 13.9. Counterparts 55
Section 13.10. Anti-boycott Verification 56
Section 13.11. Iran, Sudan and Foreign Terrorist Organizations 56
Section 13.12. Form 1295 Exemption 56

INDENTURE OF TRUST

This Master Indenture of Trust, dated as of September 1, 2020 is by and between the City of Tomball, Texas (the "City"), and The Bank of New York Mellon Trust Company, National Association, a national banking association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article 1.

WHEREAS, on July 26, 2019, Raburn Commercial Resources, LLC a Texas limited liability company (the "Petitioner"), the owner of approximately 103.7 acres within the corporate limits of the City, submitted and filed with the City Secretary of the City a petition (the "*Petition*") requesting the establishment of a PID to be known as the Reserve at Raburn Public Improvement District (the "District" or "PID"); and

WHEREAS, on July 26, 2019, the City Council of the City (the "*City Council*") received the Petition which was signed by the owners of more than 50% of the appraised value of the taxable real property liable for assessment and the record owners of more than 50% of the area of all taxable real property within the District that is liable for assessment, and as such, the Petition complies with the Act; and

WHEREAS, on August 5, 2019, the City Council accepted the Petition and called a public hearing for September 3, 2019, on the creation of the District and the advisability of the improvements; and

WHEREAS, notice of the hearing was published in a newspaper of general circulation in the City in which the District is to be located on August 14, 2019; and,

WHEREAS, on August 16, 2019, notice to the owners of property within the proposed District was sent by first-class mail to the owners of 100% of the property subject to assessment under the proposed District containing the information required by the Act such that such owners had actual knowledge of the public hearing to be held on September 3, 2019; and

WHEREAS, the City Council opened and conducted such public hearing on the advisability of the improvements and the creation of the District, and closed such hearing on September 3, 2019; and

WHEREAS, the City Council approved the creation of the PID by Resolution No. 201941 approved on October 7, 2019, (the "Original Creation Resolution") and published the Original Creation Resolution as authorized by the Act; and

WHEREAS, subsequent to the City's approval of the Original Creation Resolution, the City abandoned approximately two (2) acres of right-of-way that the Petitioner requested be added to the boundaries of the PID (the "Additional Land"); and

WHEREAS, on October 7, 2019 the City approved Resolution No. 201942 calling a public hearing on the addition of the Additional Land to the boundaries of the PID; and

WHEREAS, on October 9, 2019, notice of public hearing regarding the addition of the Additional Land to the PID was mailed to the owners of the Property within the PID and notice of the public hearing was published in a newspaper of general circulation, in the PID on October 23, 2019; and

WHEREAS, the City Council opened and conducted such public hearing on the addition of the Additional land to the PID and closed such hearing on November 4, 2019; and

WHEREAS, on November 4, 2019 the City Council held a public hearing on the additional of the Additional Land to the PID; and

WHEREAS, on November 4, 2019 the City Council approved Resolution No. _____ amending and restating the Original Creation Resolution (the "Amended Creation Resolution") to add the Additional Land to the boundaries of the PID; and

WHEREAS, the boundaries of the PID were modified to include the property described by metes and bounds in Exhibit A (the "Property"), attached hereto and incorporated herein for all purposes; and

WHEREAS, the City re-published the Amended Creation Resolution in a newspaper of general circulation in the City and the PID; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after such publications; and

WHEREAS, on August 3, 2020 the City Council, pursuant to Section 372.016 of the PID Act, adopted Resolution No. _____ accepting a preliminary service and assessment plan (the "Service and Assessment Plan") and assessment roll (the "Assessment Roll") of the District and directing that the City Secretary make the same available for inspection, and directing City staff that notice be mailed to the property owners in the District and published in a newspaper of general circulation within the City and within the City; and

WHEREAS, on August 12, 2020, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing (the "Assessment Hearing") a newspaper of general circulation in the City, to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of the Assessments on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the Assessment Hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments (as defined herein) on property within Improvement Area #1 (as defined herein) of the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the Assessment Hearing on September 8, 2020 and at such public hearing all persons who appeared, or requested to appear, in person or through a representative acting on their behalf, were given the opportunity to contend for or contest the proposed Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Improvement Costs, the purposes

of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the Assessment Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Improvement Area #1 Improvement Costs (as defined herein), the Assessment Roll, and the levy of the Assessments; and

WHEREAS, on September 8, 2020 the City Council closed the Assessment Hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying or reimbursing a portion of the costs of the Authorized Improvements, (ii) paying capitalized interest on revenue bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the revenue bonds, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying costs of issuance; and

WHEREAS, the City intends to issue bonds for the purposes described above pursuant to a supplemental indenture executed and delivered pursuant to the provisions of this Master Indenture; and

WHEREAS, after the issuance of Improvement Area #1 Bonds pursuant to a Supplemental Indenture, the City intends to issue one or more series of additional Improvement Area #1 Bonds pursuant to additional Supplemental Indentures; and

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

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

FIRST GRANTING CLAUSE

The Pledged Revenues and all moneys and investments held in the Pledged Funds and Accounts including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and,

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Master Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Master Indenture;

PROVIDED, HOWEVER, that if and to the extent Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released and the rights of the Trustee and the Owners under this Master Indenture to proceed against the City for the purpose of protecting and enforcing the rights of the Owners with respect to such released real property shall terminate;

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

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

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

ARTICLE 1

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Master Indenture, the following terms shall have the meanings specified below:

"Account" means any of the accounts established pursuant to Section 5.1 of this Master Indenture.

"Actual Costs" shall have the meaning assigned to it in the Service and Assessment Plan.

"Additional Interest" means the 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act and described in Section V of the Service and Assessment Plan.

"Additional Interest Revenues" means the revenues generated from the collection of the Additional Interest.

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

"Administrative Fund" means that Fund established by Section 5.1 and administered pursuant to Section 5.10 hereof.

"Administrator" means an officer or employee of the City or third party designee of the City who is not an officer or employee thereof, who shall have the responsibilities provided in the Service and Assessment Plan, this Master Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments, including the costs of foreclosure; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of bonds, the administration of the Reimbursement Agreement, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with the issuance of bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Annual

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

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Improvement Area #1 Bonds in such Bond Year, assuming that the Outstanding Improvement Area #1 Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Improvement Area #1 Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"Annual Installment" means, collectively, with respect to each Assessed Property, each annual payment of (i) the Assessments as shown on the Assessment Roll attached to the Service and Assessment Plan as Exhibit__ to the Service and Assessment Plan and related to the Improvement Area #1 Bonds and the Improvement Area #1 Improvements, including (i) principal; (ii) interest (iii) Annual Collection Costs and (iv) Additional Interest collected pursuant to Section V of the Service and Assessment Plan and deposited to the Delinquency and Prepayment Reserve Account as described in Section 6.8 herein.

"Annual Service Plan Update" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

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

Assessed Property" means all property within Improvement Area #1 of the District and shown in the Assessment Roll against which an Assessment relating to the Improvement Area #1 Improvements is levied in accordance with the Service and Assessment Plan.

"Assessment" means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Hearing" has the meaning set forth in the recitals.

"Assessment Ordinance" means Ordinance No. _____ adopted by the City Council on _____, 2020, that levied the Assessments on the Assessed Property.

"Assessment Roll" means the Improvement Area #1 Assessment Roll attached in Appendix __ to the Service and Assessment Plan as updated, modified or amended from time to time in accordance with procedures set forth in the Service and Assessment Plan and in the PID Act (including updates prepared in connection with the issuance of Improvement Area #1 Bonds or in connection with any Annual Service Plan Update), showing the total amount of the Assessment against each Assessed Property.

"Authorized Improvements" means the improvements authorized by the PID Act which (1) will benefit all property assessed within the District, as set forth in the Service and Assessment

Plan, (2) are defined as "Authorized Improvements" in the Service and Assessment Plan, and (3) are more particularly described in Section III of the Service and Assessment Plan.

"Authorized Officer" means (i) the City Manager of the City, (ii) an Assistant City Manager of the City designated by the City Manager of the City for such purpose, or (iii) the Director of Finance of the City.

"Bond Counsel" means Bracewell LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the Fund established pursuant to Section 5.1 and administered as provided in Section 5.2.

Bond Ordinance" means Ordinance No. _____ adopted by the City Council on _____, 2020 authorizing the Master Indenture and the First Supplemental Indenture.

"Bond Reserve Account" means the Account within the Reserve Fund established pursuant to Section 5.1 and administered as provided in Section 5.5.

"Bond Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Improvement Area #1 Bonds as of the date of issuance of each series of Improvement Area #1 Bonds, (ii) 125% of average Annual Debt Service on the Improvement Area #1 Bonds as of the date of issuance, or (iii) 10% of the stated principal amount of the Improvement Area #1 Bonds as of the date of issuance; provided, however that subsequent to the date of issuance of each series of Improvement Area #1 Bonds, such Bond Reserve Account Requirement shall be recalculated for compliance with the above upon (a) any transfers made pursuant to Section 5.6(c), (b) a mandatory sinking fund redemption pursuant to the terms of a Supplemental Indenture, (c) an optional redemption pursuant to the terms of a Supplemental Indenture or (d) an extraordinary optional redemption pursuant to the terms of a Supplemental Indenture. The amount of the Bond Reserve Account Requirement for each series of Improvement Area #1 Bonds shall be set forth in the Bond Reserve Account. .

"Bond Year" or "Fiscal Year" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

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

"Capitalized Interest Account" means the Account within the Bond Fund established pursuant to Section 5.1.

"Certificate for Payment" means a certificate substantially in the form attached to a Supplemental Indenture approved by the Developer and the City Representative executed by a Person approved by the City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed with respect to the Improvement Area #1 Improvements

and the Actual Costs thereof, and requesting payment for such costs from money on deposit in the Project Fund as further described in Section 5.3 herein.

"City Certificate" means a certificate or written instructions signed by the City Representative and delivered to the Trustee.

"City Representative" means any official or agent of the City authorized by the City Council to undertake the action referenced herein. As of the date hereof, the Director of Finance, the City Manager, and/or designees are the authorized City Representatives.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Closing Disbursement Request" means a certificate substantially in the form of Exhibit C attached to a Supplemental Indenture, approved by the Developer and the City Representative, delivered to the Trustee specifying the amounts to be paid on the Closing Date for the costs of establishing the District, as further described in Section 5.3 herein.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"Costs of Issuance Account" means the Account within the Project Fund established pursuant to Section 5.1.

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

"Delinquency and Prepayment Reserve Account" means the reserve account established in accordance with Section 5.1 and administered as provided in Section 5.6.

"Delinquency and Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the Outstanding Improvement Area #1 Bonds which may be funded from Bond proceeds and revenues received from the payment of Assessments, deposited to the Pledged Revenue Fund.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Property and the costs of collection of a delinquent Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing Delinquent Penalties and Interest.

"Delinquent Penalties and Interest" means any delinquent interest and delinquent penalty interest collected on a delinquent Assessment.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Master Indenture, the transfer/payment office located in Dallas, Texas, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any

successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means HT Raburn Reserve Development L.P., a Texas limited partnership, and its respective successors and assigns.

"Development Agreement" means the Raburn Reserve Development Agreement, as amended, between the City and the Developer relating to the Bonds, effective as of October 7, 2019, as amended, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the Bonds for funds advanced by the Developer and used to pay costs of Authorized Improvements and other matters related thereto.

"Developer Improvement Account" means the Account of such name established pursuant to Section 5.1.

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

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

"Foreclosure Proceeds" means the proceeds, including Delinquent Penalties and Interest, received by the City from the enforcement of the Assessments against any Assessed Property, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund" means any of the funds established pursuant to Section 5.1 of this Master Indenture.

"Improvement Account" means the Account within the Project Fund established pursuant to Section 5.1.

"Improvement Area #1" means the property to be developed within the District identified as "Improvement Area #1" and depicted in the Service and Assessment Plan.

"Improvement Area #1 Bonds" means all parity bonds or obligations issued by the City pursuant to this Master Indenture payable from and secured in whole or in part by the Assessments, including any bonds issued to refund Improvement Area #1 Bonds, issued under the pursuant to this Master Indenture and a Supplemental Indenture.

"Improvement Area #1 Costs" means the Improvement Costs relating to Improvement Area #1.

"Improvement Area #1 Improvements" means the Authorized Improvements within Improvement Area #1 being financed by the issuance of Improvement Area #1 Bonds.

"Improvements Costs" means the Actual Costs, as defined in the Service and Assessment Plan (excluding Annual Collection Costs), of the Authorized Improvements.

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

"Initial Bond" means the Initial Bond as set forth in a Supplemental Indenture.

"Investment Securities" means those authorized investments described in the City's official investment policy as approved by the City Council from time to time, and eligible for the investment of public funds by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

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

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Improvement Area #1 Bond Year after the calculation is made through the final maturity date of any Outstanding Improvement Area #1 Bonds.

"Outstanding" means, as of any particular date when used with reference to Improvement Area #1 Bonds, all Improvement Area #1 Bonds authenticated and delivered under this Master Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Improvement Area #1 Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article 4, and (iii) any Improvement Area #1 Bond in lieu of or in substitution for which a new Improvement Area #1 Bond shall have been authenticated and delivered pursuant to Section 3.10 herein.

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

"Paying Agent/Registrar" means initially the Trustee, or any successor thereto as provided in this Master Indenture.

"Person" or "Persons" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Petitioner" means HT Raburn Reserve Development, L.P., a Texas limited partnership.

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

"Pledged Funds and Accounts" means the following funds and the accounts therein: the Pledged Revenue Fund, the Bond Fund, the Project Fund (excluding the Developer Improvement Account), the Reserve Fund, and the Redemption Fund.

"Pledged Revenue Fund" means that fund established pursuant to Section 5.1 and administered pursuant to Section 5.2hereof.

"Pledged Revenues" means the sum of (i) Annual Installments (excluding the portion of the Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs), (ii) the moneys held in any of the Pledged Funds and Accounts, and (iii) any additional revenues that the City may pledge to the payment of Improvement Area #1 Bonds.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof.

"Principal and Interest Account" means the Account within the Bond Fund established pursuant to Section 5.1.

"Project Fund" means that fund established pursuant to Section 5.1 and administered pursuant to Section 5.3 herein.

"Purchaser" means the initial purchaser of the Bonds.

"Rebate Fund" means that fund established pursuant to Section 5.1 and administered pursuant to Section 5.7 herein.

"Record Date" means the close of business on the last calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

"Redemption Fund" means that Fund established in Section 5.1 and administered pursuant to Section 5.4 of this Master Indenture.

"Redemption Price" means, when used with respect to any Improvement Area #1 Bonds or portion thereof, the principal amount of such Improvement Area #1 Bonds or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Improvement Area #1 Bonds to the date fixed for redemption payable upon redemption thereof pursuant to a Supplemental Indenture.

"Register" means the register specified in Article 3 of this Master Indenture.

"Regulations" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Reimbursement Agreement" means that agreement between the City and the Developer dated September 21, 2020 relating to the reimbursement of Improvement Area #1 Costs from Assessments.

"Reserve Account" means that account established pursuant to Section 5.1 and administered in Section 5.5 herein.

"Service and Assessment Plan" means the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as may be updated, amended and supplemented from time to time.

"Sinking Fund Installment" means the amount of money to redeem or pay at maturity the principal of Bonds payable from such installments at the times and in the amounts provided in a Supplemental Indenture.

"Stated Maturity" means the date the Improvement Area #1 Bonds, or any portion of the Improvement Area #1 Bonds, as applicable are scheduled to mature without regard to any redemption or prepayment.

"Supplemental Indenture" means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Master Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"Tax Certificate" means the Federal Tax Certificate delivered by the City on the Closing Date for the Improvement Area #1 Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date relating to the tax-exempt status of the Improvement Area #1 Bonds.

"Trustee" means The Bank of New York Mellon Trust Company, National Association, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article 8 hereof, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"Trust Estate" means the Trust Estate described in the granting clauses of this Master Indenture.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Master Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Master Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall

never be considered or given any effect in construing this Master Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Master Indenture unless the context shall require otherwise.

(d) This Master Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Master Indenture.

ARTICLE 2

AUTHORIZATION

Section 2.1. Authorization of Improvement Area #1 Bonds. (a) There are hereby authorized to be issued and secured hereunder from time to time, pursuant to one or more Supplemental Indentures, in one more or more series or subseries, Improvement Area #1 Bonds for the purpose of (i) paying a portion of the Improvement Area #1 Costs, (ii) paying capitalized interest on the Improvement Area #1 Bonds as set forth in a Supplemental Indenture, (iii) funding the Bond Reserve Account of the Reserve Fund, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of the Bonds. The Improvement Area #1 Bonds shall be issued for the purposes above or for such other purposes described in the Supplemental Indentures pursuant to which Improvement Area #1 Bonds are issued. No Improvement Area #1 Bonds shall be issued under this Master Indenture unless they are part of an issue described in a Supplemental Indenture and until the conditions contained in Section 2.2 have been satisfied.

(b) The terms and provisions of each series of Improvement Area #1 Bonds shall be set forth in a Supplemental Indenture authorizing the issuance of such series of Improvement Area #1 Bonds. Improvement Area #1 Bonds issued hereunder may be payable from and secured by a first and senior lien on the Pledged Revenues and Pledged Funds and Accounts in the Trust Estate, as prescribed in the Supplemental Indenture authorizing the issuance thereof.

Section 2.2. Conditions Precedent to Issuance of Improvement Area #1 Bonds.

(a) Each series of Improvement Area #1 Bonds shall be issued and delivered only upon delivery to the Trustee of the following:

(i) Certified copy of a Supplemental Indenture authorizing the issuance thereof and specifying the terms and provisions of such Improvement Area #1 Bonds as required by this Master Indenture;

(ii) Certificate of the City stating that (i) all conditions precedent to the issuance of the Improvement Area #1 Bonds specified in this Master Indenture and in any Supplemental Indenture have been satisfied, and (ii) the City is not in default in any covenant, representation, warranty or provisions of this Master Indenture or of any Supplemental Indenture unless such default will be cured by the issuance of the proposed Improvement Area #1 Bonds; and

(iii) A City Certificates executed by an Authorized Officer of the City directing the application of the proceeds of the Improvement Area #1 Bonds.

(b) No Improvement Area #1 Bonds shall be issued pursuant to a Supplemental Indenture unless the value to lien ratio of the Improvement Area #1 Assessments to the value of the Improvement Area #1 Assessed Property for each series of Improvement Area #1 Bonds equals at least 3:1, as determined by the City.

Section 2.3. Other Encumbrances Prohibited. Except for the pledge of the Pledged Revenues and Pledged Funds and Accounts in the Trust Estate to the payment of the Improvement Area #1 Bonds, the Pledged Revenues and Pledged Funds and Accounts in the Trust Estate shall not be pledged or encumbered to or for the payment of any other obligation or liability of the City.

ARTICLE 3

PURPOSES, PLEDGE AND SECURITY

Section 3.1. Purposes of Master Indenture, Contract with Owners. (a) The purposes of this Master Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the issuance, execution and delivery of, the Improvement Area #1 Bonds and to prescribe the general rights of the Owners, the City and the Trustee in relation thereto.

(b) In consideration of the purchase and acceptance of any or all of the Improvement Area #1 Bonds by those who shall purchase and hold the same from time to time, the provisions of this Master Indenture shall be a part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

Section 3.2. Confirmation of Assessments.

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

Section 3.3. Collection and Enforcement of Assessments.

(a) For so long as any Improvement Area #1 Bonds are Outstanding and amounts are due the Developer to reimburse it for its funds it has contributed to pay costs of the Improvement

Area #1 Improvements, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The City will determine or cause to be determined, no later than April 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

Section 3.4. Against Encumbrances.

(a) Other than Improvement Area #1 Bonds issued pursuant to the term of this Master Indenture, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, or upon any other property pledged under this Master Indenture, except the pledge created for the security of the Improvement Area #1 Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Improvement Area #1 Bonds.

(b) So long as Improvement Area #1 Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than Improvement Area #1 Bonds authorized as set forth herein, and bonds issued to refund all or a portion of the Improvement Area #1 Bonds, secured by any pledge of or other lien or charge on the Trust Estate pledged under this Master Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Improvement Area #1 Bonds.

Section 3.5. Pledge and Security; Assignment to Trustee. (a) The City hereby irrevocably pledges to the payment of Improvement Area #1 Bonds, (i) the Pledged Revenues in the Trust Estate and (ii) the Pledged Funds and Accounts in the Trust Estate, such pledge being specifically made to (A) the payment of Annual Debt Service on all Improvement Area #1 Bonds, which are or may be Outstanding from time to time, and (B) the establishment and maintenance of any other special trust funds or accounts which are ordered to be created by a Supplemental Indenture, at the times and for the periods and purposes provided in a Supplemental Indenture or in this Master Indenture.

(b) The provisions, covenants, pledge and lien on and against the Pledged Revenues and Pledged Funds and Accounts on the basis, and in the manner as herein set forth, are established and shall be for the equal benefit, protection and security of the Owners of Improvement Area #1 Bonds, but solely as their rights and interests may appear according to the lien thereon, and to the Persons to whom Annual Collection Costs are owed, due and payable, without distinction as to priority and rights under this Master Indenture.

(c) The Improvement Area #1 Bonds, including interest payable thereon, and all Annual Collection Costs shall constitute limited and special obligations of the City, payable solely from, and secured solely by a pledge of and lien on, the Pledged Revenues and Pledged Funds and Accounts and not from any other revenues, properties or income of the City. It is provided, however, that the City, in a Supplemental Indenture, may set aside revenues or money of the City that do not constitute Pledged Revenues additional security for and in favor of less than all of the Improvement Area #1 Bonds that are Outstanding from time to time under this Master Indenture. Improvement Area #1 Bonds and Annual Collection Costs shall not constitute debts or obligations of the State or of the City, except to the extent provided in this Master Indenture or a Supplemental Indenture, and the Owners and Persons to whom Annual Collection Costs are owed shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation.

(d) For the purpose of further supporting the pledge and lien herein created, the City hereby GRANTS, CONVEYS, PLEDGES, TRANSFERS, SETS OVER and ASSIGNS to the Trustee all of the Pledged Revenues and Pledged Funds and Accounts, in trust for the benefit of the Owners as their rights and interests may appear. It is provided, however, that the Pledged Revenues and Pledged Funds and Accounts shall be received, deposited, held, used and applied strictly in accordance with and subject to the terms and provisions of this Master Indenture and all Supplemental Indentures.

(e) The City hereby irrevocably appoints the Trustee as its lawful agent and attorney-in-fact, for the purpose of performing those duties which consist of receiving the Pledged Revenues. The power of attorney herein conferred and the agency herein created is granted for valuable consideration and is irrevocable for so long as all or any part of the Improvement Area #1 Bonds remain Outstanding or Annual Collection Costs remain unpaid. In addition, it is intended that the power of attorney herein conferred be coupled with an interest, and in furtherance thereof the City and the Trustee confirm their specific, present and co-existing interest in the Pledged Revenues and Pledged Funds and Accounts.

Section 3.6. Security Agreement. (a) This Master Indenture, certified and delivered to and accepted by the Trustee, is and shall continuously be and constitute a security agreement establishing a first lien and security interest in the Pledged Revenues and Pledged Funds and Accounts pursuant to Applicable Law, with the Trustee as the secured party. The grants, assignments, lien, pledge and security interest of the Trustee created herein on and against the Pledged Revenues and Pledged Funds and Accounts, shall become effective immediately upon and from the time of payment for and delivery of each series of Improvement Area #1 Bonds and the same shall be continuously effective for so long as any Improvement Area #1 Bonds are Outstanding or Annual Collection Costs are unpaid.

(b) Such grants, assignments, lien, pledge and security interest shall be fully effective as to Pledged Revenues and Pledged Funds and Accounts on hand, and all Pledged Revenues shall be subject thereto on and as of the day or date on which they are owed to or collected by any party for the account of the City.

(c) The City shall keep a full and complete copy of this Master Indenture, of each Supplemental Indenture, and their authorizing proceedings at all times among the permanent

records of the City. Such records shall be open for inspection to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against the City, at all times during regular business hours.

(d) The provisions required by subsections (a), (b) and (c) of this Section are included, provided, required and made herein pursuant to the requirements of, and with the effect stated in, Chapters 1201 and 1208, Texas Government Code, as amended. Should any other Applicable Law, in the opinion of counsel to the City, ever require filings additional to the filing required by subsection (c) of this Section in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest created herein as to all Improvement Area #1 Bonds, then the City shall diligently and regularly make such filings to the extent required by law to accomplish such result.

Section 3.7. Security for the Bonds.

The Improvement Area #1 Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of this Master Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Improvement Area #1 Bonds and the pledge of the Pledged Revenues granted by the City under this Master Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Improvement Area #1 Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the City under this Master Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 3.8. Limited Obligations.

The Improvement Area #1 Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds and Accounts; and the Improvement Area #1 Bonds and any other obligations incurred by the City under the terms of this Master Indenture or a Supplemental Indenture shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 3.9. Authorization for Master Indenture.

The terms and provisions of this Master Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by the Bond Ordinance. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Master Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this

Master Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Improvement Area #1 Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 3.10. Contract with Owners and Trustee.

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

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Master Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE 4

TERMS, PROVISIONS AND AUTHENTICATION OF IMPROVEMENT AREA #1 BONDS

Section 4.1. Form and Denominations. Subject to the provisions of any Supplemental Indenture, Improvement Area #1 Bonds may be issued and executed in any form and manner permitted by Applicable Law and this Master Indenture. The form of the Improvement Area #1 Bonds shall be substantially in the form set forth in or provided for in a Supplemental Indenture.

Section 4.2. Title, Legends. Each Improvement Area #1 Bond shall be entitled as specified in a Supplemental Indenture and may, in addition, contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Master Indenture or any Supplemental Indenture as may be necessary or desirable to comply with Applicable Law or custom or otherwise as may be determined by the City Council prior to the delivery thereof. All Improvement Area #1 Bonds of a series or subseries shall bear such further designation or designations, added to or incorporated in their title, as may be necessary to distinguish them from the Improvement Area #1 Bonds of every other series or subseries. Improvement Area #1 Bonds shall be lettered or otherwise differentiated so as to distinguish each series or subseries.

Section 4.3. Medium of Payment. The Annual Debt Service on the Improvement Area #1 Bonds shall be payable in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

Section 4.4. Improvement Area #1 Bonds Terms. Subject to the provisions hereof, Improvement Area #1 Bonds shall be dated, shall mature and be payable on such dates and in such years and amounts, shall bear interest at the rate or rates and in the manner, shall be subject to redemption on such terms and conditions as shall be specified in the Supplemental Indenture authorizing their issuance.

Section 4.5. Appointment of Initial Paying Agent/Registrar. (a) The Trustee is hereby appointed as the initial Paying Agent/Registrar for the Improvement Area #1 Bonds. The City may appoint a different Paying Agent/Registrar with respect to one or more series of Improvement Area #1 Bonds. At all times while any Improvement Area #1 Bonds are Outstanding, the City will maintain a Paying Agent/Registrar with respect to each series of Improvement Area #1 Bonds that is qualified under this Master Indenture. If the Trustee is not the Paying Agent/Registrar with respect to a series of Improvement Area #1 Bonds, the City Manager is hereby authorized and directed to execute a Paying Agent/Registrar Agreement with each Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

(b) Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas or the United States, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Improvement Area #1 Bonds.

(c) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Improvement Area #1 Bonds.

(d) The City, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Improvement Area #1 Bonds.

(e) Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

(f) By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Master Indenture and the Supplemental Indentures pursuant to which the Improvement Area #1 Bonds are issued and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

(g) If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Improvement Area #1 Bonds to the successor Paying Agent/Registrar.

Section 4.6. Owner of the Improvement Area #1 Bonds. The City and each Paying Agent/Registrar may deem and treat the person in whose name any Improvement Area #1 Bonds shall be registered as the absolute owner of such Improvement Area #1 Bond, whether such Improvement Area #1 Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal, and Redemption Price, if any, of, and interest on, such Improvement

Area #1 Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such obligation to the extent of the sum or sums so paid, and neither the City, nor any Paying Agent/Registrar shall be affected by a notice to the contrary.

Section 4.7. Execution and Authentication of Improvement Area #1 Bonds. (a) Each Improvement Area #1 Bond shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City and the City's official seal shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the City Secretary of the City.

(b) In case any officer who shall have executed any of the Improvement Area #1 Bonds shall cease to be such officer before the Improvement Area #1 Bonds so signed or attested shall have been authenticated and delivered, such Improvement Area #1 Bonds may nevertheless be authenticated and delivered as if the person who so signed or attested such Improvement Area #1 Bonds had not ceased to be such officer. Any Improvement Area #1 Bond may be signed or attested on behalf of the City by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Improvement Area #1 Bond such person may not have held such office.

(c) Improvement Area #1 Bonds shall be authenticated in the manner specified in the Supplemental Indenture authorizing the issuance thereof.

Section 4.8. Improvement Area #1 Bonds in Certificated or Book-Entry-Only Form. The Improvement Area #1 Bonds shall be issued in fully registered form, and may be issued in Book-Entry-Only form or certificated form, as specified in the Supplemental Indenture authorizing the issuance thereof.

ARTICLE 5

FUNDS AND ACCOUNTS

Section 5.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Master Indenture:

(1) Pledged Revenue Fund;

(2) Bond Fund;

(3) Project Fund;

(4) Reserve Fund;

(5) Redemption Fund;

(6) Rebate Fund;

(7) Improvement Area #1 Reimbursement Fund; and

(8) Administrative Fund

(b) Creation of Accounts.

(1) The following Accounts are hereby created and established within the Bond Fund:

(A) Capitalized Interest Account; and

(B) Principal and Interest Account

(2) The following Accounts are hereby created and established within the Project Fund:

(A) Improvement Account

(B) Developer Improvement Account; and

(C) Costs of Issuance Account.

(3) The following Accounts are hereby created and established within the Reserve Fund:

(A) Bond Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

(c) Each Fund and Account created within such Fund shall be only established as needed and maintained by the Trustee separate and apart from all other funds and accounts of the City. The Developer Improvement Account of the Project Fund shall constitute a separate trust fund that is not pledged to the Bonds and shall be held in trust by the Trustee solely for the benefit of the City. The Pledged Funds and Accounts shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Improvement Area #1 Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Master Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified in Section 5.12.

Section 5.2. Pledged Revenue Fund.

(a) On or before February 1 provided that Pledged Revenues have been received by the City, or if not, then as soon available, of each year while the Improvement Area #1 Bonds are Outstanding, beginning February 1, 2021, the City shall deposit or cause to be deposited the Pledged Revenues (which excludes, for the avoidance of doubt that portion of the Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection

Costs, which shall be deposited pursuant to Section 5.8 hereof) into the Pledged Revenue Fund which deposit shall be directed by the City to the Trustee pursuant to a City Certificate. Specifically, except as set forth in Section 5.2(d) the Pledged Revenues shall be deposited to the Pledged Revenue Fund to be used in the following order of priority:

(1) first, unless otherwise directed by a Supplemental Indenture, to be retained in the Pledged Revenue Fund amounts sufficient to pay Annual Debt Service on the Improvement Area #1 Bonds coming due in the current Bond Year, as described in Section 5.3(b);

(2) second, unless otherwise directed by a Supplemental Indenture, to the Bond Reserve Account in an amount to cause the amount in the Bond Reserve Account to equal the Bond Reserve Account Requirement as described in Section 5.6.

(3) third, unless otherwise directed by a Supplemental Indenture, amounts representing Additional Interest to the Delinquency and Prepayment Reserve Account of the Reserve Fund in an amount equal to the Delinquency and Prepayment Reserve Requirement;

(4) fourth, to the Improvement Area #1 Reimbursement Fund in amounts and for the time period set forth in the Service and Assessment Plan and for the annual reimbursement of Improvement Area #1 Costs pursuant to the Reimbursement Agreement as set forth in the Service and Assessment Plan; and

(5) fifth, unless otherwise directed by a Supplemental Indenture, in accordance with the written direction of the City, to pay other costs permitted by the PID Act.

Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the transfers required by clauses (i) through (iv) above are made, the City shall have the option, in its sole and absolute discretion, to transfer such excess funds into the Redemption Fund to redeem Improvement Area #1 Bonds as provided in Article 4. The City or the Administrator on behalf of the City shall direct the Trustee in writing with respect to the portions of the Pledged Revenues to be deposited pursuant to Section 5.3(d) as Additional Interest, Prepayments or Foreclosure Proceeds.

(b) From time to time as needed to pay the obligations relating to the Improvement Area #1 Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account to be deposited pursuant to Section 5.3(d) hereof, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Improvement Area #1 Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 5.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the

payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Improvement Area #1 Bonds.

(d) Notwithstanding Section 5.2(a) above:

(1) the Trustee shall deposit Additional Interest to the Pledged Revenue Fund and shall transfer all or a portion of such Additional Interest to the Delinquency and Prepayment Reserve Account as set forth in 5.2(a) and as otherwise directed by Section 5.7 hereof; and

(2) the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund;

(3) the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds (i) first to restore any transfers from the Bond Reserve Account of the Reserve Fund made with respect to the Assessed Property to which the Foreclosure Proceeds relate (up to the Bond Reserve Account Requirement) and (ii) second, to restore any transfers from the Delinquency and Prepayment Reserve Account made with respect to the Assessed Property to which the Foreclosure Proceeds relate, (up to the Delinquency and Prepayment Reserve Requirement), and (iii) third, to the Redemption Fund. Notwithstanding the foregoing, any portion of Foreclosure Proceeds that are attributable to Annual Collection Costs (as identified to the Trustee in writing) shall be deposited to the Administrative Fund, and any portion of Foreclosure Proceeds attributable to Delinquent Penalties and Interest (as identified to the Trustee in writing) shall be deposited to the Delinquency and Prepayment Bond Reserve Account of the Reserve Fund until the Delinquency and Prepayment Reserve Requirement is met and then to the Administrative Fund.

(e) After satisfaction of the requirements to (i) provide for the payment of the principal and interest on the Improvement Area #1 Bonds, (ii) to fund any deficiency that may exist in the Reserve Fund (including the funding of the Delinquency and Prepayment Reserve Account), the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid, including the payment of any amount owed pursuant to the Reimbursement Agreement, as set forth in a Supplemental Indenture.

(f) Assessments representing Delinquent Penalties and Interest (as identified to the Trustee in writing) shall be deposited first to the Delinquency and Prepayment Reserve Account of the Reserve Fund up to the Delinquency and Prepayment Reserve Requirement until the Delinquency and Prepayment Reserve Account Reserve Requirement is met and then to the Administrative Fund.

(g) Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act and such payments shall be applied in accordance with written direction from a City Representative to the Trustee.

Section 5.3. Bond Fund.

(a) No later than on each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Improvement Area #1 Bonds.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw *first* from the Delinquency and Prepayment Reserve Account of the Reserve Fund and *second* from the Bond Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds. Not later than five (5) Business Days before each date identified above, the Trustee shall withdraw funds from the Capitalized Interest Account and transfer to the Principal and Interest Account the amount set forth in a Supplemental Indenture.

(d) Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed in the applicable Supplemental Indenture shall be transferred, at the direction of the City, to the Improvement Account of the Project Fund, or to the Redemption Fund to be used to redeem Improvement Area #1 Bonds and the Capitalized Interest Account shall be closed.

Section 5.4. Project Fund.

(a) Money on deposit in the Improvement Account, Developer Improvement Account and Costs of Issuance Account of the Project Fund shall be used for the purposes specified in Section 2.1 hereof.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Improvement Area #1 Bonds pursuant to one or more City Certificates or pursuant to a closing memo prepared by the City's financial advisor at closing of each series of Improvement Area #1 Bonds. Moneys disbursed to the Developer at closing to pay for the costs of creating the District shall be paid pursuant to a Closing Disbursement Request. Any funds in the Costs of Issuance Account not needed to pay costs of issuance shall be transferred to (i) the Improvement Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements or (ii) to the Principal and Interest Account of the Bond Fund and used to pay interest on the Improvement Area #1 Bonds, as directed by the City.

(c) Except as otherwise provided herein, money on deposit in the Developer Improvement Account and the Improvement Account of the Project Fund, shall be used solely to pay the costs of the Improvement Area #1 Improvements. Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment for the costs set forth therein, from the following accounts in the following priority, until monies are no longer available therein: (1) first, from the Improvement Account of the Project Fund and (2) second, from the Developer Improvement Account of the Project Fund. Except as provided in Section 5.4(d) and

Section 5.4(i), money on deposit in the Improvement Account shall be used solely to pay the costs set forth in the applicable Certificate for Payment. Except as provided in Section 5.4(e) and Section 5.4(f), money on deposit in the Developer Improvement Account shall be used solely to pay costs set forth in the applicable Certificate for Payment.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account are not expected to be expended for purposes thereof due to the abandonment, or constructive abandonment, of the Improvement Area #1 Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Account will ever be expended for the purposes thereof, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account that are not expected to be used for purposes thereof. If such City Certificate is so filed, the amounts identified on the City Certificate currently on deposit in the Improvement Account shall be transferred to the Redemption Fund to redeem Improvement Area #1 Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Master Indenture and the Improvement Account shall be closed.

(e) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Developer Improvement Account of the Project Fund are not expected to be expended for purposes thereof due to the abandonment, or constructive abandonment, of the Improvement Area #1 Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Developer Improvement Account will ever be expended for the purposes thereof, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit the Developer Improvement Account that are not expected to be used for purposes thereof. If such City Certificate is so filed, the amounts identified on the City Certificate to be on deposit in the Developer Improvement Account shall be transferred and released pursuant to Section 5.4(h).

(f) Upon the filing of a City Certificate stating that all Improvement Area #1 Improvements have been completed and that all costs thereof have been paid, or that any such costs are not required to be paid from the Developer Improvement Account pursuant to a Certificate for Payment, the Trustee (i) shall transfer and release the amounts remaining in the Developer Improvement Account pursuant to Section 5.4(h), and (ii) shall close the Developer Improvement Account.

(g) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(h) Any amounts in the Developer Improvement Account to be transferred and released pursuant to Section 5.4(e) or Section 5.4(f) shall be irrevocably and unconditionally transferred and released to the Developer, or to the Developer's successors and assigns or designees as identified in a written notice from the Developer to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Developer Improvement Account, on any such written notice from the Developer as to its successors and assigns or designees. The City shall provide written notice of the release to the Trustee and Developer, or to the Developer's successors and assigns, and the amount payable to the Developer, or its successors and assigns.

(i) Upon the filing of a City Certificate stating that all Improvement Area #1 Improvements have been completed and that all Improvements Costs have been paid, or that any such costs are not required to be paid from the Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account to the Principal and Interest Account or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee, and shall close the Improvement Account of the Project Fund.

(j) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed. If such City Certificate is so filed, the amounts on deposit in the Costs of Issuance Account shall be transferred, as directed by the City, to (i) the Improvement Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements or (ii) to the Principal and Interest Account of the Bond Fund and used to pay interest on the Improvement Area #1 Bonds.

Notwithstanding the above, no more than ten (10%) of Improvement Area #1 Bond proceeds may be disbursed from the Improvement Account of the Project Fund until Developer has certified to the City that a Home Owners Association ("HOA") has been created and covenants, conditions and restrictions regarding such HOA have been properly recorded in the property records of Harris County; provided, however, notwithstanding the foregoing, the Trustee shall be under no duty or obligation to ascertain whether the City has properly executed a Certificate for Payment or to analyze or verify whether any documentation supporting the payments or reimbursements have been properly approved by the City, but shall be entitled to rely on the Certificate of Payment executed by the City as authorization for the payment of the amount set forth in such Certificate for Payment.

Section 5.5. Redemption Fund.

(a) Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds pursuant to redemption provisions as provided a Supplemental Indenture.

(b) The Trustee shall cause to be deposited to the Redemption Fund from Prepayments and Foreclosure Proceeds received by the Trustee, an amount sufficient to redeem Improvement Area #1 Bonds as provided in a Supplemental Indenture. If after such transfer, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Improvement Area #1 Bonds to be redeemed as a result of such Prepayment, the Trustee shall, to the extent sufficient funds are available in the Delinquency and Prepayment Reserve Account, transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Improvement Area #1 Bonds.

(c) The Trustee shall, to the extent sufficient funds are available from the Pledged Revenues received by the Trustee and not otherwise disbursed in accordance with the provisions of this Master Indenture, cause to be deposited to the Redemption Fund from Pledged Revenues

and pursuant to any transfers made pursuant to Section 5.5, an amount sufficient to redeem Improvement Area #1 Bonds as provided in a Supplemental Indenture at the direction of the City.

Section 5.6. Bond Reserve Account.

(a) The City agrees with the Owners of the Improvement Area #1 Bonds to accumulate, and when accumulated, maintain in the Bond Reserve Account, an amount equal to not less than the Bond Reserve Account Requirement. Subject to subsection (c) below, all amounts deposited in the Bond Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund in the event of any deficiency in such Principal and Interest Account on any Interest Payment Date or any date on which principal of the Bonds is due.

(b) Whenever a transfer is made from the Bond Reserve Account to the Principal and Interest Account of the Bond Fund due to a deficiency in the Principal and Interest Account, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn.

(c) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the amount in the Bond Reserve Account exceeds the Bond Reserve Account Requirement, the Trustee shall provide written notice to the City Representative and the Administrator of the amount of the excess. Upon receipt of a City Certificate, the Trustee shall transfer such excess to (i) the Principal and Interest Account, (ii) the Redemption Fund or (iii) the Administrative Fund (in compliance with Section 5.12(d) herein), as set forth in the City Certificate. The excess amounts transferred from the Bond Reserve Account to the Administrative Fund will be presumed to have been transferred, first, from sources other than Improvement Area #1 Bond Proceeds (including investment earnings on such proceeds) and, second, from amounts that are Improvement Area #1 Bond proceeds (including investment earnings on such proceeds).

(d) At the final maturity of the Improvement Area #1 Bonds, the amount on deposit in the Bond Reserve Account shall be transferred to the Principal and Interest Account or the Redemption Fund, as applicable, and applied to the payment of the principal of the Improvement Area #1 Bonds.

(e) If, after a Bond Reserve Account withdrawal, the amount on deposit in the Bond Reserve Account is less than the Bond Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Bond Reserve Account the amount of such deficiency, in accordance with Section 5.2, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(f) At the final maturity of the Improvement Area #1 Bonds, the amount on deposit in the Bond Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Improvement Area #1 Bonds.

(g) If the amount held in the Bond Reserve Account, together with the amounts held in the Pledged Revenue Fund and the Principal and Interest Account and Redemption Fund, is sufficient to pay the principal amount of all Outstanding Improvement Area #1 Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Improvement Area #1

Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Improvement Area #1 Bonds as of such Interest Payment Date.

(h) Whenever Improvement Area #1 Bonds are to be redeemed with the proceeds of Prepayments, a proportionate amount in the Bond Reserve Account shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Improvement Area #1 Bonds as detailed in a City Certificate. The amount so transferred from the Bond Reserve Account shall be equal to an amount representing the difference between (i) the lesser of (A) the Bond Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Bond Reserve Account prior to redemption, and (ii) the Bond Reserve Account Requirement after such redemption; provided, however, no such transfer from the Bond Reserve Account shall cause the amount on deposit therein to be less than the Bond Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest on the Improvement Area #1 Bonds, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Improvement Area #1 Bonds to be redeemed as a result of such Prepayment, the Trustee shall, to the extent sufficient funds are available in the Delinquency and Prepayment Reserve Account, transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Improvement Area #1 Bonds.

Section 5.7. Delinquency and Prepayment Reserve Account.

(a) In addition to the initial deposit to the Delinquency and Prepayment Reserve Account of the Reserve Fund as set forth in a Supplemental Indenture, Additional Interest shall be deposited to the Delinquency and Prepayment Reserve Account of the Reserve Fund pursuant to Section 5.1 herein until such time that the amount on deposit in the Delinquency and Prepayment Reserve Account is at least equal to the Delinquency and Prepayment Reserve Requirement. Whenever, at the written request of the City Representative, on any Interest Payment Date or on any other date, the amount in the Delinquency and Prepayment Reserve Account exceeds the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. The City shall direct the Trustee in writing to transfer the amounts of such excess in the Delinquency and Prepayment Reserve Account to (i) the Bond Reserve Account to restore any deficiency in the Bond Reserve Account up to the Bond Reserve Account Requirement, (ii) the Administrative Fund for payment of Annual Collection Costs (in compliance with Section 5.12(d) herein), or (iii) to the Redemption Fund to be used to redeem Improvement Area #1 Bonds as set forth in a Supplemental Indenture. The excess amounts transferred from the Delinquency and Prepayment Reserve Account of the Reserve Fund to the Administrative Fund will be presumed to have been transferred, first, from sources other than Improvement Area #1 Bond Proceeds (including investment earnings on such proceeds) and, second, from amounts that are Improvement Area #1 Bond proceeds (including investment earnings on such proceeds). In the event that the Trustee does not receive a City Certificate directing the transfer of the excess Delinquency and Prepayment Reserve funds within forty-five (45) days of providing notice to the City of such excess Delinquency and Prepayment Reserve amount, the Trustee shall transfer the excess Delinquency and Prepayment Reserve amount to the

Redemption Fund and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer if compliant with this section.

(b) Whenever Improvement Area #1 Bonds are to be redeemed with the proceeds of Prepayments, if there are insufficient funds in the Redemption Fund from such Prepayments to redeem the Bonds on their redemption date, the Trustee shall, to the extent sufficient funds are available in the Delinquency and Prepayment Reserve Account, transfer funds from the Delinquency and Prepayment Reserve Account to the Redemption Fund in the amount of the deficiency and such funds shall be used to redeem Improvement Area #1 Bonds.

Section 5.8. Rebate Fund.

(a) Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and is not security for the Improvement Area #1 Bonds.

(b) In order to assure that the amount required to be rebated to the federal government is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made as directed by the City in a written direction and in accordance with the Code, Tax Certificate and Section 5.11 hereof. The Trustee may conclusively rely on such written instructions as set forth in this section and shall not be responsible for any loss or liability resulting from the investment of funds hereunder as long as the Trustee's actions are pursuant to the City's written direction.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and the provisions of a supplemental indenture relating to tax-exempt covenants and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section or in a Supplemental Indenture in the absence of written instructions from the City.

(d) If, on the date of each calculation of a rebate made pursuant to the provisions of a supplemental indenture, the amount on deposit in the Rebate Fund exceeds the amount required to be rebated to the federal government, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the amount required to be rebated to the federal government to the Principal and Interest Account of the Bond Fund.

Section 5.9. Administrative Fund.

(a) The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs. The City or the Administrator, on behalf of the City, shall direct the Trustee pursuant to the City Certificate with respect to the portions of the Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs to be deposited pursuant to this section.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual

Collection Costs and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and is not security for the Improvement Area #1 Bonds.

(c) In accordance with Section 7.6 hereof, the Trustee shall transfer its authorized fees and expenses from the Administrative Fund to pay the foregoing unless the Trustee receives written objection from the City within 10 Business Days of its delivery of notice of such costs to the City. No City Certificate is necessary for the Trustee to receive compensation for the services rendered hereunder.

Section 5.10. Improvement Area #1 Reimbursement Fund.

Money on deposit in the Improvement Area #1 Reimbursement Fund shall be used to reimburse the Developer for Improvement Area #1 Costs as set forth in the Service and Assessment Plan and the Reimbursement Agreement.

Section 5.11. Investment of Funds.

(a) Money in any Fund established pursuant to this Master Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) Business Days in advance of the making of such investment in time deposits, other bank deposit products, or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act Chapter 2256 Texas Government Code, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times set forth in this Master Indenture. Such investments shall be valued each year in terms of current market value as of September 30 and on each Interest Payment Date (for the purpose of determining excess funds pursuant to Section 5.6(c) and 5.7(a)). For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default. In the absence of investment instructions from the City, the Trustee shall hold monies held by it uninvested. Any obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Master Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts.

(b) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment and may receive compensation in connection with any investment if approved by the City in writing. The Trustee shall not incur

any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments, and may conclusively rely on the City's written instructions of the directed investments.

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

(d) The Trustee will furnish the City monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, the Trustee is not required to provide brokerage confirmations unless the Trustee receives a written request from the City. No monthly cash transaction statement will be provided if no activity occurred during such month, so long as the Trustee is providing such online access.

(e) The Trustee may conclusively rely on City Certificates pursuant to Section 5.11(a) that such an investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 5.12. Investment Income.

(a) Interest and income derived from investment of the Project Fund shall be deposited to the credit of the Principal and Interest Account of the Bond Fund on a monthly basis.

(b) Interest and income derived from investment of the Bond Fund shall be credited to the Principal and Interest Account of the Bond Fund.

(c) Interest and income derived from investment of the Bond Reserve Account and Delinquency and Prepayment Reserve Account of the Reserve Fund shall be credited to such Accounts.

(d) The cumulative amount of any Improvement Area #1 Bond proceeds (including investment earnings on such proceeds) that are transferred to the Administrative Fund pursuant to the provisions of this Master Indenture and subsequently used for the payment of operating costs directly relating to the Improvement Area #1 Improvements will not exceed 5% of sale proceeds of the series of Improvement Area #1 Bonds to which such proceeds relate. Any City Certificate requesting transfer of bond proceeds and investment earnings to the Administrative Fund shall certify that the funds transferred are not in excess of the limits set forth in this section.

Section 5.13. Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Master Indenture.

ARTICLE 6

LIABILITY OF CITY

Section 6.1. Liability of City.

(a) The City shall not incur any responsibility in respect of the Improvement Area #1 Bonds or this Master Indenture other than in connection with the duties or obligations explicitly herein or in the Improvement Area #1 Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Improvement Area #1 Bonds, or as to the existence of a default or event of default thereunder.

(b) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Master Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(c) No provision of this Master Indenture, the Improvement Area #1 Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved by the City in connection with the issuance, sale, delivery, or administration of the Improvement Area #1 Bonds (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or revenues or other funds or otherwise incur any financial liability in the performance of any of its obligations hereunder, the sole source of payment of obligations incurred by the City under the Bond Documents being limited to the Pledged Revenues.

(d) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Improvement Area #1 Bonds by mandamus or other proceeding at law or in equity.

(e) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion

of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(f) Whenever in the administration of its duties under this Master Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Master Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE 7

THE TRUSTEE

Section 7.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Improvement Area #1 Bonds.

Section 7.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Master Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified pursuant to a written instrument by the Owners of the Improvement Area #1 Bonds to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Improvement Area #1 Bonds Outstanding hereunder.

Section 7.3. Responsibilities of the Trustee.

The Trustee accepts the trusts imposed upon it by this Master Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Owners agree.

(a) Prior to the occurrence of an Event of Default of which the Trustee has been notified, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(1) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Master Indenture, and no duties or obligations shall be implied to the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Master Indenture; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Master Indenture.

(b) In case an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified in writing, or is deemed to have notice pursuant to subparagraph (k) below), the Trustee shall, subject to the rights and limitations of liabilities contained herein, exercise those rights and powers vested in it by this Master Indenture and shall subject to the rights and limitations of liabilities contained herein, use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Master Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subparagraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(1) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(2) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the controlling Owners relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Master Indenture;

(4) no provision of this Master Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and

(5) this subparagraph shall not be construed to affect Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties provided in Section 8.5 or subparagraphs (d)-(s) of this Section, or otherwise provided for in this Master Indenture.

Whether or not therein expressly so provided, every provision of this Master Indenture or any other Bond Document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article 8.

(d) The recitals contained in this Master Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Master Indenture or the Improvement Area #1 Bonds or with respect to the security afforded by this Master Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Master Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Improvement Area #1 Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Master Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code, or (v) to undertake any other action unless specifically authorized pursuant to a written direction provided by the City or pursuant to this Master Indenture.

(e) The duties and obligations of the Trustee shall be determined by the express provisions of this Master Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Master Indenture.

(f) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Master Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Master Indenture for the existence, furnishing or use of the Improvement Area #1 Improvements.

(g) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees (but shall be answerable therefor only in accordance with the standard specified above), and (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder.

(h) Except for its certificate of authentication on the Improvement Area #1 Bonds, the Trustee shall not be responsible for:

(1) the validity, priority, recording, re-recording, filing or re-filing of this Master Indenture or any Supplemental Indenture,

(2) any instrument or document of further assurance or collateral assignment,

(3) the filing of any financing statements, amendments thereto or continuation statements,

(4) insurance of the Improvements or collection of insurance money,

(5) the validity of the execution by the City of this Master Indenture, any Supplemental Indenture or instruments or documents of further assurance, or

(6) the sufficiency of the security for the Improvement Area #1 Bonds issued hereunder or intended to be secured hereby.

(i) The Trustee shall not be accountable for the application by any Person of the proceeds of any Improvement Area #1 Bonds authenticated or delivered hereunder.

(j) The Trustee shall be protected, in the absence of bad faith or negligence on its part, in acting upon any notice, request, direction, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, including a request by the City from an Authorized Officer or a City Certificate or by the Owners of more than 50% of the aggregate outstanding principal amount of the Improvement Area #1 Bonds, so long as authorized pursuant to this indenture. Any action taken by the Trustee pursuant to this Master Indenture upon the direction, request, authority or consent of any Person who is the Owner of any Improvement Area #1 Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Owners of the same Bond and of Improvement Area #1 Bonds issued in exchange therefor or in place thereof.

(k) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default, except Events of Default described in Section 9.1(1) only to the extent that no Pledged Revenues have been deposited by the City to the Pledged Revenue Fund, and Section 9.1(3), unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of more than 50% of the aggregate outstanding principal amount of Improvement Area #1 Bonds referring to this Master Indenture, describing such Event of Default and stating that such notice is a "notice of default." In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above.

(l) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(m) Any resolution by the City, and any opinions, certificates and other instruments and documents for which provision is made in this Master Indenture, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated

therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

(n) The Trustee shall be entitled to file proofs of claim in bankruptcy. Ordinary trustee and paying agent/registrar fees and expenses and extraordinary fees and expenses of the Trustee and the Paying Agent/Registrar incurred hereunder are intended to constitute administrative expenses in bankruptcy.

(o) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Master Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation for trustee and paying agent/registrar services shall survive the Trustee's resignation or removal, the discharge of this Master Indenture, and final payment of the Improvement Area #1 Bonds.

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(q) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Improvement Area #1 Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Improvement Area #1 Bonds.

(r) The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Trustee shall not be answerable to any Owners or any other Person or entity arising from failure to exercise any such permissive right.

(s) The Trustee shall not be responsible or liable for the environmental condition or any contamination of the Improvement Area #1 Improvements or any real property or improvements related thereto or for any diminution in value of the same as a result of any contamination by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee shall not be liable for any claims by or on behalf of the Owners or any other Person or entity arising from contamination by any hazardous substance, hazardous material, pollutant or contaminant, and shall have no duty or obligation to assess the environmental condition of the Improvement Area #1 Improvements or any real property or improvements related thereto or with respect to compliance thereof under state or federal laws pertaining to the transport, storage, treatment or disposal of, hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits or licenses issued under such laws.

Section 7.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Master Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Master Indenture.

Section 7.5. Trustee Protected in Relying on Certain Documents.

The Trustee may rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond opinion, or other document provided to the Trustee in accordance with the terms of this Master Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Master Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant to be qualified in relation to the subject matter or selected by the City in accordance with this Master Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Master Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Master Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 7.13 herein.

Section 7.6. Compensation.

From time to time, the Trustee shall determine and the Trustee shall provide the City Representative with an invoice setting forth the reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by a specific agreement, if any, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Improvement Area #1 Bonds Outstanding. Unless written objection is made invoice received by the City within ten (10) days of its delivery to the City, the Trustee shall transfer from the Administrative Fund the amount set forth thereon. None of the provisions contained in this Master Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required

by this Section, the Trustee may make such payment from lawfully available funds under the Master Indenture (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Master Indenture and shall be entitled to a preference therefor over any Improvement Area #1 Bonds Outstanding hereunder.

Section 7.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Improvement Area #1 Bonds and may join in any action that any Owner of Improvement Area #1 Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Improvement Area #1 Bonds or to effect or aid in any reorganization growing out of the enforcement of the Improvement Area #1 Bonds or this Master Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Improvement Area #1 Bonds.

Section 7.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the earlier of the appointment of a successor as provided in Section 7.9 or the appointment of a successor trustee by a court of competent jurisdiction pursuant to Section 7.9 hereof and the acceptance of such appointment by such successor.

Section 7.9. Removal of Trustee.

The Trustee may be removed at any time upon at least thirty (30) days prior written notice by (i) the Owners of at least a majority of the aggregate outstanding principal of the Improvement Area #1 Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Master Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate outstanding principal of the Improvement Area #1 Bonds.

Section 7.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least twenty-five percent (25%) of the aggregate outstanding principal of the Improvement Area #1 Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor trustee shall have been appointed by the Owners of the Improvement Area #1 Bonds, the City shall forthwith appoint a trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Improvement Area #1 Bonds within thirty (30) days after such appointment. Any appointment of a successor trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the requisite Owners of Improvement Area #1 Bonds.

If in a proper case no appointment of a successor trustee shall be made within thirty (30) days after the giving by any Trustee of any notice of resignation in accordance with Section 7.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Improvement Area #1 Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

Any successor trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Master Indenture.

Each successor trustee shall mail, in accordance with the provisions of the Improvement Area #1 Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Improvement Area #1 Bonds, and each of the Owners of the Improvement Area #1 Bonds.

Section 7.11. Transfer of Rights and Property to Successor Trustee.

Any successor trustee appointed under the provisions of Section 7.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance (without representation or warranty, express implied or statutory) and do such other

things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of any outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 7.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 7.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 7.13. Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Master Indenture in the time, place and manner required by the UCC. The Trustee shall only be responsible for making such filings upon direction from the City.

Section 7.14. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Master Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in aggregate outstanding principal amount of any Improvement Area #1 Bonds then Outstanding or their representatives duly authorized in writing.

Section 7.15. Construction of Master Indenture.

The Trustee may construe any of the provisions of this Master Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Improvement Area #1 Bonds.

ARTICLE 8

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 8.1. Amendments Permitted.

(a) This Master Indenture and the rights and obligations of the City and of the Owners of the Improvement Area #1 Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Improvement Area #1 Bonds, or with the written consent without a meeting, of the Owners of at a majority of the aggregate principal amount of the Improvement Area #1 Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Improvement Area #1 Bonds (except as otherwise permitted by Applicable Laws or this Master Indenture), or reduce the percentage of Improvement Area #1 Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its prior written consent.

This Master Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the City in this Master Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(2) to make modifications not adversely affecting any Outstanding Improvement Area #1 Bonds in any material respect;

(3) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Master Indenture, or in regard to questions arising under this Master Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Master Indenture, and that shall not adversely affect the rights of the Owners of the Improvement Area #1 Bonds; and

(4) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Improvement Area #1 Bonds.

(5) the Mayor and City Manager, in consultation with Bond Counsel, are authorized to make changes to the terms of this Master Indenture if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

(b) Notwithstanding, the issuance of Improvement Area #1 Bonds pursuant to a Supplemental Indenture in accordance with this Master Indenture is not an amendment of this Indenture requiring the approval of the Owners of Improvement Area #1 Bonds.

Section 8.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Improvement Area #1 Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Improvement Area #1 Bonds or of this Master Indenture, to the extent that such amendment is permitted by Section 8.1 herein, to take effect when and as provided in this Section. The City shall provide written direction to the Trustee to provide a copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, be mailed by the Trustee first class mail to each Owner of Improvement Area #1 Bonds from whom consent is required under this Master Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Master Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Improvement Area #1 Bonds for which such consent is given, which proof shall be such as is permitted by Section 8.6 herein. Any such consent shall be binding upon the Owner of the Improvement Area #1 Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Improvement Area #1 Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Improvement Area #1 Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 8.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Improvement Area #1 Bonds at the expiration of ninety (90) days after such filing, except in the event of a final decree

of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such ninety-day period.

Section 8.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article 8, this Master Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Master Indenture of the City, the Trustee and all Owners of Improvement Area #1 Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Master Indenture for any and all purposes.

Section 8.5. Endorsement or Replacement of Improvement Area #1 Bonds Issued After Amendments.

The City may determine that Improvement Area #1 Bonds issued and delivered after the effective date of any action taken as provided in this Article 8 shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Designated Payment/Transfer Office of the Trustee, a suitable notation shall be made on such Bond. The City may determine that new Improvement Area #1 Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Improvement Area #1 Bonds then Outstanding, such new Improvement Area #1 Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Improvement Area #1 Bonds then Outstanding, upon surrender of such Improvement Area #1 Bonds.

Section 8.6. Amendatory Endorsement of Improvement Area #1 Bonds.

The provisions of this Article 8 shall not prevent any Owner from accepting any amendment as to the particular Improvement Area #1 Bonds held by such Owner, provided that due notation thereof is made on such Improvement Area #1 Bonds.

Section 8.7. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Master Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Master Indenture and any Applicable Laws. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Master Indenture or otherwise.

ARTICLE 9

DEFAULT AND REMEDIES

Section 9.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(1) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(2) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

(3) The failure to make payment of the principal of or interest on any of the Improvement Area #1 Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and

(4) Default in the performance or observance of any covenant, agreement or obligation of the City under this Master Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal of the Improvement Area #1 Bonds with a copy to the Trustee, specifying such default by the Owners of at least 25% of the aggregate outstanding principal amount of the Improvement Area #1 Bonds at the time Outstanding requesting that the failure be remedied.

Section 9.2. Immediate Remedies for Default.

(a) Subject to Article 8, upon the happening and continuance of any of the Events of Default described in Section 9.1, the Owners of at least 25% of the aggregate outstanding principal of the Improvement Area #1 Bonds then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Master Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) THE PRINCIPAL OF THE IMPROVEMENT AREA #1 BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Improvement Area #1 Bonds, in the selection of Trust Estate assets to be used in the payment of Improvement Area #1 Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such

City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article 9, irrespective of and whether other remedies authorized under this Master Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, as the Trustee may deem appropriate, and as may be required by Applicable Laws and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or proper for the purpose which may be designated in such request.

Section 9.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Master Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Improvement Area #1 Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the registered owners of a majority of the aggregate principal amount of the Improvement Area #1 Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Improvement Area #1 Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Master Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the registered owners of all Improvement Area #1 Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of this Master Indenture and to any action or cause of action for the enforcement of this Master Indenture or for any other remedy hereunder.

(b) Subject to Article 7, nothing in this Master Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Improvement Area #1 Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Master Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Master Indenture, during the continuance of an Event of Default, notwithstanding Section 9.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Improvement Area #1 Bonds, as follows:

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

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Improvement Area #1 Bonds, or Redemption Price of any Improvement Area #1 Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Improvement Area #1 Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 9.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 9.1, the available funds shall be allocated to the Improvement Area #1 Bonds that are Outstanding in proportion to the quantity of Improvement Area #1 Bonds that are currently due and in default under the terms of this Master Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 9.3, shall not extend to or affect any subsequent default under this Master Indenture or impair any right consequent thereon.

Section 9.5. Effect of Waiver.

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

Section 9.6. Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Improvement Area #1 Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Master Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 9.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 9.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Master Indenture is expressly denied.

Section 9.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 9.9. Exclusion of Improvement Area #1 Bonds.

Improvement Area #1 Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Improvement Area #1 Bonds provided for in this Master Indenture, and the City shall not be entitled with respect to such Improvement Area #1 Bonds to give any consent or take any other action provided for in this Master Indenture.

ARTICLE 10

GENERAL COVENANTS AND REPRESENTATIONS

Section 10.1. Records and Accounts. The City hereby covenants and agrees that so long as any of the Outstanding Improvement Area #1 Bonds or any interest thereon remain outstanding and unpaid and the obligation to the Developer to reimburse it for funds it has contributed to pay Improvement Costs remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder

or holders of any Improvement Area #1 Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Improvement Area #1 Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty (30) days after the City receives such request.

Section 10.2. Representations as to Pledged Revenues.

(a) The City represents and warrants that Applicable Laws authorize the City to issue the Improvement Area #1 Bonds, to execute and deliver this Master Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Master Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Master Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Master Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to available funds, the City will take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Improvement Area #1 Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. Notwithstanding the foregoing, if the City is unable in every year to send notice of the Annual Installment on the same statement as ad valorem taxes, the City shall send or shall cause to be sent, a separate notice of the Annual Installment in a timely fashion such that the Annual Installment can be collected in the same time frame as ad valorem taxes.

Section 10.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Master Indenture.

Section 10.4. Federal Tax Matters.

Improvement Area #1 Bonds may be issued as taxable or tax-exempt obligations pursuant to a Supplemental Indenture. Provisions and covenants relating to income tax matters shall be as set forth in a Supplemental Indenture.

ARTICLE 11

SPECIAL COVENANTS

Section 11.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Master Indenture.

Section 11.2. Additional Obligations; Other Obligations or Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 11.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(b) So long as Improvement Area #1 Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than Improvement Area #1 Bonds issued pursuant to a Supplemental Indenture as provided herein, secured by any pledge of or other lien or charge on the Trust Estate pledged under this Master Indenture, other than (i) a lien or pledge subordinate to the lien and pledge of such property related to the Improvement Area #1 Bonds, or (ii) refunding bonds issued to refund all or a portion of the Improvement Area #1 Bonds.

(c) Other than bonds issued to refund all or a portion of the Improvement Area #1 Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Master Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Master Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds and Accounts; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would adversely affect the ability of the City to timely pay the Annual Debt Service due and owing on the Improvement Area #1 Bonds.

Section 11.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds and Accounts, and the Improvement Area #1 Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 11.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Master Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE 12

PAYMENT AND CANCELLATION OF THE IMPROVEMENT AREA #1 BONDS AND SATISFACTION OF THE INDENTURE

Section 12.1. Trust Irrevocable.

The trust created by the terms and provisions of this Master Indenture is irrevocable until the Improvement Area #1 Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article 13.

Section 12.2. Satisfaction of Master Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Improvement Area #1 Bonds, at the times and in the manner stipulated in this Master Indenture, and all amounts due and owing with respect to the Improvement Area #1 Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Improvement Area #1 Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Improvement Area #1 Bonds has been paid so that the City may determine if the Master Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 12.3. Improvement Area #1 Bonds Deemed Paid.

All Outstanding Improvement Area #1 Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Improvement Area #1 Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be

sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Improvement Area #1 Bonds to become due on such Improvement Area #1 Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Improvement Area #1 Bonds to become due on such Improvement Area #1 Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Improvement Area #1 Bonds are then rated, the Trustee shall have received written confirmation from each rating agency which is providing a rating on the Improvement Area #1 Bonds, that such deposit will not result in the reduction or withdrawal of the rating on the Improvement Area #1 Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Improvement Area #1 Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Improvement Area #1 Bonds on and prior to such redemption date or maturity date thereof, as the case may be, only upon receipt by the Trustee of (i) a report by an independent certified public accountant selected by the City, after giving effect to such request, verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Improvement Area #1 Bonds to become due on such Improvement Area #1 Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (ii) an opinion of Bond Counsel stating that that no adverse federal tax consequences will result from reinvesting such cash. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE 13

MISCELLANEOUS

Section 13.1. Benefits of Master Indenture Limited to Parties.

Nothing in this Master Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Master Indenture. Any covenants, stipulations, promises or agreements in this Master Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 13.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Master Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Master Indenture contained by or on behalf

of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.3. Execution of Documents and Proof of Ownership by Owners.

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

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

Except as otherwise herein expressly provided, the ownership of registered Improvement Area #1 Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 13.4. Waiver of Personal Liability.

No member of the City Council of the City, or any officer, agent, or employee of the City, shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Improvement Area #1 Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 13.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Master Indenture, all notices or other instruments required or permitted under this Master Indenture, including any City Certificate or Certificate for Payment shall be in writing and shall be delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:	City of Tomball, Texas 401 Market Street. Tomball, Texas 777375 Attn: City Manager Telephone: 281-351-5484
With a copy to:	

And:	Bracewell LLP Attn: Julie Partain 1445 Ross Ave. Suite 3800 Dallas, Texas 75202 Email: julie.partain@bracewell.com (214) 758-1606
And:	
If to the Trustee, also acting in the capacity of Paying Agent/Registrar:	The Bank of New York Mellon Trust Company, National Association Attn: Jully Jiang 601 Travis Street, Floor 16 Houston, TX 77002 Email: jully.jiang@bnymellon.com Telephone: (713) 483-7062

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

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five (5) Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of an Improvement Area #1 Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Improvement Area #1 Bonds Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Master Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: email, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent

by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures

Section 13.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Master Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Master Indenture. The City hereby declares that it would have adopted this Master Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Improvement Area #1 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Master Indenture may be held illegal, invalid, or unenforceable.

Section 13.7. Applicable Laws.

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

Section 13.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Improvement Area #1 Bonds or the date fixed for redemption of any Improvement Area #1 Bonds or the date any action is to be taken pursuant to this Master Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 13.9. Counterparts.

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

Section 13.10. Anti-boycott Verification.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 13.11. Iran, Sudan and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 13.12. Form 1295 Exemption. The Trustee represents that it is a wholly owned subsidiary of The Bank of New York Mellon Corporation, a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended.

[remainder of page left blank intentionally]

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

CITY OF TOMBALL, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

APPROVED AS TO FORM:
City Attorney

By:_____

[CITY SEAL]

The Bank of New York Mellon Trust Company, National Association

By: _____
Authorized Officer

EXHIBIT A

PROPERTY DESCRIPTION

DESCRIPTION

105.0452 acres of land situated in the Jesse Pruitt Survey, Abstract Number 629, City of Tomball, Harris County, Texas, being those certain Outlots 338, 339, 341, 342, 343, 344, 346, 349, 350, 352, 353, 355, 356, 358, 359, 361, 362, 363, 364, 365, a portion of Outlot 354 and a portion of two 30 foot Unimproved rights-of-way, all as shown on the Corrected Map of Tomball Outlots, a subdivision as shown on map or plat recorded under Volume 4, Page 75 of the Map Records of Harris County, Texas, said 105.0452 acres of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found in the Easterly right-of-way line of South Persimmon Road (30 foot right-of-way), for the Northwesterly corner of said Outlot 338;

Thence, N 87°35'04" E, along the Southerly line of that certain Lot 1 of Persimmon Properties, a subdivision as shown on map or plat recorded under Film Code Number 679815 of the Map Records of Harris County, Texas, a distance of 1,156.29 feet to a 5/8 inch iron rod with cap set in the Westerly right-of-way line of an Unimproved right-of-way (variable width right-of-way) as shown on said Corrected Map of Tomball Outlots, for the Northeasterly corner of said Outlot 339, from which a found 5/8 inch iron rod with cap bears N 49°09'38" W, 3.69 feet;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way, a distance of 1,132.81 feet to a 5/8 inch iron rod with cap set for the Northeasterly corner of that certain Outlot 347 of said Corrected Map of Tomball Outlots, from which a found 5/8 inch iron rod bears S 87°44'47" W, 6.90 feet;

Thence, S 87°44'47" W, along the common line of said Outlots 344 and 347, a distance of 584.30 feet to a 5/8 inch iron rod with cap set for the common corner of said Outlots 343, 344, 346 and 347;

Thence, S 02°18'20" E, along the common line of said Outlots 346 and 347, a distance of 377.60 feet to a 5/8 inch iron rod with cap set for the common corner of said Outlots 346, 347, 349 and 350;

Thence, N 87°44'47" E, along the common line of said Outlots 347 and 350, a distance of 585.84 feet to a 5/8 inch iron rod with cap set in the Westerly right-of-way line of said Unimproved right-of-way, for the Southeasterly corner of said Outlot 347, from which a found 5/8 inch iron rod bears S 87°44'47" W, 4.31 feet;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way, a distance of 162.27 feet to a point for corner;

Thence, N 87°47'53" E, along the Southerly line of that certain Tract C of Truss Houston, Inc., a subdivision as shown on map or plat recorded under Volume 335, Page 107 of the Map Records of Harris County, Texas and a projection thereof, at 30.00 feet crossing said Unimproved right-of-way, in all a total distance of 508.88 feet to a 5/8 inch iron rod with cap found in the Westerly right-of-way line of Huffsmith Kohrville Road (right-of-way width varies);

Thence, S 02°08'45" E, along the Westerly right-of-way line of said Huffsmith Kohrville Road, a distance of 375.13 feet to a 1 inch iron rod found at the intersection with the Northerly right-of-way line of Sutton Lane (30 foot Unimproved right-of-way) as shown on said Corrected Map of Tomball Outlots, from which a found 5/8 inch iron rod with cap bears N 61°10'47" W, 0.87 feet;

Thence, S 87°15'14" W, along the Northerly right-of-way line of said Sutton Lane and a projection thereof, at 476.29 feet pass the Easterly right-of-way line of said Unimproved right-of-way, in all a total distance of 506.29 feet to the Westerly right-of-way line of said Unimproved right-of-way;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way (30 foot right-of-way along this course), a distance of 832.20 feet to a point for corner;

Thence, N 87°15'10" E, along the Southerly line of that certain Reserve "B" of the Final Plat of Calvary Baptist of Tomball Subdivision, a subdivision as shown on map or plat recorded under Film Code Number 520133 of the Map Records of Harris County, Texas and a projection thereof, at 30.00 feet crossing said Unimproved right-of-way, in all a total distance of 572.96 feet to a 5/8 inch iron rod with cap found for the Northwesterly corner of that certain Reserve "C" of said Final Plat of Calvary Baptist of Tomball Subdivision and the Northeasterly corner of said Outlot 365;

Thence, S 02°32'04" E, along the Westerly line of said Reserve "C", a distance of 397.96 feet to a 1/2 inch iron rod found for the most Northerly Northeast corner of that certain called 10.27 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number G259047 and the Northeasterly corner of said Outlot 368;

Thence, S 87°22'37" W, along the Northerly line of said 10.27 acre tract and the Northerly line of said Outlot 368 and a projection thereof, at 542.93 feet pass the Easterly right-of-way line of said Unimproved right-of-way, in all a total distance of 572.93 feet to the Westerly right-of-way line of said Unimproved right-of-way;

Thence, S 02°32'22" E, along the Westerly right-of-way line of said Unimproved right-of-way (30 foot right-of-way along this course), a distance of 496.74 feet to a 5/8 inch iron rod with cap set for the Southeasterly corner of said Outlot 364 and the Northeasterly corner of that certain Outlot 367 of said Corrected Map of Tomball Outlots, from which a found 1/2 inch iron pipe bears N 87°51'27" E, 30.70 feet;

Thence, S 87°51'27" W, along the Northerly line of that certain Outlot 366 of said Corrected Map of Tomball Outlots and said Outlot 367, a distance of 1,162.57 feet to a PK Nail found in the Easterly right-of-way line of South Persimmon Road (30 foot right-of-way), for the Northwesterly corner of said Outlot 366 and the Southwesterly corner of said Outlot 363;

Thence, N 02°26'40" W, along the Easterly right-of-way line of said South Persimmon Road, a distance of 3,772.74 feet to the POINT OF BEGINNING and containing 105.0452 acres of land.

BEARING ORIENTATION BASED ON TEXAS STATE PLANE COORDINATE GRID SYSTEM OF 1983 (SOUTH CENTRAL ZONE NO. 4204).

HOVIS SURVEYING COMPANY, INC.
TEXAS FIRM REGISTRATION NO. 10030400

By:_____

Date: September 9, 2019
Job No: 18-102-00
File No: H18-102.00D

FIRST SUPPLEMENTAL INDENTURE

authorizing

CITY OF TOMBALL, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1),
SERIES 2020

Dated: September 1, 2020

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1. Short Title 1
Section 1.2. Definitions 2
Section 1.3. Table of Contents, Titles and Headings 3
Section 1.4. Interpretation 3
Section 1.5. Declarations and Additional Rights and Limitations Under Master Indenture 3

ARTICLE II

PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1. Purposes of Supplemental Indenture 4
Section 2.2. Pledge, Security for, Sources of Payment of Bonds 4

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization 4
Section 3.2. Date, Denomination, Maturities, Numbers and Interest 4
Section 3.3. Medium, Method and Place of Payment 5
Section 3.4. Execution and Initial Registration 6
Section 3.5. Ownership 7
Section 3.6. Registration, Transfer and Exchange 7
Section 3.7. Cancellation and Authentication 8
Section 3.8. Replacement Bonds 8
Section 3.9. Book-Entry Only System 9
Section 3.10. Successor Securities Depository 10
Section 3.11. Payments to Cede & Co 11

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption 11
Section 4.2. Mandatory Sinking Fund Redemption 11
Section 4.3. Optional Redemption 12
Section 4.4. Extraordinary Optional Redemption 12
Section 4.5. Partial Redemption 13

Section 4.6. Notice of Redemption to Owners 13
Section 4.7. Payment Upon Redemption 14
Section 4.8. Effect of Redemption 14

ARTICLE V

FEDERAL INCOME TAX MATTERS

Section 5.1. General 15
Section 5.2. No Private Activity Bonds 15
Section 5.3. No Federal Guaranty 15
Section 5.4. No Hedge Bonds 15
Section 5.5. No-Arbitrage 15
Section 5.6. Arbitrage Rebate 16
Section 5.7. Information Reporting 16
Section 5.8. Record Retention 16
Section 5.9. Registration 16
Section 5.10. Favorable Opinion of Bond Counsel 16
Section 5.11. Continuing Obligation 16

ARTICLE VI

FORM OF THE BONDS

Section 6.1. Form Generally 16
Section 6.2. CUSIP Registration 17
Section 6.3. Legal Opinion 17

ARTICLE VII

SALE, CONTROL AND DELIVERY OF THE BONDS

Section 7.1. Sale of Bonds; Offering Memorandum 17
Section 7.2. Control and Delivery of Bonds 18

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1. Creation of Additional Funds and Accounts 19
Section 8.2. Initial Deposits to Funds and Accounts 19
Section 8.3. Payment of the Bonds 20
Section 8.4. Representations and Covenants 20
Section 8.5. Remedies 20

ARTICLE IX

CONTINUING DISCLOSURE UNDERTAKING

Section 9.1. Approval of Continuing Disclosure Agreement 21

ARTICLE X

MISCELLANEOUS

Section 10.1. Changes to Supplemental Indenture 21
Section 10.2. Partial Invalidity.....21
Section 10.3. No Personal Liability 21
Section 10.4. Counterparts.....21
Section 10.5. Anti-boycott Verification.....21
Section 10.6. Iran, Sudan and Foreign Terrorist Organizations 22
Section 10.7. Form 1295 Exemption 22

INDENTURE OF TRUST

This City of Tomball First Supplemental Indenture of Trust authorizing the City of Tomball, Special Assessment Revenue Bonds (Raburn Reserve Public Improvement District Improvement Area #1), Series 2020 dated September 1, 2020, is by and between the City of Tomball, Texas (the "City") and The Bank of New York Mellon Trust Company, National Association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, the City of Tomball, Texas (the "City") and The Bank of New York Mellon Trust Company, National Association, as Trustee have entered into that certain Master Indenture of Trust dated September 1, 2020 (the "Master Indenture"), authorizing the issuance of obligations pursuant to one or more supplemental indentures. Capitalized terms used in this First Supplemental Indenture (this "Supplemental Indenture") and not otherwise defined shall have the meaning assigned thereto in the Master Indenture; and

WHEREAS, this Supplemental Indenture is adopted for the purpose of, among others, authorizing the issuance of a series of bonds to be issued pursuant to the terms and provisions of and secured under the Master Indenture; and

WHEREAS, the City is authorized to issue and deliver the Bonds authorized herein in a single series; and

WHEREAS, it is hereby found and determined that the Bonds authorized herein shall constitute Improvement Area #1 Bonds under the Master Indenture and shall be entitled to all of the benefits of the Master Indenture; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Supplemental Indenture is approved is open to the public, and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Supplemental Indenture, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1. Short Title.

This Supplemental Indenture may hereafter be cited in other documents and without further description as the "First Supplemental Indenture."

Section 1.2. Definitions.

The capitalized terms used herein and not otherwise defined shall have the same meanings and definitions as are applied to such terms, respectively, in the Master Indenture. Additionally, unless otherwise expressly provided or unless the context clearly requires otherwise, the following additional terms shall have the respective meanings specified below:

"Authorized Denomination" means [$100,000] and any integral multiple of $5,000 in excess of [$100,000], or a smaller denomination, if any, resulting from a partial redemption of Bonds as determined in accordance with Section 4.5 hereof or as a result of any partial defeasance of the Bonds.

"Authorized Officer" means (i) the City Manager of the City, (ii) an Assistant City Manager of the City designated by the City Manager for such purpose, or (iii) the Director of Finance of the City.

"Bond" means any of the Bonds authorized herein.

"Bond Date" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Supplemental Indenture.

Bond Ordinance" means Ordinance No. _____ adopted by the City Council on _____, 2020 authorizing the Master Indenture and the First Supplemental Indenture and the issues of the Bonds.

"Bonds" means the City's bonds entitled "City of Tomball, Texas, Special Assessment Revenue Bonds (Raburn Reserve Public Improvement District Improvement Area #1), Series 2020."

"Closing Date" means the date of initial delivery of and payment for the Bonds.

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

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

"Initial Bond" means the Initial Bond described in Section 3.4.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing _____.

"MSRB" means the Municipal Securities Rulemaking Board.

"Purchase Contract" means the bond purchase contract approved in Section 6.1, pursuant to which the Bonds are sold to the Underwriter.

"Record Date" means the last Business Day of the month next preceding an Interest Payment Date.

"Representation Letter" means the "Blanket Letter of Representations" between the City and DTC.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Stated Maturity Date" means the respective dates on which the Bonds are stated to mature.

"Supplemental Indenture" means this First Supplemental Indenture.

"Underwriter" means FMSbonds, Inc.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Supplemental Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Supplemental Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and section references shall mean references to articles and sections of this Supplemental Indenture unless designated otherwise.

(c) Nothing in this Supplemental Indenture is intended or shall be construed to confer upon, or give to, any person, other than the City and the Owners, any right, remedy, or claim under or by reason of this Supplemental Indenture or any covenant or provisions hereof.

(d) If any one or more of the covenants, provisions or agreements contained herein should be contrary to Applicable Law, then such covenants, provisions or agreements shall be deemed separable from the remaining covenants, provisions, and agreements hereof, and shall in no way affect the validity of the remaining covenants, provisions, and agreements contained in this Supplemental Indenture.

Section 1.5. Declarations and Additional Rights and Limitations Under Master Indenture.

(a) For all purposes of the Master Indenture, the City declares and provides as follows:

(i) The Bonds are Improvement Area #1 Bonds that are authorized by Section 2.1 of the Master Indenture.

(ii) Administrative Expenses shall include the fees and expenses owed to the Trustee and the Paying Agent/Registrar.

ARTICLE II

PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1. Purposes of Supplemental Indenture.

The purposes of this Supplemental Indenture are to authorize the award and sale of the Bonds to the Underwriter in accordance with the terms and provisions hereof, and to extend expressly the pledge, lien and security of the Master Indenture to and for the benefit of the Owners.

Section 2.2. Pledge, Security for, Sources of Payment of Bonds.

(a) The pledge, the security provisions of Sections 3.5 and 3.6 and 3.7 respectively, of the Master Indenture are hereby expressly restated, fixed, brought forward and granted to the Owners.

(b) The Bonds issued hereunder are Improvement Area #1 Bonds under the Master Indenture shall be and are secured in the manner and to the extent provided in the Master Indenture with respect to Improvement Area #1 Bonds. The Bonds shall be and are on a parity with other Improvement Area #1 Bonds issued under the Master Indenture.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds, to be designated "City of Tomball, Texas, Special Assessment Revenue Bonds (Raburn Reserve Public Improvement District Improvement Area #1 Project), Series 2020," are hereby authorized to be issued and delivered in accordance with Act and other Applicable Law. The Bonds shall be issued in the original principal amount of $_____ for the purpose of (i) paying a portion of the Improvement Area #1 Costs, (ii) paying capitalized interest on the Bonds, (iii) funding the Bond Reserve Account of the Reserve Fund, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated _____, 2020 (the "Bond Date") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and

shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the date of initial delivery of the Bonds to the Underwriter or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing _____ computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 15 in the years and in the principal amounts and shall bear interest as set forth below:

Term Bonds

Maturity Date	Principal Amount	Interest Rate

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article 4 herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Supplemental Indenture.

Section 3.3. Medium, Method and Place of Payment.

(a) Annual Debt Service on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be at least 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to the Owner entitled to such payment, United States mail, first class postage prepaid, to the address of the Owner as it appears in the Obligation

Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the Owner on the due date thereof (whether at the Stated Maturity Date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If a date for the payment of Debt Service on the Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to any applicable escheat, unclaimed property, including without limitation Title 6, Texas Property Code, or similar and Applicable Law, unclaimed payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be paid to the City and thereafter neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds.

Section 3.4. Execution and Initial Registration.

(a) The Bonds shall be executed in accordance with the Article IV of the Master Indenture.

(b) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of the Master Indenture and this Supplemental Indenture unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Supplemental Indenture, duly authenticated by manual or electronic execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Supplemental Indenture, manually executed by the Comptroller of Public Accounts of the State or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(c) On the Closing Date, one Initial Bond, representing the entire principal amount of the Bonds, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and attested by manual or facsimile signature of the City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the representative of the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Underwriter registered definitive Bonds as described in Section 3.9(a).

Section 3.5. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat each Owner as the absolute owner of such Bond for the purpose of making and receiving payment of Debt Service thereon (subject to the provisions herein that interest is to be paid to each Owner on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.6. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to maintain the Obligation Register, herein so called, in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the Master Indenture.

(b) Ownership of any Bond may be transferred in the Obligation Register only upon the presentation and surrender thereof at the Paying Agent/Registrar's Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in Authorized Denominations, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Obligation Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent commercially reasonable the Paying Agent/Registrar will issue such new Bond or Bonds in not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Owner of the Bond or Bonds in not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Supplemental Indenture to the same extent as the Bond or Bonds in lieu of which such substitute Bond is delivered.

(e) The City will pay, as an Administrative Expense, the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed on the Paying Agent/Registrar in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of Debt Service on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

(g) Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor of a Bond shall provide or cause to be provided to the Paying Agent/Registrar all information necessary to allow the Paying Agent/Registrar to comply with any applicable tax reporting obligations, including without limitation, any cost basis reporting obligations under Section 6045 of the Code, as amended. The Paying Agent/Registrar shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.7. Cancellation and Authentication.

All Bonds paid or redeemed before their Stated Maturity Dates in accordance with this Supplemental Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Supplemental Indenture, shall be canceled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the canceled Bonds in accordance with Applicable Law.

Section 3.8. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Bond, the Paying Agent/Registrar shall

authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the Applicable Law and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Supplemental Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.9. Book-Entry Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as

provided in Section 3.10, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Supplemental Indenture. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Obligation Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Obligation Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Supplemental Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Obligation Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Obligation Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Obligation Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Supplemental Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Supplemental Indenture with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Supplemental Indenture shall refer to such new nominee of DTC.

(c) The "Representation Letter" previously executed and delivered by an Authorized Officer and made applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for said obligations, is hereby ratified and approved for the Bonds.

Section 3.10. Successor Securities Depository.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/ Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and

DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Obligation Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Supplemental Indenture.

Section 3.11. Payments to Cede & Co.

Notwithstanding any other provision of this Supplemental Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article 4.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds (referred to as "Term Bonds" below) are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

$_____ Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
September 15, 20__	
September 15, 20__	
September 15, 20__*	

*maturity

$_____ Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount

September 15, 20__
September 15, 20__
September 15, 20__
September 15, 20__
September 15, 20__*

*maturity

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date and subject to any prior reduction authorized by this Supplemental Indenture, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6 of this Supplemental Indenture.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional or extraordinary redemption provisions hereof and not previously credited to a mandatory sinking fund redemption as described in subsection 4.2(d) below.

Section 4.3. Optional Redemption.

(a) The City reserves the option to redeem Bonds in whole or any part, before their respective scheduled maturity dates, on September 15, 20__, or on any date thereafter such redemption date or dates to be fixed by the City, at a Redemption Price equal to the principal amount of the Bonds called for redemption plus accrued and unpaid interest to the date fixed for redemption.

(b) The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.4. Extraordinary Optional Redemption.

(a) Notwithstanding any provision in this Supplemental Indenture to the contrary, but subject to the provisions of Section 4.6(d), the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any Business Day, at a Redemption Price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued and unpaid interest to the date of redemption from amounts on deposit in

the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Master Indenture or any other transfers to the Redemption Fund under the terms of this Master Indenture, including from transfers of Foreclosure Proceeds and transfers pursuant to the provisions of Article V of the Master Indenture. The City direction for such redemption shall include details with regard to a corresponding reduction in the Bond Reserve Account Requirement, as contemplated by the definition thereof.

(b) Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least $5,000 available in the Redemption Fund with which to redeem the Bonds.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds within a maturity are to be redeemed, such Bonds shall be called by random selection. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

(b) If less than all of the Bonds are to be redeemed pursuant to optional or extraordinary optional redemption, such redemption shall be effected by redeeming Bonds in such manner as may be specified by the City; provided, however that in the absence of such instruction from the City by the date required for the sending of notice of redemption pursuant to Section 4.6, the Bonds shall be redeemed by any method selected by the Trustee that results in a pro rata reduction of the Outstanding maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose.

(c) Bonds may be redeemed in minimum principal amounts of $5,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

(a) A portion of a single Bond of an Authorized Denomination may be redeemed, but only in a principal amount equal to $5,000 or any integral thereof. The Trustee shall treat each $5,000 portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $5,000, may be issued.

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

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for

redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City reserves the right, in the case of an optional or extraordinary optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in, and not otherwise rescinded as provided by, Section 4.6 of this Supplemental Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds or the principal of and interest on such Bonds, as applicable, to the date fixed for redemption are on deposit with the Trustee; thereafter, such

Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FEDERAL INCOME TAX MATTERS

Section 5.1. General.

The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on any issue of Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with each issue of Bonds.

Section 5.2. No Private Activity Bonds.

The City covenants that it will use the proceeds of each issue of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes an issue of the Bonds to be "private activity bonds" unless it takes a remedial action permitted by section 1.141-12 of the Regulations. The City covenants and agrees that the levied Assessments will meet the requirements for the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Assessments continue to meet such requirements.

Section 5.3. No Federal Guaranty.

The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause an issue of Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section 5.4. No Hedge Bonds.

The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause an issue of Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Code.

Section 5.5. No-Arbitrage.

The City covenants that it will make use of the proceeds of each issue of Bonds (including investment income) and regulate the investment of such proceeds of each such issues of Bonds so that such issue will not be "arbitrage bonds" within the meaning of section 148(a) of the Code.

Section 5.6. Arbitrage Rebate.

The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds each issue of Bonds, be rebated to the United States.

Section 5.7. Information Reporting.

The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning each issue of Bonds in accordance with section 149(e) of the Code.

Section 5.8. Record Retention.

The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

Section 5.9. Registration.

If an issue of Bonds are "registration-required bonds" under section 149(a)(2) of the Code, such issue will be issued in registered form.

Section 5.10. Favorable Opinion of Bond Counsel.

Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an Favorable Opinion of Bond Counsel.

Section 5.11. Continuing Obligation.

Notwithstanding any other provision of this Indenture, the City's obligations under the federal tax covenants set forth above will survive the defeasance and discharge of an issue of Bonds for as long as such matters are relevant to the excludability of interest on such issue Bonds from gross income for federal income tax purposes.

ARTICLE VI
FORM OF THE BONDS

Section 6.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond, and the Certificate of the Trustee and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Supplemental Indenture with such appropriate insertions, omissions,

substitutions, and other variations as are permitted or required by this Supplemental Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

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

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

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

Section 6.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and, none of the City, the Trustee, or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The City prohibits any Bond to be issued in a denomination of less than an Authorized Denomination and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than an Authorized Denomination and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 6.3. Legal Opinion.

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

ARTICLE VII

SALE, CONTROL AND DELIVERY OF THE BONDS

Section 7.1. Sale of Bonds; Offering Memorandum.

(a) The Bonds are hereby officially sold and awarded to the Underwriter in accordance with the terms and provisions of that certain Purchase Contract relating to the Bonds between the City and the Underwriter and dated the date of the passage of the Ordinance. The form and content of such Purchase Contract are hereby approved, and the Mayor is hereby authorized and directed

to execute and deliver such Purchase Contract. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Underwriter, or its designee.

(b) The form and substance of the Preliminary Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto presented to and considered by the City Council are hereby in all respects approved and adopted. The City hereby authorizes the preparation of a final Limited Offering Memorandum reflecting the terms of the Purchase Contract and other relevant information. The Limited Offering Memorandum as thus approved and delivered, with such appropriate variations as shall be approved by the City Manager and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds, and the Preliminary Limited Offering Memorandum is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and continued. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor, the Mayor and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to development, the Developer (as defined in the Limited Offering Memorandum) or its financial ability, the homebuilders; the landowners, or the appraisal of the property in the District performed by _____.

(c) The Authorized Officer and all other officers of the City are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, to pay the costs of issuance of the Bonds, and to effectuate the terms and provisions of this Indenture. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the District is hereby authorized and directed to issue a check of the District payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed $9,500).

(d) The obligation of the Underwriter to accept delivery of the Bonds is subject to, among other conditions specified in the Purchase Contract, the Underwriter being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the City, which opinion shall be dated and delivered on the Closing Date.

Section 7.2. Control and Delivery of Bonds.

(a) The Mayor of the City, or in his absence, the Mayor Pro Tem, is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State, registration

by the Comptroller of Public Accounts of the State, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriter under and subject to the general supervision and direction of the Mayor of the City, or in his absence, the Mayor Pro Tem, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, the Assistant City Secretary, or an Assistant City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary, and an Assistant City Manager shall, for the purposes of this Supplemental Indenture, have the same force and effect as if such duties were performed by the Mayor, City Secretary, and City Manager, respectively.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1. Creation of Additional Funds and Accounts.

(a) The following accounts are hereby created in addition to those created in Section 5.1 of the Master Indenture:

(i) Series 2020 Capitalized Interest Sub-Account of the Capitalized Interest Account of the Bond Fund

(ii) Series 2020 Costs of Issuance Sub-Account of the Costs of Issuance Account of the Bond Fund

(iii) Series 2020 Improvement Sub-Account of the Improvement Account of the Bond Fund

(iv) Series 2020 Developer Improvement Sub-Account of the Developer Account of the Project Fund

Section 8.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Series 2020 Capitalized Interest Sub-Account: $_____ for the payment of interest on the Bonds on the following dates:

Date	Amount

(ii) to the Bond Reserve Account: $_____;

(iii) to the Series 2020 Costs of Issuance Sub-Account: $_____;

(iv) to the Administrative Fund: $_____;

(v) to the Delinquency and Prepayment Reserve Account of the Reserve Fund: $_____; and

(vi) to the Series 2020 Improvement Sub-Account Account of the Project Fund: $_____.

(b) Funds received from the Developer in the amount of $_____ shall be deposited into the Developer Improvement Sub-Account of the Project Fund.

Section 8.3. Payment of the Bonds.

While any of the Bonds are outstanding and unpaid, the City shall make available to the Paying Agent/Registrar, from the Pledged Funds and Accounts, in the amounts and at the times required by this Supplemental Indenture and the Master Indenture, money sufficient to pay when due all amounts required to be paid by this Supplemental Indenture and the Master Indenture.

Section 8.4. Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Master Indenture and this Supplemental Indenture; the City will promptly pay or cause to be paid Debt Service on each Bond on the dates and at the places and in the manner prescribed in each Bond; and the City will, at the times and in the manner prescribed by this Supplemental Indenture, deposit or cause to be deposited the amounts of money specified by the Master Indenture and this Supplemental Indenture.

(b) The City is duly authorized under the laws of the State to issue the Bonds; all action on its part for the issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 8.5. Remedies.

The City and the Owners shall have all rights, remedies, duties and obligations set forth and applicable to them in the Master Indenture and this Supplemental Indenture.

ARTICLE IX

CONTINUING DISCLOSURE UNDERTAKING

Section 9.1. Approval of Continuing Disclosure Agreement.

(a) The form, terms and provisions of that certain continuing disclosure agreement (the "Continuing Disclosure Agreement"), among the City, P3Works, Inc. as the assessment consultant and _____, as Dissemination Agent, dated _____, 2020, is hereby authorized and approved in substantially final form presented at this meeting and the Mayor is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Supplemental Indenture and approved by the Mayor, such approval to be evidenced by the execution thereof. The Mayor's signature on the Continuing Disclosure Agreement may be attested by the City Secretary.

ARTICLE X

MISCELLANEOUS

Section 10.1. Changes to Supplemental Indenture.

The Mayor and City Manager, in consultation with Bond Counsel, are hereby authorized to make changes to the terms of this Supplemental Indenture if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 10.2. Partial Invalidity.

If any section, paragraph, clause or provision of this Supplemental Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Supplemental Indenture.

Section 10.3. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Supplemental Indenture, against any official or employee of the City or any person executing any Bonds.

Section 10.4. Counterparts.

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

Section 10.5. Anti-boycott Verification.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is

a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 10.6. Iran, Sudan and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 10.7. Form 1295 Exemption. The Trustee represents that it is a wholly owned subsidiary of The Bank of New York Mellon Corporation, a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended.

PRESENTED, PASSED AND APPROVED, AND EFFECTIVE on the _____ day of _____, 2020, by a vote of ____ ayes and ___ nays at a regular meeting of the City Council of the City of Tomball, Texas.

By:_____
Mayor, City of Tomball, Texas

ATTEST:

_____
City Secretary

APPROVED AS TO FORM:
City Attorney

By:_____

TRUSTEE'S ACCEPTANCE OF TRUST AND DUTIES

The Trustee, acting by and through the below named duly authorized officer, hereby accepts the trusts imposed by this Supplemental Indenture and the Master Indenture and agrees to perform the duties of Trustee hereunder, but only upon and subject to the express terms and conditions herein.

Dated: _____

_____, as Trustee

By: _____
Title: _____

EXHIBIT A

The form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of Trustee and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

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

THE TRANSFER OF THIS BOND IS SUBJECT TO THE TERMS AND RESTRICTIONS DESCRIBED HEREIN.

REGISTERED
No. _____

REGISTERED
$_____

United States of America
State of Texas

CITY OF TOMBALL, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, ____	_____, _____	_____ ___

The City of Tomball, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid

semiannually commencing on _____ and on each March 15 and September 15 thereafter until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in _____, Texas (the "Designated Payment/Transfer Office"), of _____, N.A., a national banking association, as trustee and paying agent/registrar (the "Trustee," which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated _____, 2020 and issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to a Master Indenture of Trust, dated as of _____, 2020 (the "Master Indenture"), and a First Supplemental Indenture dated as of ___, 2020 (the "First Supplemental Indenture and together with the Master Indenture, the "Indenture") by and between the City and the Trustee, which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the

purpose of (i) paying a portion of the Improvements Costs, (ii) paying capitalized interest on the Bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a debt service reserve fund for payment of principal and interest on the Bonds, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, (v) paying a portion of the costs incidental to the organization of the District, and (vi) paying the costs of issuance of the Bonds.

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

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

The Bonds are issuable as fully registered bonds only in denominations of [$100,000], or any integral multiple of $5,000 in excess thereof ("Authorized Denominations"), subject to the partial redemption provisions of the Indenture authorizing redemptions of less than $100,000 in denominations of $5,000 and any multiple of $5,000 in excess thereof.

The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a Redemption Price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article 6 of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

$_____ Term Bonds maturing September 15, 20__

Redemption Date	Amount
September 15, 20__	
September 15, 20__	
September 15, 20__*	

*maturity

$_____ Term Bonds maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__*	

*maturity

At least forty-five (45) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The Sinking Fund Installments of Term Bonds required to be redeemed on any mandatory sinking fund redemption shall be reduced in integral multiples of $5,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date, on or after September 15, 20__, such redemption date or dates to be fixed by the City, at a price of par plus accrued and unpaid interest to the date of redemption:

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any Business Day, at a Redemption Price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on

deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or any other transfers to the Redemption Fund permitted in the Indenture.

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

The City reserves the right, in the case of an optional or extraordinary optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized

Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF TOMBALL, TEXAS; HARRIS COUNTY, TEXAS; THE STATE OF TEXAS; OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Secretary, City of Tomball, Texas	Mayor, City of Tomball, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on each Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
THE STATE OF TEXAS	§	

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

_____
Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

_____, N.A., as
Trustee

By: _____
Authorized Signatory

DATED: _____

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

_____

_____
Authorized Signatory

_____
NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

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

(ii) *in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:*

Years Principal Installments Interest Rates"

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

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

EXHIBIT B

FORM OF CERTIFICATE FOR PAYMENT

CERTIFICATE FOR PAYMENT NO. ___

Reference is made to that certain Master Indenture of Trust by and between the City and the Trustee dated as of _____, 2020 (the "Master Indenture") and that certain First Supplemental Indenture by and between the City and the Trustee dated as of ____, 2020 (the "First Supplemental Indenture together with the Master Indenture, the "Indenture") relating to the "City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1 Project)" (the "Bonds"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture.

The undersigned is an agent for HT Raburn Reserve Development L.P. a Texas limited partnership (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from:

_____ the Improvement Account of the Project Fund

_____ the Developer Improvement Account of the Project Fund

from _____, N.A., (the "Trustee"), in the amount of _____ ($_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within Improvement Area #1 of the Raburn Reserve Public Improvement District.

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The itemized payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Authorized Improvements below is a true and accurate representation of the Authorized Improvements associated with the creation, acquisition, or construction of said Authorized Improvements and such costs (i) are in compliance with the Development Agreement, (ii) are consistent with and within the cost identified for such Authorized Improvements as set forth in the Service and Assessment Plan, and (iii) are capital costs relating of the Authorized Improvements.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, and the Service and Assessment Plan.

5. The Developer has timely paid all ad valorem taxes and Annual Installments of Assessments it owes or an entity the Developer controls owes, located in the Raburn Reserve Public Improvement District and has no outstanding delinquencies for such Assessments.

6. All conditions set forth in the Indenture and the Development Agreement for the payment hereby requested have been satisfied.

7. The work with respect to Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

9.

a. Developer has recorded documents creating a Home Owners in the real property records of Harris County and evidence of such recording has been submitted to the City; or

b. if Developer has not recorded such documents and evidence has not been submitted evidencing such recording, then the requested payment (including all previous payments) equals less than or equal to 10% of the amount of bond proceeds deposited to the Improvement Account at closing of the Bonds.

Payments requested are as follows:

Payee / Description of Authorized Improvement	Total Cost of Authorized Improvement	Budgeted Cost of Authorized Improvement	Amount requested to be paid from the Improvement Account[1]	Amount requested to be paid from the Developer Improvement Account	% of Bond proceeds expended from the Improvement Account upon payment of sums under this Certificate for Payment

[1] No more than 10% of Bond proceeds may be expended from the Improvement Account until the Developer has recorded documents creating a Home Owners Association in the real property records of Harris County and evidence of such recording is submitted to the City.

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

Pursuant to the Development Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Payment instructions

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

HT Raburn Reserve Development L.P., a Texas limited partnership

By: _____

Name: _____

Title: _____

APPROVAL OF REQUEST

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and authorizes and directs payment of the amounts set forth below by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Development Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Authorized Improvements.

Amount of Payment Certificate Request	Amount to be Paid by Trustee from Improvement Account	Amount to be paid by Trustee from Developer Improvement Account
$_____	$_____	$_____

[City to make the following certification as appropriate]*

[TO BE CERTIFIED BEFORE ANY AMOUNT OVER TEN (10%) OF THE PROCEEDS OF THE BONDS DEPOSITED TO THE IMPROVEMENT ACCOUNT AT CLOSING MAY BE RELEASED FROM THE PROJECT FUND: The City hereby certifies that it has received satisfactory evidence of the recording covenants, conditions and restrictions created the Home Owners Association and Property Owners pursuant to the Agreement.]

CITY OF TOMBALL, TEXAS

By:_____
Name: _____
Title: _____

Date: _____

* Certification is to be made by the City prior to the City's approval of a Certificate for Payment. If any Certificate for Payment is approved by the City as evidenced by their execution of this Certificate for Payment, the Trustee is authorized to pay the amounts set forth in such Certificate for Payment as executed by the City and delivered to the Trustee without further diligence and whether or not such certification has been made by the City.

EXHIBIT C

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for HT Raburn Reserve Development L.P. a Texas limited partnership, (the "Developer") and requests payment from:

[the Cost of Issuance Account of the Project Fund][the Improvement Account of the Project Fund] from _____, (the "Trustee") in the amount of _____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Raburn Reserve Public Improvement District (the "District"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

7. X amount to Person or Account Y for Z goods or services.

8. Payment Instructions

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

HT Raburn Reserve Development L.P.,
a Texas limited partnership

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the accounts listed below to the Developer or other person designated by the Developer.

Closing Costs	Amount to be Paid by Trustee from Cost of Issuance Account	Amount to be paid by Trustee from Improvement Account
$_____	$_____	$_____

CITY OF TOMBALL, TEXAS

By:_____
Name: _____
Title: _____

Date: _____

$[2,490,000]
CITY OF TOMBALL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

BOND PURCHASE AGREEMENT

September 21, 2020

City of Tomball, Texas
401 Market Street
Tomball, Texas 77375

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Tomball, Texas (the "City"), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (as defined herein) between the City and The Bank of New York Mellon Trust Company, N.A.,, as trustee (the "Trustee"), authorizing the issuance of the Bonds (as defined herein), and in the Limited Offering Memorandum (as defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the $[2,490,000] aggregate principal amount of the "City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)" (the "Bonds"), at a purchase price of $[_____] (representing the aggregate principal amount of the Bonds, [less an original issue discount of $[_____]] and less an Underwriter's discount of $[_____]).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a "municipal advisor" (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement

is an arm's length commercial transaction between the City and the Underwriter, (ii) in connection with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Improvement Area # Improvements financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated [_____], 2020 and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on October 6, 2020 (or such other date as may be agreed to by the City and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the "City Council") on September 21, 2020 (the "Bond Ordinance") and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and a Master Indenture of Trust dated as of _____, 2020 (the "Master Indenture"), and the First Supplemental Indenture dated _____, 2020 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), entered into by and between the City and the Trustee, authorizing the issuance of the Bonds. The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the "Trust Estate" consisting primarily of revenue from proceeds of special assessments (the "Improvement Area #1 Assessments") levied on the assessable parcels within Improvement Area #1 of the Raburn Reserve Public Improvement District (the "District"). The District was established by a resolution (the "Creation Resolution"), enacted by the City Council on November 4, 2020, in accordance with the Act. The Improvement Area #1 Assessments were levied in accordance with a service and assessment plan, adopted by the City Council on September 21, 2020 (the "Service and Assessment Plan"), pursuant to an ordinance (the "Assessment Ordinance" and, together with the Creation Resolution, the Indenture and the Bond Ordinance, the "Authorizing Documents"). The Bonds shall be further secured by certain applicable funds and accounts created pursuant to the Indenture.

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for (1) paying a portion of the costs of the Improvement Area #1 Improvements, (2) funding a portion of the Reserve Account of the Reserve Fund, (3) funding a portion of the Delinquency and Prepayment Reserve Account, and (4) paying the District Formation and Bond Issuance Costs.

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

4. Establishment of Issue Price.

(a) Definitions. For purposes of this Section [___], the following definitions apply:

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

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

(iii) "*Sale Date*" means the date of execution of this Purchase Agreement by all parties.

(iv) "*Tax Law Underwriter*" means (A) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

(b) Issue Price Certificate. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Bonds (the "*Issue Price Certificate*"). All actions to be taken by the City under this Section to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the City's municipal advisor.

(c) Public Offering. The Underwriter confirms that, on or before the Sale Date, the Underwriter offered the Bonds to the Public at the offering price or prices (each, an "*Initial Offering Price*"), or at the corresponding yield or yields, set forth in *Schedule I* attached hereto.

(d) 10% Test. Except as otherwise set forth in the Issue Price Certificate, the City will determine the issue price of the Bonds based on the first price at which 10% of each maturity of the Bonds is sold to the Public (the *"10% Test"*). The Issue Price Certificate will set forth the maturities, if any, of the Bonds for which the issue price will be the applicable Initial Offering Price because the 10% Test was satisfied as of the Sale Date. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(e) Hold-The-Offering-Price Rule. The Issue Price Certificate will set forth the maturities, if any, of the Bonds for which the 10% Test was not satisfied as of the Sale Date and for which the City and the Underwriter agree that the restrictions in the next sentence will apply (each such maturity of the Bonds being referred to as a "*Held Maturity*"), which will allow the City[, if it determines to do so on or before the Closing Date,] to treat the Initial Offering Price to the Public of each such Held Maturity as the issue price of that Held Maturity (the "*Hold-the-Offering-Price Rule*"). For any maturity identified as a Held Maturity, the Underwriter will neither offer nor sell unsold Bonds of such Held Maturity to any person at a price that is higher than the applicable Initial Offering Price of such Held Maturity during the period starting on the Sale Date and ending on the earlier of the following:

(i) the close of the fifth business day after the Sale Date; or

(ii) the date on which the Tax Law Underwriters have sold at least 10% of such Held Maturity to the Public at a price that is no higher than the Initial Offering Price of such Held Maturity.

The Underwriter will advise the City promptly after the close of the fifth business day after the Sale Date whether Tax Law Underwriters have sold 10% of each such Held

Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Held Maturity. On or after the sixth business day after the Sale Date, if requested by the City or Bond Counsel, the Underwriter also will promptly confirm that the Tax Law Underwriters have complied with the Hold-the-Offering-Price Rule. If at any time the Underwriter becomes aware of any noncompliance by a Tax Law Underwriter with respect to the Hold-the-Offering Price Rule, the Underwriter will promptly report such noncompliance to the City.

The City acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (A) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (B) in the event that the Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds of the Public, the agreement of each broker-dealer that is a party to such agreement to comply requirements for establishing the issue price of the Bonds, including its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Tax Law Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering Price Rule and that no Tax Law Underwriter will be liable for the failure of any other Tax Law Underwriter to comply with its corresponding agreement requirements for establishing the issue price of the Bonds, including its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds.

(f) Matters Relating to Certain Agreements. The Underwriter confirms that:

(i) any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such third-party distribution agreement, as applicable:

(A) comply with the Hold-the-Offering Price Rule, if applicable, for so long as directed by the Underwriter and as set forth in the related pricing wires.

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to a Tax Law Underwriter participating in the initial sale of the Bonds to the Public; and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter will assume that each order submitted by the dealer or broker-dealer is a sale to the Public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each dealer that is a party to any third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the Hold-the-Offering Price Rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(g) Sale to Related Party not a Sale to the Public. The Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to a Tax Law Underwriter do not constitute sales to the Public for purposes of this Section.

5. Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated [September __], 2020, (the "Preliminary Limited Offering Memorandum"), in a "designated electronic format," as defined in the MSRB Rule G-32 ("Rule G-32"). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (as more particularly defined below, the "Limited Offering Memorandum") which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended ("Rule 15c2-12"), (iii) in a "designated electronic format," and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the "Limited Offering Memorandum." Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

c. Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City's acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

d. Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the twenty-fifth (25th) day after the "end of the underwriting period" for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City in accordance herewith, the City makes no representations with respect to the following information (collectively, the "Non-City Disclosures") (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system, and (ii) the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any maps included therein or under the captions and subcaptions "PLAN OF FINANCE — Development Plan," and

"— Status of Builder Contract," "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS," "BOOK-ENTRY ONLY SYSTEM," "THE IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "THE PID ADMINISTRATOR," "APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Improvements and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," "INFORMATION RELATING TO THE TRUSTEE," "APPENDIX E-2" and "APPENDIX F." If such notification shall be subsequent to the Closing (as defined herein), the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access ("EMMA") system within one (1) business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 is the Closing Date.

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

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the "State"), and has, and at the Closing Date will have, full legal right, power and authority:

(i) to enter into and perform its duties and obligations under:

(1) this Agreement;

(2) the Indenture;

(3) the Raburn Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement, effective as of

September 21, 2020, (the "Reimbursement Agreement"), executed and delivered by the City and HT Raburn Reserve Development L.P., a Texas limited partnership (the "Developer");

(4) the Raburn Reserve Development Agreement, effective as of October 7, 2019, executed and delivered by the City and the Developer by the Assignment and Assumption of Development Agreement, effective as of October 7, 2019 (the "Development Agreement"), as amended by the first amendment thereto effective June 15, 2020; and

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of [_____], 2020 (the "Continuing Disclosure Agreement of Issuer"), executed and delivered by the City, P3Works, LLC, (the "PID Administrator") and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent (the "Dissemination Agent").

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

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Reimbursement Agreement, (4) the Development Agreement, (5) the Continuing Disclosure Agreement of Issuer and (6) the Limited Offering Memorandum (the documents described by subclauses (1) through (6) being referred to collectively herein as the "City Documents").

b. Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally. The City has complied, and will at the Closing be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

c. Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and deliver the Bonds to the

Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the Bond Ordinance and the other City Documents.

d. No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the City is not, and as of the Closing Date the City will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

e. No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

f. Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Improvement Area #1 Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Improvement Area #1 Assessments. The Improvement Area #1 Assessments constituting the security for the Bonds have been levied by the City in accordance with the Act on those parcels of land identified in the Improvement Area #1 Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Improvement Area #1 Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Improvement Area #1 Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 5 of this Agreement) at all times subsequent thereto

during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures; and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

l. Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 5 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

m. Compliance with Rule 15c2-12. During the past five (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

o. Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect

so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

p. Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

q. Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor (the "Financial Advisor") in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

7. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Developer an executed Developer Letter of Representations (the "Developer Letter of Representations") in the form of Appendix A hereto, and, at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof (the "Developer Closing Certificate").

8. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its "FAST" System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to Bracewell LLP ("Bond Counsel"), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the "Closing." The Bonds will be made available to the Underwriter or Underwriter's Counsel (as defined herein) for inspection not less than twenty-four (24) hours prior to the Closing.

9. Underwriter's Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Developer Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

a. Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

b. Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter; (ii) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter's Counsel, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents; (iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of the Coats Rose, P.C. ("Developer's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Reimbursement Agreement, the Development Agreement, the [Landowner Consent Certificate executed by the Developer on [_____], 2020 (the "Landowner Certificate")], and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of [_____], 2020, executed and delivered by the Developer, P3Works, LLC, as PID Administrator, and the Dissemination Agent, as dissemination agent (the "Continuing Disclosure Agreement of Developer" and, together with the Developer Letter of Representation, the Reimbursement Agreement, the Development Agreement, and the [Landowner Certificate], the "Developer Documents"); and (v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing.

c. No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Developer Documents or other documents relating to the financing and construction of the Improvement Area #1 Improvements and the Development (as defined in the Limited Offering Memorandum), and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the Improvement Area #1 Assessments when due or complete the Improvement Area #1 Improvements.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's reasonable judgment, any of the following shall have occurred:

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

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

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not

exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(3) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance services is not in force on the date hereof; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any pandemic or natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or described in the Limited Offering Memorandum; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than ten percent (10%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(7) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or

enforceability of the Improvement Area #1 Assessments pledged to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as described in this Agreement or in the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934 and the Trust Indenture Act; or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

10. Closing Documents. At or prior to the Closing, the Underwriter (or Underwriter's Counsel on behalf of the Underwriter) shall receive the following documents:

a. Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, which may be included in the supplemental opinion required by Section 10(b) hereof, to the effect that the foregoing opinion may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to it.

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to Underwriter's Counsel, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE IMPROVEMENT AREA #1 BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only) and "— Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "INVESTMENTS" and "APPENDIX B," and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance and the

Bond Ordinance (collectively, the foregoing documents are referred to herein as the "City Actions") and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

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

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

d. Opinion of Developer's Counsel. Opinions of (i) Developer's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Underwriter, and the Trustee.

e. Developer Closing Certificate. The Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the best of the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City

from levying and collecting the Improvement Area #1 Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to the best of such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

g. Trustee's Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to Underwriter's Counsel, the City and Bond Counsel to the following effect:

(i) The Trustee is a national banking association formed under the laws of the United States of America, having the full power and authority to transact the business of banking and to exercise fiduciary powers under the Indenture; and

(ii) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

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

(i) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(ii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and makes no representation that it has independently verified the accuracy, completeness or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, Bracewell LLP, as bond counsel, HilltopSecurities, as financial advisor, the public improvement district administrator, the Developer, and its engineers and others, during which the contents of the Preliminary Limited Offering

Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond [_____], 2020, and, with respect to the Limited Offering Memorandum, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the City, the Developer and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of [_____], 2020, based on the documents, drafts and facts in existence and reviewed as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no view or opinion, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., tax matters, included or referred to therein or omitted therefrom. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; and

(iii) The Continuing Disclosure Agreement of Issuer satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view

regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in numbered paragraph ii, above.

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

k. Delivery of City Documents and Developer Documents. The City Documents and Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

l. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

m. Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and Underwriter's Counsel setting forth the facts, estimates and circumstances in existence on the Closing Date, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

n. Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

o. Continuing Disclosure Agreements. The Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer shall have been executed by the parties thereto in substantially the forms attached to the Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property in the District dated June 19, 2020.

q. Letter of Representation of PID Administrator. Letter of Representation of PID Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that (i) the Creation Resolution including a legal description of the District by metes and bounds and (ii) the Assessment Ordinance, including the legal description of the property within the District, the assessment rolls and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any

updates thereto may be obtained or viewed have been filed of record in the real property records of Harris County, Texas.

s. Lender Consent Certificates. Lender Consent Certificate of Texas Capital Bank and any other lienholder on land in Improvement Area #1 of the District consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Improvement Area #1 Assessments, and the subordination of their respective liens to the lien created by the Improvement Area #1 Assessments, in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

t. Developer Organizational Documents. The Developer shall have delivered to the Underwriter and the City, (i) fully executed copies of the Developer's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

u. Rule 15c2-12 Certification. A resolution, ordinance or certificate whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds, which certification may be included in the Bond Ordinance.

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

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

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

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof and all documents required to be delivered by the Developer.

12. Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 16 hereof.

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's Financial Advisor, the Trustee's counsel, Bond Counsel, Developer's Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of the Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in Subsection 13(a) above.

c. The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Tomball, Texas, 401 Market Street, Tomball, Texas 77375, Attention: City Manager.

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

15. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

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

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

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

19. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

20. No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

21. Anti-Boycott Verification. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

22. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law and excludes the Underwriter and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively

declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriter understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

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

24. Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Section 16 shall survive any termination of this Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

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

Accepted at _____ a.m./p.m. central time on the date first stated above.

City of Tomball, Texas

By: _____
Mayor

SCHEDULE I

$[2,490,000]
CITY OF TOMBALL, TEXAS,
(a municipal corporation of the State of Texas located in Harris County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

Interest Accrues From: Date of Delivery

$[_____] [_____%] Term Bonds, Due September 15, 20[__], Priced to Yield [_____%] [(a) (b) (c)]

$[_____] [_____%] Term Bonds, Due September 15, 20[__], Priced to Yield [_____%] [(a) (b) (c)]

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

(b) The Bonds maturing on or after September 15, 20__ may be redeemed before their scheduled maturity date, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption.

(c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(d) The Bonds maturing September 15, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedule.

$ Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
September 15, 20__	$
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† Stated Maturity

The Bonds maturing September 15, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedule.

$ Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment Amount
September 15, 20__	$
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† Stated Maturity

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

$[2,490,000]
CITY OF TOMBALL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

DEVELOPER LETTER OF REPRESENTATIONS

[September 21], 2020

City of Tomball, Texas
401 Market Street
Tomball, Texas 77375

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

Ladies and Gentlemen:

This letter is being delivered to the City of Tomball, Texas (the "City") and FMSbonds, Inc. (the "Underwriter"), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the "Bond Purchase Agreement") for the sale and purchase of the $[2,490,000] "City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)" (the "Bonds"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, HT Raburn Reserve Development L.P., a Texas limited partnership (the "Developer"), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

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

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer

required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions "PLAN OF FINANCE — Development Plan," "— Status of Builder Contract," "THE IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPER" and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Improvements and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Source of Certain Information," "APPENDIX E-2," "APPENDIX G" and "APPENDIX H" (collectively, the "Developer Disclosures") in accordance with subsection 4(f) herein.

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

a. this Developer Letter of Representations;

b. the Raburn Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement, effective as of September 21, 2020, (the "Reimbursement Agreement"), executed and delivered by the City and HT Raburn Reserve Development L.P., a Texas limited partnership (the "Developer");

c. the Raburn Reserve Development Agreement, effective as of October 7, 2019, executed and delivered by the City and the Developer by the Assignment and Assumption of Development Agreement, effective as of October 7, 2019 (the "Development Agreement"), as amended by the first amendment thereto effective June 15, 2020; and

d. the Landowner Consent Certificate executed by the Developer on _____, 2020 (the "Landowner Certificate"); and

e. the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of [_____], 2020 (the "Continuing Disclosure Agreement of Developer"), executed and delivered by the Developer, P3Works, LLC, as PID Administrator, and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent.

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

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

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

a. Due Organization and Existence. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer (the "Developer Organizational Documents") to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which the Developer is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. Information. The information prepared and submitted by the Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No "Event of Default" or "event of default" by the Developer under any of the Developer Documents, any documents to which the Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of [the] Improvement Area #1 [Improvements] to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such "Event of Default" or "event of default" by the Developer, has occurred and is continuing.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be

entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

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

[Signature page follows.]

HT RABURN RESERVE DEVELOPMENT LP

By: HT Raburn Reserve Development LLC, its general partner

By: HT Raburn Reserve LP, its sole member

By: Hines Raburn Reserve LLC, its general partner

By: Hines Raburn Reserve Associates LP, its sole member

By: Hines Investment Management Holdings Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership, its sole member

By: JCH Investments, Inc.,
its general partner

By: _____

Name: _____

Title: _____

APPENDIX B

ISSUE PRICE CERTIFICATE

$[2,490,000]
CITY OF TOMBALL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

I, the undersigned officer of FMSbonds, Inc., ("Purchaser"), make this certification in connection with the $[_____] City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1) (the "Bonds"). Each capitalized term used but not defined herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate prepared in connection with the Bonds (the "Federal Tax Certificate").

1. I hereby certify as follows in good faith as of the Issue Date of the Bonds:

(a) I am the duly chosen, qualified and acting officer of Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of Purchaser. I am the officer of Purchaser charged, along with other officers of Purchaser, with responsibility for the Bonds.

(b) **[IF 10% OF MATURITY SOLD]** For the Bonds maturing in [_____], the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth in the final Limited Offering Memorandum prepared in connection with the Bonds (each, an "Actual Sales Price").

(c) **[IF FEWER THAN 10% OF MATURITY SOLD ON SALE DATE]** For the Bonds maturing in [_____] (each, a "Held Maturity"), Purchaser on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth in the final Limited Offering Memorandum prepared in connection with the Bonds (each, an "Initial Offering Price"). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, Purchaser agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the "Hold-the-Offering-Price Rule") and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, no Underwriter offered or sold any of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity during the Hold Period.

(d) The aggregate of the Actual Sales Prices and the Initial Offering Prices is $[_____]. [The Bonds were sold with pre-issuance accrued interest in the amount of $[_____]. The sum of these two amounts is $_____.]]

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) ["Hold Period" means, with respect to a Held Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.]

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

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

(d) ["Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is [_____], 20[___].]

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

[EXECUTION PAGE FOLLOWS]

EXECUTED as of this _____ day of _____, 2020.

FMSBONDS, INC.,
as Underwriter

By:_____

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

ATTACHMENT I TO ISSUE PRICE CERTIFICATE

FINAL PRICING WIRE

[See Attached]

APPENDIX C

[LETTERHEAD OF CITY ATTORNEY]

[_____], 2020

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

The Bank of New York Mellon Trust Company, N.A.,

City of Tomball, Texas
401 Market Street
Tomball, Texas 77375

$[2,490,000]
CITY OF TOMBALL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Ladies and Gentlemen:

The undersigned serves as the City Attorney for the City of Tomball, Texas (the "City"), and has, in that capacity, provided legal review in connection with the issuance and sale of $[2,490,000] "City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)" (the "Bonds"), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. 20-__-__ and enacted by the City Council of the City (the "City Council") on September 21, 2020 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act") and a Master Indenture of Trust dated as of _____, 2020 (the "Master Indenture"), and the First Supplemental Indenture dated _____, 2020 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms not defined herein shall have the same meanings as in the Bond Ordinance and in the Indenture, unless otherwise stated herein.

In my capacity as City Attorney, and in connection with rendering this opinion, I have reviewed the:

(a) The Resolution No. 20-[__]-[___] (the "Creation Resolution") enacted by the City Council on November 4, 2019;

(b) The Ordinance No. 20-__-__ accepted and approved by City Council on September 21, 2020 (the "Assessment Ordinance"), and the service and assessment plan (the

"Service and Assessment Plan") attached as an exhibit thereto, as such Service and Assessment Plan was updated by the Bond Ordinance;

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Raburn Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement, effective as of September 21, 2020, (the "Reimbursement Agreement"), executed and delivered by the City and HT Raburn Reserve Development L.P., a Texas limited partnership (the "Developer");

(f) The Raburn Reserve Development Agreement, effective as of October 7, 2019, executed and delivered by the City and the Developer by the Assignment and Assumption of Development Agreement, effective as of October 7, 2019, as amended by the first amendment thereto effective June 15, 2020 (the "Development Agreement"); and

(g) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of [_____], 2020 (the "Continuing Disclosure Agreement of Issuer"), executed and delivered by the City, P3Works, LLC, as PID Administrator and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as Dissemination Agent.

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall herein after be referred to as the "Authorizing Documents" and the remaining documents shall herein after be collectively referred to as the "City Documents."

In all such examinations, I have assumed that all signatures, other than the City's, on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, I have assumed: (i) the due authorization, execution and delivery of the City Documents by all parties other than the City, (ii) all of the parties to the documents, other than the City, referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents, (iii) each document or certification provided to me is accurate, complete, and authentic, and all records provided to me during my review are accurate and complete, (iv) the legal capacity of all natural persons, (v) the authenticity and accuracy of all documents submitted to me as originals, and (vi) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, I am of the opinion that:

1. The City is a political subdivision and home rule municipal corporation of the State of Texas.

2. To the best of my knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices; (b) in any way questioning the formation or existence of the District; (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the

principal of and interest on the Bonds, including the Assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein; (d) contesting or affecting the validity or enforceability or the City's performance of the City Documents; (e) contesting the exclusion of the interest on the Bonds from federal income taxation; or (f) which may result in any material adverse change relating to the financial condition of the City.

3. To the best of my knowledge, the performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any federal or Texas constitutional or statutory provision.

4. To the best of my knowledge, the City has duly approved the use and distribution of the Preliminary Limited Offering Memorandum.

5. Based upon my limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (and in reliance on the statements of bond counsel and other financial advisors retained by the City), the statements and information contained in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum with respect to the City under the captions and subcaptions "THE CITY," "THE DISTRICT" and "LEGAL MATTERS — Litigation – The City" is a fair and accurate summary of the law and the documents and facts summarized therein.

6. The assessment methodology for the levy of the Improvement Area #1 Assessments and the collection thereof, as described in the Service and Assessment Plan approved by the City Council, complies with Section 372.015 of the Act.

7. The adoption of the Authorizing Documents, the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to the best of my knowledge, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound.

I express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America as currently in effect. This opinion is rendered solely as of the date hereof, and I assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if I become aware of any facts that might change the opinions expressed above after the date of this opinion. Furthermore, this opinion is limited in scope to that knowledge generally known by city attorneys practicing in the State of Texas and does not include extend to specialized knowledge not generally known or opined on by city attorneys practicing in the State of Texas.

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

Sincerely,

By: _____
[_____],
City Attorney

APPENDIX D

[COATS ROSE, P.C]

[_____], 2020

City of Tomball, Texas
401 Market Street
Tomball, Texas 77375

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

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

The Bank of New York Mellon Trust Company, N.A.,

$[2,490,000]
CITY OF TOMBALL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

[***Developer's Counsel to provide***]

Ladies and Gentlemen:

In our capacity as counsel to HT Raburn Reserve Development L.P. (the "Developer"), and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents (collectively, the "Material Documents"):

(1) The Developer Letter of Representations executed by the Developer dated September 21, 2020;

(2) The Raburn Reserve Development Agreement, effective as of October 7, 2019, executed and delivered by the City and the Developer by the Assignment and Assumption of Development Agreement, effective as of October 7, 2019, as amended by the first amendment thereto effective June 15, 2020 (the "Development Agreement");

(3) The Raburn Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement, effective as of September 21, 2020, (the "Reimbursement Agreement"), executed and delivered by the City and HT Raburn Reserve Development L.P., a Texas limited partnership (the "Developer");

(4) Landowner Consent Certificate dated _____, 2020;

(5) The Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of [_____], 2020 (the "Continuing Disclosure Agreement of Developer"), executed and delivered by the Developer, P3Works, LLC, as PID Administrator and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as Dissemination Agent..

(6) The Preliminary Limited Offering Memorandum, dated _____, relating to the issuance of the Bonds (the "Preliminary Limited Offering Memorandum");

(7) The final Limited Offering Memorandum, dated September 21, 2020, relating to the issuance of the Bonds (collectively with the Preliminary Limited Offering Memorandum, the "Limited Offering Memorandum"); and

(8) the General Certificate of the Developer and the Developer Closing Certificate, each dated as of the date hereof (together, the "Developer Certificate");

Opinions and Assurances

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

1. The Developer is qualified to transact business as limited partnership in the State of Texas.

2. The Developer has the power and authority to execute and deliver the Material Documents to which it is a party and to perform its obligations thereunder.

3. The execution and delivery by the Developer of the Material Documents to which it is a party, and the performance by the Developer of its obligations under such Material Documents, have been duly authorized by all necessary limited liability company action of the Developer.

4. The execution and delivery by the Developer of the Material Documents to which it is a party and the performance of the obligations of the Developer thereunder do not (i) violate any of the terms, conditions, or provisions of the Developer Organizational Documents; (ii) violate any applicable law; or (iii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse

effect on the ability of the Developer to perform its respective obligations under the Material Documents to which it is a party.

5. No governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to the performance by the Developer of its respective obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

6. There are no actions, suits or proceedings pending or, to our knowledge, threatened against the Developer identified in the Developer Certificate, or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to: (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity or enforceability of the Material Documents on behalf of the Developer; (v) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds; or with respect to the validity or enforceability against it of such Material Documents or the transactions described therein.

7. The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Developer of its respective obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

8. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate, which violation, breach or default would materially adversely affect the Developer or its performance of its respective obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any

lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

9. The information set forth in the Limited Offering Memorandum in the maps on pages (iii), (iv), and (v) and under the captions "PLAN OF FINANCE – Development Plan," "— Status of Builder Contract" and "— The Bonds," "THE IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvements, and the Development, as defined in the Limited Offering Memorandum)," "LEGAL MATTERS – Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer," and "CONTINUING DISCLOSURE — The Developer's Compliance with Prior Undertakings" adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

10. Subject to the below qualifications and based upon our participation in the preparation of the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its counsel, of the City and its counsel, and with representatives of the Developer at which the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

EXHIBIT E

CLOSING CERTIFICATE OF DEVELOPER

HT Raburn Reserve Development L.P., a Texas limited partnership (the "Developer"), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

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

2. Representatives of the Developer have provided information to the City of Tomball, Texas (the "City") and FMSbonds, Inc. (the "Underwriter") to be used in connection with the offering by the City of its $[2,490,000] aggregate principal amount of Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1) (the "Bonds"), pursuant to the Preliminary Limited Offering Memorandum, dated [_____], 2020 (the "Preliminary Limited Offering Memorandum"), and Limited Offering Memorandum dated September 21, 2020 (the "Limited Offering Memorandum").

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

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

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

(a) the Developer Letter of Representations dated September 21, 2020;

(b) the Raburn Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement, effective as of September 21, 2020 (the "Reimbursement Agreement"), executed and delivered by the City and the Developer;

(c) the Raburn Reserve Development Agreement, effective as of October 7, 2019, executed and delivered by the City and the Developer by the Assignment and Assumption of Development Agreement, effective as of October 7, 2019, as amended by the first amendment thereto effective June 15, 2020 (the "Development Agreement");

(d) the Landowner Consent Certificate executed by the Developer on [_____, 2020] (the "Landowner Certificate"); and

(e) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of [_____], 2020 (the "Continuing Disclosure Agreement of Developer"), executed and delivered by the Developer, P3Works, LLC, as PID Administrator, and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent.

6. The Developer or other development entities affiliated with the Developer owned all of the Improvement Area #1 Assessed Property (as defined in the Service and Assessment Plan) located in Improvement Area #1 of the District on the date that the Assessment Ordinance was adopted and such landowners are not entities that may claim a homestead right under Texas law.

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

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

9. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Limited Offering Memorandum.

10. The Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions "PLAN OF FINANCE — Development Plan," "— Status of Builder Contract," "THE IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPER" and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, [the] Improvement Area #1 [Improvements], and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," "APPENDIX E-2" and "APPENDIX F" (collectively, the "Developer Disclosures") and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the

accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum.

11. The Developer has reviewed and approved the information contained in the Developer Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

12. To the Developer's knowledge, the Developer is in compliance in all material respects with all provisions of applicable law relating to the Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of the property within Improvement Area #1 of the District as described in the Limited Offering Memorandum; and (b) the Developer has no reason to believe that any additional permits, consents and licenses required to complete the development of the property within Improvement Area #1 of the District as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

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

14. The levy of the Improvement Area #1 Assessments on property in Improvement Area #1 of the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

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

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

[Signature page follows.]

Dated: [_____], 2020

HT RABURN RESERVE DEVELOPMENT LP

By: HT Raburn Reserve Development LLC, its general partner

By: HT Raburn Reserve LP, its sole member

By: Hines Raburn Reserve LLC, its general partner

By: Hines Raburn Reserve Associates LP, its sole member

By: Hines Investment Management Holdings Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership, its sole member

By: JCH Investments, Inc.,
its general partner

By: _____

Name: _____

Title: _____

APPENDIX F

[LETTERHEAD OF INTEGRA REALTY RESOUCRES – DFW]

_____, 2020

City of Tomball, Texas
401 Market Street
Tomball, Texas 77375

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

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

The Bank of New York Mellon Trust Company, N.A.,

Re: City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1) (the "Bonds")

Ladies and Gentlemen:

The undersigned, _____, representative of Integra Realty Resources – DFW ("Integra Realty"), the appraiser of the undeveloped property contained in Raburn Reserve Public Improvement District (the "District"), does hereby represent the following:

1. Integra Realty has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated [September 21], 2020 and the Limited Offering Memorandum for the Bonds, dated [_____], 2020 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the City of Tomball, Texas, as described above. The information Integra Realty provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District (the "Appraisal"), located in APPENDIX G to the Limited Offering Memorandum, and the description thereof, set forth under the caption "APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT – The Appraisal."

2. To the best of my professional knowledge and belief, as of the date of the Appraisal, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. Integra Realty agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. Integra Realty agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or

about [October 20], 2020) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any statement in the appraisal materially misleading.

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

Sincerely yours,

Integra Realty Resources – DFW

_____

By: _____

Its: _____

APPENDIX G

[LETTERHEAD OF P3WORKS, LLC]

_____, 2020

City of Tomball, Texas
401 Market Street
Tomball, Texas 77375

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

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

The Bank of New York Mellon Trust Company, N.A.,

Re: City of Tomball, Texas, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1) (the "Bonds")

Ladies and Gentlemen:

The undersigned, _____, representative of P3Works, LLC ("P3Works"), consultant in connection with the creation by the City of Tomball, Texas (the "City"), of Raburn Reserve Public Improvement District (the "District"), does hereby represent the following:

1. P3Works has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated [_____], 2020, and the final Limited Offering Memorandum for the Bonds, dated [_____], 2020 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the City, as described above. The information P3Works provided for the Limited Offering Memorandum is located (a) under the captions "ASSESSMENT PROCEDURES" and "THE PID ADMINISTRATOR" and (b) in the Service and Assessment Plan (the "SAP") for the City located in APPENDIX C to the Limited Offering Memorandum.

2. At the request of the City, P3Works has prepared the SAP and acknowledges and agrees that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. P3Works agrees to the use of its name in the Limited Offering Memorandum for the Bonds.

5. P3Works agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date

of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about [_____], 2020) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any such information materially misleading.

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

Sincerely yours,

P3Works, LLC

By: _____
Its: _____

CITY OF TOMBALL, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of September 1, 2020 (this "Disclosure Agreement") is executed and delivered by and between the City of Tomball, Texas (the "Issuer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. (the "Dissemination Agent") with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)" (the "Bonds"). The Issuer, the Administrator and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth above and in the Master Indenture of Trust dated as of September 1, 2020 (the "Master Indenture"), and the First Supplemental Indenture dated September 1, 2020 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture") relating to the Bonds, which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrator" shall mean an officer or employee of the City or third party designee of the City who is not an officer or employee thereof, who shall have the responsibilities provided in the Service and Assessment Plan, this Master Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the initial Administrator.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

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

"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment" shall have the meaning assigned to such term in the Indenture.

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

"Developer" shall mean HT Raburn Reserve Development, LP, a Texas Limited Partnership, and its designated successors and assigns.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds dated as of September 1, 2020 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

"Disclosure Representative" shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Raburn Reserve Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the calendar year from October 1 through September 30.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall mean the registered owner of any Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall, not later than six (6) months after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ending September 30, 2020, provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, an Annual Issuer Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Issuer Report to the Dissemination Agent together with written instructions to file such report with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a); and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof;

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report together with written instructions to file such with the MSRB and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) Within six (6) months after the end of each Fiscal Year the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

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

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

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

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

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Assessments in Improvement Area #1.

(iv) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Assessments levied within Improvement Area #1, the Annual Issuer Report (in the SAP Update or otherwise) shall include the number of certificates of occupancy ("COs") issued for new homes completed in Improvement Area #1 during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #1 since filing the initial Annual Issuer Report for Fiscal Year ending September 30, 2020.

(v) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

(vi) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) If not provided with the financial information provided under subsection 4(a) above, if prepared and available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and in any event, within 12 months after the end of each fiscal year. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs.

(c) The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information required (except for the information of the type included under the heading "Debt Service Requirements on the Bonds" and audited or unaudited financial statements of the Issuer) under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six (6) months after the end of each Fiscal Year. If no Administrator has been designated, the Issuer shall prepare and provide the Annual Financial Information required under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six (6) months after the end of each Fiscal Year.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Developer of real property within Improvement Area #1 in the ordinary course of the Developer's business to be considered a significant event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018 (the "2018 Release") and any further written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements (or unaudited financial statements, if audited financial statements are not available) or Annual Financial Information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice To MSRB of Failure To File."

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

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made pursuant to Sections 4 and 5 of this Disclosure Agreement. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Issuer. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon

the occurrence of the following: (i) the legal defeasance, prior redemption or payment in full of all of the Bonds, (ii) when the Issuer is no longer an obligated person with respect to the Bonds, or (iii) upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

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

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

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

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates

to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon such Dissemination Agent being indemnified to its satisfaction), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Issuer Report) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1, but only to the extent such funds are available under the Indenture, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding

liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Issuer Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1, but only to the extent such funds are available under the Indenture, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of

the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #1 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or

action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. Pursuant to Section 2271.002, Texas Government Code, the Dissemination Agent and the Administrator hereby verify that neither the Dissemination Agent, the Administrator nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent and the Administrator understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator and exists to make a profit.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Dissemination Agent and the Administrator represent that neither the Dissemination Agent, the Administrator nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/ docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law and excludes the Dissemination Agent, the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator and exists to make a profit.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

CITY OF TOMBALL, TEXAS

By: _____
Mayor

HTS CONTINUING DISCLOSURE SERVICES, a
Division of Hilltop Securities Inc.
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer:	City of Tomball, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1)
Date of Delivery:	_____, 20__
CUSIP Numbers:	[Insert CUSIP Numbers]

NOTICE IS HEREBY GIVEN that the City of Tomball, Texas, has not provided [an Annual Issuer Report] [annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of September 1, 2020, between the Issuer, P3Works, LLC, as Administrator and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report] [annual audited financial statements] will be filed by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES, a Division of Hilltop Securities Inc.,
on behalf of the City of Tomball, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Tomball, Texas

EXHIBIT B

CITY OF TOMBALL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP Numbers: [insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.,
Address:
City:
Telephone:
Contact Person: Attn:

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)(A)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top Improvement Area #1 Assessment Payers[(1)]

Property Owner	No. of Parcels/Lots	Percentage of Parcels/Lots	Outstanding Assessments	Percentage of Total Assessments

[(1)] Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of the Improvement Area #1 of the District

The [YEAR] certified total assessed value for the land in the Improvement Area #1 of the District is approximately $[AMOUNT] according to the Harris County Appraisal District.

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR

Foreclosure History Related to the Assessments

Time Period	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
[FISCAL YEAR END]		$		$
[FEB. 1 OF CURRENT YEAR][1]		$		$

[1] As of February 1, 20__.

Collection and Delinquency History of Assessments

Time Period	Total Assessment Levied	Parcels Levied[1]	Delinquent Amount as of 2/1	Delinquent % as of 2/1	Delinquent Amount as of 9/1	Delinquent % as of 9/1	Total Assessments Collected[2]
[FISCAL YEAR END]	$		$	%	$	%	$
[FEB 1. OF CURRENT YEAR][3]	$		$	%	N/A	N/A	$

[1] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[2] [Does/does not] include interest and penalties.

[3] Collected as of February 1, 20__.

History of Prepayment of Assessments

Time Period	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
[FISCAL YEAR END]		$		$
[FEB. 1 OF CURRENT YEAR][1]		$		$

[1] As of February 1, 20__.

ITEMS REQUIRED BY SECTION 4(a)(iii) - (vi)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES*

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing**. Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September. At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be referred for commencement of foreclosure**. **If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March**

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures are subject to adjustment

		and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.
March 15	43/44	Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
July 1	**152/153**	Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments. **Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.** **Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 10.2 of the Master Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

MASTER AGREEMENT
FOR
DISSEMINATION AGENT SERVICES

BY AND BETWEEN

CITY OF TOMBALL, TEXAS
(HEREINAFTER REFERRED TO AS THE "ISSUER")
IN CONNECTION WITH ITS PUBLIC IMPROVEMENT DISTRICT PROJECTS
AND
HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.

In connection with the sale and delivery of certain bonds, notes, certificates, or other municipal obligations (the "Bonds"), the Issuer has made or intends to make certain undertakings to disclose to the investing public, on a periodic and continuing basis, certain information, as more fully set forth in such undertakings and as contemplated by the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule").

The Issuer has agreed to engage HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. ("Dissemination Agent"), to assist it with these continuing disclosure obligations, for the consideration and on the terms and conditions set forth herein. This includes the submission of annual reports (the "Annual Issuer Reports") and the reporting of certain specified significant events (the "Events"), which are set forth in the Issuer's undertakings, the Rule and in Subsection 2c. below. It also includes the submission of developer ("Developer") provided quarterly reports ("Quarterly Reports"), developer ("Developer") provided annual reports ("Annual Reports"), and reporting of Listed Events as defined and set forth in the Developer's undertakings for each Project.

The services provided under this Agreement for Dissemination Agent Services (the "Agreement') solely relate to the execution of instructions received from the Issuer and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and consumer Protection Act (the "Act"). Dissemination Agent will not provide any advice or recommendations to the Issuer or to anyone on the Issuer's behalf regarding the "issuance of municipal securities," the investment of bond proceeds, or any "municipal financial product" as defined in the Act and nothing in this Agreement shall be interpreted to the contrary.

This Agreement between the Issuer and the Dissemination Agent shall become effective as of the date of its acceptance as provided for below.

The parties agree that the following shall apply to each Public Improvement District Project ("PID Project") individually:

1. This Agreement shall apply to new issues of Bonds in connection with a PID Project (i) that are delivered subsequent to the effective date of the continuing disclosure requirements as specified in the Rule, to the extent that any particular issue does not qualify for exceptions to the continuing disclosure requirements of the Rule, and (ii) in which HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., is designated as the Dissemination Agent for such bonds in the Official Statement or other initial offering document.

2. Dissemination Agent agrees to perform the following in connection with providing services relating to the Issuer's continuing disclosure obligations:

a. receive the data and information prepared by the Public Improvement District Administrator for the Issuer (the "PID Administrator"), to include Annual Issuer Reports, Developer provided Quarterly Reports and Developer provided Annual Reports (if required) containing financial information and operating data of the type described in the final official statement of the applicable issue, and Material Event Notices concerning the occurrence of the specified Events, Developer Listed Events, and other items listed below that may be amended from time to time according to updates to SEC Rule 15c2-12:

1) Principal and interest payment delinquencies
2) Non-payment related defaults
3) Unscheduled draws on debt service reserves reflecting financial difficulties
4) Unscheduled draws on credit enhancements reflecting financial difficulties
5) Substitution of credit or liquidity providers, or their failure to perform
6) Adverse tax opinions or events affecting the tax-exempt status of the security
7) Modifications to rights of security holders
8) Bond calls and tender offers
9) Defeasances
10) Release, substitution, or sale of property securing repayment of the securities
11) Rating changes
12) Bankruptcy, insolvency, receivership or similar proceeding
13) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination
14) Appointment of a successor or additional trustee or the change of the name of a trustee
15) Incurrence of a financial obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders
16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties
17) Noncompliance with the Rule

b. assist the Issuer in distributing or filing, in the Issuer's name, the above mentioned Annual Issuer Reports, notices and audited annual financial statements to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA"), and other entities, as required by the Issuer's continuing disclosure obligations.

c. file the Developer provided Quarterly Reports, Developer provided Annual Reports, and notices to the Municipal Securities Rulemaking Board's ("MSRB") as required by the Developer's continuing disclosure obligations.

d. provide to the Issuer, the PID Administrator and the Developer confirmation of distribution or dissemination of reports and notices.

e. maintain an Appendix to this Agreement that sets forth all PID Projects that have been authorized by the Issuer and for which Dissemination Agent services are being provided.

3. Issuer acknowledges and agrees to the following, which shall apply to each PID Project individually:

a. Dissemination Agent will provide services in connection with any PID Project only upon receipt of an email from the Issuer authorizing the inclusion of such PID Project to the services contemplated pursuant to this Agreement.

b. Dissemination Agent will be compensated for the performance of services with respect to assisting the Issuer, PID Administrator, and Developer with submission of continuing disclosure reports in accordance with the schedule as set forth below for each PID Project:

Annual Issuer Report and Audit, with Developer Quarterly Report: $3,500 per year for assistance in distribution of each Annual Issuer Report and Developer Quarterly Report, and assistance in distribution of Issuer audited annual financial statements for each PID Project, or

Annual Issuer Report and Audit: $2,000 per year for assistance in distribution of each Annual Issuer Report and assistance in distribution of Issuer audited annual financial statements for each PID Project.

c. Issuer will provide to Dissemination Agent, or shall cause the PID Administrator to, and Dissemination Agent shall be entitled to rely upon, all information regarding the issuance of the Bonds, including the final official statement and the Issuer's commitment or undertaking regarding continuing disclosure as contained in the resolution authorizing issuance of the Bonds or separate contract or agreement; annual financial information and operating data of the type provided in the final official statement; information concerning the occurrence of an Event or noncompliance with the Rule; and any other information necessary to review continuing disclosure reports and prepare Event notices.

d. Issuer will provide to Dissemination Agent, and Dissemination Agent shall be entitled to rely upon, annual written confirmation of all outstanding Bond issues for which the Issuer has a continuing disclosure obligation.

e. Issuer will provide to Dissemination Agent or shall cause the PID Administrator to provide, all information required for filing of each Annual Issuer Report, including financial information and operating data of the type as described in the final official statement and other information deemed necessary by Issuer, and the audited financial statements, no later than 10 business days prior to the date on which each Annual Issuer Report is due.

f. Issuer will notify Dissemination Agent promptly upon the occurrence or promptly upon the Issuer's knowledge of the occurrence of each Event or noncompliance with the Rule, and the Issuer will immediately provide all information necessary for preparation of the notice of occurrence of each such Event or noncompliance with the Rule. Dissemination Agent will promptly notify Issuer upon obtaining knowledge of the occurrence of any Event.

g. Issuer shall have the sole responsibility for determining the disclosure to be made in all cases. The Issuer shall review and provide approval of the content and form of all continuing disclosure reports and notices, with the exception of the following, which will be filed automatically on the Issuer's behalf, unless the Issuer has notified Dissemination Agent otherwise in writing: bond calls, defeasances, and rating changes. In the event of a disagreement between the Issuer and Dissemination Agent regarding the disclosure to

be made, either the Issuer or Dissemination Agent may, but neither is obligated to, terminate this Agreement by written notice to the other party.

h. Issuer acknowledges and agrees that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of Dissemination Agent to so advise the Issuer shall not constitute a breach by Dissemination Agent of any of its duties and responsibilities under this Agreement. Issuer acknowledges and agrees that the duties of Dissemination Agent relate exclusively to the execution of the mechanical tasks of disseminating information as described in this Agreement.

i. Issuer will inform Dissemination Agent of the retirement of any Bonds included under the scope of this Agreement within 30 days of such retirement.

j. Dissemination Agent shall have only such duties as are specifically set forth in this Agreement. Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer or the PID Administrator has provided such information to Dissemination Agent as required by this Agreement. Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures, or notices provided to it by the Issuer or the PID Administrator and shall not be deemed to be acting as a fiduciary to the Issuer, the investing public, the PID Administrator, or any other party. Dissemination Agent shall have no responsibility for the Issuer's failure to report to Dissemination Agent an Event or a duty to determine the materiality thereof. Dissemination Agent shall have no duty to determine, or liability for failure to determine, whether the Issuer has complied with its undertakings or this Agreement. Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

4. In the event that Dissemination Agent and the Issuer determine that advice of counsel is appropriate with respect to any question concerning disclosure, then (i) the Issuer may consult with its counsel, or (ii) the Issuer may authorize Dissemination Agent to seek legal advice from independent counsel regarding the disclosure. The Issuer agrees that it shall be responsible for the fees and expenses of its own counsel. The Issuer agrees to reimburse Dissemination Agent the fees and expenses of independent counsel, if paid by Dissemination Agent, for advice rendered pursuant to authorization by the Issuer.

5. The Issuer agrees to hold harmless and to indemnify Dissemination Agent and its employees, affiliates, officers, directors, and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever, including attorneys' fees and expenses ("Losses and Expenses") that Dissemination Agent may incur by reason of or in connection with the distribution of information in the disclosure reports in accordance with this Agreement, except to the extent such Losses and Expenses result directly from Dissemination Agent' willful misconduct or gross negligence in the distribution of such information.

In the event that such Losses and Expenses are attributable to the concurrent negligence or other fault of both the Issuer and Dissemination Agent, each party shall bear proportionate responsibility for the degree of negligence or other fault attributable to each. Notwithstanding the foregoing, Dissemination Agent, shall not be obligated to contribute any amount hereunder that exceeds the amount of fees previously received by Dissemination Agent for the services provided pursuant to this Agreement in connection with the specific individual PID Project to which the Loss and Expense applies.

6. The fees and expenses due to Dissemination Agent in providing Dissemination Agent shall be calculated in accordance with Section 3a. of this Agreement. The fees will be invoiced each year during the term of the Agreement, unless terminated earlier, and fees will be payable within 30 days of receipt of invoice.

   In addition, the Issuer agrees to reimburse Dissemination Agent for the following expenses: (i) legal fees and expenses of counsel incurred by Dissemination Agent pursuant to the terms of Section 4. above, and (ii) other out-of-pocket expenses reasonably incurred by Dissemination Agent in performing its obligations hereunder. The Issuer shall remit payment for expenses to Dissemination Agent within 30 days of receipt of invoice.

7. **Effective Dates of Agreement:** This Agreement shall become effective as of the date of acceptance by the Issuer as set forth below and will remain in effect thereafter until terminated by either party. This Agreement may be terminated with or without cause by the Issuer or Dissemination Agent upon thirty (30) days' written notice to the other party. No penalty will be assessed for termination of this Agreement. In the event of such termination, it is understood and agreed that only the amounts due to Dissemination Agent for services provided and expenses incurred to and including the date of termination will be due and payable. Upon termination of this Agreement, all records provided to Dissemination Agent by the Issuer shall be returned to the Issuer as soon as practicable. In addition, the parties hereto acknowledge and agree that upon termination of this Agreement, Dissemination Agent shall have no continuing obligation to the Issuer regarding any services contemplated herein. Notwithstanding the foregoing, all indemnification, hold harmless and/or contribution obligations, pursuant to Section 5 of this Agreement, shall survive any termination, regardless of whether the termination is by either the Issuer or Dissemination Agent under this Section 7, pursuant to Subsection 3.g., or otherwise.

8. **Provision of Notices**

   Provision of information, delivery of certification and notices of Events and noncompliance with the Rule, unless directed otherwise in writing, shall be sent to:

   City of Tomball
   501 James Street
   Tomball, TX 77375-4697
   Mr. Glenn Windsor, CPA
   Finance Director
   Phone: (281) 351-5484
   Fax: (281) 351-1417
   Email: gwindsor@tomballtx.gov

   HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.

   1201 Elm Street, 35th Floor
   Dallas, Texas 75270
   Attention: Tanya Calvit
   Director for Continuing Disclosure
   Phone: (214) 953-4037
   Fax: (214) 953-4050
   Email: tanya.calvit@hilltopsecurities.com

9. Choice of Law: This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

10. Acceptance of Agreement

This Agreement is submitted in triplicate originals. When accepted by the Issuer, it will constitute the entire Agreement between the Issuer and Dissemination Agent for the purposes and the consideration specified above.

Acceptance will be indicated on all copies and returned to Dissemination Agent. An executed original will be returned for your files.

Respectfully submitted,

HTS Continuing Disclosure Services,
a Division of Hilltop Securities Inc.

By _____
Lou Ann Heath
Director

By _____
Tanya Calvit
Director

Date _____

ACCEPTANCE CLAUSE

The above and foregoing is hereby in all things accepted and approved by the Issuer, on this the _____ day of _____, **2020**.

City of Tomball, Texas

By _____
Authorized Representative

_____
Title

APPENDIX

2020 – Raburn Reserve Public Improvement District, Improvement Area #1

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Approve Resolution No. 2020-29, A Resolution Of The City Council Of The City Of Tomball, Texas Approving A Reimbursement Agreement Relating To Improvement Area #1 Of The Raburn Reserve Public Improvement District

Background:

Origination:
HT Raburn Reserve Development, L.P.

Recommendation:
Approval

Party(ies) responsible for placing this item on agenda:
Craig T. Meyers, Community Development Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Resolution No. 2020-29

RESOLUTION NO. 2020-29

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS APPROVING A REIMBURSEMENT AGREEMENT RELATING TO IMPROVEMENT AREA #1 OF THE RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT.

WHEREAS, on November 4, 2019 the City Council of the City of Tomball, Texas (the "City") passed and approved a resolution amending and restating the resolution creating the Raburn Reserve Public Improvement District (the "District") covering approximately 105 acres of land described by metes and bounds in said Resolution (the "District Property"); and

WHEREAS, the purpose of the District is to finance public improvements (the "Authorized Improvements") as provided by Chapter 372, Texas Local Government Code, as amended (the "PID Act") that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

WHEREAS, the District Property is being developed in accordance with that certain "Raburn Reserve Development Agreement," executed by and between the Developer, and the City effective December 7, 2019, as amended by that certain "First Amendment to Raburn Reserve Development Agreement," executed by and between the Developer and the City effective June 15, 2020 (together, the "Development Agreement"); and

WHEREAS, the District Property is being developed in improvement areas, and special assessments for each improvement area have been or will be levied against the Assessed Property within such improvement area to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such improvement area; and

WHEREAS, Improvement Area #1 Improvements (as defined in the Service and Assessment Plan) are to be constructed to serve Improvement Area #1 of the District Property, as described and depicted in the Service and Assessment Plan (as defined below); and

WHEREAS, HT Raburn Reserve Development L.P. a Texas limited partnership (the "Developer") is the developer of Improvement Area #1 of the District Property as identified in the Service and Assessment Plan to be approved by the City on September 21, 2020, (the "SAP"), and the Improvement Area #1 Improvements are to be constructed within Improvement Area #1 of the District Property, as described and depicted in the SAP; and

WHEREAS, the City Council intends to pass and approve an ordinance (the "Assessment Ordinance") which, among other things, will approve the SAP (including the Improvement Area #1 Assessment Roll), that will levy Assessments on assessable property in Improvement Area #1, and establish the dates upon which interest on such Assessments will begin to accrue and collection of such assessments will begin; and

WHEREAS, from revenues received from the Assessments levied on property within Improvement Area #1 the City intends to reimburse the Developer for a portion of the costs of the Improvement Area #1 Improvements pursuant to and in the manner set forth in a Reimbursement Agreement by and between the Developer and the City (the "Reimbursement Agreement"); and

WHEREAS, the City and Developer wish to enter into the Reimbursement Agreement to evidence the City's intention to reimburse the Developer from Assessments levied on assessable property in Improvement Area #1; Now Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1: The capitalized terms defined in the recitals to this Resolution are hereby approved and adopted as a part of this Resolution. Capitalized terms not herein defined are defined in the Reimbursement Agreement or in the Service and Assessment Plan.

Section 2: The City Council hereby approves the Reimbursement Agreement in substantially the form attached hereto as **Exhibit A**, with such changes as may be approved by the City Manager, and authorizes the Mayor to execute and the City Secretary to attest such Agreement.

Section 3: This resolution shall take effect immediately from and after its passage by the City Council of the City.

PASSED, APPROVED AND EFFECTIVE on the _____ day of September, 2020.

_____
Mayor, City of Tomball, Texas

ATTEST:

_____
City Secretary, City of Tomball, Texas

EXHIBIT A

REIMBURSEMENT AGREEMENT

RABURN RESERVE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 REIMBURSEMENT AGREEMENT

This Raburn Reserve Public Improvement District Improvement Area #1 Reimbursement Agreement (this "Reimbursement Agreement") is executed by and between the City of Tomball, Texas (the "City") and HT Raburn Reserve Development L.P. a Texas limited partnership, (the "Developer") (individually referred to as a "Party" and collectively as the "Parties") to be effective as of September 21, 2020 (the "Effective Date").

RECITALS

WHEREAS, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Raburn Reserve Public Improvement District Service and Assessment Plan*, dated the Effective Date hereof, as the same may be amended, supplemented, and updated from time to time (the "SAP") approved on the Effective Date hereof; and

WHEREAS, on November 4, 2019 the City Council passed and approved a resolution amending and restating the resolution creating the Raburn Reserve Public Improvement District (the "District") covering approximately 105 acres of land described by metes and bounds in said Resolution (the "District Property"); and

WHEREAS, the purpose of the District is to finance public improvements (the "Authorized Improvements") as provided by Chapter 372, Texas Local Government Code, as amended (the "PID Act") that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

WHEREAS, the District Property is being developed in accordance with that certain "Raburn Reserve Development Agreement," executed by and between the Developer, and the City effective December 7, 2019, as amended by that certain "First Amendment to Raburn Reserve Development Agreement," executed by and between the Developer and the City effective June 15, 2020 (together, the "Development Agreement"); and

WHEREAS, the District Property is being developed in phases, and special assessments for each phase have been or will be levied against the Assessed Property within such phase to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such phase; and

WHEREAS, Improvement Area #1 Improvements (as defined in the SAP) are to be constructed to serve Improvement Area #1 of the District Property, as described and depicted in the SAP and

WHEREAS, the City Council intends to pass and approve an Ordinance (the "Assessment Ordinance") on the Effective Date hereof, which, among other things, approves the SAP (including the Improvement Area #1 Assessment Roll), levies assessments on property within Improvement Area #1 of the District (the "Assessments"), and establishes the dates upon which interest on assessments will begin to accrue and collection of Assessments will begin; and

WHEREAS, the SAP established $5,941,204 as the cost of the Improvement Area #1 Improvements (plus financing costs as set forth in the SAP) to be assessed against Improvement Area #1 of the District Property (the "Improvement Area #1 Improvements Costs"); and

WHEREAS, the SAP allocated the Improvement Area #1 Improvements Costs to Improvement Area #1 of the District Property, and the SAP contemplated the allocation of the Improvement Area #1 Improvements Costs among the single family residential lots to be created from the subdivision of the District Property; and

WHEREAS, the Assessments will be reflected on the Improvement Area #1 Assessment Roll as approved by the City Council; and

WHEREAS, the SAP and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full at any time, and if an Assessment is not paid in full, it shall be due and payable in Annual Installments plus interest for a period of 30 years or until the Assessment is paid in full; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs and Administrative Expenses) (the "Improvement Area #1 Assessment Revenue") shall be deposited first for the payment of debt service on the City of Tomball, Texas Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1 Project) and second, into an assessment fund that is segregated from all other funds of the City (the "Improvement Area #1 Reimbursement Fund"); and

WHEREAS, the Improvement Area #1 Assessment Revenue deposited into the Improvement Area #1 Reimbursement Fund shall be used to reimburse Developer and its assigns for the Improvement Area #1 Improvements Costs advanced in a principal amount not to exceed $1,690,000, plus interest as set forth herein; and

WHEREAS, the obligations of the City to use the Assessments hereunder is authorized by the PID Act; and

WHEREAS, at the discretion of the City and in accordance with the Development Agreement, prior to or contemporaneously with the issuance of any Future Improvement Area #1 Bonds (as defined herein), the Developer and City may amend this Agreement and the Development Agreement as determined necessary by City's bond counsel for issuance of any such bonds, for compliance with applicable law and for compliance with the obligations of the parties under this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND

ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. The recitals in the "WHEREAS" clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.

2. Strictly subject to the terms, conditions, and requirements and solely from the revenues as herein provided and in accordance with the Development Agreement, the City agrees to pay the Developer and the Developer shall be entitled to receive from the City, the amount equal to the actual costs of the Improvement Area #1 Improvements paid by the Developer as set forth in the SAP, in accordance with the terms of this Reimbursement Agreement, in a principal amount not to exceed $1,690,000 (the "Reimbursement Amount"), plus interest accrued, as provided in Section 2(a) below. The City hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the "Improvement Area #1 Reimbursement Fund." The Reimbursement Amount is payable from Improvement Area #1 Assessment Revenue to be deposited in the Improvement Area #1 Reimbursement Fund as described below and in accordance with the Development Agreement:

    a. The Reimbursement Amount is payable solely from: (i) the Improvement Area #1 Assessment Revenue received and collected by the City and deposited into the Improvement Area #1 Reimbursement Fund after the payment of debt service on the City of Tomball, Special Assessment Revenue Bonds, Series 2020 (Raburn Reserve Public Improvement District Improvement Area #1 Project) (the "2020 Bonds"); (ii) the net proceeds (after funding reserve funds, payment of costs of issuance, including the costs paid or incurred by the City and City Administrative Expenses) of one or more series of bonds (the "Future Improvement Area #1 Bonds") issued by the City to fund the Reimbursement Amount in accordance with the terms of the Development Agreement and secured by the Improvement Area #1 Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above. The Improvement Area #1 Assessment Revenue shall be received, collected and deposited into the Improvement Area #1 Reimbursement Fund subject to the following limitations:

        i. Calculation of the Improvement Area #1 Assessments and the first Annual Installment for a Lot or Parcel shall begin as provided in the SAP.

        ii. The Improvement Area #1 Assessments collected for the Reimbursement Amount shall accrue simple interest annually at the rates set forth in the SAP, such rates to be in compliance with Subsections 372.023(e)(1) and (e)(2) of the PID Act. Interest shall begin and continue on the unpaid principal amount of the Improvement Area #1 Assessments as set forth in

the SAP until the earlier of (i) the expiration of the term set forth in the SAP, or (ii) the issuance of Future Improvement Area #1 Bonds to fund the Reimbursement Amount, as reduced by annual payments made pursuant to (iv) below.

iii. Improvement Area #1 Assessment Revenue dedicated to the payment of the Reimbursement Amount and interest thereon, shall be deposited into the Improvement Area #1 Reimbursement Fund after the payment of debt service on the outstanding 2020 Bonds.

iv. The Developer shall receive the Unpaid Balance in annual installments as set forth in the SAP and in Section 3 below from the Improvement Area #1 Reimbursement Fund, for the time period set forth in the SAP or until Future Improvement Area #1 Bonds are issued, and as allowed under Section 2(a) above.

3. The Reimbursement Amount, plus the interest as described in above, are collectively, the "Unpaid Balance." The Unpaid Balance is secured by and payable solely from Improvement Area #1 Assessment Revenue received and collected by the City for such purpose and deposited into the Improvement Area #1 Reimbursement Fund subject to Section 3(a)(iii), and Section 5 herein. No other City funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the term of this Agreement, as set forth herein. Payment of Improvement Area #1 Assessment Revenue from the Improvement Area #1 Reimbursement Fund after the payment of debt service on the 2020 Bonds, shall be made annually to the Developer subject to the term of this Reimbursement Agreement as set forth in Section 21. The outstanding Unpaid Balance and the Reimbursement Amount shall be reduced by the amount of each annual payment to the Developer from the Improvement Area #1 Reimbursement Fund.

4. This Reimbursement Agreement 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 Improvement Area #1 Assessment Revenue received, collected and deposited into the Improvement Area #1 Reimbursement Fund. The City covenants that it will comply with the provisions of this Reimbursement Agreement, the Development Agreement, and the PID Act, including provisions relating to the administration of the District and the enforcement and collection of assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Improvement Area #1 Assessment Revenue or does not receive an amount in excess of the annual debt service due on the 2020 Bonds, and, as a result, is unable to make transfers from the Improvement Area #1 Assessment Revenue Fund for payments to the Developer as

required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement.

5. If Future Improvement Area #1 Bonds are issued to fund the Reimbursement Amount, the net proceeds of such Future Improvement Area #1 Bonds shall be used to pay the outstanding Reimbursement Amount, as reduced by payments made pursuant to Section 3 herein, due to the Developer under this Reimbursement Agreement for the costs of Improvement Area #1 Improvements as set forth in the SAP. However, no Future Improvement Area #1 Bonds shall be issued unless the funds necessary to complete the Improvement Area #1 Improvements are deposited with the net proceeds of the Improvement Area #1 Bonds on the closing date of the Future Improvement Area #1 Bonds, or alternately, the Improvement Area #1 Improvements are already complete and accepted by the City at the time Future Improvement Area #1 Bonds are issued. The Reimbursement Agreement shall terminate on the earlier of (i) the payment of amounts due pursuant to this Agreement, (ii) the issuance of the Future Improvement Area #1 Bonds to fund the Reimbursement Amount as reduced by payments made pursuant to Section 3 herein, (iii) the expiration of the Assessments as set forth in the SAP, or (iv) termination of this Agreement pursuant to an Event of Default herein or under the Development Agreement. Notwithstanding the foregoing, the Developer shall only be entitled to repayment of the costs of the Improvement Area #1 Improvements as set forth in the SAP. If completion of the Improvement Area #1 Improvements is less than the amounts set forth in the SAP, the Developer shall not be entitled to such excess amounts. The Developer represents and warrants that it will not request payment with respect to any Improvement Area #1 Improvement that is not part of the Improvement Area #1 Improvements identified in the SAP and it will follow all procedures set forth in the Development Agreement with respect to certification for payments, including for payments of the Unpaid Balance from the Improvement Area #1 Reimbursement Fund. It is the City's current intent to issue the Future Improvement Area #1 Bonds to fund the Reimbursement Amount simultaneously with the issuance of bonds to fund improvements within a future phase of development within the District. Notwithstanding, the issuance of such Future Improvement Area #1 Bonds is solely within the discretion of the City.

6. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest in the revenue streams identified in this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall be effective until five (5) days after Developer's written notice of the Transfer is received by the City, including for each

Transferee the information required by Section 9 below. The City may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice. The City shall not be required to make payments pursuant to this Reimbursement Agreement to more than two parties.

7. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Improvement Area #1 Reimbursement Fund and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.

8. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Improvement Area #1 Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the City's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

9. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, exclusive venue for such dispute shall lie in any court of competent jurisdiction in Harris County, Texas.

10. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change

its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the City:	City Manager 401 Market Street Tomball, TX 77375
With a copy to:	Attn: City Attorney Olson & Olson, LLP 2727 Allen Parkway, Suite 600 Houston, TX 77019
To the Developer:	Attn: Brian Stidham Hines Acquisitions LLC 609 Main Street, Suite 2400 Houston, Texas 77002
With a copy to:	c/o HT Raburn Reserve Development L.P. Attn: Corporate Counsel 609 Main Street, Suite 2400 Houston, Texas 77002

11. Notwithstanding anything herein to the contrary, nothing herein shall otherwise authorize or permit the use by the City of the Improvement Area #1 Assessments contrary to the provisions of the PID Act.

12. Remedies:

    a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute an "Event of Default." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30 day period so long as the non-performing Party cures such default within 90 days. Any Transferee shall have the same rights as the Developer to enforce the obligations of the City under this Reimbursement Agreement and shall also have

the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer.

b. Notwithstanding the foregoing, the following are Events of Default under this Agreement:

i. The Developer shall fail to pay to the City any monetary sum hereby required of it as and when the same shall become due and payable and shall not cure such default within thirty (30) days after the later of the date on which written notice thereof is given by the City to the Developer, as provided in this Agreement.

ii. The Developer shall fail to comply in any material respect with any term, provision or covenant of this Agreement (other than the payment of money to the City), and shall not cure such failure within ninety (90) days after written notice thereof is given by the City to the Developer;

iii. The filing by Developer of a voluntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtors, rights;

iv. The consent by Developer to an involuntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtor's rights;

v. The entering of an order for relief against Developer or the appointment of a receiver, trustee, or custodian for all or a substantial part of the property or assets of Developer in any involuntary proceeding, and the continuation of such order, judgment or degree unstayed for any period of ninety (90) consecutive days; OR

vi. The failure by Developer or any Affiliate to pay Impositions, and Assessments on property owned by the Developer and/or any Affiliates within the PID, if such failure is not cured within thirty (30) days.

vii. A Developer event of default under the Development Agreement.

viii. The Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

c. If the City is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement

d. If the Developer is in Default, the City may pursue any legal or equitable remedy or remedies, including, without limitation, actual damages, and termination of this

Agreement. The City shall not terminate this Agreement unless it delivers to the Developer a second notice expressly providing that the City will terminate within thirty (30) additional days. Termination or non-termination of this Agreement upon a Developer Event of Default shall not prevent the City from suing the Developer for specific performance, actual damages, excluding punitive, special and consequential damages, injunctive relief or other available remedies with respect to obligations that expressly survive termination. In the event the Developer fails to pay any of the expenses or amounts or perform any obligation specified in this Agreement, then to the extent such failure constitutes an Event of Default hereunder, the City may, but shall not be obligated to do so, pay any such amount or perform any such obligations and the amount so paid and the reasonable out of pocket costs incurred by the City in said performance shall be due and payable by the Developer to the City within thirty (30) days after the Developer's receipt of an itemized list of such costs.

e. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity.

f. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

13. The Developer shall assume the defense of, and indemnify and hold harmless the City's inspector, the City employees, officials, officers, representative and agents of the City and each of them (each an "Indemnified Party") from and against, all actions, damages, claims, loses or expense of every type and description to which they may be subject or put, by reason of, or resulting from the breach of any provisions of this Reimbursement Agreement by the Developer, the Developer's nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Improvement Area #1 Improvements constructed by Developer, or any claims by persons employed by the Developer relating to the construction of such projects. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable to the willful misconduct or gross negligence of any Indemnified Party. The City does not waive its defenses and immunities, whether governmental, sovereign, official or otherwise and nothing in this Reimbursement Agreement is intended to or shall confer any right or interest in any person not a party hereto.

14. To the extent there is a conflict between this Reimbursement Agreement and an indenture securing the Future Improvement Area #1 Bonds issued to fund the Reimbursement

Amount, the indenture securing such Future Improvement Area #1 Bonds shall control as the provisions relate to the Improvement Area #1 Assessments.

15. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.

16. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.

17. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.

18. The City represents and warrants that this Reimbursement Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

19. This Reimbursement Agreement represents the entire agreement of the Parties and no other agreement, statement or promise made by any Party or any employee, officer or agent of any Party with respect to any matters covered hereby that is not in writing and signed by all the Parties to this Agreement shall be binding. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; and (b) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

20. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

21. The term of this Reimbursement Agreement is the earlier of (i) the expiration of the Assessments as set forth in the SAP, (ii) until the Unpaid Balance is paid in full in accordance herewith, (iii) the issuance of Future Improvement Area #1 Bonds to fund the Reimbursement Amount, as reduced by payments made pursuant to Section 3 herein, or (iv) termination pursuant to an Event of Default under this Agreement or under the Development Agreement, whichever occurs first. If the Developer defaults under this Reimbursement Agreement or the Development Agreement, the Development Agreement shall not terminate with respect to the costs of the Improvement Area #1 Improvements that have been previously been approved by the City pursuant to a Certification for Payment (as defined in the Development Agreement) prior to the date of default.

22. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Reimbursement Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time. For purposes of this Reimbursement Agreement, "Force Majeure" means any act that (i) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Reimbursement Agreement or delays such affected Party's ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party's fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. "Force Majeure" shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemics or pandemics that result in a governmental action that stops or delays construction or halts, impedes or delays the operations of the City; and (g) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not caused by, voluntarily induced or promoted by the affected Party (including the submission of incomplete or erroneous information to the City), or brought about by the breach of its obligations under this Reimbursement Agreement or any applicable law or failure to comply with City regulations; provided, however, that under no circumstances shall Force Majeure include

any of the following events: (u) changes in market condition; (v) any strike or labor dispute involving the employees of the Developer or any affiliate of the Developer, other than industry or nationwide strikes or labor disputes; or (w) the occurrence of any manpower, material or equipment shortages.

23. Any amounts or remedies due pursuant to this Reimbursement Agreement are not subject to acceleration.

24. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

25. The Developer hereby represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

26. The Developer agrees to either (i) file a Texas Ethics Commission Disclosure of Interested Parties form to the City or (ii) represent in writing that it is exempt from filing

of such form, no later than the date upon which the City Council approves this Reimbursement Agreement

[SIGNATURE PAGES TO FOLLOW]

Executed by Developer and City to be effective on the Effective Date.

ATTEST: **CITY OF TOMBALL**

_____ _____

City Secretary Mayor

APPROVED AS TO FORM

_____

City Attorney

HT RABURN RESERVE DEVELOPMENT LP

By: HT Raburn Reserve Development LLC, its general partner

By: HT Raburn Reserve LP, its sole member

By: Hines Raburn Reserve LLC, its general partner

By: Hines Raburn Reserve Associates LP, its sole member

By: Hines Investment Management Holdings Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership, its sole member

By: JCH Investments, Inc.,
its general partner

By: _____

Name: _____

Title: _____

Signature page to Raburn Reserve Reimbursement Agreement

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

Approve Resolution No. 2020-30, a Resolution of the City Council of the City of Tomball, Texas, Supporting the Passage of Legislation during the 87th Regular Session of the Texas Legislature (2021), to Allow for the Expenditure of Municipal Hotel Occupancy Tax Revenue by the City for Construction of Improvements in Municipal Parks

Background:

City parks are popular attractions visited year-round by a significant number of tourists and visitors, and they are utilized for multiple large annual events and festivals that are attended by a significant number of tourists and visitors to the City and surrounding area.

City parks are in need of additional improvements and amenities and connectivity to lodging establishments and tourist attractions. City's tourism and hotel industries would benefit from the expenditure of municipal hotel tax revenue on construction of improvements and connectivity to the City parks, as tourists and visitors frequently visit the City parks. Improvements to the City parks will increase the quality and number of amenities available at said City parks for use and enjoyment by tourists and visitors to the City and surrounding area.

Additionally, the City's tourism and hotel industries would benefit from the expenditure of municipal hotel tax revenue on construction of trails and sidewalks that connect city parks to lodging establishments and other tourist attractions, which will increase the use and enjoyment by tourists and visitors of lodging establishments, parks, tourist attractions, and related public facilities.

Origination:

City Manager

Recommendation:

Approve Resolution No. 2020-30

Party(ies) responsible for placing this item on agenda:

Robert S. Hauck

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Resolution No. 2020-30

RESOLUTION NO. 2020-30

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, SUPPORTING THE PASSAGE OF LEGISLATION DURING THE 87TH REGULAR SESSION OF THE TEXAS LEGISLATURE (2021), TO ALLOW FOR THE EXPENDITURE OF MUNICIPAL HOTEL OCCUPANCY TAX REVENUE BY THE CITY FOR CONSTRUCTION OF IMPROVEMENTS IN MUNICIPAL PARKS.

* * * * * * * * * *

WHEREAS, the City of Tomball ("City") has adopted a municipal hotel occupancy tax ordinance in order to raise revenue for the promotion of tourism and the hotel and lodging industry in the City; and

WHEREAS, the City has determined that the City parks are popular attractions visited year-round by a significant number of tourists and visitors to the City and surrounding area; and

WHEREAS, the City parks are utilized for multiple large annual events and festivals that are attended by a significant number of tourists and visitors to the City and surrounding area; and

WHEREAS, the City parks are in need of additional improvements and amenities and connectivity to lodging establishments and tourist attractions, as the current demand for certain City park facilities and amenities frequently exceeds the operating capacity of said improvements and amenities, due to the large attendance at annual festivals, events, and related tourist activities held on City parks and would benefit from connectivity and additional public facilities; and

WHEREAS, the City's tourism and hotel and lodging industries would benefit from the expenditure of municipal hotel tax revenue on construction of improvements and connectivity to the City parks, as tourists and visitors frequently visit the City parks, and improvements to the City parks will increase the quality and number of amenities available at said City parks for use and enjoyment by tourists and visitors to the City and surrounding area; and

WHEREAS, the City's tourism and hotel and lodging industries would benefit from the expenditure of municipal hotel tax revenue on construction of trails and sidewalks that connect city parks to lodging establishments and other tourist attractions, which will increase the use and enjoyment by tourists and visitors of lodging establishments, parks, tourist attractions, and related public facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. That the City Council adopts the findings and recitals set forth in the preamble of this Resolution.

Section 2. That the City Council supports the passage of legislation during the 87th Regular Session of the Texas Legislature (2021), that would allow for the expenditure of municipal hotel occupancy tax revenue by the City of Tomball for construction of improvements in municipal parks and trails/sidewalks that connect parks, lodging establishments, and other tourist attractions, and related public facilities.

PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL HELD ON THE 21ST DAY OF SEPTEMBER 2020.

_____
GRETCHEN FAGAN, Mayor

ATTEST:

_____
DORIS SPEER, City Secretary

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Approve Resolution No. 2020-31, a Resolution of the City of Tomball, Texas, Amending the Master Fee Schedule for Fiscal Year 2020-2021

Background:
Resolution No. 2020-31, adopting the Master Fee Schedule for 2020-2021, is presented for Council consideration and approval.

The fees reflected in Exhibit "A", a redlined version of the current Master Fee Schedule, must be authorized by Council via Resolution prior to inclusion in the Master Fee Schedule for Fiscal Year 2020-2021. Deletions are in red font, additions are in blue font.

At this time, proposed changes in the following sections include:

- Building Permit Fees -
  - updated impact fees, pages 17
- Community Development Fees -
  - removal of recording and filing fees, page 22
- Municipal Court Fees - pages 33 through 44
- Sanitary Sewer Rates - pages 59 and 60

Upon approval of the fees presented tonight, a clean, final copy of the Master Fee Schedule will be posted on the City's website.

Origination:
City Staff

Recommendation:
Staff recommends approving the changes proposed to the 2020-2021 Master Fee Schedule.

Party(ies) responsible for placing this item on agenda:
Doris Speer, City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Resolution No. 2020-31
Draft Master Fee Schedule for FY 2020-2021

RESOLUTION NO. 2020-31

A RESOLUTION OF THE CITY OF TOMBALL, TEXAS, ADOPTING A MASTER FEE SCHEDULE FOR FISCAL YEAR 2020-2021.

* * * * * * * * *

WHEREAS, the Tomball City Council desires to enhance government transparency through the adoption of a Master Fee Schedule for the convenience of the public; and

WHEREAS, the Tomball City Council finds it advantageous to adopt a Master Fee Schedule for Fiscal Year 2020-2021, to provide easier access to information regarding City services and associated fees for Tomball residents and commercial interests; **NOW, THEREFORE**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. The City Council finds that the facts and matters set forth in the preamble of this Resolution are true and correct.

Section 2. A Master Fee Schedule for the City of Tomball, Texas for Fiscal Year 2020-2021 is hereby adopted, a copy of which is attached hereto as Exhibit "A" and incorporated herein.

Section 3. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED, APPROVED, AND RESOLVED this 21st day of September 2020.

Gretchen Fagan
Mayor

ATTEST:

Doris Speer
City Secretary

CITY OF TOMBALL

MASTER FEE SCHEDULE

FY 2020-2021

Amended 10/19/2020

TABLE OF CONTENTS

	Page
General Penalty for Violations of Code (Chapter 1)	5
Accounts Receivable Fees (Sec. 2-240, Code of Ordinances)	6
Accounts Receivable Fees – Bank/Debit/Credit Cards Accepted	6
Alarm Permit Application Fee and	7
False Alarm Notification	7
Ambulance Permit Fees	8
Banner Display Fees	9
Building Permit Fees	
Ordinary Fees	10
Building Fees	10
Plan-Checking Fees	10
Residential Dwelling Building Permit Fees	10
Residential Dwelling Plan-Checking Fees	10
Moving Fee	10
Demolition Fee	10
Penalties	10
Fee for Re-Inspection	10
Building (Electrical) Permit Fees	
Permit Fees	11
Plus the Following when Provided	11
Services	11
Outlets	11
Electrical Appliances – Domestic	11
Motors – Permanently Installed	11
Transformers	11
Slab Inspections	11
Miscellaneous Items	12
Temporary Installations	12
Fee for Electrical Re-inspection	12
Building (Mechanical) Permit Fees	
Initial Fee	13
Additional Fees	13
Fee for Re-inspection	13
Temporary Operation Inspection Fee	13
Self-Contained Units less than Two Tons	13
Building (Plumbing) Permit Fees	
Permit Fees	14
Plus the Following when Provided	14
Fee for Plumbing Re-inspection	14
Irrigation Permit Fees	14
Permits/Miscellaneous	14
Domestic and Commercial Water Tap Fees	15
Boring Fee for Water Tap	15
Reconnection Fee	15

Bulk Water Sales 15
Domestic and Commercial Sewer Tap Fees 16
Boring Fee for Sewer Tap 16
Sewer Line Maintenance and Construction 16
Domestic and Commercial Gas Tap Fees 16
Boring Fee for Gas Tap 17
Impact Fees Per City of Tomball Ordinance No. 2019-24 17
Drainage effective August 18, 2014 17

Building Standards Commission Fee to Appeal Decision 18

Chauffeur's Driver Fees 19

Community Center Fees 20

Community Development Fees 21-22

Correctional Facility Permit Application Fee 23

Donation Container Permit Fees 24

Filming Application Fees 25

Fire Marshal's Office Fees 26-28

Garbage Bag Fees 29

Kennel License Fees and Impounded Animal Fees 30

Liquor License/Permit Fees 31

Manufactured Home Park or Recreational Vehicle Park Construction or Enlargement Fees 32
Manufactured Home Park or Recreational Vehicle Park Operations License Fees 32

Municipal Court Fines/Fees
Class C Violations and Prior Convictions 33
Offense: Speeding (Not in School Zone) 33
Speeding Table of Fees (School Zone) 34
Collection Fee for Municipal Court 34
Charge of Additional 30% Collection Fee on Delinquent Cases 34
Time Payment Fee 34
Fine Schedule – Rev. 2019 35-47

(NSF) Insufficient Check Charge Fees 48

Notary Public Fees 49

Outdoor Sound Amplification Equipment 50

Park Reservation Fee
(Railroad Depot Gazebo and Plaza, Juergens Park, 51

Jerry Matheson Park, Theis Attaway Nature Center)

Police Department Fees
Impounded Vehicles 52

Public Information Charges 53

Sexually Oriented Business Fees 54

Taxicab Fees 55

Tennis Court Fees (Matheson Park at 1240 Ulrich) 56

Tow Truck Rotation Driver Fees 57
Tow Truck Rotation Company Fees 58-59

Utility Fees
Administrative Service Charge 60
Utility Deposit Computation 60
Water Rates 60
Bulk Sales 60
North Harris County Regional Water Authority Surcharge 60
Water Meter Testing Fee 61
Sanitary Sewer Rates (With Potable Water Service)
Sanitary Sewer Rates (Without Potable Water Service) 61
Garbage and Trash Collection/Disposal Service Rates 62-64
Natural Gas Rates 65
Gas Meter Testing Fee 65
Connection and Disconnection Fees 65
Excess Flow Valve 65
Damages to Utility Functions/Tampering Fees 65
Delinquent Account Fees 65-66

Vendor/Peddler Permit Fees 67

Vital Statistics Records (Birth and Death) Fees
Birth Certificates 68
Death Certificates 68
Fee for Certified Service 68
Fee for Searching Record (Unsuccessful) 68
Birth Certificate for Election Identification Certification 68

Well and Seismic Activities Permits (Chapter 18)
Pipeline Permits 69
Nonconforming Wells 69

Wired Telecommunications Services - Provider License Fees 70

GENERAL PENALTY FOR VIOLATIONS OF CODE (CHAPTER 1)

I. Violation of Ordinances shall be punished by a fine not exceeding $500.00

II. Violations of ordinances that govern fire, safety, zoning, public health and sanitation shall be punished by a fine not exceeding $2,000.00

III. Violations of traffic laws which are punishable as a Class C misdemeanor shall be punished by a fine not exceeding $200.00

ACCOUNTS RECEIVABLE FEES

(Sec. 2-240, Code of Ordinances)

In accordance with V.T.C.A., Code of Criminal Procedure art. 103.0031, there shall be imposed an additional fee of 30 percent (30%) on all debts and accounts receivable, i.e.: fines, fees, restitution, other debts, and costs that are more than 60 days past due and have been referred to a private firm for collection.

ACCOUNTS RECEIVABLE FEES – BANK/DEBIT/CREDIT CARDS ACCEPTED

Bank/Debit/Credit Cards are accepted for payment of City fees in all departments. Cards accepted are Visa and MasterCard; however, if the City's Depository Bank provides additional cards through their system, the City may also accept those cards.

The City of Tomball absorbs the cost of processing.

ALARM PERMIT APPLICATION FEE

(Sec. 16-49, Code of Ordinances)

Residential properties	No Fee
Individual apartment units	$50.00
Nonresidential areas of an apartment complex equipped with a burglary alarm, hold up, panic, duress alarm system, or fire alarm system	$50.00
Commercial alarm sites equipped with a burglary alarm, hold up, panic alarm, or fire alarm system	$50.00

FALSE ALARM NOTIFICATION (CHAPTER 16)

(Sec. 16-59, Code of Ordinances)

If an alarm system transmits more than three false burglar alarms or fire alarm notifications within a 12-month period, the permittee shall pay a service fee for the fourth and each subsequent false alarm notification.

Residential Alarms

First through Third False Alarm – No Fee
For each response after the third through the fifth--$25.00
For each response after the fifth through the eighth--$50.00
For each response after the eight--$100.00

Commercial Alarms

First through Third False Alarm – No Fee
For each response after the third through the fifth--$50.00
For each response after the fifth through the eight--$75.00
For each response after the eighth--$100.00

Panic Alarms

First and Second False Alarm – No Fee
For each response after the second false alarm – $100.00 each

If an alarm system transmits more than two false panic alarm notifications within a 12-month period, the permittee shall pay the maximum service fee permitted by state law, but not more than $100.00, for the third and each subsequent false panic alarm notification.

Operating an Alarm System without Permit or that Automatically Dials 911

(Sec. 16.77, Code of Ordinances)

Class C Misdemeanor – Punishable by a fine of not more than $500.00, plus fee for each Police or Fire Department response to the activation of an unpermitted alarm system.

Revised 8-7-2017

AMBULANCE PERMIT FEES

ANNUAL COMPANY PERMIT FEE:	$500.00 per year
VEHICLE INSPECTION FEE:	$100.00 per vehicle
VEHICLE RE-INSPECTION FEE:	$100.00 per vehicle

Chapter 16, Article III. (Ord. 2012-47)

BANNER DISPLAY FEES

Application to display a banner must be made at Public Works, 501 James Street at least one (1) month in advance.

Banners will be displayed in the 700 block of W. Main Street. Only one (1) banner will be displayed at a time. A banner may hang for a maximum of two (2) weeks.

APPLICATION FEE

The application fee is **$75.00 per week;** payment is required when the application is presented.

Application must be made at least one (1) month in advance but not more than twelve (12) months advance. Applications are on a "first come-first served" basis. A TxDOT application for "Use of State of Texas Right-of-Way for Temporary Signs for Special Events" must be filled out and submitted along with City of Tomball reservation application and fees.

STORAGE FEE

Banner shall be picked up within one (1) week after expiration date. Owner will be assessed **$2.00/day storage fee** if not picked up within the one (1) week period.

Rev. 11-26-2012

BUILDING PERMIT FEES

Ordinary fees for work commencing before permit issuance or after the work has been partially completed or concealed shall be double the fee set forth in the fee schedule adopted by the City.
(Chapter 10, Code of Ordinances)

TOTAL VALUATION	FEE
$1,000.00 and less	No fee, unless inspection is required, in which case, a $15.00 fee for each inspection shall be charged.
$1,001.00 to $50,000.00	$15.00 for the first $1,000.00 plus $5.00 for each additional thousand or fraction thereof, to and including $50,000.00.
$50,001.00 to $100,000.00	$260.00 for the first $50,000.00 plus $4.00 for each additional thousand or fraction thereof, to and including $100,000.00.
$100,001.00 to $500,000.00	$460.00 for the first $100,000.00 plus $3.00 for each additional thousand or fraction thereof, to and including $500,000.00.
$500,001.00 and up	$1,660.00 for the first $500,000.00 plus $2.00 for each additional thousand or fraction thereof.

PLAN-CHECKING FEES

When the valuation of the proposed construction exceeds $1,000.00 and a plan is required to be submitted, a plan-checking fee shall be paid equal to one-half of the building permit fee. Such plan-checking fee is in addition to the building permit fee.

*RESIDENTIAL DWELLING BUILDING PERMIT FEES

$0.35 per square foot of building area for new construction and/or remodels ($100.00 minimum fee).
$100.00 fee for roof repair/replacement and foundation repairs.

*RESIDENTIAL DWELLING PLAN-CHECKING FEES

When a plan is required to be submitted, a plan-checking fee shall be paid equal to one-half of the residential dwelling building permit fee. Such plan-checking fee is in addition to the residential dwelling permit fee.

MOVING FEE

For the moving of any building or structure, the fee shall be $110.00.

DEMOLITION FEE

For the demolition of any building or structures, the fee shall be:

0 - 100,000 cu. ft.	$60.00
100,000 cu. ft. and over	$0.50/1,000 cu. ft.

$60.00 up to 100,000 cubic feet of demolition
$0.50 per 1,000 cubic feet for volume greater than 100,000 cubic feet.
For example, a 120,000 cubic foot demolition would cost $70.00

PENALTIES

Where work for which a permit is required by this Code is started or proceeded prior to obtaining said permit, the fees herein specified shall be doubled, but the payment of such double fee shall not relieve any persons from fully complying with the requirements of this Code in the execution of the work nor from any other penalties prescribed herein.

A Certificate of Occupancy must be issued before moving in or a $250.00 penalty, payable by the permit holder, and disconnection of all City utilities will apply.

The re-inspection fee shall be $25.00.

Approved 6/17/2019; HB 852

BUILDING PERMIT (ELECTRICAL) FEES

PERMIT FEES:

For issuing each permit	$ 20.00

PLUS THE FOLLOWING WHEN PROVIDED:

SERVICES

Signs, Serv. < 100 amp with meter loop	$ 15.00
Service < 125 amp with meter loop	$ 15.00
Service < 200 amp with meter loop	$ 20.00
Service > 400 amp with meter loop	$ 27.00
Service < 400 amp with meter loop	$ 30.00
Plus - $5 per each 100 amp	$ 5.00
Subpanels with 2 or more circuits	$ 5.00
Panel with 8 or more circuits	$ 5.00

OUTLETS – (Includes all light switches and receptacle openings)

Outlets/Fixtures	$ .50

ELECTRICAL APPLIANCES – Domestic

Range Receptacle	$ 3.00
Clothes Dryer	$ 3.00
Cooking Tops	$ 3.00
Ovens	$ 3.00
Garbage Disposals	$ 3.00
Dishwashers	$ 3.00
Window air conditioner receptacle	$ 2.00
Central A/C and Heat	$ 6.00
Electric Heat < 1 kw	$ 3.00
Over 1 kw and < 10 kw	$ 7.00
Over 10 kw	$ 7.00
Plus .25 per each kw	$ 1.00

MOTORS – Permanently installed (Motor control equipment is included in motor fees)

Motors < ¾ h.p.	$ 3.00
Over ¾ h.p. and < 10 h.p.	$ 7.00
Over 10 h.p.	$ 10.00
Plus .25 per each h.p.	$ 1.00

TRANSFORMERS

Up to and including 1kva	$ 2.00
Over 1 kva and including 10 kva	$ 10.00
Over 10 kva	$ 12.00

1 kva to 10 kva transformer is $12.00
Over 10 kva transformer is $10.00 plus $1.00 for each kva over 10 kva

SLAB INSPECTIONS

Slab inspection	$ 15.00
Each additional slab inspection	$ 7.00

Electrical work to be covered by slab. One slab inspection is $15.00, additional slab inspections are $7.00 each. The previous costs were incorrect.

BUILDING PERMIT (ELECTRICAL) FEES

MISCELLANEOUS ITEMS

Motion picture machines	$ 5.00
Commercial sound equipment	$ 3.00
Electric ranges	$ 5.00
Ballpark and parking lot light poles	$ 25.00
Pole with guy wire	$ 7.00
Electric Water Heaters	$ 5.00
Not exceeding 1500 watts	$ 3.00
Over 1500 Watts	$ 5.00
Plus $1.00 per 1000 watts	$ 7.00
X-ray Machines	$ 8.00
Incandescent electric signs and Incandescent gas or vacuum tube signs (shop inspection) per kva	$ 7.00
Incandescent electric sign inspection and incandescent gas or vacuum tube sign is $7.00 per kva.	
Sign installation inspections, per kva	$ 8.00
Streamers and festoon lighting, per circuit	$ 2.00

Permanently connected electrical appliances and equipment of any nature not otherwise specified shall be charges as follows:

5 kw or less, each	$ 4.00
Over 5 kw, each	$ 5.00
Partial cover-up, each	$ 5.00
Ditch cover-up <100 ft.	$ 12.00
Ditch cover-up >100 ft., per 100 ft.	$ 6.00
Electric welders, each	$ 6.00

TEMPORARY INSTALLATIONS – (must apply for TCI)

Wood saws, floor surfacing machines, paint-spraying apparatus, etc.	$ 15.00
Temporary lighting installations	$ 17.00
Temporary saw pole – 90 days only	$ 17.00
Temporary cut-ins made permanent	$ 25.00
Temporary cut-ins MUST HAVE	$ 25.00
Temporary installation; i.e., carnivals, amusement, show, display or similar used installations. For this purpose: 1 h.p. motor load – 1 kva	
10 kva or less	$ 25.00
Over 10 kva, per kva	$ 2.00

Temporary cut-ins are for new businesses or home so they can get power on for final inspection.

Temporary installations are for temporary power.

FEE FOR ELECTRICAL RE-INSPECTION

The re-inspection fee shall be $25.00

Revised 8-7-2017

BUILDING PERMIT (MECHANICAL) FEES

INITIAL FEE

For issuing each permit $15.00

ADDITIONAL FEES

Fee for inspecting heating, ventilating, ductwork, air-conditioning and refrigeration systems shall be $20.00 for the first $1,000.00, or fraction thereof, of valuation of the installation plus $6.00 for each additional $1,000.00 or fraction thereof.

Fee for inspecting repairs, alterations and additions to an existing system shall be $6.00 plus $3.00 for each $1,000.00 or fraction thereof.

Fee for inspecting boilers (based upon Btu input):

33,000 Btu (1 Bhp) to 165,000 (5 Bhp)	$ 7.00
165,001 Btu (5 Bhp) to 330,000 (10 Bhp)	$12.00
330,001 Btu (10 Bhp) to 1,165,000 (52 Bhp)	$17.00
1,165,001 Btu (52 Bhp) to 3,300,000 (98 Bhp)	$27.00
Over 3,300,000 Btu	$37.00

FEE FOR REINSPECTION

In case it becomes necessary to make a re-inspection of any heating, ventilation, air conditioning or refrigeration system, or boiler installation, the installer of such equipment shall pay a re-inspection fee of $25.00

TEMPORARY OPERATION INSPECTION FEE

When preliminary inspection is requested for purposes of permitting temporary operation of a heating, ventilating, refrigeration or air conditioning system, or portion thereof, a fee of $45.00 shall be paid by the contractor requesting such preliminary inspection. If the system is not approved for temporary operation on the first preliminary inspection, the usual re-inspection fee shall be charged for each subsequent preliminary inspection for such purpose.

SELF-CONTAINED UNITS LESS THAN TWO TONS

In all buildings, except one and two family dwellings, where self-contained air conditioning units of less than two tons are to be installed, the fee charged shall be that for the total cost of all units combined (see Additional Fees, above, for rate).

Revised 8-7-2017

BUILDING PERMIT (PLUMBING) FEES

PLUMBING PERMIT FEES

PERMIT FEES:

For issuing each permit	$15.00

PLUS THE FOLLOWING WHEN PROVIDED:

For each Plumbing Fixture, Floor Drain or Trap (Including Water and Drainage Piping)	$ 3.00
For each House Sewer	$ 6.00
For each House Sewer having to be replaced or repaired	$ 6.00
For each Water Heater and/or Vent	$ 3.00
For installation, alteration or repair of water piping and/or water treating equipment	$ 6.00
For repair or alteration of Drainage or Vent Piping	$ 6.00
For Vacuum Breakers or backflow protective devices installed subsequent to the installation of the piping or equipment served:	
One to Five	$ 3.00
Over Five, each	$ 2.00

FEE FOR PLUMBING RE-INSPECTION

The re-inspection fee shall be $25.00

IRRIGATION PERMIT FEES

Residential - $ 50.00 fixed fee
Commercial - $100.00 base fee plus $10.00 per zone

PERMITS/MISCELLANEOUS

Driveway – Residential	$ 25.00
Driveway – Residential with Culvert	$265.00
Driveway – Commercial	$ 25.00
Driveway – Commercial with Culvert	$350.00
Construction	2% of Construction Cost
Roofing Permits	$ 50.00

(Asphalt or metal, under 5 squares is exempt from permit requirement)

Revised 9-16-2019

BUILDING PERMIT FEES

DOMESTIC AND COMMERCIAL WATER TAP FEES

Residential and Commercial Water Meter Connection Fees. The following connection fee shall be due and paid to the City before any water meter is provided, installed, inspected, and activated for use by the City. The fee for providing water service shall be based upon the meter required, and shall be as follows:

Meter Size, In.	TOTAL COST**
0.75	$ 960.00
1.0	$ 1,100.00
1.5	$ 1,575.00
2.0	$ 1,800.00

- Tap fees for meters larger than 2 inches will be completed by a contractor, subject to City's Procurement procedures.
- Vaults may be built to City of Tomball specifications or purchased from the City with meter subject to the City Procurement procedures and does not include installation.

** **FOR CONNECTIONS ON STATE RIGHTS-OF-WAY**

For meter sizes 0.75" through 2", add $190.00 to connection fee schedule.

BORING FEE

If a bore is required for the installation of a tap, a fee will be accessed based on the tap size:

Line Size	BORE FEE
1" line	$400.00
2" line	$500.00

A bore in excess of 80 feet (80') or in the State Right-of-Way, services will be contracted and subject to the City's Procurement procedures.

RECONNECTION FEE

Water Service Reconnection Fee - $25.00

BULK WATER SALES

Refer to Utility Fees – Bulk Sales

This charge includes the current fee for each 1,000 gallons used surcharge that the City collects on **behalf of NHCRWA and will be adjusted as the surcharge increases.**

Additionally, if a meter is desired, the deposit will be $1,000.00.

BUILDING PERMIT FEES

DOMESTIC AND COMMERCIAL SEWER TAP FEES

Residential and Commercial Sanitary Sewerage Connection Fees. The following connection fee shall be due and paid to the City before any sewer connection is provided, installed, inspected, and activated into the City's wastewater collection system. The connection fee for such services shall be based upon the size of the sewer connection required, and shall be as follows:

Connection Size	TOTAL COST**
4”	$ 625.00
6”	$ 675.00
8” and above	$ 1,150.00

* If manhole is required, add $2,000.00

** **FOR CONNECTIONS ON STATE RIGHTS-OF-WAY**

For connections on state right-of-way, add $250.00 to connection fee schedule.

BORING FEE

If a bore is required for the installation of a tap, a fee will be accessed based on the tap size:

Line Size	BORE FEE
Up to 6”	$475.00
8” and above	$825.00

A bore in excess of 80 feet (80’) or in the State Right-of-Way, services will be contracted and subject to the City’s Procurement procedures.

SEWER LINE MAINTENANCE AND CONSTRUCTION (CHAPTER 46)

Sewer Service Reconnection fee (as requested by the department of public works) $200.00

DOMESTIC AND COMMERCIAL GAS TAP FEES

Residential and Commercial Gas Meter Connection Fees. The following connection fee shall be due and paid to the City before any gas meter is provided, installed, inspected, and activated for use by the City. The fee for providing gas service shall be based upon the meter and regulator required (meter and regulator, four ounce [4 oz.*] only), and shall be as follows:

BTUs	TOTAL COST **	METER SIZE
0 to 345,000	$1,025.00	250 – 275
345,001 to 450,000	$1,250.00	415 – 450
451,001 to 1,760,000*	$2,075.00	750 – 880
2,420,001 to 5,500,000*	$4,600.00	3,000
5,500,001 to 11,000,000*	$5,875.00	5,000

If pounds (lbs.) Are needed, must add an emcorrector to total cost (total cost +$1,175.00 = total price for pounds).

** **FOR CONNECTIONS ON STATE RIGHTS-OF-WAY**

For connections on state right-of-way, add $250.00 to connection fee schedule for BTUs 0-450,000 BTUs. Requirements above 450,001 BTUs, add $350.00 to connection fee schedule.

BUILDING PERMIT FEES

DOMESTIC AND COMMERCIAL GAS TAP FEES

BORING FEE

If a bore is required for the installation of a tap a fee will be accessed based on the tap size:

Bore Length	BORE FEE
Up to 80’	$375.00

A bore in excess of 80 feet (80’) or in the State Right-of-Way, services will be contracted and subject to the City’s Procurement procedures

IMPACT FEES
PER CITY OF TOMBALL ORDINANCE NO. 2019-24
Effective November 5, 2019 – September 30, 2020*

LUE’S	WATER METER SIZE	WATER	SEWER	TOTAL
1.0	3/4"	~~$2,674.85~~ **3,023.75**	$2,521.00	~~$5,195.85~~ **5,554.75**
2.5	1”	~~$4,467.00~~ **5,049.66**	$4,210.07	~~$8,677.07~~ **9,259.73**
5.0	1 1/2"	~~$8,907.25~~ **10,069.09**	$8,394.93	~~$17,302.18~~ **18,464.02**
8.0	2”	~~$14,256.95~~ **16,116.59**	$13,436.93	~~$27,693.88~~ **29,553.52**
16.0	3”	~~$31,215.50~~ **35,287.16**	$29,420.07	~~$60,635.57~~ **64,707.23**
25.0	4”	~~$53,497.00~~ **60,475.00**	$50,420.00	~~$103,917.00~~ **110,895.00**
50.0	6"	~~$120,368.25~~ **136,068.75**	$113,445.00	~~$233,813.25~~ **249,513.75**
80.0	8"	~~$142,649.75~~ **161,256.59**	$134,444.93	~~$277,094.68~~ **295,701.52**

Drainage effective August 18, 2014:

M118 per acre	$5,757.81
M121E per acre	$7,886.69
M121W per acre	$6,692.00
M125 per acre	$ 436.88

Revised 10-19-2020

BUILDING STANDARDS COMMISSION FEE TO APPEAL DECISION

(Sec. 10-473, Code of Ordinances)

Fee to Appeal Decision, accompanied by written request to the City Secretary within 10 days of the date of the Building Standards Commission Hearing	$10.00*

*Appeal is by City Council and shall be by a trial de novo.

CHAUFFEUR'S DRIVER FEES

ANNUAL FEE: City of Tomball Chauffeur's License Fee: None

10/2012

COMMUNITY CENTER FEES

Reservation Fee Guidelines

A. Meeting Room Fee Schedule (Based on availability)

	Non-profit Clubs/ Organizations*	Tomball Residents: Individuals, For-profit Businesses/ Non-profit Organizations which charge for service	Non Tomball Residents: Individuals, For-profit Businesses, Non-profit Organizations which charge for service
Monday thru 3:00 pm Friday (2 Hour Minimum)			
Room A	$50.00/hr.	$75.00/hr.	$100.00/hr.
Room B	$30.00/hr.	$50.00/hr.	$75.00/hr.
Room C	$15.00/hr.	$20.00/hr.	$30.00/hr.
After 3:00 pm Friday (2 Hour Minimum)			
Room A	$75.00/hr.	$100.00/hr.	$125.00/hr.
Room B	$50.00/hr.	$75.00/hr.	$100.00/hr.
Room C	$15.00/hr.	$50.00/hr.	$75.00/hr.

B. Kitchen Fee Schedule
   1. The rental fee for Banquet Room A includes the use of the kitchen.
   2. No other room is allowed the use of the kitchen with a rental.

Special Notes

A refundable deposit will be paid by each applicant prior to the confirmation of a reservation. Refund of this deposit is contingent upon satisfying any payment for damages to the facility by the Contracting Party.

Waiver of Fees

1. The following groups shall have their fees waived:
   a. Tomball-based Non-profit youth organizations who provide proof of qualification

2. Tomball-based groups and organizations may request a waiver of fees from City staff. The guidelines for staff to follow when considering requests for waivers are as follows:
   a. Applicant generates sales tax dollars for Tomball
   b. Applicant supports City functions, events or programs
   c. Applicant is a non-profit group or organization benefitting the City of Tomball in some manner.

Rev. 11-7-2012

COMMUNITY DEVELOPMENT FEES

PLANNING FEES

Rezoning	$400 + $10/acre
Conditional Use Permit	$600
Planned Development (w/Concept or Site Plan)	$1,000
Non-Residential Site Plan Review	$250 <=2,000 SF of building area $300 + $10/acre >2,000 SF of building area
Single Family Site Plan/Building Elevation Review	$50
Parking / Landscape Plan Review	$100
Variance/Special Exception (Board of Adjustments)	$100 Residential *(Except Multi-Family)* $250 Non-Residential & Multi-Family
Zoning Ordinance/Text Amendment	$500
Appeals	$100
Zoning Verification Request	$25
Copy of Zoning Ordinance (Spiral Bound Paper Copy)	$15.85
Color Maps – 11 x 17	$1.50
Comprehensive Plan Map Amendment	$500
Rezoning and Comprehensive Plan Map Amendment	$650 + $10/acre

Rev. 9-17-2018

COMMUNITY DEVELOPMENT FEES

PLATTING FEES

Preliminary Plat:		
	$200.00	Base Fee
	$1.00	Per Lot
	$5.00	Per Acre (Includes reserves within a subdivision that do not include single-family lots)
Final, Replat, & Minor Plats:	$200.00	Base Fee
	$0.50	Per Lot
	$2.00	Per Acre (Includes reserves within a subdivision that do not include single-family lots)
~~Recording & Filing Fees:~~	~~$150.00~~	~~For the first sheet~~
	~~$50.00~~	~~For each additional sheet~~
		(Delete account Applicants now record all plats.)
Joinder Lot	$100.00	For Each Joinder Lot. (Resolution 2011-20)

ENGINEERING FEES

Floodplain Permit Application	$25
Construction Permit Application	2% of the Cost of Construction
Right-of-Way Abandonment	$300 (Administrative Policy 65, March 11, 2011)
Fee In Lieu of the Construction of Sidewalks	$30 per linear foot of street frontage (Ordinance 2017-20)

Revised 10-19-2020

CORRECTIONAL FACILITY PERMIT APPLICATION FEE

(Sec. 14-357, Code of Ordinances)

Original Application Fee	$350.00
Renewal Application Fee	$100.00
Transfer Application Fee upon Change of Owner/Operator Of Correctional Facility	$100.00

(Code of Ordinances, Chapter 14, Section 14-357)

DONATION CONTAINER PERMIT FEES

Annual Donation Container Permit Fee (Sec. 22-194) Permit is valid for 12 months from the date first issued.	$ 25.00
Impounded Donation Container Fee	$200.00
Daily Storage Fee (Sec. 22-195)	$ 25.00

Rev. 10/14/2013

FILMING APPLICATION FEES

(Sec. 6-86, Code of Ordinances)

Application Processing Fee - $25.00*

Fee for Use of City Property and City Equipment: Rates, as established by City Manager, that are adequate to compensate the City for the use of that property or equipment if the standard rate schedule in inapplicable or inappropriate for the specific use proposed.

*Fee may be waived by City Manager for nonprofit organizations.

FIRE MARSHAL'S OFFICE FEES

Life Safety Plan Review

1 - 2,500 sq.ft.	$25.00
2,501 - 5,000 sq.ft.	$50.00
5,001 - 10,000 sq.ft.	$75.00
10,000 - more sq.ft.	$100.00

Fire Sprinkler Systems

Review Fee	$200.00
Riser	$10.00 ea.
Fire Department Connection	$10.00 ea.
Per Each Sprinkler Head	$1.00 ea.

Fire Alarm Systems

Review Fee	$200.00
Signal / Notification Device	$2.00 ea.

Paint Booth / Mixing Room

Review Fee	$200.00
Nozzle	$1.00 ea.

Cooking Suppression System

Review Fee	$200.00
Nozzle	$1.00 ea.

Fuel Storage Tank Removal / Installation

For 1 Tank per site	$150.00
For 2 Tanks per site	$200.00
For 3 or more Tanks per site	$250.00

Installation Penalty - No Permit Fee

2 x the cost of total plan review fee

Special Services - *to be paid before 3:45pm*

Special Handling / Same Day Service - Plans	$100.00
After Hours Inspection - up to 4 hours	$275.00
Each additional hour - rounded up to the next hour	$75.00

Acceptance Testing / Fire Final Inspections

Inspection	No Fee
1st Re-Inspection	$25.00
2nd Re-Inspection	$50.00
3rd Re-Inspection	$75.00
4th Re-Inspection and Each After	$100.00

FIRE MARSHAL'S OFFICE FEES

State Licensed Facility Inspection - Group I Occupancy

Inspection	$50.00
1st Re-Inspection	$25.00
2nd Re-Inspection	$50.00
3rd Re-Inspection	$75.00
4th Re-Inspection and Each After	$100.00

Life Safety Inspection - Annual

Inspection	No Fee
1st Re-Inspection	No Fee
2nd Re-Inspection	$25.00
3rd Re-Inspection	$50.00
4th Re-Inspection and Each After	$75.00

FIRE MARSHAL'S OFFICE FEES

Permit Description	Permit Reference Number	Renewable or One-Time Permit	Cost
Administrative Fee (Once per calendar year/per permitted facility)		R	$5.00
Aerosol Products	105.6.1	R	$100.00
Amusement Buildings	105.6.2	R	$100.00
Aviation Facilities	105.6.3	R	$150.00
Carnivals & Fairs	105.6.4	R	$150.00
RESERVED	105.6.5		
Cellulose Nitrate Film	105.6.5	R	$100.00
Combustible Dust Producing Operations	105.6.6	R	$100.00
Combustible Fibers	105.6.7	R	$125.00
Compressed Gases	105.6.8	R	$100.00
Covered Mall Buildings	105.6.9	R	$50.00
Cryogenic Fluids	105.6.10	R	$100.00
Cutting & Welding	105.6.11	R	$75.00
Dry Cleaning Plants	105.6.12	R	$100.00
Exhibits & Trade Shows	105.6.13	R	$75.00
Explosives, including Fireworks	105.6.14	R	$150.00
RESERVED	105.6.15		
Flammable and Combustible Liquids	105.6.16	R	$75.00
Floor Finishing, including Bowling Lanes	105.6.17	R	$100.00
RESERVED	105.6.18		
Fumigation and Insecticide Fogging	105.6.19	R	$50.00
Hazardous Materials	105.6.20	R	$150.00
HPM Facilities	105.6.21	R	$150.00
High Pile Storage	105.6.22	R	$75.00
Hot work Operations	105.6.23	R	$75.00
Industrial Ovens	105.6.24	R	$100.00
Lumber Yards and Wood Working Plants	105.6.25	R	$100.00
Liquid or Gas Fueled vehicles in Assembly Buildings	105.6.26	R	$100.00
LP Gas	105.6.27	R	$100.00
Magnesium Working	105.6.28	R	$150.00
Miscellaneous Combustible Storage	105.6.29	R	$100.00
Open burning (commercial-trench)	105.6.30	R	$150.00
RESERVED	105.6.31		
Open Flames and Candles	105.6.32	R	$50.00
Organic Coating	105.6.33	R	$100.00
Places of Assembly	105.6.34		
50-100		R	$75.00
101-299		R	$100.00
300 or More Occupants		R	$125.00
RESERVED	105.6.35		
Pyrotechnic Special Effects Material	105.6.36	R	$150.00
RESERVED	105.6.37-438		
Repair Garage	105.6.39	R	$100.00
Motor Vehicle Fuel Dispensing Facility	105.6.39	R	$100.00
Rooftop Heliports	105.6.40	R	$150.00
Spraying & Dipping	105.6.41	R	$150.00
Tire Storage	105.6.42	R	$100.00
Temporary Structures, Tents & Canopies	105.6.43	R	$75.00
RESERVED	105.6.44-45		

Wood Products	105.6.46	R	$100.00
Fire Flow Test	105.6.50	O-T	$150.00

GARBAGE BAG FEES

The City of Tomball furnishes two (2) rolls of fifty (50) bags to each residence annually.

For additional purchases of garbage bags, the fee is $12.00 per 50-bag roll.

Rev. 11-7-2012

KENNEL LICENSE FEES and IMPOUNDED ANIMAL FEES

(Code of Ordinances, Chapter 8)

ANNUAL KENNEL LICENSE FEE: $ 10.00

RECOVERY OF IMPOUNDED ANIMALS FEE - (Sec. 8-178, Code of Ordinances) The following fees shall be recovered prior to release of impounded animal:

$25.00 impounding fee
$5.00 per day board fee
Cost of vaccination*

Second: $40.00 impounding fee
$5.00 per day board fee
Cost of vaccination*

Third and Subsequent: $75.00 impounding fee
$5.00 per day board fee
Cost of vaccination*

The owner of impounded animal(s) shall have the right to redeem the animal(s) upon the payment of any and all fees which may be due and payable for the impoundment of such animal, including any fines imposed, within three days after notice of impoundment has been posted, published or delivered (Sec. 8-178, Code of Ordinances).

REDEEMING IMPOUNDED ANIMALS SOLD BY
COUNTY HEALTH OFFICE OR CITY HUMANE OFFICER: Within 30 days, the original owner may redeem such animal upon paying purchaser double the amount paid by him for the animal, plus an amount equal to $3.00 for each calendar day or fraction thereof for the care and feeding of such dog/cat and all veterinary expenses incurred by the purchaser. After 30 days, the animal shall become the absolute property of the purchaser (Sec. 8-68, Code of Ordinances).

IMPOUNDMENT FEES FOR HORSES, COWS, CATTLE OR OTHER LIVESTOCK:

$25.00 plus $5.00 for feeding and care per day for each horse, cow or cattle
$15.00 plus $2.00 for feeding and care per day for each head of other livestock
(Sec. 8-178, Code of Ordinances)

*Unless owner presents proof that the animal has been vaccinated within three months immediately preceding the impoundment (Section 8-103):

Rev. 5-2-2017

LIQUOR LICENSE/PERMIT FEES

(Sec. 4-24, Code of Ordinances)

The Texas Alcoholic Beverage Code provides that cities may levy and collect a fee not to exceed one-half the State fee for each permit issued for premises located within a city or town. Only the Mixed Beverage Permit and a Mixed Beverage Late Hours Permit have a three-year waiting period before fees may be collected by the City of Tomball. The process of Liquor related fees begin with the signature of the City Secretary or her Assistant on all applications made to TABC. Before any license is issued, the applicant shall pay to the city such fees as are authorized by state law.

The Permits listed below, along with their yearly rates, go into effect at the time the business begins operation, or shortly thereafter.

Two-Year Fee Chart

License Type	Description of License		T.A.B.C. 2-Year Fee	Tomball 2-Year Fee
BF	Beer Retailer's Off Premise		$120.00	$60.00
BG	Wine & Beer Retailer's	Years 1 and 2	$2,000.00	$1,000.00
		Year 3 and Subsequent	$1,500.00	$750.00
BQ	Wine & Beer Retailer's Off Premise		$120.00	$60.00
P	Package Store		$1,000.00	$500.00
Q	Wine-Only Package Store		$150.00	$75.00
MB	Mixed Beverage	Years 1 and 2	$6,000.00	$0.00
	1st Renewal	Years 3 and 4	$4,500.00	$1,125.00
	2nd Renewal	Years 5 and 6	$3,000.00	$1,150.00
	3rd Renewal	Subsequent Years	$1,500.00	$750.00
LB	Late Hours Mixed Beverage		$300.00	$150.00

Revised 11-7-2012

MANUFACTURED HOME PARK
OR RECREATIONAL VEHICLE PARK
CONSTRUCTION OR ENLARGEMENT FEES

(Sec. 26-24, Code of Ordinances)

APPLICATION FEE: $100.00 plus $10.00 per unit in excess of 25 units (spaces)

(COPY OF RECEIPT MUST BE ATTACHED TO APPLICATION)

MANUFACTURED HOME PARK OR
RECREATIONAL VEHICLE
PARK OPERATIONS LICENSE FEES

(Chapter 26, Code of Ordinances)

NOTE: Operations License expire December 31

OPERATIONS LICENSE FEE: ***(Copy of Receipt must be attached to Application)***
(Fees are based on the number of spaces in the park)

BASE FEE	+	NUMBER OF SPACES =	TOTAL FEE
$100.00/year	plus	$3.00 for each space within the park	

Example:

If Park has 20 spaces, the fee would be:			
	Base Fee	=	$ 100.00
	20 Spaces x $3.00	=	$ 60.00
	Total Fee Due	=	$ 160.00

MUNICIPAL COURT FINES/FEES

The facts and circumstance of each case determines the amount of the fine the court assesses. The range of punishment of most traffic related state offenses or fine for most municipal court violations are as follows:

Class C violations are punishable by a maximum fine of $500, except that zoning, fire safety, and health violations may have fines of up to $2000 per offense.
Most traffic related state offenses have a maximum fine of $200. There are many exceptions:

ex. Failure to Maintain Financial Responsibility (no insurance) -- $175 to $350 fine for first offense

ex. Failure to comply with warning sign in construction or maintenance zone (when workers are present) Tex Transp Code §472.022(d)-- $2 to $400 fine:

ex. -- Failure to yield the right of way to another vehicle that a crash resulted from that failure to yield, and
a person other than the operator suffered bodily injury as a result, the offense is punishable by a fine of $500 to $2,000. Texas Transportation Code §542.4045. If a person other than the operator suffered serious bodily injury, the offense is punishable by a fine of $1,000 to $4,000.

Prior Convictions – To enhance a penalty for a prior offense, the complaint must allege it is second or subsequent offense.

OFFENSE SPEEDING

	FINE	COURT COSTS	TOTAL	WP	TOTAL
SPEEDING 1-15	$ 80.00	$ 134.00	**$214.00**	$ 25.00	$ 239.00
16	$ 85.00	$ 134.00	**$219.00**	$ 25.00	$ 244.00
17	$ 90.00	$ 134.00	**$224.00**	$ 25.00	$ 249.00
18	$ 95.00	$ 134.00	**$229.00**	$ 25.00	$ 254.00
19	$ 100.00	$ 134.00	**$234.00**	$ 25.00	$ 259.00
20	$105.00	$ 134.00	**$239.00**	$ 25.00	$ 264.00
21	$110.00	$ 134.00	**$244.00**	$ 25.00	$ 269.00
22	$115.00	$ 134.00	**$249.00**	$ 25.00	$ 274.00
23	$120.00	$ 134.00	**$254.00**	$ 25.00	$ 279.00
24	$125.00	$ 134.00	**$259.00**	$ 25.00	$ 284.00
25	$130.00	$ 134.00	**$264.00**	$ 25.00	$ 289.00
26	$135.00	$ 134.00	**$269.00**	$ 25.00	$ 294.00
27	$140.00	$ 134.00	**$274.00**	$ 25.00	$ 299.00
28	$145.00	$ 134.00	**$279.00**	$ 25.00	$ 304.00
29	$150.00	$ 134.00	**$284.00**	$ 25.00	$ 309.00
30	$155.00	$ 134.00	**$289.00**	$ 25.00	$ 314.00

NOTE: Defendants receiving a Disregard Warning Sign-Workers Present or possessing a CDL are NOT eligible for Driving Safety Course or Deferred.

** ALL FINES DOUBLE IF VIOLATION IS IN A CONSTRUCTION ZONE WITH WORKERS PRESENT

Revised 9/21/2020

MUNICIPAL COURT FINES/FEES

SPEEDING IN A SCHOOL ZONE

	FINE	COURT COSTS	TOTAL	WP	TOTAL
SPEEDING 1-15	$ 80.00	$ 159.00	**$239.00**	$ 25.00	$ 264.00
16	$ 85.00	$ 159.00	**$244.00**	$ 25.00	$ 269.00
17	$ 90.00	$ 159.00	**$249.00**	$ 25.00	$ 274.00
18	$ 95.00	$ 159.00	**$254.00**	$ 25.00	$ 279.00
19	$ 100.00	$ 159.00	**$259.00**	$ 25.00	$ 284.00
20	$105.00	$ 159.00	**$264.00**	$ 25.00	$ 289.00
21	$110.00	$ 159.00	**$269.00**	$ 25.00	$ 294.00
22	$115.00	$ 159.00	**$274.00**	$ 25.00	$ 299.00
23	$120.00	$ 159.00	**$279.00**	$ 25.00	$ 304.00
24	$125.00	$ 159.00	**$284.00**	$ 25.00	$ 309.00
25	$130.00	$ 159.00	**$289.00**	$ 25.00	$ 314.00
26	$135.00	$ 159.00	**$294.00**	$ 25.00	$ 319.00
27	$140.00	$ 159.00	**$299.00**	$ 25.00	$ 324.00
28	$145.00	$ 159.00	**$304.00**	$ 25.00	$ 329.00
29	$150.00	$ 159.00	**$309.00**	$ 25.00	$ 334.00
30	$155.00	$ 159.00	**$314.00**	$ 25.00	$ 339.00

** ALL FINES DOUBLE IF VIOLATION IS IN A CONSTRUCTION ZONE WITH WORKERS PRESENT

VIOLATIONS WITHIN A CONSTRUCTION ZONE WITH WORKERS PRESENT

	FINE	COURT COSTS	TOTAL	WP	TOTAL
SPEEDING 1-15	$ 160.00	$ 134.00	**$294.00**	$ 25.00	$ 319.00
16	$ 170.00	$ 134.00	**$304.00**	$ 25.00	$ 329.00
17	$ 180.00	$ 134.00	**$314.00**	$ 25.00	$ 339.00
18	$ 190.00	$ 134.00	**$324.00**	$ 25.00	$ 349.00
19	$ 200.00	$ 134.00	**$334.00**	$ 25.00	$ 359.00
20	$210.00	$ 134.00	**$344.00**	$ 25.00	$ 369.00
21	$220.00	$ 134.00	**$354.00**	$ 25.00	$ 379.00
22	$230.00	$ 134.00	**$364.00**	$ 25.00	$ 389.00
23	$240.00	$ 134.00	**$374.00**	$ 25.00	$ 399.00
24	$250.00	$ 134.00	**$384.00**	$ 25.00	$ 409.00
25	$260.00	$ 134.00	**$394.00**	$ 25.00	$ 419.00
26	$270.00	$ 134.00	**$404.00**	$ 25.00	$ 429.00
27	$280.00	$ 134.00	**$414.00**	$ 25.00	$ 439.00
28	$290.00	$ 134.00	**$424.00**	$ 25.00	$ 449.00
29	$300.00	$ 134.00	**$434.00**	$ 25.00	$ 459.00
30	$310.00	$ 134.00	**$444.00**	$ 25.00	$ 469.00

COLLECTION FEE FOR MUNICIPAL COURT

NOTICE: Effective November 2, 2004, courts instituted a 30 percent collection fee on delinquent cases that are referred to a collection agency.

Charge of additional 30% Collection Fee on Delinquent Cases: The State Legislature passed a bill authorizing the assessment of a 30% collection fee to any case in which a defendant had either failed to pay or failed to appear on or before their court date on all violations processed by the court; traffic, non-traffic and parking cases. All cases are referred to a delinquent collections agency when they have been delinquent for more than 60 days.

TIME PAYMENT FEE
Defendants who are set up on a payment plan will be assessed a one-time time payment fee **$15 added in 30 days** following a judgement per offense still open on the payment plan. This fee is a state fee and cannot be waived.

OMNI FEE
$10.00 - Defendants will be charged a $10 omni fee for the reporting of case to Texas Department of Public Safety for the withholding of License if defendant fails to appear and the case has been referred to Warrants.

FAILURE TO APPEAR/VIOLATE PROMIS TO APPEAR FINE (Effective 3-16-2020)
$25.00 – Defendants will be charged an additional $25.00 if they fail to appear or violate their promise to appear.

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

Offense Code	Offense Code Type	Offense Description	Base Fine	Court cost	TOTAL DUE	State Code	Statute/Ordinance
5	O	ARTICLE VI EROSION &SEDIMENT CONTROL SEC 18-259(D)	$ 500.00	$ 81.00	$ 581.00		ARTICLE VI EROSION &SEDIMENT C
19	O	SEC 34-11 CHANGEABLE ELECTRONIC VARIABLE MESSAGE SIGN	$ 500.00	$ 81.00	$ 581.00		CO CHAPTER 34 SIGNS SEC 34-11
20	O	VIOLATION OF SEC. 50-36	$ 500.00	$ 81.00	$ 581.00		CO SEC 50-36
21	O	VIOLATION OF SEC. 50-76	$ 500.00	$ 81.00	$ 581.00		CO SEC 50-76
22	O	VIOLATION OF SEC 50-82	$ 500.00	$ 81.00	$ 581.00		CO SEC 50-82
23	O	VIOLATION OF SEC. 50-112	$ 500.00	$ 81.00	$ 581.00		
24	O	VIOLATION OF SEC 50-113	$ 500.00	$ 81.00	$ 581.00		
25	O	VIOLATION OF SEC 50-115	$ 500.00	$ 81.00	$ 581.00		CO SEC 50-115
26	O	VIOLATION OF SECTION 38-160	$ 500.00	$ 81.00	$ 581.00		SEC. 38-160
27	O	VIOLATION OF SECTION 46-21	$ 500.00	$ 81.00	$ 581.00		CITY ODINANCE 46-21
28	O	VIOLATION SEC 20-28 IFC(SEC 308.1.4)OPEN FLAME COOKING DEVICES	$ 500.00	$ 81.00	$ 581.00		CO SEC 20-28(SEC 308.1.4)
29	O	REQUIREMENTS FOR TRAPS	$ 500.00	$ 81.00	$ 581.00		SEC 46-101
30	O	CITY ORDINANCE VIOLATION WORKING W/O PERMIT	$ 500.00	$ 81.00	$ 581.00		SE1340-21 104.1REF IRC 2015 105
31	O	VIOLATION OF SEC.50-117 HOME OCCUPANCY	$ 500.00	$ 81.00	$ 581.00		CO SEC.50-117
1	R	REDLIGHT CODE ENFORCEMENT repealed	$ 75.00	$ -	$ 75.00		
9	P	HANDICAP PARKING VIOLATION	$ 441.00	$ 76.00	$ 517.00		TC 681.011
10	O	CITY ORDINANCE - VIOLATE CITY ORDINANCE NUISANCE	$ 500.00	$ 81.00	$ 581.00		SEC 18-163
11	O	CITY ORDINANCE - BURNING WITHOUT PERMIT	$ 500.00	$ 81.00	$ 581.00		
12	O	CITY ORDINANCE - BURNING, DELIBERATE OR NEGLIGENT	$ 500.00	$ 81.00	$ 581.00		INTL. FIRE CODE 305.4
14	O	CITY ORDINANCE - NOISE	$ 200.00	$ 81.00	$ 281.00		30-183
15	O	CITY ORDINANCE - NO TAXI DRIVER PERMIT	$ 200.00	$ 81.00	$ 281.00		ORD. CH 86 SEC 86-42
16	O	CITY ORDINANCE - INSTALL FIRE-EXTINGUISHING SYSTEM W/O PERMIT	$ 500.00	$ 81.00	$ 581.00	IFC	FIRE C. 105.7.1; 109.1; 109.3
17	O	CITY ORDINANCE-ELECTRICAL-WORK W/O PERMIT	$ 500.00	$ 81.00	$ 581.00		CO 2000-30,P&I, SEC.14-245
18	O	CO-USE OF CERTAIN WIRELESS COMMUNICATION DEVICE WHILE DRIVING PROHIBITED	$ 200.00	$ 81.00	$ 281.00		ORDINANCE NO. 2010-25
249	T	OBSCURRED LICENSE PLATES	$ 76.00	$ 81.00	$ 157.00		TC 504.945 (B)
251	T	PARK IN MAIN TRAVELED WAY	$ 120.00	$ 134.00	$ 254.00		T.C 545.059
271	T	NO VALID CLASS B DRIVERS LICENSE	$ 88.00	$ 81.00	$ 169.00		
272	T	NO VALID CLASS A DRIVERS LICENSE	$ 88.00	$ 81.00	$ 169.00		T.C. 521
273	T	NO VALID INSPECTION STICKER	$ 76.00	$ 81.00	$ 157.00		T.C.548.258
275	T	NO VALID CLASS M DRIVERS LICENSE	$ 88.00	$ 81.00	$ 169.00		T.C. 521.224
285	T	IMPROPER START FROM STOP/PARKED POSITION	$ 120.00	$ 134.00	$ 254.00	3024	T.C. 545.402
289	T	EXPIRED DEALER PAPER PLATES	$ 76.00	$ 81.00	$ 157.00	3655	T.C. 503.094
318	T	ILLEGAL RIGHT TURN FROM INSIDE LEFT LANE	$ 120.00	$ 134.00	$ 254.00	3012	T.C. 545.101(a)
319	T	FAIL TO YIELD R-O-W R.R. CROSSING	$ 120.00	$ 134.00	$ 254.00	3585	T.C. 545.056
327	T	FAIL TO YIELD R-O-W FROM PARKED POSITIO	$ 120.00	$ 134.00	$ 254.00		
340	T	STRAIGHT FROM TURN ONLY LANE	$ 70.00	$ 134.00	$ 204.00		
342	S	SOLICITATION BY PEDESTRIANS 552.007 (A)	$ 300.00	$ 81.00	$ 381.00		
345	T	U-TURN NOT IN SAFETY	$ 70.00	$ 134.00	$ 204.00		
367	T	NO PARKING LIGHTS WHEN NEEDED	$ 33.00	$ 81.00	$ 114.00		547.383
373	T	DRIVING LEFT OF CENTER	$ 70.00	$ 134.00	$ 204.00		
374	T	DRIVING LEFT OF DOUBLE YELLOW STRIPE	$ 70.00	$ 134.00	$ 204.00		
428	T	NO THRU TRUCKS OVER 2 AXLES	$ 70.00	$ 134.00	$ 204.00		
444	T	DISPLAY ALTERNATING LIGHTS TO REAR	$ 33.00	$ 81.00	$ 114.00		
445	T	UNAPPROVED LIGHTING EQUIPMENT	$ 33.00	$ 81.00	$ 114.00		
448	T	IMPROPER TREAD DEPTH	$ 33.00	$ 81.00	$ 114.00		TC 727.003
451	T	NO HEADLIGHTS	$ 70.00	$ 134.00	$ 204.00		
452	T	NO BRAKE LIGHTS	$ 33.00	$ 81.00	$ 114.00		

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

454 T	NO TOW LIGHTS ON TOWED VEHICLE	$ 30.00	$ 134.00	$ 164.00		
455 T	NO REAR VIEW MIRROR	$ 33.00	$ 81.00	$ 114.00		547.602
460 T	HUBCAPS OVEREXTENDED TO LEFT 8" SPIKED	$ 33.00	$ 81.00	$ 114.00		
462 T	FAIL TO SET PARK BRAKE	$ 33.00	$ 81.00	$ 114.00		
473 T	PASSING WITHIN INTERSECTION	$ 70.00	$ 134.00	$ 204.00		
474 T	PASSING ON UNIMPROVED SHOULDER OF ROAD	$ 70.00	$ 134.00	$ 204.00		
475 T	PASS WITH INSUFFICIENT CLEARANCE	$ 70.00	$ 134.00	$ 204.00		
477 T	PASSING ON RIGHT NOT IN SAFETY	$ 70.00	$ 134.00	$ 204.00	3022	
479 T	PASSING SCHOOL BUS UNLOADING	$ 500.00	$ 134.00	$ 634.00		
480 T	PASSING SCHOOL BUS-LOADING	$ 500.00	$ 134.00	$ 634.00		
482 T	PASS WITHIN 100 FT. OF INTERSECTION	$ 70.00	$ 134.00	$ 204.00		
483 T	PASS WITHIN 100 FT. OF RAILROAD CROSSING	$ 70.00	$ 134.00	$ 204.00		
489 T	STOPPED WITHIN INTERSECTION	$ 70.00	$ 134.00	$ 204.00		
503 T	FAIL TO SIGNAL STOP	$ 70.00	$ 134.00	$ 204.00		
505 T	BACKING NOT IN SAFETY	$ 120.00	$ 134.00	$ 254.00		
510 T	UNATTENDED VEHICLE	$ 70.00	$ 134.00	$ 204.00		
511 T	LEAVING CHILD UNATTENDED IN VEHICLE	$ 235.00	$ 81.00	$ 316.00		PC 22.10
517 T	BLOCK MOVING LANE OF TRAFFIC	$ 70.00	$ 134.00	$ 204.00	3320	
525 P	ILLEGALLY PARKED-PROHIBITED BY SIGNS	$ 15.00	$ 76.00	$ 91.00		TC 545.302(a)(9)
529 P	PARKED IN BUS. OR RES. DISTRICT 545.301	$ 18.00	$ 76.00	$ 94.00		TC 545.301
532 O	CITY ORDINANCE - ILLEGAL PARKING OVER 24 HOURS	$ 15.00	$ 76.00	$ 91.00		ORD. SEC. 78-147
534 O	CITY ORDINANCE - HITCHIKING-SOLICITATION BY PEDESTRIANS	$ 70.00	$ 134.00	$ 204.00		SEC. 552.007
535 S	WALKING IN ROADWAY	$ 70.00	$ 134.00	$ 204.00		
536 T	OPEN DOOR INTO LANE OF TRAFFIC	$ 33.00	$ 81.00	$ 114.00		TC 545.418
537 T	TAMPER WITH BARRICADES	$ 53.00	$ 81.00	$ 134.00		
548 T	FAIL TO REPORT ACCIDENT-PEDESTRIAN	$ 70.00	$ 134.00	$ 204.00		
549 T	FAIL TO USE DUE-CARE HIT PEDESTRIAN	$ 70.00	$ 134.00	$ 204.00		TC 552.008
550 T	FAIL TO REPORT ACCIDENT TO POLICE DEPT.	$ 50.00	$ 134.00	$ 184.00		
560 T	FAIL TO STOP AND RENDER AID	$ 200.00	$ 81.00	$ 281.00		
563 T	FAIL TO STOP AND GIVE INFO-OBJECT TRAFFIC AREA	$ 73.00	$ 81.00	$ 154.00		
591 T	CUT ACROSS PARKING LOT	$ 70.00	$ 134.00	$ 204.00		
595 T	PASSING ON SHOULDER OF ROAD	$ 70.00	$ 134.00	$ 204.00		
596 T	DRIVING ON SHOULDER OF ROADWAY	$ 120.00	$ 134.00	$ 254.00		TC 545.058
600 T	FAIL TO COVER LOAD	$ 33.00	$ 81.00	$ 114.00		
603 O	CITY ORDINANCE - TRASH DISPOSAL	$ 200.00	$ 81.00	$ 281.00		CHAPT.23 ART V SEC. 23-79
604 T	FAIL TO PROPERLY SECURE TRAILER	$ 43.00	$ 81.00	$ 124.00		
605 T	FAIL TO SECURE VEHICLE	$ 43.00	$ 81.00	$ 124.00		545.404
606 T	FAIL TO SECURE LOAD	$ 33.00	$ 81.00	$ 114.00		
641 T	NO SAFETY CHAIN TRAILER	$ 30.00	$ 134.00	$ 164.00		545.41
695 T	BICYCLE NOT EQUIPPED WITH LIGHTS	$ 34.00	$ 81.00	$ 115.00		551.104
696 T	BICYCLE FAIL TO YIELD ROW LEFT	$ 33.00	$ 81.00	$ 114.00		
700 O	CITY ORDINANCE - UNLEASHED DOG/CAT RUNNING AT LARGE	$ 33.00	$ 81.00	$ 114.00		
701 O	NO SIGN PERMIT	$ 200.00	$ 81.00	$ 281.00		ART 60-5 SIGN PERMITS AND FEES
702 O	CITY ORDINANCE - VIOLATION OF SEC 18-166	$ 500.00	$ 81.00	$ 581.00		CO SEC 18-166
704 O	CITY ORDINANCE - NUISANCE-ODORS	$ 200.00	$ 81.00	$ 281.00		30-156(3) 30-157 (6)
705 T	OBSTRUCTING FIRE HYDRANT	$ 200.00	$ 81.00	$ 281.00	3569	
706 O	CITY ORDINANCE - NUISANCE-ALL TYPES NOISES	$ 200.00	$ 81.00	$ 281.00		30-157 (5)
707 O	CITY ORDINANCE - DOG/CAT/VACCINATION AND LICENSING	$ 33.00	$ 81.00	$ 114.00		
708 O	CITY ORDINANCE - PLUMBING & GAS ORDINANCE	$ 200.00	$ 81.00	$ 281.00		ART.VI SEC.14-390 14-405

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

710 O	CITY ORDINANCE - PROHIBITED SIGNS	$ 200.00	$ 81.00	$ 281.00		
711 O	CITY ORDIANCE-PROHIBITED SMOKING PRODUCTS/PARAPHERNALIA	$ 200.00	$ 81.00	$ 281.00		HS CHAPTER 42 ARTICLE VI
712 O	CITY ORDINANCE - WASTE MATERIAL CONTAINERS COLLECTION	$ 200.00	$ 81.00	$ 281.00		CHP.23 ART.V SEC 23-79
713 O	CITY ORDINANCE - DRIVEWAY ORDINANCE SEC.14-4 E	$ 200.00	$ 81.00	$ 281.00		CITY ORDINANCE SEC. 14-4 E
715 O	CITY ORDINANCE - NUISANCES-NOISE	$ 200.00	$ 81.00	$ 281.00		SEC.30-156, 30-157
718 S	PAINT SPRAY BOOTH IFC 1504.1	$1,000.00	$ -	$1,000.00	1504.1	IFC 1504.1
719 O	CITY ORDINANCE - PROHIBITED USE OF WIRELESS COMM DEVICE WHILE DRIVING	$ 70.00	$ 134.00	$ 204.00		2010-25
721 O	NO STOPPING/STANDING/PK IN ROADWAY	$ 200.00	$ 81.00	$ 281.00		CO #78-135
722 O	SECTION 18-164 NUISANCE	$ 500.00	$ 81.00	$ 581.00		CO SECTION 18-164
725 S	NUISANCE-RUBBISH, STRUCTURES, ETC.	$ 200.00	$ 81.00	$ 281.00		
726 O	CITY ORDINANCE - LIVESTOCK IN RESIDENTIAL AREA	$ 200.00	$ 81.00	$ 281.00		CITY ORDINANCE 10-98
730 O	CITY ORDINANCE - DRIVE-WAYS SEC.14-4(D)(E)	$ 200.00	$ 81.00	$ 281.00		
731 S	TRAIN OBSTRUCTING CROSSING	$ 53.00	$ 81.00	$ 134.00		
742 O	CITY ORDINANCE-ALARM SYSTEM INSTALLATION W/O PERMIT	$ 500.00	$ 81.00	$ 581.00		IFC SEC 109.3
746 S	MINOR - TOB/CIG PROD/POSS/PUR/CONSUME	$ 200.00	$ 81.00	$ 281.00		HS SEC 161.252
750 O	CITY ORDINANCE - DIGGING OUT	$ 70.00	$ 134.00	$ 204.00		78-64
751 O	CITY ORDINANCE - HORN, VEHICLE SOUNDING OF	$ 200.00	$ 81.00	$ 281.00		SEC.30-186 91.01
753 O	CITY ORDINANCE - FAIL TO HAVE CURRENT REG. FOR ANIMALS	$ 33.00	$ 81.00	$ 114.00		
754 O	CITY ORDINANCE - ANIMAL QUARANTINE	$ 33.00	$ 81.00	$ 114.00		
755 O	CITY ORDINANCE - FIRE CODE LOCKED EXITS	$ 500.00	$ 81.00	$ 581.00		FIRE CODE 1003.3.1.8 LOCKS/LAT
756 O	CITY ORDINANCE - DISCHARGE WASTE IN PUBLIC SEWER	$ 200.00	$ 81.00	$ 281.00		SEC. 82-82 CITY CODE
757 O	CITY ORDINANCE - TIRE STORAGE AND MOSQUITO CONTROL	$ 250.00	$ 81.00	$ 331.00		SEC. 42-1 CITY ORDINANCE
758 O	CITY ORDINANCE - NOISY VEHICLES	$ 200.00	$ 81.00	$ 281.00		
759 O	CITY ORDINANCE - ILLEGAL DUMPING	$2,000.00	$ -	$2,000.00		ORD.CHAPTER 62, SEC. 62-5
760 O	CITY ORDINANCE - JUNK VEHICLE PARTS	$ 200.00	$ 81.00	$ 281.00		SEC. 8-20
761 O	CITY ORDINANCE - JUNK VEHICLE	$ 200.00	$ 81.00	$ 281.00		SEC 8-20
762 O	CITY ORDINANCE - OBSTRUCTION SIDEWALK/EASEMENT/STREET	$ 500.00	$ 81.00	$ 581.00		SEC.66-3
763 O	CITY ORDINANCE - WATER-EMERGENCY RATIONING	$ 200.00	$ 81.00	$ 281.00		
765 O	CITY ORDINANCE - FIREWORKS	$1,000.00	$ -	$1,000.00		ART. 1 SEC. 50-2
766 O	CITY ORDINANCE - COLLECTION BY CITY ONLY	$ 500.00	$ 81.00	$ 581.00		SEC. 62-72
767 O	CITY ORDINANCE - CERTIFICATE OF OCCUPANCY	$ 200.00	$ 81.00	$ 281.00		CITY ORD. SEC. 110.0
769 S	STORAGE/USE HAZARDOUS MATERIALS	$1,000.00	$ -	$1,000.00		FIRE CODE SEC. 2703.1.4
770 S	OCCUPANCY PROHIB BEFORE APPROVAL	$ 500.00	$ 81.00	$ 581.00	105.3	INTL.FIRE CODE 105.3.3
771 S	COMBUSTIBLE WASTE DUMPSTER PERMIT	$ 500.00	$ 81.00	$ 581.00	304.3	INTL. FIRE CODE
772 O	C/C MAINT SPRINKLER SYSTEM	$1,000.00	$ -	$1,000.00		903.5 CITY CODE
773 O	C/C MAINT FIRE ALARM SYSTEM	$1,000.00	$ -	$1,000.00		907.20 CITY ORDINANCE
775 O	CITY ORDINANCE - NO DEVELOPMENT PERMIT	$ 200.00	$ 81.00	$ 281.00		SEC. 38-28. PERMIT PROCEDURES
776 O	CITY ORDINANCE - SOLICITING WITH NO PERMIT	$ 300.00	$ -	$ 300.00		
777 S	ACCESS TO ELECTRICAL PANELS	$ 250.00	$ 81.00	$ 331.00	Y	
778 S	EXIT SIGN MUST BE LIGHTED	$ 500.00	$ 81.00	$ 581.00		
779 O	CITY ORDINANCE - DRIVEWAY SURFACE	$ 200.00	$ 81.00	$ 281.00		CITY CODE 14-437
780 O	CITY ORDINANCE - VIOLATION SEC 36-27	$2,000.00	$ 81.00	$2,081.00		CITY ORDINANCE SEC. 36-27
781 O	CITY ORDINANCE - DISCHARGE WASTEWATER	$ 200.00	$ 81.00	$ 281.00		CITY CODE CHAP.82 SEC. 82-90
789 O	CITY ORDINANCE - UNLICENSED WRECKER	$ 200.00	$ 81.00	$ 281.00		86-176 CITY ORDINANCE
790 O	CITY ORDINANCE - UNLICENSED WRECKER DRIVER	$ 200.00	$ 81.00	$ 281.00		SEC.86-191 CITY ORDINANCE
791 O	C.O-ABANDONMENT OF NONCOFORMING USES AND STRUCTURES& CESSATION OF USE OF	$ 200.00	$ 81.00	$ 281.00		
792 O	CITY ORDINANCE- NO BUILDING PERMIT	$ 200.00	$ 81.00	$ 281.00		C.O 2005-13, 2003 IBC SE13405.1
793 O	CITY ORDINANCE- ATTENTION GETTING DEVICE	$ 200.00	$ 81.00	$ 281.00		CITY ORD. 2012-22, SEC 60-12
803 S	FURNISH ALCOHOL TO MINOR	$ 200.00	$ 81.00	$ 281.00		ABC 106.06

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

804 O	CITY ORDINANCE - DISCHG FIREARM IN CITY LIMITS	$ 200.00	$ 81.00	$ 281.00		53.03 (C)
812 S	D.O.C. PUBLIC EXPOSURE	$ 235.00	$ 81.00	$ 316.00		PC 42.01a(10)
815 S	ASSAULT BY THREAT	$ 235.00	$ 81.00	$ 316.00		PC 22.01(a)(2)
816 S	ASSAULT BY PHYSICAL CONTACT	$ 235.00	$ 81.00	$ 316.00		PC 22.01(a)(3)
830 S	SALE OF ALCOHOL TO CERTAIN PERSONS	$ 200.00	$ 81.00	$ 281.00		
832 S	POSSESS INTOXICANTS ON SCHOOL PROPERTY	$ 200.00	$ 81.00	$ 281.00	37.122	
847 S	THEFT OF SERVICE	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 31.04
855 S	LITTERING	$ 200.00	$ 81.00	$ 281.00		HSC 365.012
863 S	CONSUME ALCOHOL DURING PROHIBITED HOURS	$ 200.00	$ 81.00	$ 281.00		
864 S	CONTEMPT FOR DISOBEYING COURT ORDER	$ -	$ 81.00	$ 81.00		SEC 21.001 & SEC21.002 (C)GC
865 S	CONTEMPT OF COURT	$ 200.00	$ 81.00	$ 281.00		
867 O	CITY ORDINANCE - CURFEW-NIGHTTIME	$ 113.00	$ 81.00	$ 194.00		
868 O	CITY ORDINANCE - CURFEW-DAYTIME	$ 113.00	$ 81.00	$ 194.00		
869 S	FAIL TO ATTEND SCHOOL	$ 111.00	$ 134.00	$ 245.00		SEC.25-094 ED. CODE
871 S	ELECTRICAL HAZARDS	$ 250.00	$ 81.00	$ 331.00		FIRE PREVENTION CODE 701
872 S	EXIT SIGNS FIRE CODE	$ 500.00	$ 81.00	$ 581.00		STANDARD FIRE CODE 807.2
873 S	DISRUPTION OF TRANSPORTATION	$ 200.00	$ 81.00	$ 281.00		E.C. SEC 37.126 (A)
874 S	DISRUPTION OF CLASSES	$ 200.00	$ 81.00	$ 281.00		E.C. 37.124 (A)
875 S	CRIMINAL TRESPASS	$ 235.00	$ 81.00	$ 316.00		PENAL CODE SEC. 30.05
876 S	TRESPASS -SCHOOL GROUNDS	$ 200.00	$ 81.00	$ 281.00		E.C. 37.105, .107
878 S	DISRUPTION OF SCHOOL ACTIVITIES	$ 200.00	$ 81.00	$ 281.00		SEC. 37-123 EC
1000 S	CRIMINAL MISCHIEF/CLASS C	$ 235.00	$ 81.00	$ 316.00	4200	PENAL CODE 28.03(1)(A)
1002 S	TAMPERING W/ A GOVT RECORD(SCHOOL ENROLLMENT)	$ 500.00	$ 81.00	$ 581.00		PC 37.10(c)(3)
1010 S	RECKLESS DAMAGE OR DESTRUCTION	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 28.04
1020 S	THEFT	$ 235.00	$ 81.00	$ 316.00	4200	PENAL CODE 31.03(e)(1)(A)
1105 T	USE WIRELESS COMMUNICATION DEVICE IN SCHOOL ZONE	$ 200.00	$ 159.00	$ 359.00		545.425(b)
1106 T	USE A WIRELESS COMMUNICATION DEVICE FOR ELECTRONIC MESSAGING WHILE DRIVING	$ 99.00	$ 134.00	$ 233.00		TC 545.4251(b)
1130 S	FAILURE TO IDENTIFY	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 38.02 (c)
1170 S	D.O.C. OBSCENE LANGUAGE	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a(1)
1171 S	D.O.C. OFFENSIVE GESTURE/DISPLAY	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a (2)
1172 S	D.O.C. NOXIOUS/UNREASONABLE ODOR (CHEMICAL)	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a(3)
1173 S	D.O.C. ABUSE OR THREATEN (OFFENSIVE MANNER)	$ 200.00	$ 81.00	$ 281.00		PENAL CODE 42.01 (4)
1174 S	D.O.C. UNREASONABLE NOISE	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a (5)
1175 S	D.O.C. FIGHTING WITH ANOTHER	$ 200.00	$ 81.00	$ 281.00		PENAL CODE 42.01 (6)
1176 S	D.O.C. WINDOW PEEPING-DWELLING	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a(11)(A)
1177 S	D.O.C. WINDOW PEEPING/HOTEL OR MOTEL	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a(11)(B)
1178 S	D.O.C. DISCHARGES FIREARM/PUBLIC ROADWAY	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 42.01 a(7)
1180 S	MAKE FIREARM ACCESSIBLE TO A CHILD	$ 235.00	$ 81.00	$ 316.00	PC	PC 46.13
1181 S	OBSCENE DISPLAY	$ 235.00	$ 81.00	$ 316.00		PC 43.22
1210 S	SMOKING TOBACCO-PROHIBITED AREAS	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 48.01
1220 S	PUBLIC INTOXICATION	$ 235.00	$ 81.00	$ 316.00	4200	PENAL CODE 49.02
1230 S	POSSESSION/CONSUMPTION OF ALCOHOL IN MOTOR VEHICLE	$ 235.00	$ 81.00	$ 316.00		PENAL CODE 49.03
2000 S	CONSUME ALCOHOLIC BEVERAGES ON OFF-PREMISED LICENSE ACCOUNT	$ 200.00	$ 81.00	$ 281.00		TABC 101.72
2001 S	SALE TO CERTAIN PERSONS	$ 200.00	$ 81.00	$ 281.00		TABC 101.63
2010 S	CONSUMPTION OF ALCOHOLIC BEVERAGES NEAR A SCHOOL	$ 200.00	$ 81.00	$ 281.00		TABC 101.75
2090 S	SALE OF TOBACCO PRODUCTS TO A MINOR	$ 200.00	$ 81.00	$ 281.00		HEALTH & SAFETY CODE 161.081
2091 S	SELL CIG/TOB PRODUCTS W/O PERMIT	$ 200.00	$ 81.00	$ 281.00		VERNON TAX CODE 154.509
2100 S	POSSESSION OF DRUG PARAPHERNALIA	$ 200.00	$ 81.00	$ 281.00	3240	481.125 H&S Code
2200 T	FAIL TO SET PARK BRAKE	$ 33.00	$ 81.00	$ 114.00		545.404

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

273E T	FICTITIOUS INSPECTION STICKER	$ 200.00	$ 81.00	$ 281.00		
2900 S	EQUIPMENT NOT IN COMPLIANCE W/ FEDERAL STANDARDS 49 C.F.R.571.108	$ 200.00	$ 81.00	$ 281.00		49 C.F.R. 571 1.08
3001 T	SPEEDING SEE CHART				3586	708.52
3002 T	UNSAFE SPEED/TOO FAST FOR CONDITIONS	$ 120.00	$ 134.00	$ 254.00	3002	TC 545.351
3003 T	IMPEDING TRAFFIC	$ 120.00	$ 134.00	$ 254.00	3003	TC 545.363 (a)
3004 T	RACING/DRAG RACING/ACCELERATION CONTEST FOR SPEED	$ 120.00	$ 134.00	$ 254.00	3004	545.42
3005 T	FAIL TO YIELD R-O-W	$ 120.00	$ 134.00	$ 254.00	3005	TC 545.151
3006 T	RAN STOP SIGN	$ 120.00	$ 134.00	$ 254.00	3006	TC 545.151
3007 T	RAN RED LIGHT	$ 120.00	$ 134.00	$ 254.00	3007	TC 544.007
3008 T	DISREGARD FLASHING YELLOW SIGNAL	$ 120.00	$ 134.00	$ 254.00	3008	TC 544.008
3009 T	CHANGED LANE WHEN UNSAFE	$ 120.00	$ 134.00	$ 254.00	3009	TC 545.060(a)(2)
3011 T	TURNED LEFT FROM WRONG LANE	$ 120.00	$ 134.00	$ 254.00	3011	TC 545.101(b)-(d)
3012 T	TURNED RIGHT FROM WRONG LANE	$ 120.00	$ 134.00	$ 254.00	3012	TC 545.101(a)
3013 T	CUT CORNER LEFT TURN	$ 120.00	$ 134.00	$ 254.00	3013	T.C 545.101(b)-(d)
3014 T	IMPROPER TURN	$ 120.00	$ 134.00	$ 254.00	3014	TC 545.103
3015 T	DROVE ON WRONG SIDE OF ROAD	$ 120.00	$ 134.00	$ 254.00	3015	TC 545.051(a),(c)
3016 T	DROVE WRONG WAY ON ONE-WAY ROADWAY	$ 120.00	$ 134.00	$ 254.00	3016	TC 545.059 (b)
3017 T	FOLLOWING TOO CLOSELY	$ 150.00	$ 134.00	$ 284.00	3017	TC 545.062
3018 T	PASSED - INSUFFICIENT CLEARANCE	$ 120.00	$ 134.00	$ 254.00	3018	TC 545.054
3019 T	DISREGARD NO PASSING ZONE	$ 120.00	$ 134.00	$ 254.00	3019	TC 545.055 (a)
3020 T	ILLEGAL PASS ON RIGHT	$ 120.00	$ 134.00	$ 254.00	3020	TC 545.057 (a) ,(b)
3021 T	FAILED TO STOP FOR SCHOOL BUS (OR REMAIN STOPPED)	$ 500.00	$ 134.00	$ 634.00	3021	TC 545.066
3022 T	FAILED TO PASS TO RIGHT SAFELY/IMPROPER PASSING	$ 120.00	$ 134.00	$ 254.00	3022	TC 545.057 (a),(b)
3024 T	UNSAFE START FROM PARKED,STOPPED ,STANDING	$ 120.00	$ 134.00	$ 254.00	3024	TC 545.402
3025 T	FAIL TO MAINT. FINA. RESP. 2ND/OFF.	$ 500.00	$ 81.00	$ 581.00	3025	TC 601.191
3026 T	PARKING ON ROADWAY	$ 120.00	$ 134.00	$ 254.00	3026	TC 545.301
3028 T	CROSSING PHYSICAL BARRIER	$ 120.00	$ 134.00	$ 254.00		TC 545.063(b)
3031 T	UNRESTRAINED CHILD UNDER 8 YEARS OF AGE	$ 100.00	$ 134.00	$ 234.00	3031	545.412
3032 T	NO SEAT BELT - DRIVER	$ 40.00	$ 134.00	$ 174.00	3032	TC 545.413 (a)
3033 T	NO SEAT BELT - PASSENGER	$ 40.00	$ 134.00	$ 174.00	3033	TC 545.413(a)
3034 T	CHILD (8 -16) NOT SECURED BY SAFETY BELT	$ 40.00	$ 134.00	$ 174.00	3034	545.413(b) ,(b-1)
3038 T	OPERATE VEHICLE WITH CHILD IN OPEN BED	$ 120.00	$ 134.00	$ 254.00	3038	545.414
3039 T	SPEEDING OVER 15MPH (CDL ONLY)	$ -	$ 134.00	$ 134.00	3039	522.003
3045 T	FAIL TO GIVE INFORMATION/RENDER AID<$200	$ 120.00	$ 81.00	$ 201.00	3045	TC 550.023
3049 T	FAIL TO MAINT. FINA. RESP	$ 215.00	$ 81.00	$ 296.00	3049	TC 601.191
3050 T	FAIL TO CONTROL SPEED	$ 120.00	$ 134.00	$ 254.00	3050	TC 545.351
3051 T	OPERATING VEH BELOW POSTED MIN SPEED	$ 120.00	$ 134.00	$ 254.00	3051	TC 545.363(c)
3052 T	FAIL TO YIELD R-O-W TO VEHICLE IN INTERSECTION (STOP SIGN)	$ 120.00	$ 134.00	$ 254.00	3052	TC 545.153
3053 T	FAILED TO YIELD R-O-W AT YIELD SIGN	$ 120.00	$ 134.00	$ 254.00	3053	TC 545.151
3054 T	FAIL TO YIELD R-O-W AT OPEN INTERSECTION	$ 120.00	$ 134.00	$ 254.00	3054	TC 545.151
3055 T	FAIL TO YIELD R-O-W TURNING LEFT	$ 120.00	$ 134.00	$ 254.00	3055	TC 545.152
3056 T	FAIL TO YIELD R-O-W (PRIVATE DRIVE/ALLEY ,BUILDING)	$ 120.00	$ 134.00	$ 254.00	3056	TC 545.155
3057 T	FAIL TO YIELD R-O-W TO EMERGENCY VEHICLE	$ 120.00	$ 134.00	$ 254.00	3057	TC 545.156
3058 T	FAIL TO YIELD R-O-W ON GREEN ARROW SIGNAL	$ 120.00	$ 134.00	$ 254.00	3058	TC 544.007
3059 T	DISREGARD OFFICIAL TRAFFIC CONTROL DEVICE	$ 120.00	$ 134.00	$ 254.00	3059	TC 544.004
3060 T	FAILED TO STOP AT DESIGNATED POINT (STOP SIGN)	$ 120.00	$ 134.00	$ 254.00	3060	TC 544.010
3061 T	FAIL TO STOP-DESIGNATED POINT (AT YIELD SIGN)	$ 120.00	$ 134.00	$ 254.00	3061	TC 544.010
3062 T	LACK OF CAUTION TURNING ON GREEN ARROW	$ 120.00	$ 134.00	$ 254.00	3062	TC 544.007
3063 T	FAILED TO STOP AT PROPER PLACE (TRAFFIC LIGHT)	$ 120.00	$ 134.00	$ 254.00	3063	TC 544.007

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

3064 T	FAIL TO STOP AT PROPER (NOT AT INTERSECTION)	$ 120.00	$ 134.00	$ 254.00	3064	TC 544.007
3065 T	DISREGARD WARNING SIGN AT CONSTRUCTION	$ 120.00	$ 134.00	$ 254.00	3065	TC 472.022
3066 T	DROVE THROUGH SAFETY ZONE	$ 120.00	$ 134.00	$ 254.00	3066	TC 545.403
3067 T	DISREGARD FLASHING RED SIGNAL (AT STOP SIGN, ETC)	$ 120.00	$ 134.00	$ 254.00	3067	TC 544.008
3068 T	FAILED TO STOP AT PROPER PLACE (FLASHING RED SIGNAL)	$ 120.00	$ 134.00	$ 254.00	3068	TC 544.008
3069 T	DISREGARD LANE CONTROL SIGNAL	$ 120.00	$ 134.00	$ 254.00	3069	TC 544.009
3070 T	FAILED TO MAINTAIN SINGLE LANE	$ 120.00	$ 134.00	$ 254.00	3070	TC 545.060
3071 T	DISREGARD NO LANE CHANGE SIGN	$ 120.00	$ 134.00	$ 254.00	3071	TC 545.060
3072 T	DISREGARD SIGNAL AT RR CROSSING	$ 120.00	$ 134.00	$ 254.00	3072	TC 545.251(d)
3073 T	DISREGARD RR CROSSING GATE OR FLAGMAN	$ 120.00	$ 134.00	$ 254.00	3073	TC 545.251(d)
3074 T	FAILED TO STOP AT MARKED RR CROSSING	$ 120.00	$ 134.00	$ 254.00	3074	TC 545.252(b)
3075 T	OPER OF HEAVY EQUIP DISREGARDED SIGNAL OF APPROACHING TRAIN	$ 120.00	$ 134.00	$ 254.00	3075	TC 545.255(d)
3076 T	TURNED ACROSS DIVIDING SECTION	$ 120.00	$ 134.00	$ 254.00	3076	TC 545.063(b)
3077 T	IMPROPER RT TURN TOO WIDE	$ 120.00	$ 134.00	$ 254.00	3077	TC 545.101(a)
3078 T	DISREGARD TURN MARKS	$ 120.00	$ 134.00	$ 254.00	3078	TC 545.101(a)
3079 T	MADE U TURN ON CURVE OR HILL	$ 120.00	$ 134.00	$ 254.00	3079	TC 545.102
3080 T	TURNED WHEN UNSAFE	$ 120.00	$ 134.00	$ 254.00	3080	TC 545.103
3081 T	CROSSING PROPERTY (CUT CORNER)	$ 120.00	$ 134.00	$ 254.00	3081	TC 545.423
3082 T	FAIL TO Y-O-W ON LEFT WHEN PASSING AN OBSTRUCTION	$ 120.00	$ 134.00	$ 254.00	3082	TC 545.051(a),(c)
3084 T	FAIL TO SIGNAL LANE CHANGE	$ 120.00	$ 134.00	$ 254.00	3084	TC 545.104(a)
3085 T	FAILED TO GIVE ONE-HALF OF ROADWAY	$ 120.00	$ 134.00	$ 254.00	3085	TC 545.052
3086 T	FAIL TO PASS ON RIGHT	$ 120.00	$ 134.00	$ 254.00	3086	TC 545.052
3088 T	DROVE ON WRONG SIDE OF DIVIDED HIGHWAY	$ 120.00	$ 134.00	$ 254.00	3088	TC 545.063(a)
3089 T	DROVE CENTER LANE (NOT PASSING/NOT TURNING LEFT)	$ 120.00	$ 134.00	$ 254.00	3089	TC 545.060(b)
3090 T	DROVE WRONG WAY IN DESIGNATED LANE	$ 120.00	$ 134.00	$ 254.00	3090	TC 545.060(c)
3091 T	WRONG SIDE OF ROAD - NO PASSING	$ 120.00	$ 134.00	$ 254.00	3091	TC 545.055(b)
3092 T	CUT IN AFTER PASSING	$ 120.00	$ 134.00	$ 254.00	3092	TC 545.053(a)
3096 T	FAILED TO SIGNAL TURN	$ 120.00	$ 134.00	$ 254.00	3096	TC 545.104(a)
3097 T	FAILED TO SIGNAL INTENT PRIOR TO 100 FT	$ 120.00	$ 134.00	$ 254.00	3097	TC 545.104(b)
3099 T	IMPROPER TURN OR HAND SIGNAL	$ 120.00	$ 134.00	$ 254.00	3099	TC 545.106
3101 T	DRIVING WHILE LICENSE SUSPENDED/INVALID	$ 300.00	$ 81.00	$ 381.00	3101	TC 521.457
3103 S	NO DRIVER'S LICENSE	$ 88.00	$ 81.00	$ 169.00	3103	TC 521.021
3106 S	VIOLATE DL RESTRICTION	$ 88.00	$ 81.00	$ 169.00	3106	TC 521.253
3107 S	PERMIT UNLAWFUL USE OF DL	$ 88.00	$ 81.00	$ 169.00	3107	TC 521.451
3112 T	MOTORCYCLE NO ENDORSEMENT	$ 88.00	$ 81.00	$ 169.00	3112	TC 521.221
3115 T	FAILED TO YIELD TO PEDESTRIAN ON SIDEWALK	$ 120.00	$ 134.00	$ 254.00	3115	TC 552.006(c)
3116 T	FAILED TO YIELD TO PEDESTRIANS IN CROSSWALK	$ 120.00	$ 134.00	$ 254.00	3116	TC 552.003(a)
3120 T	MOTORCYCLE PASSENGER WITHOUT APPROVED HEADGEAR	$ 49.00	$ 81.00	$ 130.00		661.003
3121 T	DISREGARD POLICE OFFICER	$ 120.00	$ 134.00	$ 254.00	3121	TC 542.501
3124 T	FAILED TO GIVE WAY WHEN OVERTAKEN	$ 120.00	$ 134.00	$ 254.00	3124	TC 545.053(b)
3125 T	INCREASE SPEED WHILE BEING OVERTAKEN	$ 120.00	$ 134.00	$ 254.00	3125	TC 545.053(b)
3127 T	DROVE ONTO (FROM) CONTROLLED ACCESS HIGHWAY WHERE PROHIBITED	$ 120.00	$ 134.00	$ 254.00	3127	TC 545.064
3131 T	FAILED TO STOP FOR APPROACHING TRAIN	$ 120.00	$ 134.00	$ 254.00	3131	TC 545.251
3138 T	FAILED TO STOP (ALLEY, DRIVEWAY, BLD)	$ 120.00	$ 134.00	$ 254.00	3138	TC 545.256
3149 S	WRONG MVR -ASSIGNED TO OTHER VEH	$ 80.00	$ 81.00	$ 161.00	3149	TC 502.475
3155 T	FAILED TO DIM HEADLIGHTS - MEETING	$ 35.00	$ 134.00	$ 169.00	3155	547.333
3156 T	FAILED TO DIM HEADLIGHTS - FOLLOWING	$ 35.00	$ 134.00	$ 169.00	3156	547.333
3161 S	NO MOUNTED HEAD LAMP	$ 55.00	$ 81.00	$ 136.00		TC 547.321/ TC 547.004
3162 T	DEFECTIVE HEAD LAMP	$ 55.00	$ 134.00	$ 189.00	3162	TC 547.321

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

3163 T	HEADLAMP(S) GLARING, NOT ADJUSTED	$ 55.00	$ 134.00	$ 189.00	3163	TC 547.333
3166 T	NO TAIL LAMPS(S)-NOT EQUIPPED	$ 55.00	$ 134.00	$ 189.00	3166	TC 547.322
3167 T	DEFECTIVE TAIL LAMP(S)	$ 55.00	$ 134.00	$ 189.00	3167	TC 547.322
3168 T	TAIL LAMP(S) IMPROPERLY LOCATED	$ 55.00	$ 134.00	$ 189.00	547.32	TC 547.322
3169 T	NO STOP LAMP(S)	$ 55.00	$ 134.00	$ 189.00	3169	TC 547.323
3170 T	DEFECTIVE STOP LAMP(S)	$ 55.00	$ 134.00	$ 189.00	3170	TC 547.323
3172 T	DEFECTIVE TURN SIGNAL LAMP(S)	$ 55.00	$ 134.00	$ 189.00	3172	TC 547.324
3174 T	DEFECTIVE PARKING LAMP(S)	$ 55.00	$ 134.00	$ 189.00	3174	547.383
3175 T	IMPROPER USE OF BACK-UP LAMPS	$ 55.00	$ 134.00	$ 189.00	3175	TC 547.332
3186 T	WHITE LIGHTS SHOWING TO REAR	$ 55.00	$ 134.00	$ 189.00		TC 547.303
3194 T	COASTING	$ 120.00	$ 134.00	$ 254.00	3194	TC 545.406
3198 T	DROVE WITHOUT LIGHTS (WHEN REQUIRED)	$ 120.00	$ 134.00	$ 254.00	3198	TC 547.302
3202 T	VIOLATE OPERATING HOURS-MINOR	$ 88.00	$ 81.00	$ 169.00	3202	TC 545.424
3204 T	PASSING EMERGENCY VEHICLE	$ 120.00	$ 134.00	$ 254.00	3204	TC 545.157
3205 T	EXPIRED MOTOR VEHICLE INSPECTION	$ 76.00	$ 81.00	$ 157.00	3205	TC 548.602
3207 T	MOTORCYCLE OPERATOR WITHOUT APPROVED HEADGEAR	$ 50.00	$ 81.00	$ 131.00		661.003
3210 T	MOTORCYCLE OPER W/PASS W/O APPROVED HEADGEAR	$ 50.00	$ 81.00	$ 131.00		661.003
3225 T	UNNECESSARY USE OF HORN	$ 200.00	$ 134.00	$ 334.00	3225	TC 547.501
3227 T	MUFFLER VIOLATION	$ 60.00	$ 134.00	$ 194.00	3227	TC 547.604
3229 T	DEFECTIVE EXHAUST EMISSION SYSTEM	$ 60.00	$ 134.00	$ 194.00	3229	TC 547.605
3231 T	ILLEGAL WINDOW TINTING	$ 55.00	$ 134.00	$ 189.00	3231	T.C. 547.613(a)
3233 T	DEFECTIVE WINDSHIELD WIPER	$ 55.00	$ 134.00	$ 189.00	3233	TC 547.603
3251 T	NO FRONT SEAT BELTS (REQUIRED)	$ 40.00	$ 134.00	$ 174.00	3251	TC 547.601
3252 P	PARKED WITHIN AN INTERSECTION	$ 120.00	$ 67.00	$ 187.00	3252	TC 545.302
3253 P	PARKED ON A CROSSWALK	$ 15.00	$ 67.00	$ 82.00	3253	TC 545.302
3259 T	EXPIRED DRIVERS LICENSE	$ 88.00	$ 81.00	$ 169.00	3259	TC 521.011
3260 T	EXPIRED COMMERIAL DRIVERS LICENSE	$ 88.00	$ 81.00	$ 169.00	3260	TC 522.051
3263 T	FAIL TO DISPLAY DRIVER'S LICENSE	$ 88.00	$ 81.00	$ 169.00	3263	TC 521.025
3264 T	FAIL TO CHANGE ADDRESS DRIVER'S LICENSE	$ 88.00	$ 81.00	$ 169.00	3264	TC 521.054
3272 T	FAIL TO COMPLY WITH REQUIREMENTS ON STRIKING UNATTENDED VEHICLE	$ 120.00	$ 134.00	$ 254.00	3272	TC 550.024
3273 T	DUTIES UPON STRIKING A FIXED OBJECT	$ 120.00	$ 81.00	$ 201.00	3273	TC 550.025
3274 T	NO LICENSE PLATE LIGHT	$ 55.00	$ 134.00	$ 189.00	3274	TC 547.322
3277 T	UNAUTHORZED RED,WHITEOR BLUE FLASHING LIGHTS	$ 55.00	$ 81.00	$ 136.00	3277	TC 547.305 (C)
3284 P	PARKED DOUBLE	$ 15.00	$ 67.00	$ 82.00	3284	TC 545.302
3287 T	FAIL TO YIELD R-O-W TURNING ON RED SIGNAL	$ 120.00	$ 134.00	$ 254.00	3287	TC 544.007
3288 T	FAIL TO YIELD R-O-W CHANGING LANES	$ 120.00	$ 134.00	$ 254.00	3288	TC 545.061
3300 T	MORE THAN ONE LICENSE (CDL)	$ 88.00	$ 81.00	$ 169.00	3300	TC 522.026
3301 T	NO COMMERCIAL DRIVER'S LICENSE (CDL)	$ 88.00	$ 81.00	$ 169.00	3301	TC 522.011
3302 T	CHANGE NAME/MAILING ADDRESS LATER THAN 30 DAYS (CDL)	$ 88.00	$ 81.00	$ 169.00	3302	TC 522.032
3303 T	FAIL TO GET A TEXAS CDL AFTER 30DAYS OF RESIDENCE IN THIS STATE	$ 88.00	$ 81.00	$ 169.00	3303	TC 522.015
3304 T	FALSE STATEMENT ON CDL APPLICATION OR CERTIFICATE	$ 88.00	$ 81.00	$ 169.00	3304	TC 552.021
3305 T	ENDORSEMENT VIOLATION ON CDL	$ 80.00	$ 134.00	$ 214.00	3305	TC 522.042
3306 T	RESTRICTION VIOLATION - CDL	$ 80.00	$ 81.00	$ 161.00	3306	TC 522.041
3309 S	OPEN CONTAINER- DRIVER	$ 500.00	$ 81.00	$ 581.00	3309	PENAL CODE 49.031
3312 T	NEGLIGENT COLLISION	$ 120.00	$ 134.00	$ 254.00	3312	TC 545.401
3314 S	INTERFERE WITH FUNERAL PROCESSION	$ 235.00	$ 134.00	$ 369.00	3314	P.C 42.05
3315 T	DROVE ON SIDEWALK	$ 120.00	$ 134.00	$ 254.00	3315	TC 545.422
3316 T	BACKED UPON SHOULDER(OR ROADWAY) OF CONTROLLED ACCESS HIGHWAY / ILLEGAL BACKING	$ 120.00	$ 134.00	$ 254.00	3316	TC 545.415
3320 T	OBSTRUCTING TRAFFIC	$ 120.00	$ 134.00	$ 254.00	3320	TC 545.363

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

3323 S	OPEN CONTAINER-PASSENGER	$ 500.00	$ 81.00	$ 581.00	3323	PENAL CODE 49.031
3333 T	VIOLATE PROMISE TO APPEAR	$ 125.00	$ 81.00	$ 206.00	3333	TC 543.009
3337 S	FAILURE TO APPEAR/BAIL JUMPING	$ 125.00	$ 81.00	$ 206.00	3337	PENAL CODE 38.10
3341 T	DRIVING AROUND WARNING SIGNS/ BARRICADES	$ 120.00	$ 134.00	$ 254.00	3341	TC 472.022
3342 T	DISREGARD WARNING SIGNS OR BARRICADES	$ 120.00	$ 134.00	$ 254.00	3342	TC 472.022
3364 T	PARENT/GUARDIAN PERMITTED UNLICENSED MINOR TO DRIVE	$ 53.00	$ 81.00	$ 134.00	3364	521.458
3365 T	NON-GUARDIAN PERMITTED UNLICENSED DRIVERTO DRIVE	$ 53.00	$ 81.00	$ 134.00	3365	521.458
3519 S	JAYWALKING	$ 200.00	$ 81.00	$ 281.00	3519	TC 552.005(b)(C)
3528 S	PEDESTRIAN WALKING WRONG WAY	$ 200.00	$ 81.00	$ 281.00	3528	TC 552.006(b)(1)
3550 P	BLOCKING HANDICAP ACCESS	$ 500.00	$ 81.00	$ 581.00		TC 681.011
3551 P	PARK/STAND/STOP BETWEEN SAFETY ZONE AND CURB	$ 500.00	$ 67.00	$ 567.00	3551	545.302
3552 P	PARK/STAND IN FRONT OF PUBLIC/PRIVATE DRIVE	$ 118.00	$ 67.00	$ 185.00	3552	545.302
3553 S	HANDICAP PARKING VIOLATIONS	$ 500.00	$ 67.00	$ 567.00	3353	TC 681.011
3554F P	PARKED IN A FIRE LANE (FIRE MARSHALL)	$ 500.00	$ 67.00	$ 567.00		
3555 P	PARK BICYCLE ON SIDEWALK/IMPEDE TRAFFIC	$ 15.00	$ 67.00	$ 82.00	3555	545.302
3556 P	PARKING/STOPPING/STANDING ON A SIDEWALK	$ 15.00	$ 67.00	$ 82.00	3556	545.302
3557 P	PARKING/STOPPING/STANDING ON RAILROAD TRACKS	$ 15.00	$ 67.00	$ 82.00	3557	545.302
3561 P	PARKED FACING TRAFFIC	$ 15.00	$ 67.00	$ 82.00	3561	545.303
3564 P	PARKED WITH WHEELS OVER 18 INCHES FROM CURB OR EDGE OF ROADWAY	$ 15.00	$ 67.00	$ 82.00	3564	545.303
3565 P	PARKED WITHIN 50 FEET OF RAILROAD CROSSING	$ 15.00	$ 67.00	$ 82.00	3565	545.302
3569 P	PARKING/STANDING WITHIN 15 FEET OF A FIRE HYDRANT	$ 500.00	$ 67.00	$ 567.00	3569	545.302
3570 P	PARK OR STAND WITHIN 20 FT OF CROSSWALK AT INTERSECTION	$ 15.00	$ 67.00	$ 82.00	3570	545.302
3571 P	PARK OR STAND WITHIN 20 FT OF DRIVEWAY TO FIRE STATION	$ 15.00	$ 67.00	$ 82.00	3571	545.302
3572 P	PARK OR STAND WITHIN 30 FT OF A TRAFFIC CONTROL DEVICE	$ 15.00	$ 67.00	$ 82.00	3572	545.302
3582 T	DISREGARD PEDESTRIAN CONTROL SIGNAL	$ 120.00	$ 134.00	$ 254.00	3582	TC 552.002
3589 T	CROSSED FIRE HOSE WIHTOUT PERMISSION	$ 500.00	$ 134.00	$ 634.00	3589	TC 545.205
3590 T	DROVE INTO BLOCK WHERE FIRE ENGINE STOPPED	$ 120.00	$ 134.00	$ 254.00	3590	TC 545.407
3591 T	FOLLOWING AMBULANCE	$ 200.00	$ 134.00	$ 334.00	3591	TC 545.407
3594 P	OBSTRUCTING FIRE APPARATUS	$ 200.00	$ 81.00	$ 281.00	3594	545.407
3622 T	IMPROPERLY SECURED TAILGATE	$ 55.00	$ 134.00	$ 189.00	3622	TC 725.021
3627 T	VEHICLE W/O REQIRED EQUIP OR IN UNSAFE CONDITION	$ 55.00	$ 81.00	$ 136.00	3627	TC 547.004
3656 T	DISPLAY EXPIRED REGISTRATION	$ 76.00	$ 81.00	$ 157.00	3656	TC 502.407
3658 T	DISPLAY UNCLEAN LICENSE PLATES	$ 76.00	$ 81.00	$ 157.00	3658	TC 502.409
3667 T	OPER. MTR. VEH. W/OUT LICENSE PLT OR W/ONE L/PLT	$ 76.00	$ 81.00	$ 157.00	3667	TC 504.943
3668 T	OPERATE UNREGISTERED MOTOR VEHICLE	$ 76.00	$ 81.00	$ 157.00	3668	TC 502.002
3722 T	OVER ALLOWABLE GROSS WEIGHT-PERMIT VIOLATION	$ 100.00	$ 134.00	$ 234.00	3722	621.101 Maximum Weight of Load
3800 S	MINOR - IN POSSESSION ALCOHOL	$ 200.00	$ 81.00	$ 281.00		ABC 106.05
3801 S	MINOR - ATTEMPT TO PURCHASE ALCOHOL	$ 200.00	$ 81.00	$ 281.00		ABC 106.025
3802 S	MINOR - PURCHASE ALCOHOL	$ 200.00	$ 81.00	$ 281.00		ABC 106.02
3803 S	MINOR - CONSUMPTION OF ALCOHOL	$ 200.00	$ 81.00	$ 281.00	3803	
3804 S	MINOR - MISREPRESENTATION OF AGE	$ 53.00	$ 81.00	$ 134.00	3804	
3805 S	MINOR - PUBLIC INTOXICATION	$ 200.00	$ 81.00	$ 281.00		PC 49.02
3806 S	MINOR - DRIVING UNDER THE INFLUENCE	$ 200.00	$ 81.00	$ 281.00	3806	
3907 S	MASSAGE THERAPIST NO REGISTRATIONHEALTH CODE 455.151A	$ 500.00	$ 81.00	$ 581.00	3907	HEALTH CODE 455.151A
3908 S	MASSAGE THERAPIST ADVERTISING UNREGISTERHEALTH CODE 455.205C	$ 500.00	$ 81.00	$ 581.00	3908	HEALTH CODE 455.205C
4162 S	UNLAWFUL TRANSPORT OR USE OF DIESEL FUEL	$ 200.00	$ 81.00	$ 281.00	4162	TEXAS TAX CODE 162.403(4),(8)
840E T	FLEEING FROM A POLICE OFFICER	$ 200.00	$ 81.00	$ 281.00		
9005 S	OVERWEIGHT 20,001-40,000	$5,000.00	$ 81.00	$5,081.00		TRC 621.101(b);621.506(a)(1))
3005A T	FAIL TO YIELD R-O-W TO VEHICLE ENTERING FROM HIGHWAY	$ 120.00	$ 134.00	$ 254.00	3005	TC 545.154

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Tomball Municipal Court Fines – by Code Number

3005B	T	FAIL TO YIELD R-O-W TO VEHICLE LEAVING HIGHWAY	$ 120.00	$ 134.00	$ 254.00	3005	TC 545.154
3005C	T	FAIL TO YIELD R-O-W INTERSECTION W/TRAF CNTRL DEVICE	$ 120.00	$ 134.00	$ 254.00	3005	TC 545.151
3015A	T	DROVE ON WRONG SIDE OF ROAD/BRIDGE	$ 120.00	$ 134.00	$ 254.00	3015	TC 545.056
3015B	T	DROVE ON WRONG SIDE OF ROAD/INTERSECTION	$ 120.00	$ 134.00	$ 254.00	3015	TC 545.055
3015C	T	DROVE ON WRONG SIDE OF ROAD/RR GRADE	$ 120.00	$ 134.00	$ 254.00	3015	545.055
3052A	T	FAILED TO YIELD AT STOP INTERSECTION	$ 120.00	$ 134.00	$ 254.00	3052	TC 545.151
3096A	T	FAILED TO SIGNAL TURN	$ 120.00	$ 134.00	$ 254.00	3096	TC 545.103
3103A	T	FAIL TO OBTAIN TX DL WITHIN 90 DAYS	$ 88.00	$ 81.00	$ 169.00		TC 521.029
3116A	T	FAIL TO YIELD TO PEDESTRIAN IN CROSSWALK (NO SIGNALS)	$ 120.00	$ 134.00	$ 254.00	3116	TC 522.003
3162A	T	DEFECTIVE HEAD LAMPS (MOTORCYCLE)	$ 55.00	$ 134.00	$ 189.00	3162	TC 547.321
3213E	T	DEFECTIVE BRAKES	$ 55.00	$ 134.00	$ 189.00	3213	TC 547.401
3554F	P	PARKED IN FIRE LANE	$ 500.00	$ -	$ 500.00		TC 545.302(b)(6) IFC
3591A	T	FOLLOWING FIRE APPARATUS	$ 120.00	$ 134.00	$ 254.00	3591	TC 545.407
9002E	S	FAIL TO INSPECT/USE EMERGENCY EQUIPMENT	$ 100.00	$ 81.00	$ 181.00		TRC 644.151/FMCSR 392.8
9008B	S	FAILURE TO DISPLAY MEDICAL CERTIFICATE	$ 100.00	$ 81.00	$ 181.00		TRC 644.151/FMCSR 396.17(C)
9049A	S	CMV MISCELLANEIOUS	$ 100.00	$ 81.00	$ 181.00		TRC 644.151/FMCSR 393.45(a))
9051A	S	NO VALID CERTIFICATE OF INSPECTION-CMV	$ 100.00	$ 81.00	$ 181.00		TRC 644.151/ FMCSR 396.17(C))
3001CZ	T	SPEEDING CONST/ZONE/WRK see chart				3586	TC 708.52
3001SZ	T	SPEEDING IN SCHOOL ZONE see chart				3596	TC 541.302

ANY NOT LISTED YOU NEED TO CALL THE TOMBALL MUNICIPAL COURT

FINES NOT TO EXCEED $2000 IN ALL CASES ARISING UNDER MUNICIPAL ORDINANCE GOVERNING FIRE SAFETY, ZONING AND PUBLIC HEALTH AND SANITATION (INCLUDING DUMPING AND REFUSE) OR $500 IN ALL OTHE CASES.

Revised 9-21-2020

MUNICIPAL COURT FINES/FEES

Offenses: FIRE MARSHAL FILED IN TOMBALL MUNICIPAL COURT
109.3 Violation penalties. Any person, firm, corporation, or other entity who violates a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of a misdemeanor punishable by a fine of not more than two thousand dollars ($2,000.00).

**ANY VIOLATION OF IFC NOT LISTED HERE WILL BE REFERRED TO COURT

FINES AND PENALTY WILL BE SUBJECT TO CHANGE DEPENDING ON THE SEVERITY OF THE OFFENSE.

PARKING ENFORCEMENT VIOLATION HANDICAP

1St Violation plea of guilty W/I 14 days	**$250.00**
After 14 days plea of Guilty 1st offense	**$500.00**

Revised 3-16-2020

(NSF) INSUFFICIENT CHECK CHARGE FEES

(Sec. 2-239, Code of Ordinances)

When a check has been returned to the City account insufficient funds (NSF), the City/Utility Clerk will notify the issuer of the check that cash payment plus a $30.00 insufficient check charge is due and payable immediately.

If customer does not redeem the NSF check and pay the insufficient check charge, the City/Utility Clerk may arrange for services to be canceled immediately.

NOTARY PUBLIC FEES

Texas Gov't Code Ann. §406.024 sets out the maximum fees a Notary Public may charge for notary public services.

Sec. 406.024. FEES CHARGED BY NOTARY PUBLIC. (a) A notary public or its employer may charge the following fees:

(1) for protesting a bill or note for nonacceptance or nonpayment, register and seal, a fee of $4;

(2) for each notice of protest, a fee of $1;

(3) for protesting in all other cases, a fee of $4;

(4) for certificate and seal to a protest, a fee of $4;

(5) **for taking the acknowledgment or proof of a deed or other instrument in writing, for registration, including certificate and seal, a fee of $6 for the first signature and $1 for each additional signature;**

(6) **for administering an oath or affirmation with certificate and seal, a fee of $6;**

(7) for a certificate under seal (certifying a photocopy) not otherwise provided for, a fee of $6;

(8) for a copy of a record or paper (uncertified copy) in the notary public's office, a fee of 50 cents for each page;

(9) for taking the deposition of a witness, 50 cents for each 100 words;

(10) for swearing a witness to a deposition, certificate, seal, and other business connected with taking the deposition, a fee of $6; and

(11) for a notarial act not provided for, a fee of $6.

(b) **A notary public may charge a fee only for an acknowledgment or official act under Subsection (a). The fee charged may not exceed the fee authorized by Subsection (a).**

Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 4, Sec. 2.18(a), eff. Sept. 1, 1989; Acts 1995, 74th Leg., ch. 259, Sec. 1, eff. Sept. 1, 1995.

OUTDOOR SOUND AMPLIFICATION EQUIPMENT (CHAPTER 18)

(Sec. 18-194, Code of Ordinances)

Permit Fee for Amplification of Music or Human Speech	$10.00

PARK RESERVATION FEES

(Railroad Depot Gazebo and Plaza, Juergens Park,
Jerry Matheson Park, Theis Attaway Nature Center)

Railroad Depot *Plaza & Gazebo* @ 201 S. Elm

Reservations are for the Gazebo only. Renters must provide their own tables and chairs.

☐*RESIDENT ☐1/2 DAY $50.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $100.00(8am-10pm)

☐NON-RESIDENT ☐1/2 DAY $100.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $125.00(8am-10pm)

***Juergens* Park@ 1331 Ulrich**

Keys to the interior of the park are available, but are to be used for temporary access to set up or clean up. No vehicles should remain on the park site interior.

☐*RESIDENT ☐1/2 DAY $50.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $100.00(8am-10pm)

☐NON-RESIDENT ☐1/2 DAY $100.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $125.00(8am-10pm)

***Jerry Matheson* Park @ 1240 Ulrich**

☐*RESIDENT ☐1/2 DAY $50.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $100.00(8am-10pm)

☐NON-RESIDENT ☐1/2 DAY $100.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $125.00(8am-10pm)

***Theis Attaway Nature* Park @ 13509 Theis Lane**

Catch and release fishing. NO cast nets.

☐*RESIDENT ☐1/2 DAY $50.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $100.00(8am-10pm)

☐NON-RESIDENT ☐1/2 DAY $100.00 (8am-2pm) or (4pm-10pm) ☐ALL DAY $125.00 (8am-10pm)

A deposit is not required for the rental of any park facility. A debit/credit card must be provided with the rental application that will be charged in the event of any damage to the rented facility.

Rev 9-3-2019

POLICE DEPARTMENT FEES

DESCRIPTION	FEE
Offense Report (Public Page)	$2.00 Each
Local Arrest Record Checks/Letters	$2.00 Each
Accident Report	$6.00 Each
Fingerprint Cards - All Other Purposes	$5.00 per Card

IMPOUNDED VEHICLES

(Chapter 44, Code of Ordinances)

Impounding fee - not in excess $10.00

PUBLIC INFORMATION CHARGES FOR PROVIDING COPIES

TEXAS ADMINISTRATIVE CODE, TITLE 1, CHAPTER 70
Chapter 70. Cost of Copies of Public Information

(1) Standard paper copy (per page) - reproduced by means of an office machine copier or a computer printer. Each side that has recorded information is considered a page.	$0.10
(2) Nonstandard copy (each). The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:	
(A) Diskette	$1.00
(B) Magnetic tape	Actual Cost
(C) Data cartridge	Actual Cost
(D) Tape cartridge	Actual Cost
(E) Rewritable CD (CD-RW)	$1.00
(F) Non-rewritable CD (CD-R)	$1.00
(G) Digital video disc (DVD)	$3.00
(H) JAZ/Flash/Thumb drive or similar	Actual Cost
(I) Other electronic media	Actual Cost
(J) VHS video cassette	$2.50
(K) Audio cassette	$1.00
(L) Oversize paper copy (*e.g.*: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper	$0.50
(M) Specialty paper (*e.g.*: Mylar, blueprint/blueline, map, photographic)	Actual Cost
(N) Microfiche/microfilm – existing copies	Cost of Reproduction
(3) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.	$28.00/Hour
(4) Labor charge for locating, compiling, manipulating data, and reproducing public information.	$15.00/Hour
(5) Overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request.	20% of labor charge
(6) Remote document retrieval charge	(3) Labor charge by city personnel
(7) Computer resource charge, dependent on Type of System: Type of System—Rate: mainframe—$10 per CPU minute; Midsize—$1.50 per CPU minute; Client/Server—$2.20 per clock hour; PC or LAN—$1.00 per clock hour	
(8) Miscellaneous supplies	Actual Cost
(9) Postal/shipping charges	Actual Cost
(10) Body Camera Footage	Minimum $10; $1 per minute of footage if redaction is required, per AG Policy effective November 24, 2016

Revised 8-7-2017

SEXUALLY ORIENTED BUSINESS FEES

(Sec. 6-26, Code of Ordinances)

Annual Fee for Sexually Oriented Business License - $750.00
Annual Fee for Employee of Sexually Oriented Business - $50.00

TAXICAB FEES (Chapter 48)

Annual Fee for Each Taxicab	–	$ 0.00
Annual Fee for Each Taxicab Driver Permit (Chauffeur's License)	–	$ 0.00

Revised 8-7-2017

TENNIS COURT FEES
MATHESON PARK AT 1240 ULRICH

The general public may reserve Jerry Matheson Park tennis courts.
Reserving tennis courts will guarantee availability and priority use of tennis courts.
Individuals may not utilize city facilities for profit making endeavors.

RENTAL FEES:

Tomball Resident – Per Court:	$ 5.00/2 Hours
Non-Resident – Per Court:	$ 10.00/2 Hours
Tomball Resident League Fees:	$150.00/league-per season (4 mos.)
Non-Resident League Fees:	$170.00/league- per season (4 mos.)

Spring Season: February through May
Fall Season: September through December

Reservations may be made by contacting Public Works. The tennis courts must be cleaned up by reserving party immediately after function is over. There will be a charge if the City has to clean the tennis courts.

Rev. 11-28-12

TOW TRUCK ROTATION DRIVER FEES

ANNUAL FEE:

City of Tomball Driver's License Fee:	$15.00/year
Renewal Fee:	$10.00/year
Replacement Drivers License Fee:	$ 5.00/each

(Code of Ordinances, Chapter 48)

TOW TRUCK ROTATION COMPANY FEES

INITIAL APPLICATION FEE -- $100.00

ADDITIONAL APPLICATION FEE - $75.00

ANNUAL FEE – All Towing Company vehicles are charged a yearly fee of $100.00 per vehicle to operate within the City of Tomball. All Towing Company licenses expire on September 30th of each year.

SUPPLEMENTAL FEE – All Supplemental Towing Company vehicles that are added during the year are charged $75.00 until the annual renewal date of September 30th.

DUPLICATE LICENSE FOR TOWING COMPANY VEHICLE - $25.00

FEES FOR TOWING:
(Fees listed below are for non-consent tows for towing a vehicle from one location within the city to another within the city or the city's ETJ.)

Light-Duty Tow Trucks	
Incident Management	$120.00
Drop Fee	$ 55.00

Additional Service Fees to be Charged $ 75.00

In the event that a tow service provider must perform services that are clearly beyond the norm in order to affect a tow, the tow service provider may request that an on-scene supervisor authorize an additional fee not to exceed $75.00 to compensate for the additional time and services rendered. To be valid, supervisory authorization must be notated on the Tow Slip of record.

COVERAGE FOR NON-CONSENT/INCIDENT MANAGEMENT WRECKERS ON THE CITY OF TOMBALL WRECKER ROTATION LIST:

Liability Coverage	-	$500,000
On-Hook Cargo	-	$ 50,000

TOW TRUCK ROTATION COMPANY FEES

VEHICLE STORAGE FEES:

Daily storage fee. A VSF operator may not charge less than $5.00 or more than $20.00 for each day or part of a day for storage of a vehicle that is 25 feet or less in length. A VSF operator shall charge a fee of $35.00 for each day or part of a day for storage of a vehicle that exceeds 25 feet in length.

(1) A daily storage fee may be charged for any part of the day, except that a daily storage fee may not be charged for more than one day if the vehicle remains at the VSF less than 12 hours. In this paragraph a day is considered to begin and end at midnight.
(2) A VSF that has accepted into storage a vehicle registered in this state shall not charge for more than five days of storage fees until a notice, as prescribed in §85.703 of these rules, is mailed or published.
(3) A VSF operator that has accepted into storage a vehicle not registered in Texas shall not charge for more than five days before the date the request for owner information is sent to the appropriate governmental entity. Such requests shall be correctly addressed, with sufficient postage, and sent by certified mail, or electronic certified mail, return receipt requested, to the governmental entity with which the vehicle is registered requesting information relating to the identity of the last known registered owner and any lien holder of record.
(4) A VSF operator shall charge a daily storage fee after notice, as prescribed in §85.703, is mailed or published for each day or portion of a day the vehicle is in storage until the vehicle is removed and all accrued charges are paid.

NOTIFICATION FEE

(1) A VSF may not charge a vehicle owner more than $50 for notification. **Notification must be sent certified mail, must be sent by the fifth day the vehicle is on the lot, and cannot be sent until the vehicle is on the lot for at least 24 hours.** If a notification must be published, and the actual cost of publication exceeds 50% of the notification fee, the VSF operator may recover the additional amount of the cost of publication. The publication fee is in addition to the notification fee.
(2) If a vehicle is removed by the vehicle owner within 24 hours after the date the VSF receives the vehicle, notification is not required by these rules.
(3) If a vehicle is removed by the vehicle owner before notification is sent or within 24 hours from the time the VSF receives the vehicle, the VSF operator may not charge a notification fee to the vehicle owner.

UTILITY FEES

City Administrative Service Charge: All utility customers will be accessed a monthly service charge fee of $1.00 per account.

Waste Corporation of Texas Administrative Fee: All direct bill customer of WCA will be accessed a monthly service charge of $5.50.

UTILITY DEPOSIT COMPUTATION

Residential Accounts - Average 12 months of previous billing and multiply by 2 (Round result). If result is under $100, minimum deposit will be $100.00.

Commercial Accounts - Average 12 months of previous billing and multiply by 2 (Round result). If result is under $125, minimum deposit will be $125.00.

WATER RATES

The monthly rates and charges for potable water provided by the City shall be as follows:

a. **Small Residential.** A base rate of $10.90, plus a consumption charge of $2.85 for each 1,000 gallons used. "Small Residential" shall mean residential customers using 10,000 gallons or less during the billing month.

b. **Medium Residential.** A base rate of $12.54, plus a consumption charge of $3.56 for each 1,000 gallons used. "Medium Residential" shall mean residential customers using 10,001 gallons or more up to 15,000 gallons during the billing month.

c. **Large Residential.** A base rate of $14.42, plus a consumption charge of $4.45 for each 1,000 gallons used. "Large Residential" shall mean residential customers using 15,001 gallons or more during the billing month.

d. **Small Commercial**. A base rate of $18.45, plus a consumption charge of $3.45 for each 1,000 gallons used. "Small Commercial" shall mean commercial customers using up to 5,000 gallons during the billing month.

e. **Medium Commercial.** A base rate of $29.70, plus a consumption charge of $4.32 for each 1,000 gallons used. "Medium Commercial" shall mean commercial customers using 5,001 gallons or more up to 51,000 gallons during a billing month.

f. **Large Commercial.** A base rate of $51.99, plus a consumption charge of $5.40 for each 1,000 gallons used. "Large Commercial" shall mean commercial customers using 51,001 gallons or more during a billing month.

Bulk Sales. A base rate of $87.05, plus a consumption charge of $4.83 for each 1,000 gallons used. Additionally, if a meter is desired, the deposit will be $1,000.00.

The City collects additional surcharges, based on rates established by the **North Harris County Regional Water Authority**, for each 1,000 gallons used on behalf of NHCRWA, which will be adjusted as the surcharge increases**.**

Revised 8-7-2017

WATER METER TESTING FEE

In the event a customer request a meter to be tested and the meter is found to be in working order, the account will be accessed a meter testing fee based on the meter size.

In addition to the meter testing fee, the customer will be also be accessed a Bench Test Fee of $35.00.

Meter Size (Inches)	Testing Fee
0.75	$75.00
1.0	$75.00
1.5	$125.00
2.0	$125.00
3.0+	$150.00

SANITARY SEWER RATES (WITH POTABLE WATER SERVICE)

The monthly rates and charges for sanitary sewer services provided by the City for customers who receive potable water services from the City shall be as follows:

Sanitary Sewer Rates – Residential	
Monthly Base Charge	$9.65
Volume Rate per 1,000 gallons	$3.37
(Residential Usage Based on Winter Average)	

~~a. **Residential - Winter Rates (November-February):** A base rate of $8.51, plus a charge of $2.98 for each 1,000 gallons of potable water used.~~

~~b.~~ **Residential - Summer Rates (March-October):** Rates for summer months are calculated at the same rate as winter rates and may be based upon the previous winter months' average monthly water consumption. The rate charged shall be the lesser of actual water consumption or the previous winter month's average consumption.

Sanitary Sewer Rates - Commercial	
Monthly Base Charge	$23.50
Volume Rate per 1,000 Gallons	
0 – 5,000	$4.27
5,001 – 51,000	$5.33
Above 51,000	$6.67

~~c. **Small Commercial.** A base rate of $13.69, plus a consumption charge of $3.78 for each 1,000 gallons of potable water used. "Small Commercial" shall mean commercial customers using up to 5,000 gallons of potable water during the billing month.~~

~~d. **Medium Commercial**. A base rate of $20.76, plus a consumption charge of $4.72 for each 1,000 gallons of potable water used. "Medium Commercial" shall mean commercial customers using 5,001 gallons or more up to 51,000 gallons in the billing month.~~

e. **Large Commercial.** A base rate $43.06, plus a charge of $5.90 for each 1,000 gallons of potable water used. "Large Commercial" shall mean commercial customers using 51,001 gallons or more of potable water during a billing month.

SANITARY SEWER RATES (WITHOUT POTABLE WATER SERVICE)

The monthly rates and charges for sanitary sewer services provided by the City for customers who do not receive potable water services from the City shall be as follows:

a. **Residential.** A base rate of $35.01, plus a charge of $2.29 for each drain in excess of ten (10) drains within such residence.

b. **Commercial.** A base rate of $58.26, plus a charge of $2.32 for each drain in excess of fifteen (15) drains within such commercial unit.

Residential Sanitary Sewer Rates (not receiving potable water)	
Monthly Base Rate	$39.56

Commercial Sanitary Sewer Rates (not receiving potable water)	
Monthly Base Rate	$65.83
Fee per drain (in excess of 10)	$2.62

GARBAGE AND TRASH COLLECTION/DISPOSAL SERVICE RATES

The monthly rates and charges for garbage and trash collection and disposal services provided by the City, excluding applicable sales tax, shall be as follows:

1. Residential Service:
   a. Bag Service: $15.70
   b. Poly Cart Service (Refuse Only): $18.70
   c. Poly Cart Service (Recycling Only) $18.70
   d. Poly Cart Service (Refuse & Recycling): $21.70

2. Special Collection (Large Bulk):
   a. Service Fee: $40.00
   b. Disposal Cost (per yard): $20.00

3. Small Commercial with Poly Cart:

Service	Rate per Month
1 Collection per Week	$30.00
Additional Cart – once per week collection	$25.00
2 Collections per week	$35.00
Additional cart – twice per week collection	$30.00
Weekly Recycling Collection	$10.00
Cart replacement (MSW and/or Recycling)	$85.00

4. Monthly Rate for Dumpsters:

Size	Frequency	Rate per Month
2 Yard	1	$75.00
2 Yard	3	$142.00
3 Yard	1	$90.00
3 Yard	2	$140.00
3 Yard	3	$215.00
3 Yard	4	$270.00
3 Yard	5	$335.00
3 Yard	6	$400.00
3 Yard Additional Container	1	$85.00
3 Yard Additional Container	2	$130.00
3 Yard Additional Container	3	$200.00
3 Yard Additional Container	4	$250.00
3 Yard Additional Container	5	$310.00
3 Yard Additional Container	6	$370.00
4 Yard	1	$100.00
4 Yard	2	$155.00
4 Yard	3	$230.00
4 Yard	4	$290.00
4 Yard	5	$360.00
4 Yard	6	$430.00
4 Yard Additional Container	1	$90.00
4 Yard Additional Container	2	$145.00
4 Yard Additional Container	3	$215.00
4 Yard Additional Container	4	$270.00
4 Yard Additional Container	5	$330.00
4 Yard Additional Container	6	$400.00
6 Yard	1	$125.00
6 Yard	2	$200.00
6 Yard	3	$300.00
6 Yard	4	$370.00
6 Yard	5	$460.00
6 Yard	6	$550.00
6 Yard Additional Container	1	$115.00
6 Yard Additional Container	2	$180.00
6 Yard Additional Container	3	$275.00
6 Yard Additional Container	4	$340.00
6 Yard Additional Container	5	$425.00
6 Yard Additional Container	6	$510.00
8 Yard	1	$150.00
8 Yard	2	$245.00
8 Yard	3	$355.00
8 Yard	4	$450.00
8 Yard	5	$550.00
8 Yard	6	$650.00
8 Yard Additional Container	1	$135.00

8 Yard Additional Container	2	$225.00
8 Yard Additional Container	3	$320.00
8 Yard Additional Container	4	$375.00
8 Yard Additional Container	5	$490.00
8 Yard Additional Container	6	$565.00

a. Additional Dumpster Fees

Description	Fee	Occurrence
Additional Collection	$100.00	Per Collection
Exchange Charge	$60.00	Per Exchange
Casters	$90.00	One-time fee
Locks	$90.00	One-time fee

5. Roll-Off Containers (Temporary or Permanent):

Size	Delivery Fee	Daily Rent	Hauling Rate	Trip Charge
20 Yard	$130.00	$6.50	$185.00	$145.00
30 Yard	$130.00	$6.50	$200.00	$145.00
40 Yard	$130.00	$6.50	$210.00	$145.00

6. Self-Contained & Stationary Compactor (standard pricing for all sizes)

Hauling Rate	Disposal Rate/Ton	Trip Charge
$275.00	$40.00	$145.00

GARBAGE AND TRASH COLLECTION/DISPOSAL SERVICE RATES

7. Damage Waiver Fees

Damage waiver fees can be added to commercial accounts at the customer's request to cover damaged or stolen containers. In the event a container is stolen, if the customer provides a police report the replacement cost may be waived.

Size	Fee/Day	Replacement Cost (with Damage Waiver)	Replacement Cost (with no Damage Waiver)	Delivery Fee
2 Yard	$0.35	$201.50	$403.00	$65.00
3 Yard	$0.35	$248.50	$497.00	$65.00
4 Yard	$0.35	$283.50	$567.00	$65.00
6 Yard	$0.45	$386.50	$773.00	$65.00
8 Yard	$0.45	$447.00	$894.00	$65.00
20 Yard	$2.70	$2,349.50	$4,699.00	$65.00
30 Yard	$2.70	$2,510.00	$5,020.00	$65.00
40 Yard	$2.70	$2,744.50	$5,489.00	$65.00

NATURAL GAS RATES

The monthly rates and charges for natural gas provided by the City shall be as follows:

a. All Customers. A base rate of $11.75, plus $11.75 for each thousand cubic feet (MCF) after the first thousand cubic feet (MCF).

GAS METER TESTING FEE

In the event a customer requests a meter to be tested and the meter is found to be in working order, the account will be accessed a meter testing fee based on the meter size or type.

Meter Type	Testing Fee
Domestic – American	$45.00
400 Series	$60.00
Industrial Diaphragm (800 – 1,000)	$125.00
Industrial Diaphragm (1,000 – 10,000)	$250.00
Rotary	$300.00

CONNECTION AND DISCONNECTION FEES

The charges for connections and disconnections of utility services provided by the City, including those provided at customer request or convenience, or as a result of delinquent accounts, shall be as follows:

a. During Normal Scheduled Service Periods (7:00 a.m.-4:45 p.m. weekdays), a Service Call-Out Fee of $50.00, as a result of a delinquent account, or at a customer's request, excluding new service.

b. During Unscheduled Service Periods (after hours and weekends), a Service Call-Out Fee of $100.00, at a customer's request, including new service.

EXCESS FLOW VALVE

The charge associated with the installation of an excess flow valve to an existing natural gas service line shall be a fee of $500.00.

DAMAGES TO UTILITY FUNCTIONS/TAMPERING FEES

The charge for damage to utility facilities from (i) customer's tampering with valves, or (ii) customer's damaging meter in any manner, shall be $200.00.

DELINQUENT ACCOUNT FEES

Delinquent Accounts.

a. All utility bills, both residential and commercial, shall be due and payable on the close of the last business day of the month. If the month ends on a Saturday, Sunday, or holiday, the bill is due on the prior business day (the last workday of the City at closing time on that day).

b. Residential customers who are age 65 and over or considered disabled by Social Security may be exempt from penalty fees for late payment upon application accompanied by verifying documentation to the Utilities Supervisor. This exemption may not exceed the final date of benefits designated by the Social Security Administration

.

c. Within two (2) work days following the "Due Date" a "Cut-off Notice" shall be mailed to customer giving notice that following the expiration of seven (7) days following such notice service will be discontinued unless the customer requests a hearing before the Utilities Supervisor regarding such proposed disconnection prior to the expiration of such seven (7) day period.

c. Upon the showing of good cause and arrangement for prompt payment by a customer, the Utilities Supervisor shall be authorized to withdraw a disconnection order. Any such action by the Utilities Supervisor shall be evidence in writing, outlining the basis for the decision and, if applicable, the required payment schedule for the customer. The Utilities Supervisor shall cause a copy of such order to be delivered to the appropriate billing personnel of the City.

VENDOR/PEDDLER PERMIT FEES

FEE SCHEDULE (per individual/non-refundable):

Per Day	-	$ 10.00
Per Week	-	$ 25.00
Per Month	-	$ 50.00
Per 3 Months	-	$100.00
Per 6 Months	-	$150.00
Special Event	-	$ 25.00 Per Day
Interstate Permit	-	No Fee, Registration Only

Bond Requirement - $1,000.00 Minimum Surety Bond, naming the City of Tomball as the certificate holder (Ch. 32, Sec. 32-46)

Special Event Permit - $25.00/Day as Rental for the Use of Public Property

VITAL STATISTICS RECORDS
(BIRTH AND DEATH) FEES

BIRTH CERTIFICATES

Charge is **$23.00** for each original and each copy (3 copies would be $69.00).

DEATH CERTIFICATES

Charge is $**21.00** for the first original and $**4.00** for each original thereafter (3 copies would be $29.00).

FEE FOR CERTIFIED MAIL SERVICE

Certified Mail Service is required for delivery of birth and death certificates requested by mail. The actual cost of the certified mail service will be passed through to the requestor as part of providing the service.

FEE FOR SEARCHING RECORD

The fee for an unsuccessful search for a birth or death record is **$13.00.**

BIRTH CERTIFICATE FOR ELECTION IDENTIFICATION CERTIFICATE

The fees paid to the state will be charged; no charge will be made on behalf of the city - $3.63 (or current State fees, if applicable/as revised by the State)

Revised 8-7-2017

WELL AND SEISMIC ACTIVITIES PERMITS
(CHAPTER 18)

Original Application Fee (Section 18-54)	$10,000.00
Expediting Application Fee (Section 18-55)	$15,000.00
Renewal Application – Well, Training Well/Training Well Site, or Seismic Activities (Section 18-57)	$ 500.00 (1 year extension)
Bond Requirement (Section 18-58)	$1,000,000.00

PIPELINE PERMITS
(CHAPTER 18)

Bond	$500,000.00
Filing Fee (Section 18-104)	$ 1,000.00

NONCONFORMING WELLS
(Sec. 18-28, Code of Ordinances)

Filing Fee for each Well Registration - $100.00

WIRED TELECOMMUNICATIONS SERVICES - PROVIDER LICENSE FEES (CHAPTER 38)

(Sec. 38-203, Code of Ordinances)

Monthly Charge per Access Line (Subscriber/Customer) - $2.10

(Sec. 38-202 – Compensation)

(a) Construction permit fee. The applicant shall pay to the city a permit fee in accordance with the values provided in the table below.

(b) Rights-of-way fee. The permit holder shall pay to the city a rights-of-way fee that is calculated as of month-end for access lines and as of year-end for all other facilities by applying the appropriate fee to each facility type owned, placed, or maintained by the permit holder. The rights-of-way fee for access lines shall be as proscribed by the state public utilities commission. Rights-of-way fees for all facilities other than access lines shall be prorated for the first year in which a construction permit fee is paid, and shall be paid at the time of the permit application.

Equipment Type	Construction Permit Fee	Rights-of-way Fee
Transport Facilities	$500.00 for first 5 nodes, $250.00 for each additional node	$28.00 per month per node [1, 4]
Network Nodes	$500.00 for first 5 nodes, $250.00 for each additional node	$250.00 per year per node [2, 3]
Node Support Poles	$1000.00 per pole	$250.00 per year per pole [2]

[1] Unless equal or greater amount is paid under Chapter 283 of the V.T.C.A., Local Government Code ch. 283 or V.T.C.A., Utility Code ch. 66.
[2] As adjusted by an amount equal to one-half the annual change, if any, in the consumer price index. The city shall provide written notice to each network provider of the new rate; and the rate shall apply to the first payment due to the city on or after the 60th day following the written notice.
[3] Collocated network nodes on city service poles shall also pay an annual collocation fee at a rate not greater than $20.00 per year per service pole.
[4] A network provider may not install its own transport facilities unless the provider: (1) has a permit to use the public right-of-way; and (2) pays to the city a monthly public right-of-way rate for transport facilities in an amount equal to $28.00 multiplied by the number of the network provider's network nodes located in the public right-of-way for which the installed transport facilities provide backhaul unless or until the time the network provider's payment of fees to the city exceeds its monthly aggregate per-node compensation to the city. A network provider that wants to connect a network node to the network using the public right-of-way may:

(1) Install its own transport facilities as provided in this section; or
(2) Obtain transport service from a person that is paying municipal fees to occupy the public right-of-way that are the equivalent of not less than $28.00 per node per month. A public right-of-way rate required by this section is in addition to any other public right-of-way rate required by the city.

(c) *Annexation and disannexation.* Within 30 days following the date of the passage of any action effecting the annexation of any property to or the disannexation of any property from the city's corporate boundaries, the city agrees to furnish user written notice of the action and an accurate map of the city's corporate boundaries showing, if available, street names and number details. For the purpose of compensating the city under this chapter, a permit holder shall start including or excluding facilities within the affected area in the permit holder's count of facilities within 30 days of annexation or disannexation.

(d) *Telecommunications service providers uncollectibles.* City and telecommunication service provider understand and agree that telecommunication service provider has a statutory right to pass through to its customers on a pro rata basis any compensation paid to the city for access to the rights-of-way. Any other provision of this chapter notwithstanding, telecommunication service provider shall not be obligated to pay the city for any access lines for which revenues remain uncollectible.

(e) *Facilities provided to other telecommunications service providers.* To the extent allowed by applicable state and federal law, any telecommunications service providers that purchase unbundled network elements or other facilities for the purpose of rebundling those facilities to create telecommunications service for sale to persons within the city shall pay to the city a rights-of-way fee that is calculated as of month-end by applying the appropriate line fee, as specified in subsection (1) above, to each access line created by rebundling services or facilities.

(f) *Fee application to leased facilities.* Pursuant to V.T.C.A., Utilities Code § 54.206.

Revised 9-17-2018

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Approve Resolution No. 2020-32, a Resolution of the City of Tomball, Texas, Adopting and Ratifying the City of Tomball's Investment Policy, as set forth in the City's Administrative Policy No. 13, entitled "Investment Policy"

Background:
Administrative Policy No. 13 - Investment Policy identifies those types of investments into which the City may place its funds. The City's policy is guided by the Texas Public Funds Investment Act.

Each year, the Public Funds Investment Act requires that the governing body review and adopt the policy by resolution. There are no changes to the current policy and none are recommended at this time.

Origination:
Finance

Recommendation:
Adoption of Resolution No. 2020-32

Party(ies) responsible for placing this item on agenda:
Glenn Windsor, CPA Finance Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Resolution No. 2020-32
Administrative Policy No. 13 - Investment Policy
Texas Public Funds Investment Act

RESOLUTION NO. 2020-32

A RESOLUTION OF THE CITY OF TOMBALL, TEXAS, ADOPTING THE CITY OF TOMBALL'S INVESTMENT POLICY, AS SET OUT IN CITY OF TOMBALL ADMINISTRATIVE POLICY NO. 13, ENTITLED "INVESTMENT POLICY".

* * * * * * * * * *

WHEREAS, Texas Government Code, Section 2256.005(a), states that "the governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control"; and

WHEREAS, the governing body of an investing entity shall review its investment policy and investment strategies not less than annually, adopting a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS:

Section 1. The City Council has reviewed the investment policy and now desires to reaffirm and re-adopt said investment policy, as set forth in City of Tomball Administrative Policy No. 13, entitled "Investment Policy", a copy of which is attached hereto and made a part hereof as Exhibit "A".

Section 2. All resolutions or parts of resolutions inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

Section 3. In the event any clause phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect,

impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED, APPROVED, AND RESOLVED this the 21st day of September 2020.

GRETCHEN FAGAN, Mayor
City of Tomball

ATTEST:

DORIS SPEER, City Secretary
City of Tomball

CITY OF TOMBALL

INVESTMENT POLICY

I. SCOPE OF POLICY

PURPOSE:

This policy is developed to be in accordance with the Public Funds Investment Act, Chapter 2256 and with the Public Funds Collateral Act, Chapter 2257 of the Texas Government Code, as amended. This investment policy applies to the investment activities of the City of Tomball. This policy serves to satisfy the statutory requirement to define and adopt a formal investment policy. The investment portfolio shall be designed and managed in a manner to be responsive to public trust and to be in compliance with legal requirements and limitations.

INVESTMENT FUNDS:

All financial assets of all funds of the City of Tomball, Texas, at the present time and any funds to be created in the future shall be administered in accordance with the provisions of this policy. For investment purposes, all funds of the City shall be combined in a common pool, except as provided by applicable federal or state statues, City ordinance, or other law. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. PRIMARY OBJECTIVES

SAFETY OF PRINCIPAL:

The safety of the principal invested always remains the primary and foremost objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, the risk of loss due to the failure of the security issuer or backer, and interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates.

LIQUIDITY:

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by structuring the portfolio so that investments mature concurrent with forecasted cash flow requirements. Because all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio will also be placed in interest bearing accounts which offer same day liquidity for short-term funds.

DIVERSIFICATION:

Invested funds shall be diversified to minimize risk resulting from over-concentration of assets in a specific maturity, specific market sector, or specific instruments.

YIELD:

The City's cash management portfolio shall be designed with the objective of attaining reasonable market rates of return on investments, while remaining within the objective of safety and liquidity, throughout budgetary and economic cycles. The investment program shall seek to augment these returns consistent with risk limitations identified herein and prudent investment principles, also taking into account the risk constraints associated with the protection of capital.

MATURITY:

The investment maturity schedule shall correspond with the City's projected cash flow needs. Market risk shall be minimized by diversification of maturity dates. The City has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, securities may be sold before they mature should it be in the City's best interest. No City investments shall exceed a maturity of more than four years.

INVESTMENT MANAGEMENT:

All participants in the investment process shall seek to act responsibly as custodians of the public trust. They shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The system of internal controls will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the City.

III. AUTHORIZED INVESTMENTS

Assets of funds of the government of the City of Tomball may be invested in:

A. Obligations of the United States or its agencies and instrumentalities;

B. Direct obligations of the State of Texas or its agencies and instrumentalities;

C. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

D. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;

E. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

F. Certificates of Deposit issued by state or national banks with its main office or a branch in the State of Texas, a savings bank with its main office or a branch in the State of Texas, or a state or federal credit union with its main office or a branch in the State of Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and are secured by the obligations named within this policy under items A through E above.

G. Repurchase agreements which are fully collateralized, have a defined termination date, are secured by obligations of the United States or its agencies and instrumentalities; are purchased and pledged to the City of Tomball; are held in the City of Tomball's name; are deposited with third-party safekeeping of collateral at the time the investment is made; and are purchased through a primary government securities dealer or state or national bank doing business in the State of Texas evidenced by a fully executed Master Repurchase Agreement on file with the City. The repurchase agreement is a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations of the United States or its agencies and instrumentalities, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

H. Commercial paper is an authorized investment if the commercial paper:

   a. Has a stated maturity of 270 days or fewer from the date of its issuance; and
   b. Is rated not less than A-1 or P-1 or an equivalent rating by at least:
      i. Two nationally recognized credit rating agencies; or
      ii. One nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by organized and existing under the laws of the United States or any state.

I. An eligible investment pool authorized by the governing body, which must furnish to the City an offering circular or other similar disclosure instrument that contains, at a minimum, the types of investments in which money is allowed to be invested; the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool; the maximum stated maturity date of any investment within the portfolio; the objectives of the pool; the size of the pool; the names of the members of the advisory board of the pool and the dates their terms expire; the custodian bank that will safe-keep the pool's assets; whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation; whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment; the name and address of the independent auditor of the pool; the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

   To maintain eligibility to receive funds from and invest funds on behalf of the City of Tomball, an investment pool must furnish to the City investment transaction confirmations; and a monthly report that contains, at a minimum, the types and percentage breakdown of securities in which the pool is invested, the current average dollar-weighted maturity based on the stated maturity date of the pool, the current percentage of the pool's portfolio in investments that have stated maturities of more than one year, the book value versus the market value of the pool's portfolio, using amortized cost valuation, the size of the pool, the number of participants in the pool, the custodian bank that is safekeeping the assets of the pool, a listing of daily transaction activity of the entity participating in the pool, the yield and expense ratio of the pool, the portfolio managers of the pool and any changes or addenda to the offering circular.

   Investment pool yield shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.

To be eligible to receive funds from and invest funds on behalf of the City of Tomball, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a $1 net asset value.

If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ration between 0.995 and 1.005.

A public funds investment pool must have an advisory board composed: equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created and managed by a state agency; or of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

To maintain eligibility to receive funds from and invest funds on behalf of the City of Tomball, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days.

Although allowed under State Law, Prime Domestic Bankers' Acceptances, and Money-market mutual funds are not considered suitable investments of the City of Tomball, and the City of Tomball will refrain from making such investments or allowing such instruments to be pledged to the City's deposits or serve as underlying collateral.

IV. RESPONSIBILITY AND CONTROL

DELEGATION OF AUTHORITY:

Management responsibility for the investment program is hereby delegated to the Finance Director, or in the absence of such, Assistant City Manager, or such other person specifically designated by the City Manager or Assistant City Manager. The Finance Director, or designated person by such, shall be responsible for all transactions, compliance with internal controls, and insuring that all safekeeping, custodial, and collateral duties are in compliance with this investment policy and other applicable laws and regulations.

TRAINING REQUIREMENT:

The Finance Director, and any person designated by the Finance Director, City Manager, and/or Assistant City Manager to be responsible for the investment of City funds shall attend an independent and approved source of investment training session no less often than once every two fiscal years and shall receive not less than 10 hours of instruction relating to investment responsibilities under the state statutes. Any person newly designated to duties relating to the investment program shall be required to attend an independent and approved source of investment training session within 12 months of such designation. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio, and compliance with the Public Funds Investment Act under the Texas Government Code Chapter 2256.

QUARTERLY REPORTS:

The Finance Director, and the person or persons designated by such, shall submit quarterly an investment report that summarizes the investment portfolio for all funds to the City Council. The report shall describe in detail the investment position of the City on the date of the report; be prepared and signed by all investment officers of the City; contain a summary statement, prepared in compliance with generally accepted accounting principles; provide the beginning market value for the reporting period, the additions and changes to the market value during the period, the ending market value for the period, and fully accrued interest for the reporting period; state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; state the maturity date of each separately invested asset that has a maturity date; state the account, fund or pooled group fund in City for which each individual investment was acquired; and state the compliance of the investment portfolio of the City's policy as it relates to the strategy. The reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

CONFLICTS OF INTEREST:

The Finance Director, or any person designated by such to be responsible for investments, shall not be designated as an investment officer for any investing entity other than the City of Tomball. Any person responsible for investments for the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. Any person responsible for investments for the City who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. This statement must be filed

with the Texas Ethics Commission and the City of Tomball. A personal business relationship is defined as owning 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization; funds received from the business organization exceed 10 percent of the person's gross income for the previous year; or the acquisition of investments from the business organization during the previous year have a book value of $2,500 or more for the person's personal account. Any person involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Secretary any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial and/or investment positions that could be related to the performance of the City's portfolio. Any person responsible for investments shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

V. COLLATERAL AND SAFEKEEPING

COLLATERAL REQUIRED:

Funds of the City of Tomball shall be secured by collateral, whereby the market value of such collateral shall not be less than the total amount of the sum of the City's deposits, investments and accrued interest less the amount of insurance provided by the United States or an instrumentality of the United States, such as FDIC and FSLIC insurance. All items held for collateral for the City of Tomball shall be qualified investments as stated in items III.A. through III.E. of the City's investment policy.

SECURITY OF COLLATERAL:

All securities owned by thy City or pledged to the City shall be held in safekeeping by the City; in a City approved account in a third party financial institution with a main office in the State of Texas and capital stock and permanent surplus of $5 million or more; the Texas Treasury Safekeeping Trust Company; a federal home loan bank; or with a Federal Reserve Bank. A third party custodian shall be required to issue original safekeeping receipts directly to the City and monthly provide a listing of each specific security, rate description, maturity, CUSIP number, and other information as may be deemed necessary and appropriate by the City. Each safekeeping receipt will be clearly marked that the security is pledged to the City of Tomball. It shall be the sole responsibility of the financial institution to immediately, without notice from the City or cost to the City, replace any nonconforming pledged security.

DELIVERY VS. PAYMENT:

Treasury Bills, Notes and Bonds and Government Agencies' securities shall be purchased using the delivery vs. payment method. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the City of Tomball or its designated Trustee. The security shall be held in the name of the City. The Trustee's records shall reflect that the City owns such securities. In the event that the security is held by Trustee, the original copy of all safekeeping receipts shall be delivered to the City Treasurer, or person designated by such.

VI. AUTHORIZED BROKERS

The City of Tomball shall annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City. Following are authorized brokers for the City of Tomball:

FTN Financial
Wells Fargo Securities, LLC
Hilltop Securities

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

CHAPTER 2256. PUBLIC FUNDS INVESTMENT

SUBCHAPTER A. AUTHORIZED INVESTMENTS FOR GOVERNMENTAL ENTITIES

Sec. 2256.001. SHORT TITLE. This chapter may be cited as the Public Funds Investment Act.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.002. DEFINITIONS. In this chapter:

(1) "Bond proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by an entity, and reserves and funds maintained by an entity for debt service purposes.

(2) "Book value" means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.

(3) "Funds" means public funds in the custody of a state agency or local government that:

(A) are not required by law to be deposited in the state treasury; and

(B) the investing entity has authority to invest.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(5) "Investing entity" and "entity" mean an entity subject to this chapter and described by Section 2256.003.

(6) "Investment pool" means an entity created under this code to invest public funds jointly on behalf of the

entities that participate in the pool and whose investment objectives in order of priority are:

(A) preservation and safety of principal;

(B) liquidity; and

(C) yield.

(7) "Local government" means a municipality, a county, a school district, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, and any nonprofit corporation acting on behalf of any of those entities.

(8) "Market value" means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

(9) "Pooled fund group" means an internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

(10) "Qualified representative" means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

(A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

(B) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution;

(C) for an investment pool, the person authorized by the elected official or board with authority to

administer the activities of the investment pool to sign the written instrument on behalf of the investment pool; or

(D) for an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or, if not subject to registration under that Act, registered with the State Securities Board, a person who is an officer or principal of the investment management firm.

(11) "School district" means a public school district.

(12) "Separately invested asset" means an account or fund of a state agency or local government that is not invested in a pooled fund group.

(13) "State agency" means an office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 1, eff. Sept. 1, 1999.

Sec. 2256.003. AUTHORITY TO INVEST FUNDS; ENTITIES SUBJECT TO THIS CHAPTER. (a) Each governing body of the following entities may purchase, sell, and invest its funds and funds under its control in investments authorized under this subchapter in compliance with investment policies approved by the governing body and according to the standard of care prescribed by Section 2256.006:

(1) a local government;

(2) a state agency;

(3) a nonprofit corporation acting on behalf of a local government or a state agency; or

(4) an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

(b) In the exercise of its powers under Subsection (a), the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of the investing entity by order, ordinance, or resolution.

(c) This chapter does not prohibit an investing entity or investment officer from using the entity's employees or the services of a contractor of the entity to aid the investment officer in the execution of the officer's duties under this chapter.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 2, eff. Sept. 1, 1999.

Sec. 2256.004. APPLICABILITY. (a) This subchapter does not apply to:

(1) a public retirement system as defined by Section 802.001;

(2) state funds invested as authorized by Section 404.024;

(3) an institution of higher education having total endowments of at least $95 million in book value on May 1, 1995;

(4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;

(5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or

(6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

(b) This subchapter does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 505, Sec. 24, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.21, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1454, Sec. 3, eff. Sept. 1, 1999.

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

(1) be written;

(2) primarily emphasize safety of principal and liquidity;

(3) address investment diversification, yield, and maturity and the quality and capability of investment management; and

(4) include:

(A) a list of the types of authorized investments in which the investing entity's funds may be invested;

(B) the maximum allowable stated maturity of any individual investment owned by the entity;

(C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;

(D) methods to monitor the market price of investments acquired with public funds;

(E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and

(F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(c) The investment policies may provide that bids for certificates of deposit be solicited:

(1) orally;

(2) in writing;

(3) electronically; or

(4) in any combination of those methods.

(d) As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

(1) understanding of the suitability of the investment to the financial requirements of the entity;

(2) preservation and safety of principal;

(3) liquidity;

(4) marketability of the investment if the need arises to liquidate the investment before maturity;

(5) diversification of the investment portfolio; and

(6) yield.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers

or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of this chapter. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

(g) Subsection (f) does not apply to a state agency, local government, or investment pool for which an officer of the entity is assigned by law the function of investing its funds.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 685, Sec. 1

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be an investment officer for the commission under Subsection (f) if the officer or employee is an investment officer designated under Subsection (f) for another local government.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 1421, Sec. 3

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under Subsection (f) for any investing entity other than for that commission.

(i) An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

(1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

(2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

(3) the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

(j) The governing body of an investing entity may specify in its investment policy that any investment authorized by this chapter is not suitable.

(k) A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with an investing entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. For purposes of this subsection, a business organization includes investment pools and an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

(1) received and reviewed the investment policy of the entity; and

(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

(l) The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a person who has not delivered to the entity the instrument required by Subsection (k).

(m) An investing entity other than a state agency, in conjunction with its annual financial audit, shall perform a

compliance audit of management controls on investments and adherence to the entity's established investment policies.

(n) Except as provided by Subsection (o), at least once every two years a state agency shall arrange for a compliance audit of management controls on investments and adherence to the agency's established investment policies. The compliance audit shall be performed by the agency's internal auditor or by a private auditor employed in the manner provided by Section 321.020. Not later than January 1 of each even-numbered year a state agency shall report the results of the most recent audit performed under this subsection to the state auditor. Subject to a risk assessment and to the legislative audit committee's approval of including a review by the state auditor in the audit plan under Section 321.013, the state auditor may review information provided under this section. If review by the state auditor is approved by the legislative audit committee, the state auditor may, based on its review, require a state agency to also report to the state auditor other information the state auditor determines necessary to assess compliance with laws and policies applicable to state agency investments. A report under this subsection shall be prepared in a manner the state auditor prescribes.

(o) The audit requirements of Subsection (n) do not apply to assets of a state agency that are invested by the comptroller under Section 404.024.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 685, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 3, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 4, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 785, Sec. 41, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 1, eff. June 17, 2011.

Sec. 2256.006. STANDARD OF CARE. (a) Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

(1) preservation and safety of principal;

(2) liquidity; and

(3) yield.

(b) In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

(1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

(2) whether the investment decision was consistent with the written investment policy of the entity.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.007. INVESTMENT TRAINING; STATE AGENCY BOARD MEMBERS AND OFFICERS. (a) Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under this chapter within six months after taking office or assuming duties.

(b) The Texas Higher Education Coordinating Board shall provide the training under this section.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) An investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. The investment officer shall prepare a report on this subchapter and deliver the report to the governing body of the state agency not later than the 180th day after the last day of each regular session of the legislature.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 73, Sec. 1, eff. May 9, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 4, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 5, eff. Sept. 1, 1999.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 2, eff. June 17, 2011.

Sec. 2256.008. INVESTMENT TRAINING; LOCAL GOVERNMENTS. (a) Except as provided by Subsections (b) and (e), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) except as provided by Subsections (b) and (e), attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the

governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

(b) An investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, that has contracted with an investment management firm under Section 2256.003(b) and has fewer than five full-time employees or an investing entity that has contracted with another investing entity to invest the entity's funds may satisfy the training requirement provided by Subsection (a)(2) by having an officer of the governing body attend four hours of appropriate instruction in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date. The treasurer or chief financial officer of an investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, and that has fewer than five full-time employees is not required to attend training required by this section unless the person is also the investment officer of the entity.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) Not later than December 31 each year, each individual, association, business, organization, governmental entity, or other person that provides training under this section shall report to the comptroller a list of the governmental entities for which the person provided required training under this section during that calendar year. An individual's reporting requirements under this subsection are satisfied by a report of the individual's employer or the sponsoring or organizing entity of a training program or seminar.

(e) This section does not apply to a district governed by Chapter 36 or 49, Water Code.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 5, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 6, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 69, Sec. 4, eff. May 14, 2001. Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 3, eff. June 17, 2011.

Sec. 2256.009. AUTHORIZED INVESTMENTS: OBLIGATIONS OF, OR GUARANTEED BY GOVERNMENTAL ENTITIES. (a) Except as provided by Subsection (b), the following are authorized investments under this subchapter:

(1) obligations, including letters of credit, of the United States or its agencies and instrumentalities;

(2) direct obligations of this state or its agencies and instrumentalities;

(3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

(4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

(5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and

(6) bonds issued, assumed, or guaranteed by the State of Israel.

(b) The following are not authorized investments under this section:

(1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

(2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

(3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and

(4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 7, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 558, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 4, eff. June 17, 2011.

Sec. 2256.010. AUTHORIZED INVESTMENTS: CERTIFICATES OF DEPOSIT AND SHARE CERTIFICATES. (a) A certificate of deposit or share certificate is an authorized investment under this subchapter if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:

(1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;

(2) secured by obligations that are described by Section 2256.009(a), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b); or

(3) secured in any other manner and amount provided by law for deposits of the investing entity.

(b) In addition to the authority to invest funds in certificates of deposit under Subsection (a), an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this subchapter:

(1) the funds are invested by an investing entity through:

(A) a broker that has its main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Section 2256.025; or

(B) a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;

(2) the broker or the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;

(3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and

(4) the investing entity appoints the depository institution selected by the investing entity under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

Amended by Acts 1995, 74th Leg., ch. 32, Sec. 1, eff. April 28, 1995; Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1,

1995; Acts 1997, 75th Leg., ch. 1421, Sec. 6, eff. Sept. 1, 1997.
Amended by:
Acts 2005, 79th Leg., Ch. 128 (H.B. 256), Sec. 1, eff. September 1, 2005.
Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 5, eff. June 17, 2011.

Sec. 2256.011. AUTHORIZED INVESTMENTS: REPURCHASE AGREEMENTS. (a) A fully collateralized repurchase agreement is an authorized investment under this subchapter if the repurchase agreement:

(1) has a defined termination date;

(2) is secured by a combination of cash and obligations described by Section 2256.009(a)(1); and

(3) requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity; and

(4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

(b) In this section, "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section 2256.009(a)(1), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

(c) Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered.

(d) Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire

additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 6, eff. June 17, 2011.

Sec. 2256.0115. AUTHORIZED INVESTMENTS: SECURITIES LENDING PROGRAM. (a) A securities lending program is an authorized investment under this subchapter if it meets the conditions provided by this section.

(b) To qualify as an authorized investment under this subchapter:

(1) the value of securities loaned under the program must be not less than 100 percent collateralized, including accrued income;

(2) a loan made under the program must allow for termination at any time;

(3) a loan made under the program must be secured by:

(A) pledged securities described by Section 2256.009;

(B) pledged irrevocable letters of credit issued by a bank that is:

(i) organized and existing under the laws of the United States or any other state; and

(ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or

(C) cash invested in accordance with Section:

(i) 2256.009;

(ii) 2256.013;

(iii) 2256.014; or

(iv) 2256.016;

(4) the terms of a loan made under the program must require that the securities being held as collateral be:

(A) pledged to the investing entity;

(B) held in the investing entity's name; and

(C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;

(5) a loan made under the program must be placed through:

(A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or

(B) a financial institution doing business in this state; and

(6) an agreement to lend securities that is executed under this section must have a term of one year or less.

Added by Acts 2003, 78th Leg., ch. 1227, Sec. 1, eff. Sept. 1, 2003.

Sec. 2256.012. AUTHORIZED INVESTMENTS: BANKER'S ACCEPTANCES. A bankers' acceptance is an authorized investment under this subchapter if the bankers' acceptance:

(1) has a stated maturity of 270 days or fewer from the date of its issuance;

(2) will be, in accordance with its terms, liquidated in full at maturity;

(3) is eligible for collateral for borrowing from a Federal Reserve Bank; and

(4) is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.013. AUTHORIZED INVESTMENTS: COMMERCIAL PAPER. Commercial paper is an authorized investment under this subchapter if the commercial paper:

(1) has a stated maturity of 270 days or fewer from the date of its issuance; and

(2) is rated not less than A-1 or P-1 or an equivalent rating by at least:

(A) two nationally recognized credit rating agencies; or

(B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.014. AUTHORIZED INVESTMENTS: MUTUAL FUNDS. (a) A no-load money market mutual fund is an authorized investment under this subchapter if the mutual fund:

(1) is registered with and regulated by the Securities and Exchange Commission;

(2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);

(3) has a dollar-weighted average stated maturity of 90 days or fewer; and

(4) includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

(b) In addition to a no-load money market mutual fund permitted as an authorized investment in Subsection (a), a no-

load mutual fund is an authorized investment under this subchapter if the mutual fund:

(1) is registered with the Securities and Exchange Commission;

(2) has an average weighted maturity of less than two years;

(3) is invested exclusively in obligations approved by this subchapter;

(4) is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and

(5) conforms to the requirements set forth in Sections 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

(c) An entity is not authorized by this section to:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Subsection (b);

(2) invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Subsection (b); or

(3) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in Subsection (a) or (b) in an amount that exceeds 10 percent of the total assets of the mutual fund.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 7, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 8, eff. Sept. 1, 1999.

Sec. 2256.015. AUTHORIZED INVESTMENTS: GUARANTEED INVESTMENT CONTRACTS. (a) A guaranteed investment contract is

an authorized investment for bond proceeds under this subchapter if the guaranteed investment contract:

(1) has a defined termination date;

(2) is secured by obligations described by Section 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and

(3) is pledged to the entity and deposited with the entity or with a third party selected and approved by the entity.

(b) Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested under this subchapter in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.

(c) To be eligible as an authorized investment:

(1) the governing body of the entity must specifically authorize guaranteed investment contracts as an eligible investment in the order, ordinance, or resolution authorizing the issuance of bonds;

(2) the entity must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;

(3) the entity must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;

(4) the price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and

(5) the provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 8, eff. Sept. 1,

1997; Acts 1999, 76th Leg., ch. 1454, Sec. 9, 10, eff. Sept. 1, 1999.

Sec. 2256.016. AUTHORIZED INVESTMENTS: INVESTMENT POOLS. (a) An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by this subchapter. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool.

(b) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

(1) the types of investments in which money is allowed to be invested;

(2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;

(3) the maximum stated maturity date any investment security within the portfolio has;

(4) the objectives of the pool;

(5) the size of the pool;

(6) the names of the members of the advisory board of the pool and the dates their terms expire;

(7) the custodian bank that will safekeep the pool's assets;

(8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;

(9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;

(10) the name and address of the independent auditor of the pool;

(11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and

(12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

(c) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:

(1) investment transaction confirmations; and

(2) a monthly report that contains, at a minimum, the following information:

(A) the types and percentage breakdown of securities in which the pool is invested;

(B) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;

(C) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;

(D) the book value versus the market value of the pool's portfolio, using amortized cost valuation;

(E) the size of the pool;

(F) the number of participants in the pool;

(G) the custodian bank that is safekeeping the assets of the pool;

(H) a listing of daily transaction activity of the entity participating in the pool;

(I) the yield and expense ratio of the pool, including a statement regarding how yield is calculated;

(J) the portfolio managers of the pool; and

(K) any changes or addenda to the offering circular.

(d) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

(e) In this section, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

(f) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a $1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

(g) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:

(1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or

(2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

(h) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

(i) If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.

(j) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

(k) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 9, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 7, eff. June 17, 2011.

Sec. 2256.017. EXISTING INVESTMENTS. An entity is not required to liquidate investments that were authorized investments at the time of purchase.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.46(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1,

1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 10, eff. Sept. 1, 1997.

Sec. 2256.019. RATING OF CERTAIN INVESTMENT POOLS. A public funds investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 11, eff. Sept. 1, 1997.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 8, eff. June 17, 2011.

Sec. 2256.020. AUTHORIZED INVESTMENTS: INSTITUTIONS OF HIGHER EDUCATION. In addition to the authorized investments permitted by this subchapter, an institution of higher education may purchase, sell, and invest its funds and funds under its control in the following:

(1) cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986 (26 U.S.C. Section 501(f));

(2) negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency; and

(3) corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.0201. AUTHORIZED INVESTMENTS; MUNICIPAL UTILITY. (a) A municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric energy or natural gas to the public may enter into a hedging contract and related security and insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations. A hedging transaction must comply with the regulations of the Commodity Futures Trading Commission and the Securities and Exchange Commission. If there is a conflict between the municipal charter of the municipality and this chapter, this chapter prevails.

(b) A payment by a municipally owned electric or gas utility under a hedging contract or related agreement in relation to fuel supplies or fuel reserves is a fuel expense, and the utility may credit any amounts it receives under the contract or agreement against fuel expenses.

(c) The governing body of a municipally owned electric or gas utility or the body vested with power to manage and operate the municipally owned electric or gas utility may set policy regarding hedging transactions.

(d) In this section, "hedging" means the buying and selling of fuel oil, natural gas, coal, nuclear fuel, and electric energy futures or options or similar contracts on those commodities and related transportation costs as a protection against loss due to price fluctuation.

Added by Acts 1999, 76th Leg., ch. 405, Sec. 48, eff. Sept. 1, 1999.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 7 (S.B. 495), Sec. 1, eff. April 13, 2007.

Sec. 2256.0202. AUTHORIZED INVESTMENTS: MUNICIPAL FUNDS FROM MANAGEMENT AND DEVELOPMENT OF MINERAL RIGHTS. (a) In addition to other investments authorized under this subchapter, a municipality may invest funds received by the municipality from a lease or contract for the management and development of land owned by the municipality and leased for oil, gas, or other mineral development in any investment authorized to be made by a trustee under Subtitle B, Title 9, Property Code (Texas Trust Code).

(b) Funds invested by a municipality under this section shall be segregated and accounted for separately from other funds of the municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1371 (S.B. 894), Sec. 1, eff. September 1, 2009.

Sec. 2256.0203. AUTHORIZED INVESTMENTS: PORTS AND NAVIGATION DISTRICTS. (a) In this section, "district" means a navigation district organized under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(b) In addition to the authorized investments permitted by this subchapter, a port or district may purchase, sell, and invest its funds and funds under its control in negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency.

Added by Acts 2011, 82nd Leg., R.S., Ch. 804 (H.B. 2346), Sec. 1, eff. September 1, 2011.

Sec. 2256.0204. AUTHORIZED INVESTMENTS: INDEPENDENT SCHOOL DISTRICTS. (a) In this section, "corporate bond" means

a senior secured debt obligation issued by a domestic business entity and rated not lower than "AA-" or the equivalent by a nationally recognized investment rating firm. The term does not include a debt obligation that:

(1) on conversion, would result in the holder becoming a stockholder or shareholder in the entity, or any affiliate or subsidiary of the entity, that issued the debt obligation; or

(2) is an unsecured debt obligation.

(b) This section applies only to an independent school district that qualifies as an issuer as defined by Section 1371.001.

(c) In addition to authorized investments permitted by this subchapter, an independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds that, at the time of purchase, are rated by a nationally recognized investment rating firm "AA-" or the equivalent and have a stated final maturity that is not later than the third anniversary of the date the corporate bonds were purchased.

(d) An independent school district subject to this section is not authorized by this section to:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for the payment of debt service, in corporate bonds; or

(2) invest more than 25 percent of the funds invested in corporate bonds in any one domestic business entity, including subsidiaries and affiliates of the entity.

(e) An independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds if the governing body of the district:

(1) amends its investment policy to authorize corporate bonds as an eligible investment;

(2) adopts procedures to provide for:

(A) monitoring rating changes in corporate bonds acquired with public funds; and

(B) liquidating the investment in corporate bonds; and

(3) identifies the funds eligible to be invested in corporate bonds.

(f) The investment officer of an independent school district, acting on behalf of the district, shall sell corporate bonds in which the district has invested its funds not later than the seventh day after the date a nationally recognized investment rating firm:

(1) issues a release that places the corporate bonds or the domestic business entity that issued the corporate bonds on negative credit watch or the equivalent, if the corporate bonds are rated "AA-" or the equivalent at the time the release is issued; or

(2) changes the rating on the corporate bonds to a rating lower than "AA-" or the equivalent.

(g) Corporate bonds are not an eligible investment for a public funds investment pool.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1347 (S.B. 1543), Sec. 1, eff. June 17, 2011.

Sec. 2256.0205. AUTHORIZED INVESTMENTS; DECOMMISSIONING TRUST. (a) In this section:

(1) "Decommissioning trust" means a trust created to provide the Nuclear Regulatory Commission assurance that funds will be available for decommissioning purposes as required under 10 C.F.R. Part 50 or other similar regulation.

(2) "Funds" includes any money held in a decommissioning trust regardless of whether the money is considered to be public funds under this subchapter.

(b) In addition to other investments authorized under this subchapter, a municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric

energy or natural gas to the public may invest funds held in a decommissioning trust in any investment authorized by Subtitle B, Title 9, Property Code.

Added by Acts 2005, 79th Leg., Ch. 121 (S.B. 1464), Sec. 1, eff. September 1, 2005.

Sec. 2256.021. EFFECT OF LOSS OF REQUIRED RATING. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.022. EXPANSION OF INVESTMENT AUTHORITY. Expansion of investment authority granted by this chapter shall require a risk assessment by the state auditor or performed at the direction of the state auditor, subject to the legislative audit committee's approval of including the review in the audit plan under Section 321.013.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 785, Sec. 42, eff. Sept. 1, 2003.

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

(b) The report must:

(1) describe in detail the investment position of the entity on the date of the report;

(2) be prepared jointly by all investment officers of the entity;

(3) be signed by each investment officer of the entity;

(4) contain a summary statement of each pooled fund group that states the:

(A) beginning market value for the reporting period;

(B) ending market value for the period; and

(C) fully accrued interest for the reporting period;

(5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

(6) state the maturity date of each separately invested asset that has a maturity date;

(7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and

(8) state the compliance of the investment portfolio of the state agency or local government as it relates to:

(A) the investment strategy expressed in the agency's or local government's investment policy; and

(B) relevant provisions of this chapter.

(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

(d) If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the

result of the review shall be reported to the governing body by that auditor.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 12, eff. Sept. 1, 1997.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 9, eff. June 17, 2011.

Sec. 2256.024. SUBCHAPTER CUMULATIVE. (a) The authority granted by this subchapter is in addition to that granted by other law. Except as provided by Subsection (b), this subchapter does not:

(1) prohibit an investment specifically authorized by other law; or

(2) authorize an investment specifically prohibited by other law.

(b) Except with respect to those investing entities described in Subsection (c), a security described in Section 2256.009(b) is not an authorized investment for a state agency, a local government, or another investing entity, notwithstanding any other provision of this chapter or other law to the contrary.

(c) Mortgage pass-through certificates and individual mortgage loans that may constitute an investment described in Section 2256.009(b) are authorized investments with respect to the housing bond programs operated by:

(1) the Texas Department of Housing and Community Affairs or a nonprofit corporation created to act on its behalf;

(2) an entity created under Chapter 392, Local Government Code; or

(3) an entity created under Chapter 394, Local Government Code.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.025. SELECTION OF AUTHORIZED BROKERS. The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

Sec. 2256.026. STATUTORY COMPLIANCE. All investments made by entities must comply with this subchapter and all federal, state, and local statutes, rules, or regulations.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

SUBCHAPTER B. MISCELLANEOUS PROVISIONS

Sec. 2256.051. ELECTRONIC FUNDS TRANSFER. Any local government may use electronic means to transfer or invest all funds collected or controlled by the local government.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.052. PRIVATE AUDITOR. Notwithstanding any other law, a state agency shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.053. PAYMENT FOR SECURITIES PURCHASED BY STATE. The comptroller or the disbursing officer of an agency that has the power to invest assets directly may pay for authorized securities purchased from or through a member in good standing of the National Association of Securities Dealers or from or through a national or state bank on receiving an invoice from the seller of the securities showing that the securities have been purchased by the board or agency and that the amount to be paid for the securities is just, due, and unpaid. A purchase of securities may not be made at a price that exceeds the existing market value of the securities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.67, eff. Sept. 1, 1997.

Sec. 2256.054. DELIVERY OF SECURITIES PURCHASED BY STATE. A security purchased under this chapter may be delivered to the comptroller, a bank, or the board or agency investing its funds. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book entry procedure of the Federal Reserve Bank.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.68, eff. Sept. 1, 1997.

Sec. 2256.055. DEPOSIT OF SECURITIES PURCHASED BY STATE. At the direction of the comptroller or the agency, a security purchased under this chapter may be deposited in trust with a bank or federal reserve bank or branch designated by the comptroller, whether in or outside the state. The deposit shall be held in the entity's name as evidenced by a trust receipt of the bank with which the securities are deposited.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.69, eff. Sept. 1, 1997.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Award Contract and Authorize the City Manager to Execute an Agreement for Grant Administration Services with Langford Community Management Services for E&P Project 2020-10035, Community Development Block Grant – Mitigation Project

Background:
In accordance with the terms and conditions of the Community Development Block Grant – Mitigation Project, staff advertised a Request for Proposal for grant administration services for the preparation of the City's application to obtain grant funds as well as to administer and manage the Mitigation Grant, if awarded.

Staff received four (4) submittals from qualified firms and a scoring was completed by a committee to determine the top two (2) firms. The top firms were interviewed and based on those interviews staff entered into contract negotiations with Langford Community Management Services.

Staff is recommending awarding a Professional Services Agreement to Langford Community Management Services for preparation and submission of the City's grant application for the CDBG-MIT grant. The initial contract price for these services will be completed at no cost to the City.

Upon grant award, a contract amendment will be presented to Council for approval. The contract amendment will be for full grant administration services to include environmental and administering and managing the grant funds awarded to the City. The amended contract will not exceed 8% of the total grant amount awarded and may be paid from the grant funds.

Origination:
Public Works Department

Recommendation:
Staff recommends approval to execute an agreement with Langford Community Management Services for grant administration services for the CDBG-MIT.

Party(ies) responsible for placing this item on agenda:
Beth Jones, Public Works Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Agreement - Langford Community Management

GRANT ADMINISTRATION SERVICES FOR MITIGATION SERVICES UNDER THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

THE City of Tomball (the "Subrecipient") and Langford Community Management Services, Tax Identification Number 74-2804904("Provider"), each a "Party" and collectively, "the Parties," enter into the following contract for grant administration services (the "Contract") pursuant to Local Govt. Code 252 and 2 C.F.R. Part 200.

WHEREAS, the Subrecipient has applied for U.S. Department of Housing and Urban Development Community Development Block Grant – Mitigation ("CDBG-MIT") funds, administered by the Texas General Land Office ("GLO") for mitigation assistance; and

WHEREAS, the CDBG-MIT program is funded under the Housing and Urban Development, Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018, Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. No. 115-123.

NOW, THEREFORE, the Parties agree to the following terms and conditions:

I. DEFINITIONS / INTERPRETIVE PROVISIONS / PROJECT DESCRIPTION

1.01 DEFINITIONS

"Activity" means a defined class of works or services authorized to be accomplished using CDBG-MIT grant funds. Activities are specified in Subrecipient Budgets as 'Category,' and the terms are interchangeable under this Contract.

"Administrative and Audit Regulations" means the regulations included in Title 2, CFR, Part 200. Chapter 321 of the Texas Government Code; Subchapter F of Chapter 2155 of the Texas Government Code; and the requirements of Article VII herein. With regard to any federal funding, agencies with the necessary legal authority include: the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of Inspector General, and any of their authorized representatives. In addition, state agencies and/or designee's with the authority to audit and inspect include, the Subrecipient, the GLO, the GLO's contracted examiners, the State Auditor's Office, the Texas Attorney General's Office and the Texas Comptroller of Public Accounts.

"Attachment" means documents, terms, conditions, or additional information physically added to this Contract following the execution page, or incorporated by reference, as if physically.

"Amendment" means a written agreement, signed by the parties hereto, which documents alterations to the Contract.

"Benchmark" or "Billing Milestone" means a clearly defined set of incremental services that must be performed; or an interim level of accomplishment that must be met by Provider in order to receive periodic incremental and final reimbursement for services under this Contract.

"CDBG—MIT" means the Community Development Block Grant—Mitigation Program administered by the U.S. Department of Housing and Urban Development, in cooperation with the GLO.

"Certificate of Construction Completion" means a document submitted by an engineer or, if none, a construction contractor, to a Grantee which, when executed by the Grantee, indicates acceptance of the non-housing project, as built.

"Contract" means this entire document, along with any Attachments, both physical and incorporated by reference; and any Amendments.

"Contract Period" means the period of time between the effective date of a contract and its expiration or termination date.

"Deliverable" means a unit or increment of work to include, any item, report, data, document, photograph, or other submission required to be delivered under the terms of this Contract, in whatever form =.

"Federal Assurances" means Standard Form 424B (Rev. 7-97) (non-construction projects); or Standard Form 424D (Rev. 7-97) (construction projects), in **Attachment A,** attached hereto and incorporated herein for all purposes.

"Federal Certifications" means U.S. Department of Commerce Form CD-512 (12-04), "Certifications Regarding Lobbying – Lower Tier Covered Transactions," also in **Attachment A**, attached hereto and incorporated herein for all purposes.

"Fiscal Year" means the period beginning September 1 and ending August 31 each year, which is the annual accounting period for the State of Texas.

"GAAP" means "Generally Accepted Accounting Principles."

"GASB" means the Governmental Accounting Standards Board.

"General Affirmations" means the statements in **Attachment B**, attached hereto and incorporated herein for all purposes, which Provider affirms by executing this Contract.

"GLO" means the Texas General Land Office, its officers, employees, and designees.

"GLO-Vendor Contract" means the contract or contracts between the GLO and Provider procured through the Solicitation; such GLO-Vendor Contract is hereby incorporated herein by reference, for all purposes.

"Grant Administration Fee" means the amount to be paid to Provider for all services performed for a Subrecipient.

"HSP" means HUB Subcontracting Plan, as outlined by Chapter 2161 of the Texas Government Code.

"HUB" means Historically Underutilized Business, as defined by Chapter 2161 of the Texas Government Code.

"HUD" means the United States Department of Housing and Urban Development.

"Mentor Protégé" means the Comptroller of Public Accounts' leadership program found at: http://www.window.state.tx.us/procurement/prog/hub/mentorprotege/

"Non-housing" refers to a project involving the restoration and/or repair of infrastructure facilities and the economic revitalization activities approved under a CDBG-MIT program grant.

"Project" means the grant administration services described in **SECTION 1.03** of this Contract and in any applicable Attachments.

"Project Completion Report" means a report containing an "as built" accounting of all projects completed under a CDBG-MIT non-housing or housing grant, and containing all information required to completely close out a grant file.

"Project Implementation Manual" means a set of guidelines for the CDBG-MIT Program, incorporated herein by reference for all purposes in its entirety.

"Project Period" means the stated time for completion of a Project assigned by Work Order, if any.

"Prompt Pay Act" means Chapter 2251, Subtitle F of Title 10 of the Texas Government Code.

"Provider" means Langford Community Management Services selected to provide the services under this Contract, if any.

"Public Information Act" means Chapter 552 of the Texas Government Code.

"Monthly Report" means a document submitted by Provider to a Subrecipient for approval and submission to the GLO as a condition of reimbursement, as discussed in **SECTION 1.05** and **ARTICLE III**, below.

"Scope of Work" means Provider's detailed scope of work hereby incorporated for all purposes as **Attachment C**.

"Setup" means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

"Solicitation" means Subrecipient's Request for Proposals, including any Addenda.

"Solicitation Response" means Provider's full and complete response to the Solicitation, including any Addenda.

"Subcontractor" means an individual or business that signs a contract to perform part or all of the obligations of Provider under this Contract.

"Subrecipient Agreement" means the contractual agreement for a CDBG-MIT housing or non-housing grant between the GLO and the Subrecipient for which Provider performs services assigned by the Subrecipient, if any.

"Technical Guidance Letter or 'TGL'" means an instruction, clarification, or interpretation of the requirements of the CDBG-MIT Program, issued by the GLO to specified recipients, applicable to specific subject matter, to which the addressed Program participants shall be subject.

1.02 INTERPRETIVE PROVISIONS

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;

(b) The words "hereof," "herein," "hereunder," and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract unless otherwise specified;

(c) The term "including" is not limiting and means "including without limitation" and, unless otherwise expressly provided in this Contract, (i) references to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent that such amendments and other modifications are not prohibited by the terms of this Contract, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;

(d) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;

(e) All attachments within this Contract, including those incorporated by reference, and any amendments are considered part of the terms of this Contract;

(f) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;

(g) Unless otherwise expressly provided, reference to any action of the Subrecipient or by the Subrecipient by way of consent, approval, or waiver shall be deemed modified by the phrase "in its/their sole discretion." Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the Subrecipient shall not be unreasonably withheld or delayed;

(h) Time is of the essence in this Contract.

(i) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: Signed Contract; Attachments to the Contract: Attachment A, Attachment B, Attachment C, Attachment D, Attachment E, Attachment F, and Attachment G; Solicitation Documents; and Provider's Response to Solicitation.

1.03 PROJECT

Provider shall perform, or cause to be performed at the direction of the Subrecipient, in assistance to Subrecipient, comprehensive administration services necessary to facilitate activities or the mitigation program in areas affected under the CDBG—MIT Program. Provider will assist the Subrecipient in fulfilling State and Federal CDBG-MIT statutory responsibilities related to recovery from the 2015, 2016 & Hurricane Harvey (2017) flooding by performing grant administration services for non-housing projects. Grant administrative services must be performed in compliance with (i) HUD requirements, (ii) the Non-Exclusive List of Laws, Rules, and Regulations in **Attachment D**; (iii) this Contract and all Attachments, including Provider's Scope of Work **Attachment C**; (iv) any Amendments to this Contract; (v) any Technical Guidance Letter, program requirements, or program guidance that may be issued by the GLO; and (vi) Provider's full and complete response to the RFP ("the Project").

Provider shall be responsible at all times for maintaining close oversight of approved projects and record-keeping including, but not limited to, obtaining and maintaining, through Provider's own efforts, the Subrecipient's current Performance Statement / Implementation Schedule, and Budget, including Revisions approved and Technical Guidance Letters issued by the GLO; and any other information that may be required for the satisfactory performance by Provider of the services herein described or assigned under a Work Order, as discussed below.

Grant writing and application development to include preparation of notices for paper, attendance/presentation for required public hearing, preparation of resolution authorizing submission, Regional Review Committee Scoring Criteria responses, completion of applications forms except for Table 2 and maps (to be provided by engineer) and general assistance in the development of the proposed project for the application.

1.04 REPORTING REQUIREMENTS

Provider shall assist the Subrecipient to timely submit all reports and documentation that are required under this Contract and any Subrecipient Agreement.

MONTHLY REPORTS – APPLICABLE TO NON-HOUSING:

MONTHLY REPORTS ARE REQUIRED AS A CONDITION OF REIMBURSEMENT TO ALL SUBRECIPIENTS. It is incumbent upon Provider to facilitate the submission of each Monthly Report in a timely manner. Each Monthly Report shall include progress made since the prior reporting period, current Benchmarks achieved, projected quantities, problems encountered and detailed plans to correct them, goals to be accomplished in the subsequent reporting period, and any other information as may be required by the GLO.

The GLO may review the Monthly Report(s) and may request revisions to be made. Provider shall make itself aware of such revision requests and shall assist the Subrecipient in making appropriate revisions. Upon acceptance of the Monthly Report and submission of a properly prepared invoice, appropriate payment may be made to Subrecipient and to Provider.

In the sole discretion of the GLO, reports may be requested more often than monthly, and Provider shall facilitate the timely submission to the GLO of such additional information by the Grant Recipient.

Reimbursement may be withheld if a Monthly Report is delinquent or deficient, in the sole discretion of the GLO.

PROJECT COMPLETION REPORTS:

NON-HOUSING SERVICES: Provider shall prepare and submit to the Subrecipient a draft Project Completion Report (PCR) by the close of business no later than thirty (30) days from Provider's receipt of the fully executed final Certificate of Construction Completion ("COCC"). Provider shall then cooperate with the Subrecipient to submit the final, signed, PCR to the GLO by the close of business no later than sixty (60) days from Provider's receipt of the fully executed final COCC. The PCR must be submitted in accordance with the specifications in the Project Implementation Manual, and must include a full description of all Subrecipient projects, both as originally assigned and as ultimately completed, accounting for all Amendments, Revisions, and Technical Guidance Letters, if any.

II. TERM

2.01 DURATION

This Contract shall be effective as of September 21st, 2020, the date of hiring by the City and shall terminate after closing of project with GLO. Any extension will be subject to terms and conditions mutually agreeable to both parties

2.02 EARLY TERMINATION

The Subrecipient may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days subsequent to the date of the notice. Upon receipt of any such notice, Provider shall cease work, undertake to terminate any relevant subcontracts, and incur no further expense related to this Contract. Such early termination shall be subject to the equitable settlement of the respective interests of the parties, accrued up to the date of termination.

2.03 ABANDONMENT OR DEFAULT

If the Provider defaults on the Contract, the Subrecipient reserves the right to cancel the Contract without notice and either re-solicit or re-award the Contract to the next best responsive and responsible vendor qualified under the Solicitation. The defaulting provider will not be considered in the re-solicitation and may not be considered in future solicitations for the same type of work, unless the specification or scope of work significantly changed. The period of suspension will be determined by the Subrecipient based on the seriousness of the default.

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III. CONSIDERATION

3.01 CONTRACT LIMIT, FEES, AND EXPENSES

The application will be completed at $0.00 amount.

The Grant Administration Fee shall not exceed the caps below prescribed by the Subrecipient Agreement, the GLO, HUD or any governing law, for the term of this Contract. The Subrecipient agrees to pay Provider in accordance with The Prompt Pay Act Tex. Govt. Code Ch. 2251.

Total CDBG-MIT Award (Non-Housing Activities)	Percentage Cap
$249,999,99 or less	13%
$250,000-$749,999.99	11%
$750,000-$999,999.99	10%
$1 million-$24,999,999.99	8%
$25 million or over	6%

Contract will be amended to be inclusive of dollar amount with funding of project.

The form of invoice will be prescribed by the Subrecipient and made available to Provider in a separate submission from the Subrecipient.

Grant funds must not be commingled between or among HUD funding rounds; nor between or among Non-Housing and Housing assignments.

Reimbursement for services may be requested based on the Benchmarks**,** according to the type of services authorized, contingent upon Provider's facilitation of the timely submission of each Monthly Report required, as discussed in **SECTION 1.04**, above.

At a minimum, invoices must clearly reflect:

(a) Provider's Contract Number;

(b) Service Period

(c) the name and GLO Contract Number (12 digits) of the Subrecipient Agreement to which services have been provided;

(d) the current amount being billed;

(e) the cumulative amount billed previously;

(f) the balance remaining to be billed; and

(g) an itemized statement of services performed, including documentation as required under the Contract, such as invoices, receipts, statements, stubs, tickets, time sheets, and any other which, in the judgment of the Subrecipient, provides full substantiation of reimbursable costs incurred.

Subject to the maximum Contract amount authorized herein, upon specific, prior, written approval by the Subrecipient, lodging, travel, and other incidental direct expenses may be reimbursed under this Contract for professional or technical personnel who are (a) away from the cities in which they are permanently assigned; (b) conducting business specifically authorized by the Subrecipient; and (c) performing services not originally contemplated in the Scope of Services.

NOTICE TO PROVIDER:

Failure to include all of the information required in **SECTION 3.01** with each invoice may result in a significant delay in processing payment for the invoice.

MILESTONES

	Not-To-Exceed Draw Percentages					
Milestones	**Construction Funds**	**Engineering Funds**	**Grant Administration Funds**	**Special Environmental Funds**	**Environmental Funds**	**Acquisition Funds**
Project Kick-Off Meeting and Start-up Documentation			15%			
Engineering Contract Executed		30%				
Environmental Contract Executed			30%			
100% Design Approval		60%				
Special Environmental Report Approval				100%		
Authority to Use Grant Funds			50%		100%	
Acquisition Start						100%
Bid Advertisement		70%	60%			
Construction Notice to Proceed	85%	85%	85%			
As-Built Plans/ COCC/FWCR	100%	100%	95%			
Grant Completion Report Approval			100%			

IV. PROVIDER'S WARRANTY, AFFIRMATIONS, AND ASSURANCES

4.01 PERFORMANCE WARRANTY

Provider represents that all services performed under this Contract will be performed in a manner consistent with a degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Provider represents that all work product, including Deliverables if any, under this Contract shall be completed in a manner consistent with standards in the applicable trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated Attachments (if any); and shall be fit for ordinary use, of good quality, and with no material defects. If Provider fails to submit Deliverables timely or to perform satisfactorily under conditions required by this Contract, the Subrecipient may require Provider, at its sole expense, to the extent such defect or damage is caused by the negligence of Provider, to (a) repair or replace all defective or damaged Deliverables; (b) refund any payment received for all defective or damaged Deliverables and, in conjunction therewith, require Provider to accept the return of such Deliverables; and/or (c) take necessary action so that future performance and Deliverables conform to the Contract requirements.

4.02 GENERAL AFFIRMATIONS

To the extent that they are applicable, Provider further certifies that the General Affirmations in **Attachment B** have been reviewed, and that Provider is in compliance with each of the requirements reflected therein.

4.03 FEDERAL ASSURANCES

To the extent that they are applicable, Provider further certifies that the Federal Assurances in **Attachment A** have been reviewed and that Provider is in compliance with each of the requirements reflected therein. The Federal Assurance form must be executed by Provider's authorized signatory.

4.04 FEDERAL CERTIFICATIONS

To the extent that they are applicable, Provider further certifies that the Federal Certifications also in **Attachment A** have been reviewed, and that Provider is in compliance with each of the requirements reflected therein. The Federal Certifications form must be executed by Provider's authorized signatory.

In addition, Provider certifies that it is in compliance with any other applicable federal laws, rules, or regulations, as they may pertain to this Contract including, but not limited to, those listed in Attachment D.

V. FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

(a) Funding for this Contract is appropriated under the Housing and Urban Development, and the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. 115-123) enacted on February 9, 2018. It is to mitigate disaster risk and reduce future losses, and allow grantees the opportunity to transform state & local planning, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the 2015, 2016 & Hurricane Harvey (2017) Floods, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The Fulfillment of the Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-MIT Program, and any other applicable laws. Further, Provider acknowledges that all funds are subject to recapture and repayment for non-compliance.

(b) **All participants in the CDBG-MIT grant program must have a data universal numbering system (DUNS) number, as well as a Commercial And Government Entity (CAGE) Code.**

(c) **The DUNS number and CAGE Code must be reported to the GLO for use in various grant reporting documents, and may be obtained by visiting the Central Contractor Registration web site at:**

https://www.bpn.gov/ccr/

Assistance with this web site may be obtained by calling **866-606-8220**.

5.02 STATE FUNDING

(a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6 of the Texas Constitution, it is understood that all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the Subrecipient, in its sole discretion, may terminate this Contract. In that event, the parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.

(b) Furthermore, any claim by Provider for damages under this Contract may not exceed the amount of funds appropriated for payment, but not yet paid to Provider, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

Provider shall conduct, in a satisfactory manner as determined by the Subrecipient, the Project as set forth in the Contract. The discretionary right of the Subrecipient to terminate for convenience under **SECTION 2.02** notwithstanding, it is expressly understood and agreed by Provider that the Subrecipient shall have the right to terminate the Contract and to recapture, and be reimbursed for any payments made by the Subrecipient (i) that exceed the maximum allowable HUD rate; (ii) that are not allowed under applicable laws, rules, and regulations; or (iii) that are otherwise inconsistent with this Contract, including any unapproved expenditures.

5.04 OVERPAYMENT

Provider understands and agrees that it shall be liable to the Subrecipient or the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Provider further understands and agrees that reimbursement of such disallowed costs shall be paid by Provider from funds which were not provided or otherwise made available to Provider under this Contract.

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VI. OWNERSHIP

6.01 OWNERSHIP AND THIRD PARTY RELIANCE

(a) The Subrecipient shall own, and Provider hereby assigns to the GLO, all right, title, and interest in all services to be performed; all goods to be delivered; and/or all other related work product prepared, or in the course of preparation, by Provider (or its subcontractors) pursuant to this Contract, together with all related worldwide intellectual property rights of any kind or character (collectively, the "Work Product"). Under no circumstance will any license fee, royalty, or other consideration not specified in this Contract be due to Provider for the assignment of the Work Product to the GLO or for the GLO's use and quiet enjoyment of the Work Product in perpetuity. Provider shall promptly submit all Work Product to the GLO upon request or upon completion, termination, or cancellation of this Contract for any reason, including all copies in any form or medium.

(b) Provider and the Subrecipient shall not use, willingly allow, or cause such Work Product to be used for any purpose other than performance of Provider's obligations under this Contract without the prior written consent of either party and the GLO. Work Product is for the exclusive use and benefit of, and may be relied upon only by the parties. Prior to distributing any Work Product to any third party, other than the GLO, the parties shall advise such third parties that if it relies upon or uses such Work Product, it does so entirely at its own risk without liability to the GLO, Provider, or the Subrecipient.

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VII. RECORDS, AUDIT, RETENTION, CONFIDENTIALITY, PUBLIC RECORDS

7.01 BOOKS AND RECORDS

Provider shall keep and maintain under GAAP or GASB, as applicable, full, true, and complete records necessary to fully disclose to the Subrecipient, the GLO, the State of Texas Auditor's Office, the United States Government, and/or their authorized representatives sufficient information to determine compliance with the terms and conditions of this Contract and all state and federal rules, regulations, and statutes.

7.02 INSPECTION AND AUDIT

(a) Provider agrees that all relevant records related to this Contract and any Work Product produced in relation to this Contract, including the records and Work Product of its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and Work Product shall be subject, at any time, to inspection, examination, audit, and copying at any location where such records and Work Product may be found, with or without notice from the Subrecipient, the GLO, HUD, or other government entity with necessary legal authority. Provider agrees to cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Provider will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and Work Product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.

(b) Provider understands that acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Provider further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. Provider will ensure that this clause concerning the State Auditor's Office's authority to audit state funds and the requirement to fully cooperate with the State Auditor's Office is included in any subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Provider relating to the Contract for any purpose. HUD, the Comptroller General, the General Accounting Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection. **PROVIDER SHALL ENSURE THAT ALL SUBCONTRACTS AWARDED REFLECT THE REQUIREMENTS OF THIS SECTION 7.02, AND THE REQUIREMENT TO COOPERATE.**

(c) Provider will be deemed to have read and have knowledge of all applicable federal, state, and local laws, regulations, and rules including, but not limited to those identified in **Attachment D**, governing audit requirements pertaining to the Project.

7.03 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period subsequent to the final closeout of the State of Texas CDBG-MIT grant program, in accordance with federal regulations. **The Subrecipient will notify all Program participants of the date upon which local records may be destroyed.**

7.04 CONFIDENTIALITY

To the extent permitted by law, Provider and the Subrecipient agree to keep all information confidential, in whatever form produced, prepared, observed, or received by Provider or the Subrecipient to the extent that such information is: (a) confidential by law; (b) marked or designated "confidential" (or words to that effect) by Provider or the Subrecipient; or (c) information that Provider or the Subrecipient is otherwise required to keep confidential by this Contract. Furthermore, Provider will not advertise that it is doing business with the Subrecipient, use this Contract as a marketing or sales tool, or make any press releases concerning work under this Contract without the prior written consent of the Subrecipient.

7.05 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act ("PIA") and will be withheld from public disclosure or released only in accordance therewith. Provider shall make any information required under the PIA available to the Subrecipient in portable document file (".pdf") format or any other format agreed between the Parties. Failure of Provider to mark as "confidential" or a "trade secret" any information that it believes to be excepted from disclosure waives any and all claims Provider may make against the Subrecipient for releasing such information without prior notice to Provider. Provider shall notify the Subrecipient within twenty-four (24) hours of receipt of any third party written requests for information, and forward a copy of said written requests to the Subrecipient. If the request was not written, Provider shall forward the third party's contact information to the Subrecipient.

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VIII. MISCELLANEOUS PROVISIONS

8.01 INSURANCE

Provider shall acquire for the duration of this Contract insurance with financially sound and reputable insurers licensed by the Texas Department of Insurance, in the type and amount and in the form required by **Attachment E** of this Contract**, REQUIRED INSURANCE AND FORM**. Furthermore, Provider shall submit a certificate of liability insurance as required under this Contract, including (if requested) a schedule of coverage (or "underwriter's schedules") establishing to the satisfaction of the Subrecipient the nature and extent of coverage granted by each policy.

Provider shall submit certificates of insurance and endorsements electronically, in the manner requested by the Subrecipient. In the event that any policy is determined to be deficient to comply with the terms of this Contract, Provider shall secure such additional policies or coverage as the Subrecipient may reasonably request or that are required by law or regulation.

Provider will be responsible for submitting renewed certificates of insurance and endorsements, as evidence of insurance coverage throughout the term of this Contract. Provider may not be actively working on behalf of the Subrecipient if the insurance coverage does not adhere to insurance requirements. Failure to submit required insurance documents may result in the cancellation of this Contract.

8.02 TAXES/WORKERS' COMPENSATION/UNEMPLOYMENT INSURANCE

PROVIDER AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, PROVIDER SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF PROVIDER'S AND PROVIDER'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. PROVIDER AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. THE SUBRECIPIENT SHALL NOT BE LIABLE TO THE PROVIDER, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/ OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER. 2) PROVIDER AGREES TO INDEMNIFY AND HOLD HARMLESS THE SUBRECIPIENT, THE GLO, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. PROVIDER SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE SUBRECIPIENT NAMED AS A DEFENDANT IN ANY LAWSUIT AND PROVIDER

MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE SUBRECIPIENT. PROVIDER AND THE SUBRECIPIENT AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

8.03 LEGAL OBLIGATIONS

Provider shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Provider to provide the goods or services required by this Contract. Provider will be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Provider agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

8.04 INDEMNITY

EXCEPT FOR DAMAGES DIRECTLY OR PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OF THE SUBRECIPIENT OR THE GLO, PROVIDER SHALL INDEMNIFY AND HOLD HARMLESS THE SUBRECIPIENT, THE STATE OF TEXAS, THE GLO, AND THE OFFICERS, REPRESENTATIVES, AGENTS, AND EMPLOYEES OF THE SUBRECIPIENT, THE STATE OF TEXAS, AND THE GLO FROM ANY LOSSES, CLAIMS, SUITS, ACTIONS, DAMAGES, OR LIABILITY (INCLUDING ALL COSTS AND EXPENSES OF DEFENDING AGAINST ALL OF THE AFOREMENTIONED) ARISING IN CONNECTION WITH:

- **THIS CONTRACT;**
- **ANY NEGLIGENCE, ACT, OMISSION, OR MISCONDUCT IN THE PERFORMANCE OF THE SERVICES REFERENCED HEREIN; OR**
- **ANY CLAIMS OR AMOUNTS ARISING OR RECOVERABLE UNDER FEDERAL OR STATE WORKERS' COMPENSATION LAWS, THE TEXAS TORT CLAIMS ACT, OR ANY OTHER SUCH LAWS.**

PROVIDER SHALL BE RESPONSIBLE FOR THE SAFETY AND WELL BEING OF ITS EMPLOYEES, CUSTOMERS, AND INVITEES. THESE REQUIREMENTS SHALL SURVIVE THE TERM OF THIS AGREEMENT UNTIL ALL CLAIMS HAVE BEEN SETTLED OR RESOLVED AND SUITABLE EVIDENCE TO THAT EFFECT HAS BEEN FURNISHED TO THE SUBRECIPIENT. THE PROVISIONS OF THIS SECTION 8.03 SHALL SURVIVE TERMINATION OF THIS CONTRACT.

8.05 ASSIGNMENT AND SUBCONTRACTS

Provider shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the prior written consent of the Subrecipient. Notwithstanding this provision, it is mutually understood and agreed that Provider may subcontract with others for some or all of the services to be performed. In any approved subcontracts, Provider shall legally bind such subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Provider as specified in this Contract. Nothing in this Contract shall be construed to relieve Provider of the responsibility for ensuring that the goods

delivered and/or the services rendered by Provider and/or any of its subcontractors comply with all the terms and provisions of this Contract. Provider will provide written notification to the Subrecipient of any such subcontractor performing fifteen percent (15%) or more of the work under this Contract, including the name and taxpayer identification number of subcontractor, the task(s) being performed, and the number of subcontractor employees expected to work on the task.

8.06 RELATIONSHIP OF THE PARTIES

Provider is associated with the Subrecipient only for the purposes and to the extent specified in this Contract, and, with respect to Provider's performance pursuant to this Contract, Provider is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create for the Subrecipient or the GLO any liability whatsoever with respect to the indebtedness, liabilities, and obligations of Provider or any other party. Provider shall be solely responsible for, and the Subrecipient shall have no obligation with respect to:

(a) withholding of income taxes, FICA, or any other taxes or fees;
(b) industrial or workers' compensation insurance coverage;
(c) participation in any group insurance plans available to employees of the State of Texas;
(d) participation or contributions by the State to the State Employees Retirement System;
(e) accumulation of vacation leave or sick leave; or
(f) unemployment compensation coverage provided by the State.

8.07 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Provider shall comply with all applicable federal, state, and local laws, ordinances, and regulations. Provider shall make itself familiar with and at all times shall observe and comply with all federal, state, and local laws, ordinances, and regulations that in any manner affect performance under this Contract including, but not limited to, those attached hereto and incorporated herein for all purposes as **Attachment D**. Provider will be deemed to have knowledge of all applicable laws and regulations and be deemed to understand them.

8.08 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

Subrecipient
City of Tomball
401 Market St.
Tomball, TX 77375
Attention: Robert S. Hauck, City Manager

Provider
Langford Community Management Services, Inc.
2901 County Road 175
Leander, Texas 78641
Attention: Judy Langford, President

Notice given in any other manner shall be deemed effective only if and when received by the party to be notified. Either party may change its address for notice by written notice to the other party as herein provided.

8.10 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit between Subrecipient and Provider under this Contract shall be in a court of competent jurisdiction in Harris County, Texas. Provider irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto.

8.11 SEVERABILITY

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

8.12 FORCE MAJEURE

Except with respect to the obligation of payments under this Contract, if either of the parties, after a good faith effort, is prevented from complying with any express or implied covenant of this Contract by reason of war; terrorism; rebellion; riots; strikes; acts of God; any valid order, rule, or regulation of governmental authority; or similar events that are beyond the control of the affected party (collectively referred to as a "Force Majeure"), then, while so prevented, the affected party's obligation to comply with such covenant shall be suspended, and the affected party shall not be liable for damages for failure to comply with such covenant. In any such event, the party claiming Force Majeure shall promptly notify the other party of the Force Majeure event in writing and, if possible, such notice shall set forth the extent and duration thereof. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date. However, if non-performance continues for more than thirty (30) days, the GLO may terminate this Contract immediately upon written notification to Provider.

8.13 DISPUTE RESOLUTION

If the CDBG-MIT program imposes a reduction in administrative grant funds due to non-compliance and/or disallowed costs as stipulated by the agency, the contracting parties will negotiate an agreement of payment. If the non-compliance and/or disallowed costs is (are) not the fault or in control of the consulting firm, the County will be responsible for the difference in grant funds.

If the negotiation phase between the contracting entities does not reach an agreement, executives of the contracting entities, with decision-making authority, will enter into mediation to facilitate a settlement by employing a skilled neutral, not to impose a solution, but to assist the parties in reaching agreement. A final binding Arbitration Phase will occur in case the non-binding phase produces no settlement.

8.14 ENTIRE CONTRACT AND MODIFICATION

This Contract, its integrated Attachment(s), and any Technical Guidance issued in conjunction with this Contract, if any, constitute the entire agreement of the parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Any additional or conflicting terms in such Attachment(s), Technical Guidance Letter shall be harmonized with this Contract to the extent possible. Unless such integrated Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the terms of this Contract.

8.15 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract. If the Contract is not executed by the GLO within thirty (30) days of execution by the other party, this Contract shall be null and void. In the sole discretion of the GLO, Work Orders issued, if any, may be executed by the parties in counterparts exchanged by electronic mail.

8.16 THIRD-PARTY BENEFICIARY

The Parties agree that the GLO, as the administrator of the CDBG-MIT program, is a third-party beneficiary to this Contract and that the GLO shall have the right to enforce any provision of this Contract. Provided, however, that GLO shall only enforce a provision Contract after notifying the Parties, in writing, of a potential breach or default of the Contract and allowing the Provider sixty (60) days to cure the breach or default. Venue of any suit under this Section 8.17 shall be in a court of competent jurisdiction in Travis County, Texas. Provider irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto. **NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO.**

8.17 PROPER AUTHORITY

Each party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to enter into this Contract. Provider acknowledges that this Contract is effective for the period of time specified in the Contract. Any services performed by Provider before this Contract is effective or after it ceases to be effective are performed at the sole risk of Provider.

SIGNATURE PAGE FOLLOWS

IN WITNESSETH WHEREOF, the parties have executed this Agreement by causing the same to be signed on this 21st day of September,2020.

City of Tomball

BY: _____
(Subrecipient's Authorized Representative)

Robert S. Hauck
(Printed Name)

City Manager
(Title)

BY: _____
(Langford Community Management Services)

Judy Langford
(Printed Name)

President
(Title)

View Burden Statement

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant:, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29) U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statue(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	President
APPLICANT ORGANIZATION	DATE SUBMITTED
Langford Community Management Services	9/21/20

SF-424D (Rev. 7-97) Back

Approved by OMB
0348-0046

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

1. Type of Federal Action:	2. Status of Federal Action:	3. Report Type:
[ ] a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	[ ] a. bid/offer/application b. initial award c. post-award	[ ] a. initial filing b. material change **For Material Change Only:** year _____ quarter _____ date of last report _____

4. Name and Address of Reporting Entity:	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:
☐ Prime ☐ Subawardee Tier _____, *if known*: **Congressional District**, *if known*: 4c	 **Congressional District**, *if known*:
6. Federal Department/Agency:	**7. Federal Program Name/Description:** CFDA Number, *if applicable*: _____
8. Federal Action Number, *if known*:	**9. Award Amount,** *if known*: $
10. a. Name and Address of Lobbying Registrant (*if individual, last name, first name, MI*):	**b. Individuals Performing Services** (*including address if different from No. 10a*) (*last name, first name, MI*):
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____
Federal Use Only:	Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

N/A

PRINT

THIS FORM MUST BE EXECUTED

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

THIS FORM SHOULD BE EXECUTED ONLY WHEN REPORTING LOBBYING ACTIVITIES UNDERTAKEN WITH GRANT FUNDS

CERTIFICATION REGARDING LOBBYING
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 871

Certification for Contracts, Grants, Loans, and Cooperative Agreements:

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance:

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF CONTRACTOR	AWARD NUMBER AND/OR PROJECT NAME
Langford Community Management Services	City of Tomball CDBG-MIT Project

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Judy Langford, President

SIGNATURE	DATE
	9/21/20

1 24 C.F.R. 87 App. A, available at https://www.gpo.gov/fdsys/granule/CFR-2011-title24-vol1/CFR-2011-title24-vol1-part87-appA. Published Apr. 1, 2011. Accessed Aug. 1, 2018.

GENERAL AFFIRMATIONS

Provider agrees without exception to the following affirmations:

1. Provider certifies that he/she/it has not given, offered to give, nor intends to give at anytime hereafter, any economic opportunity, future employment, gift, loan gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.

2. Provider certifies that neither Provider nor any firm, corporation, partnership, or institution represented by Provider or anyone acting for such firm, corporation, partnership, or institution has (1) violated the antitrust laws of the State of Texas under Texas Business & Commerce Code, Chapter 15, or federal antitrust laws; or (2) communicated the contents of the Contract or proposal either directly or indirectly to any competitor or any other person engaged in the same line of business during the procurement process for the Contract or proposal.

3. Provider certifies that if its business address shown on the Contract is a Texas address, that address is the legal business address of Provider and Provider qualifies as a Texas Resident Bidder under Texas Administrative Code, Title 34, Part 1, Chapter 20.

4. Section 2155.004 of the Texas Government Code prohibits the award of a contract that includes proposed financial participation by a person who received compensation from the Subrecipient to participate in preparing the specifications or request for proposals on which the Contract is based. Under Section 2155.004, Government Code, the vendor [Provider] certifies that the individual or business entity named in this bid or Contract is not ineligible to receive the specified Contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.

5. Under Texas Family Code section 231.006, a child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent is not eligible to receive payments from state funds under a contract to provide property, materials, or services. Under Section 231.006, Texas Family Code, the vendor or applicant [Provider] certifies that the individual or business entity named in this Contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.

6. Provider agrees that any payments due under the Contract will be applied towards any debt, including but not limited to delinquent taxes and child support, Provider owes to the State of Texas.

7. The Subrecipient is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism and any subsequent changes made to it. The Subrecipient will cross-reference Providers/vendors with the federal System for Award Management (https://www.sam.gov/), which includes the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

8. Provider certifies: 1) that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity; 2) that Provider is in compliance with the State of Texas statutes and rules relating to procurement; and 3) that Provider is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at https://www.sam.gov/.

9. Under Section 2155.006(b) of the Texas Government Code, the Subrecipient may not enter into a contract that includes proposed financial participation by a person who, during the five year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005. Under Section 2155.006 of the Texas Government Code, Provider certifies that the individual or business entity named in the Contract is not ineligible to receive the specified Contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.

10. The state auditor may conduct an audit or investigation of any entity receiving state funds directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Provider shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Provider and the requirement to cooperate is included in any subcontract it awards.

11. Provider understands that the neither the Subrecipient nor the GLO tolerate any type of fraud. The Subrecipient's policy is to promote consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Providers are expected to report any possible fraudulent or dishonest acts, waste, or abuse affecting any transaction with the GLO to the GLO's Internal Audit Director at 512.463.5338 or to tracey.hall@glo.texas.gov.

NOTE: Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the "Public Information Act," Chapter 552 of the Texas Government Code.

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TEXAS GENERAL LAND OFFICE
GRANT ADMINISTRATION SERVICES
SCOPE OF WORK

SCOPE OF SERVICES REQUESTED 2
DESCRIPTION OF SERVICES AND SPECIAL CONDITIONS 2
GRANT ADMINISTRATION SERVICES – INFRASTRUCTURE 5
GRANT ADMINISTRATION SERVICES – RENTAL HOUSING 7
GRANT ADMINISTRATION SERVICES – NON-RENTAL HOUSING 13

SCOPE OF SERVICES REQUESTED

Providers will help the GLO fulfill State and Federal Community Development Block Grant Disaster Recovery ("CDBG-DR") statutory responsibilities related to recovery in connection with any federally declared disaster. Providers will assist the GLO and/or grant recipients in completion of CDBG-DR qualified housing or non-housing projects. Respondents may be qualified to provide Grant Administration services for housing projects, non-housing projects, or both. Grant administrative services must be performed in compliance with the U.S. Department of Housing and Urban Development ("HUD") and guidelines issued by the GLO.

DESCRIPTION OF SERVICES AND SPECIAL CONDITIONS

Respondent must be able to perform the tasks listed herein to be considered eligible for an award under this Solicitation. Respondents should provide a detailed narrative of their experience as it relates to each of the items below. Respondents should clearly indicate if they intend to provide services in-house with existing staff or through subcontracting or partnership arrangements. Grant Administration Services will be provided in conformance with the guidance documents and use forms provided by the subrecipient utilizing GLO guidance. The providers shall furnish pre-funding and post-funding grant administrative services to complete the disaster recovery projects, including, but not limited to the following:

Pre-Funding Services

Grant Administrator will develop project scope and complete CDBG-DR application. The provider will work with the subrecipient and Engineering, if applicable, to provide the concise information needed for submission of complete disaster recovery funding application and related documents. The required information shall be submitted in a format to be described by the GLO.

Post-Funding Services

Grant Administrator will administer and complete infrastructure, utilities, housing and eligible projects approved for disaster recovery funding. The selected administrative firm must follow all requirements of the Texas CDBG Disaster Recovery program.

Grant Administration Services – General

(a) Administrative Duties:

i. Coordinate, as necessary, between subrecipient and any other appropriate service providers (i.e. Engineer, Environmental, etc.), contractor, subcontractor and GLO to effectuate the services requested.

ii. May assist in public hearings.

iii. Will work with GLO's system of record.

iv. Provide monthly project status updates.

v. Funding release will be based on deliverables identified in the contract.

vi. Labor and procurement duties:

a. Provide all Labor Standards Officer (LSO) Services.

b. Ensure compliance with all relevant labor standards regulations.

c. Ensure compliance with procurement regulations and policies.

d. Maintain document files to support compliance.

vii. Financial duties:

a. Prepare and submit all required reports (Section 3, Financial Interest, etc.).

b. Assist subrecipient with the procurement of audit services.

c. Assist subrecipient in establishing and maintaining a bank account for disaster recovery funds.

d. Implementation and coordination of Affirmatively Furthering Fair Housing ("AFFH") requirements as directed by HUD and the GLO.

e. Implementation and coordination of Section 504 requirements.

f. Program compliance.

g. Ensure that fraud prevention and abuse practices are in place and being implemented.

h. Prepare and submit all closeout documents.

i. Submit all invoices no later than 60 days after the expiration of the contract. All outstanding funds may be swept after 60 days. The provider may request an extension of this requirement in writing.

j. Assist in preparation of contract revisions and supporting documents including but not limited to:

- Amendments/modifications,
- Change orders.

(b) Construction Management

i. The provider will assist the subrecipient in submitting/setting up project applications in the GLO's system of record.

ii. The provider may compile and collate complete contract/bid packages that meet GLO program requirements. The packages will contain supporting documentation that meets or exceeds the requirements of the GLO's program. If applications do not have the necessary forms, the provider may assist the subrecipient by coordinating to acquire the necessary documentation.

iii. The provider may monitor, report, and evaluate contractor's performance; notify the subrecipient if the contractor(s) fails to meet established scheduled milestones. Receive, review, recommend, and process any change orders as appropriate to the individual projects.

iv. The provider may assist the subrecipient with project Activity Draws/Close Out.

v. The provider may assist the subrecipient by submitting all the necessary documentation for draws and to close a project activity in the GLO's system of record. The provider will compile, review for completeness, and collate complete contract/closeout packages that meet GLO program requirements for draw requests. If applications do not have the necessary forms, the provider may assist the subrecipient by coordinating to acquire the necessary documentation.

vi. The provider may assist the subrecipient in developing

Architectural and Engineering plans with guidance from the GLO.

vii. Reassignment scope alignment (if necessary).

Grant Administration Services – Infrastructure

a) Administrative Duties:

i. Ensure program compliance including all CDBG-DR requirements and all part's therein, current Federal Register, etc.

ii. Assist subrecipient in establishing and maintaining financial processes.

iii. Obtain and maintain copies of the subrecipient's most current contract including all related change requests, revisions and attachments.

iv. Establish and maintain record keeping systems.

v. Assist subrecipient with resolving monitoring and audit findings.

vi. Serve as monitoring liaison.

vii. Assist subrecipient with resolving third party claims.

viii. Report suspected fraud to the GLO.

ix. Submit timely responses to the GLO requests for additional information.

x. Complete draw request forms and supporting documents.

xi. Facilitate outreach efforts, application intake, and eligibility review.

xii. Perform any other administrative duty required to deliver the project.

xiii. Utilize and assist with GLO's system of record to complete milestones, submit documentation, reports, draws, change requests, etc.

xiv. Submit change requests and all required documentation related to any change requests.

(b) Acquisition Duties:

i. Submit acquisition reports and related documents.

ii. Establish acquisition files (if necessary).

iii. Complete acquisition activities (if necessary).

(c) Environmental Services

i. Assist detailed scope of services

a. Review each Review each project description to ascertain and/or verify the level of environmental review required: Exempt, Categorical Exclusion not Subject to 58.5, Categorical Exclusion Subject to 58.5, Environmental Assessment, and Environmental Impact Statements;

b. Prepare, complete and submit HUD required forms for environmental review and provide all documentation to support environmental findings;

c. Consult and coordinate with oversight/regulatory agencies to facilitate environmental clearance;

d. Be able to perform or contract special studies, additional assessments, or permitting to secure environmental clearance. These may include, but are not limited to biological assessments, wetland delineations, asbestos surveys, lead-based paint assessments, archeology studies, architectural reviews, Phase I & II ESAs, USACE permits, etc.;

e. Prepare all responses to comments received during comment phase of the environmental review, including State/Federal Agency requiring further studies and/or comments from public or private entities during public comment period;

f. Maintain close coordination with local officials, project engineer and other members of the project team to assure appropriate level of environmental review is performed and no work is conducted without authorization;

g. Complete and submit the environmental review into GLO's system of record;

h. At least one site visit to project location and completion of a field observation report

i. Prepare and submit for publication all public

notices including, but not limited to the Notice of Finding of No Significant Impact (FONSI), Request for Release of Funds floodplain/wetland early and final notices in required order and sequence;

j. Provide documentation of clearance for Parties Known to be Interested as required by 24 CFR 58.43;

k. Process environmental review and clearance in accordance with NEPA;

l. Advise and complete environmental re-evaluations per 24 CFR 58.47 when evidence of further clearance or assessment is required;

m. Prepare and submit Monthly Status Report; and

n. Participate in regularly scheduled progress meetings.

Grant Administration Services – Rental Housing

a) Administrative Duties:

i. Develop and submit for approval rental guidelines.

ii. Assist the grant recipient in developing a Notice of Funding Availability (NOFA).

iii. Develop and submit for approval an Affirmative Marketing Plan on behalf of the subrecipient utilizing GLO guidance.

iv. Develop a tenant selection policy on behalf of the subrecipient based on GLO guidance.

v. Develop and submit for approval a needs assessment on behalf of the subrecipient based on GLO guidance.

vi. Develop and submit to site-specific environmental reviews as required by 24 CFR Part 58.

vii. Develop and submit a monitoring plan for approved projects on behalf of the subrecipient based on GLO guidance.

viii. The provider will assist the subrecipient in conducting assessments of all incomplete projects and align the GLO Form

11.17, to the constructed project. The provider will determine the percent complete and the dollar value of the partially completed project and the dollar value necessary to assign to the new Contractor to complete the project. This is accomplished through a joint Provider and Contractor site visit utilizing the initial Contractor's GLO Form 11.17, as the basis for construction and payment due to the contractor.

b) Project Case Management:

i. Assist the subrecipient with any project, transaction, service or response that is "opened" and "closed" over a period of time to achieve resolution of a problem, claim, request, proposal, development or other complex activity.

ii. Assist the subrecipient in developing project application eligibility procedures, processing, and approvals.

c) Site Inspections:

i. Assist the subrecipient with Disaster Damage Assessments (Damage Inspections) - Assist in performing a visual field review of projects to determine the presence of damage to the project that may be attributable to the disaster event. The damage assessment will follow the GLO issued Damage Assessment Guidelines and includes:

a. Assist the subrecipient with observations and documentation (written and photographic) of findings of disaster-related damage to the following:

i. Foundation;

ii. Exterior walls;

iii. Exterior wall finishes;

iv. Windows and doors;

v. Roof system (roof coverings, deck, joists, tie downs, diaphragms, penetrations, flashing, and closures);

vi. Floor system and structure;

vii. Electrical system components;

viii. Plumbing system components;

ix. Heating, ventilation and air conditioning system;

x. Interior wall finishes;

xi. Interior fixtures and components;

xii. Porches;

xiii. Exterior stairs and ramps;

xiv. Miscellaneous items not covered by the above such as septic systems, chimneys/fireplaces, etc.

b. The results of the Disaster Damage Assessment will be provided according to the GLO sample provided in the GLO issued Damage Assessment Guidelines. The damage inspector's report will include:

i. The reviewer's name;

ii. The property address;

iii. The homeowner's name;

iv. A checklist of housing components that may have received disaster damage, if any;

v. A narrative that specifically and clearly documents disaster-related property damage via photographic evidence and detailed narratives of the damage;

vi. The reviewer's certification, signature, and date of review.

c. The results of the disaster damage assessment may be provided in a format similar to *Forms 11.01 or 11.01A*. The 11.01A, Initial Inspection Checklist, Short will be completed for homes that have received disaster damage that obviously cannot be rehabilitated. Form 11.01 will be completed in accordance with the guidance contained in HQS 52580.

ii. Estimated Cost of Repair Inspection (Work Write-Up):

a. Assist in providing an estimated cost of repair inspections with the damage assessments. Upon notification that a project has been determined eligible for Program

assistance, the respondent will prepare an Estimated Cost of Repair (ECR) for the program-eligible repairs.

b. ECR's will be developed to include repair of damage that could reasonably be attributed to the disaster event and repairs to bring the project into compliance with HUD Housing Quality Standards, local, state and federal building codes. The scopes of repair will be developed to include work items necessary for the identified repairs to be performed in accordance with the International Residential Code, 2009 Edition (where required) and to meet the GLO's Minimum Housing Design Standards.

c. Assistance to the subrecipient may include:

    i. Contact the project owner to schedule a date and time to perform the field review.

    ii. Travel to the project site.

    iii. Perform the visual review of the project to determine the approximate amount and extent of damage to the project. The review will include the observations and documentation (written and photographic) of findings of disaster-related damage if not already documented.

    iv. Develop a Scope of Repair to address the observed damage and initially determine the applicability of the proposed repairs to the criteria of the Program. The draft Scope of Repair will include:

        a. a summary list of items to be addressed;

        b. a basic description of the repair approach for each item;

        c. estimated item quantities; and

        d. site photographs.

    v. Consider the following in preparation of the ECR:

        a. the specific materials needed;

        b. the quantity of those materials;

        c. trades involved;

d. the level of effort and duration for each trade;

e. estimated rates and manpower; and

f. equipment required to accomplish each of the identified repairs.

vi. Utilize the following to develop the ECR:

a. current industry cost standards as identified by Xactimate or RSMeans price lists for the project location;

b. experience with projects of similar size and scope; and

c. Knowledge of the local market rates and conditions.

vii. Summarize the data and findings into the final ECR and will furnish a copy of the ECR to the subrecipient. The final ECR will include the following:

a. a completed *Form 11.17, Work Write-up and Cost Estimate* containing a general scope of repair and summary of construction costs.

viii. Assist the subrecipient with project inspections at:

a. 50% complete

b. A final inspection at 100% complete

ix. In the case of a single family rental, assist the subrecipient with reconstruction inspections:

a. Foundation

b. 33% complete progress inspection

c. 66% complete progress inspection

d. Final inspection at 100% completion

e. Arrange for and TREC inspection to be conducted prior to closing.

x. Upon notification of a project being ready for a Construction Review, the provider may:

a. Contact the project owner and or subrecipient to schedule a date and time to perform the Review.

b. Travel to the project site.

c. Conduct on-site observations (field review) of the work completed.

The purpose of the field review is to observe and document: the progress of the work; the estimated quantity and value of work accomplished to date; the materials and workmanship utilized; the general conformance to the agreed upon Scope of Repairs (Scope); and identify items necessary for completion.
During the field review, the provider may observe work which, in its opinion, does not conform generally to the agreed upon Scope or may compromise the integrity of the repair. The provider may recommend rejection of this work.

Upon completion of the field review, the provider may summarize and present the findings of the field review to include:

i. Estimated amounts owed to the Contractor.

ii. Items of work that are incomplete (Punch List items).

iii. Other items of work that may be required by the apparent intent of the Scope that is not included in the Scope.

d) Environmental Service

i. The provider may assist the subrecipient in performing environmental reviews and documentation for HUD compliance in connection with the program. The provider may provide services for the preparation of Environmental Review Records (ERR) in accordance with the standards set forth by HUD and the statutes, executive orders, and regulations listed at 24 CFR Part 58.

ii. The provider may submit a request for Special Services to

subrecipient if environmental document review and site inspections indicate that additional investigation is warranted.

iii. Special services may include, but are not limited to the following tasks:

a. Archeological study required by SHPO;

b. Lead-based paint and/or asbestos inspection; and

c. Wetlands assessment.

Grant Administration Services – Non-Rental Housing

a) Administrative Duties:

i. Develop and implement Outreach Plans detailing specific outreach for the project. Plans will be required to be submitted and approved by GLO on a project by project basis.

ii. Perform extensive community outreach to affected areas on behalf of the subrecipient utilizing GLO guidance.

iii. Develop and submit for approval Housing Guidelines on behalf of the subrecipient utilizing GLO guidance.

iv. Develop and submit for approval a Needs Assessment on behalf of the subrecipient based on GLO guidance.

v. Provide case management support to subrecipient to manage the grant applications process, including but not limited to:

a. creating eligibility procedures to lessen the fallout of applicants;

b. advising applicants on eligibility and program requirements, and assist in application preparation and submission;

c. facilitating intake of applications from grant applicants;

d. performing eligibility reviews;

e. processing applications, including necessary communications;

f. capture applicant fallout reasons; and

g. the follow-up to grant applicants.

vi. Participate in the appeals process and handling of disputes for disallowed/ineligible applications.

vii. Act as an advocate for applicants through appeals process when required.

viii. Assist applicants through housing construction process.

ix. Perform other application management and homeowner support duties as required to ensure the success of the program.

x. Develop and submit to site-specific environmental reviews as required by 24 CFR Part 58.

xi. Provide construction and builder management services as required to comply with applicable construction codes and program requirements.

xii. The provider will assist the subrecipient in conducting assessments of all incomplete projects and align the GLO *Form 11.17*, to the constructed project. The provider will determine the percent complete and the dollar value of the partially completed project and the dollar value necessary to assign to the new Contractor to complete the project. This is accomplished through a joint Provider and Contractor site visit utilizing the initial Contractor's GLO *Form 11.17*, as the basis for construction and payment due to the contractor.

b) Site Inspections

i. Establish Disaster Damage Assessments (Damage Inspections).

a. Assist in performing a visual field review of single-family housing units to determine the presence of damage to the home that may be attributable to the disaster event. The damage assessment will follow the GLO issued Damage Assessment Guidelines and includes:

b. The respondent may assist the subrecipient with:

i. Contacting the Homeowner to schedule a date and time to perform the field review.

ii. Traveling to the project site.

iii. Interviewing the Homeowner on site to gain a perspective of the pre-disaster condition of the

structure; damage resulting directly from the disaster; and damage resulting from subsequent deterioration. The provider may utilize this information to assist in its review of the housing unit.

c. Performing the visual review of the housing unit to determine the presence of damage to the home that may be attributed to a national disaster declaration. The review will include the observations and documentation (written and photographic) of findings of disaster-related damage to the following:

i. Foundation;

ii. Exterior walls;

iii. Exterior wall finishes;

iv. Windows and doors;

v. Roof system (roof coverings, deck, joists, tie downs, diaphragms, penetrations, flashing, and closures);

vi. Floor system and structure;

vii. Electrical system components;

viii. Plumbing system components;

ix. Heating, ventilation and air conditioning system;

x. Interior wall finishes;

xi. Interior fixtures and components;

xii. Porches;

xiii. Exterior stairs and ramps;

xiv. Miscellaneous items not covered by the above such as septic systems, chimneys/fireplaces, etc.

d. The results of the Disaster Damage Assessment will be provided according to the GLO sample provided in the GLO issued Damage Assessment Guidelines. The damage inspectors report will include:

i. The reviewer's name;

ii. The property address;

iii. The homeowner's name;

iv. A checklist of housing components that may have received disaster damage, if any;

v. A narrative that specifically and clearly documents disaster-related property damage via photographic evidence and detailed narratives of the damage; and

vi. The reviewer's certification, signature, and date of review.

The results of the disaster damage assessment may be provided in a format similar to the *11.01 or 11.01A* forms. The *11.01A, Initial Inspection Checklist, Short* will be completed for homes that have received disaster-damage that obviously cannot be rehabilitated. *Form 11.01*, will be completed in accordance with the guidance contained in HQS 52580.

ii. Estimated Cost of Repair Inspection (Work Write-Up).

a. Assist in providing an estimated cost of repair inspections with the damage assessments. Upon notification that a property has been determined eligible for Program assistance, the respondent will prepare an Estimated Cost of Repair ("ECR") for the program-eligible repairs.

b. ECRs will be developed to include repair of damage that could reasonably be attributed to the disaster event and repairs to bring the home into compliance with HUD Housing Quality Standards, local, state and federal building codes. The scopes of repair will be developed to include work items necessary for the identified repairs to be performed in accordance with the International Residential Code, 2009 Edition (where required) and to meet the GLO's Minimum Housing Design Standards.

c. Assistance to the subrecipient may include:

i. Contact the Homeowner to schedule a date and time to perform the field review.

ii. Travel to the project site.

iii. Perform the visual review of the housing unit to determine the approximate amount and extent of damage to the home. The review will include the observations and documentation (written and photographic) of findings of disaster-related damage if not already documented.

iv. Develop a Scope of Repair to address the observed damage and initially determine the applicability of the proposed repairs to the criteria of the Program. The draft Scope of Repair will include:

a. a summary list of items to be addressed;

b. a basic description of the repair approach for each item;

c. estimated item quantities; and

d. site photographs.

iii. Consider the following in preparation of the ECR:

a. the specific materials needed;

b. the quantity of those materials;

c. trades involved;

d. the level of effort and duration for each trade;

e. estimated rates and manpower; and

f. equipment required to accomplish each of the identified repairs.

iv. Utilize the following to develop the ECR:

a. current industry cost standards as identified by Xactimate or RSMeans price lists for the project location;

b. experience with projects of similar size and scope; and

c. knowledge of the local market rates and conditions.

v. Summarize the data and findings into the final ECR and will furnish a copy of the ECR to the applicable subrecipient. The final ECR will include the following:

   a. A completed *Form 11.17, Work Write-up and Cost Estimate* containing a general scope of repair and summary of construction costs.

vi. Assist the subrecipient with Rehabilitation Inspections at:

   a. 50% complete progress inspection

   b. A final inspection at 100% complete

vii. Assist the subrecpieint with reconstruction inspections at:

   a. Foundation

   b. 33% complete progress inspection

   c. 66% complete progress inspection

   d. A final inspection at 100% complete

viii. Upon notification of a home being ready for a Construction Review, the provider may contact the homeowner and contractor to schedule a date and time to perform the Review.

   a. Travel to the project site.

   b. Conduct on-site observations (field review) of the work completed. The purpose of the field review is to observe and document: the progress of the work; the estimated quantity and value of work accomplished to date; the materials and workmanship utilized; the general conformance to the agreed upon Scope of Repairs (Scope); and identify items necessary for completion. During the field review, the provider may observe work which, in its opinion, does not conform generally to the agreed upon Scope or may compromise the integrity of the repair. The provider may recommend rejection of this work.

Upon completion of the field review, the provider may summarize and present the findings of the field review to include:

   a. Estimated amounts owed to the Contractor.

b. Items of work that are incomplete (Punch List items).

c. Other items of work that may be required by the apparent intent of the Scope that is not included in the Scope.

c) Environmental Services

i. The provider may assist the subrecipient in performing environmental reviews and documentation for HUD compliance in connection with the Program. The provider will provide services for the preparation of Environmental Review Records (ERR) in accordance with the standards set forth by HUD and the statutes, executive orders, and regulations listed at 24 CFR Part 58.

ii. The provider may submit a request for Special Services to subrecipient if environmental document review and site inspections indicate that additional investigation is warranted.

iii. Special services may include, but are not limited to the following tasks:

a. Archeological study required by SHPO;

b. Lead-based paint and/or asbestos inspection; and

c. Wetlands assessment.

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to the Project, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider and is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301 *et seq*.);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual;

Plan for Disaster Recovery

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d *et seq*.); 24 C.F.R. Part l, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e *et seq*.);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. 3601 *et seq*.), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C. F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The

failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq*.); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. 276a-276a-5 and re-codified at 40 U.S.C. 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. 874 and re-codified at 40 U.S.C. 3145): 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. § 327A and 330 and re-codified at 40 U.S.C. 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended;

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C.1701u): 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212); and

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended;

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c);

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and the procedures established by TDRA thereunder.

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R. 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.)*, particularly section 3 (16 U.S.C. 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and

Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24,1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121 particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h-3(e); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. part 149.).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. 1278(b) and (c).

AIR QUALITY

The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. 7506(c) and (d).

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 C.F.R. parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture-7 C.F.R. part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. part 51) (other than the runway clear zone and clear zone notification requirement in 24 C.F.R. 51.303(a)(3); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979).

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994 --- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 CFR, 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. Section 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. Section 570.606.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

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TRAVELERS

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MISCELLANEOUS PROFESSIONAL LIABILITY DECLARATIONS

POLICY NO. **106982718**

Travelers Casualty and Surety Company of America
Hartford, Connecticut
(A Stock Insurance Company, herein called the Company)

THE LIABILITY COVERAGES ARE WRITTEN ON A CLAIMS-MADE BASIS. THE LIABILITY COVERAGES COVER ONLY CLAIMS FIRST MADE AGAINST INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

ITEM 1	**NAMED INSURED:** **LANGFORD COMMUNITY MANAGEMENT SERVICES, INC** D/B/A: Principal Address: **2901 COUNTY ROAD 175** **LEANDER, TX 78641-1608**
ITEM 2	**POLICY PERIOD:** Inception Date: **September 18, 2019** Expiration Date: **September 18, 2021** 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.
ITEM 3	**ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:** **Email: BSIclaims@travelers.com** **Fax: (888) 460-6622** **Mail: Travelers Bond & Specialty Insurance Claim** **385 Washington St. – Mail Code 9275-NB03F** **St Paul, MN 55102**
ITEM 4	**COVERAGE INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:** Miscellaneous Professional Liability Coverage

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ITEM 5

Only those coverage features marked "☒ Applicable" are included in this policy.

MISCELLANEOUS PROFESSIONAL LIABILITY

Limits of Liability:	**$1,000,000**	for each **Claim**; not to exceed
	$1,000,000	for all **Claims**
Additional Defense Coverage:	☐ Applicable	☒ Not Applicable
Additional Defense Limit of Liability:	**Not Covered**	for all **Claims**
Retention:	**$2,500**	for each **Claim**
Prior and Pending Proceeding Date:	**September 18, 2018**	
Retroactive Date:	**September 18, 2018**	
Continuity Date:	**September 18, 2018**	
Professional Services:	**Grant Writing and Administration**	

ITEM 6

PREMIUM FOR THE POLICY PERIOD:

$5,862.00	Policy Premium
$2,931.00	Annual Installment Premium

ITEM 7

TYPE OF LIABILITY COVERAGE:

☐ Reimbursement

☒ Duty-to-Defend

Only the type of liability coverage marked "☒" is included in this policy.

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ITEM 8	**LIABILITY COVERAGE EXTENDED REPORTING PERIOD:** Additional Premium Percentage: **75 %** Additional Months: **12** (If exercised in accordance with section **III. CONDITIONS, O. EXTENDED REPORTING PERIOD** of the Liability Coverage Terms and Conditions)
ITEM 9	**LIABILITY COVERAGE RUN-OFF EXTENDED REPORTING PERIOD:** Additional Premium Percentage: **Not Applicable** Additional Months: **Not Applicable** (If exercised in accordance with section **III. CONDITIONS, K. CHANGE OF CONTROL** of the Liability Coverage Terms and Conditions)
ITEM 10	**ANNUAL REINSTATEMENT OF THE LIABILITY COVERAGE LIMIT OF LIABILITY:** ☒ Applicable ☐ Not applicable Only those coverage features marked "☒ Applicable" are included in this policy.
ITEM 11	**FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:** **ACF-7006-0511; LIA-3001-0109; LIA-19097-0315; LIA-4028-0912; MPL-3001-0109; MPL-7003-0109; LIA-5041-1107**

THE DECLARATIONS, THE APPLICATION, THE LIABILITY COVERAGE TERMS AND CONDITIONS, THIS LIABILITY COVERAGE, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE INSURED.

_____
Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

Thomas M. Kunkel
Executive Vice President

Wendy C. Shiba
Corporate Secretary

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TRAVELERS

June 10, 2019

LANGFORD COMMUNITY MANAGEMENT SERVICES, INC
2901 COUNTY ROAD 175
LEANDER, TX 78641-1608

Re: Important Information about **Claims Information Line**

Dear **LANGFORD COMMUNITY MANAGEMENT SERVICES, INC**

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

·The information that needs to be included with the claim notice

·The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information

· Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.

Best regards,

Brian D Martin

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TRAVELERS

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MISCELLANEOUS PROFESSIONAL LIABILITY DECLARATIONS

POLICY NO. **106982718**

Travelers Casualty and Surety Company of America
Hartford, Connecticut
(A Stock Insurance Company, herein called the Company)

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MISCELLANEOUS PROFESSIONAL LIABILITY

Limits of Liability:	**$1,000,000**	for each **Claim**; not to exceed
	$1,000,000	for all **Claims**
Additional Defense Coverage:	☐ Applicable	☒ Not Applicable
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_____
Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

Thomas M. Kunkel — Executive Vice President

Wendy C. Shiba — Corporate Secretary

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TRAVELERS

June 10, 2019

LANGFORD COMMUNITY MANAGEMENT SERVICES, INC
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LEANDER, TX 78641-1608

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Brian D Martin

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TRAVELERS

One Tower Square
Hartford, CT 06183

06/10/2019

LANGFORD COMMUNITY MANAGEMENT SERVICES, INC

2901 COUNTY ROAD 175
LEANDER, TX 78641-1608

RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance (www.rmplusonline.com)

As a Travelers Bond & Specialty Insured you receive risk management services, at no additional cost, to help protect you and your business.

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, directors and officers, fiduciary liability, cyber, crime, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

- Thousands of articles on a variety of risk management topics
- Topical webinars and podcasts on current issues
- Checklists to assist in managing risk
- Web based training
- Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace.

The following Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization.

Instructions for Registration & Orientation to Risk Management PLUS+ Online®

Registration for Site Administrators:
The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to www.rmplusonline.com.
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP110000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:
1. Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

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TRAVELERS

Risk Management Helpline for Miscellaneous Professional Liability

Too often in today's increasingly litigious environment, as a professional, you can find yourself caught in the middle of a potential conflict with a customer or even a third party. To address these growing exposures, now more than ever, Travelers understands that you need high-quality risk management services provided by your professional liability carrier. Travelers is pleased to now offer a risk management helpline that provides up to one hour of free consultative risk management services through Litchfield Cavo, a premier professional liability defense law firm.* The helpline is confidential, and neither your identity nor any identifying details of your issue or question are disclosed to Travelers.

Risk management topics

The helpline has been structured to provide you with access to a confidential, knowledgeable and expert resource on a wide range of risk management topics, including:

- Risk management systems and procedures
- Ethics and professionalism
- Malpractice avoidance
- Customer relationships and conflicts
- Firm management, policies and procedures

Helpline instructions

The helpline can be accessed by any current Travelers insured with Miscellaneous Professional Liability coverage.

Call: 1.888.330.TRAV (8728)
Hours of operation: Monday – Friday, 8:00 a.m. – 5:00 p.m. EST (excluding holidays)

After taking relevant details and analyzing the problem, a legal professional from Litchfield Cavo will return your call and discuss the matter for up to one hour, at no cost to you or your firm.

* Assistance from Litchfield Cavo attorneys is not intended to replace your firm's need to hire counsel to assist in making risk management decisions.

About Litchfield Cavo

Litchfield Cavo is a defense-oriented law firm based in Chicago, Ill, with offices in nine states and over 150 lawyers. Their lawyers are highly experienced in professional liability defense matters.

Note: This service is available for consultation purposes only and is not to discuss actual claim situations. Any actual or potential claims must be reported to the Travelers Bond & Financial Products Claim department.

Please keep this card for easy access to Travelers risk management helpline:

TRAVELERS

Travelers helpline: 1.888.330.TRAV (8728)

Policy number: 106982718

Effective date: 09/18/2019

Website: rmplusonline.com

TRAVELERS

travelersbond.com

The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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TRAVELERS

One Tower Square
Hartford, CT 06183

06/10/2019

LANGFORD COMMUNITY MANAGEMENT SERVICES, INC

2901 COUNTY ROAD 175
LEANDER, TX 78641-1608

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Independent Agent And Broker Compensation Notice

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html.

Or write or call:

Travelers, Agency Compensation
One Tower Square
Hartford, Connecticut 06183

(866) 904.8348

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Texas Insurer And Insurance Department Contact Information Notice

For information about this policy or to make a complaint, call Travelers toll-free at: 800.328.2189. Or write to Travelers at:

Travelers
One Tower Square
Hartford, Connecticut 06183

You may also contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at: 800.252.3439.

You may write the Texas Department of Insurance at:

Texas Department of Insurance
PO Box 149104
Austin, TX 78714-9104

Web: www.tdi.texas.gov

E-mail: pcintakeunit@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact your Agent or Travelers. If the dispute is not resolved, you may contact the Texas Department of Insurance.

AVISO IMPORTANTE –

INFORMACIÓN O QUEJAS - TEXAS

Usted puede llamar al numero de telefono gratis de Travelers para información o para someter una queja al: 800.328.2189.

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de companias, coberturas, derechos o quejes al: 800.252.3439.

Puede escribir al

Departamento de Seguros de Texas
PO Box 149104
Austin, TX 78714-9104

Web: www.tdi.texas.gov

E-mail: pcintakeunit@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el Agente o Travelers primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de Información y no se convierte en parte o condicion del documento adjunto.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REMOVAL OF SHORT-RATE CANCELLATION ENDORSEMENT

This endorsement changes the following:
Miscellaneous Professional Liability

It is agreed that:

In any cancellation, termination or non-renewal provision, any reference to computing a premium on a short rate basis is replaced with a reference to computing such premium on a pro-rata basis.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **106982718**

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TRAVELERS

LIABILITY COVERAGE TERMS AND CONDITIONS

THIS IS A CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE COVERAGE LIMITS. PLEASE READ THE POLICY CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the **Application,** subject to the Declarations, and pursuant to all the terms, conditions, exclusions and limitations of this **Policy**, the Company and the Insureds agree as follows:

I. GENERAL

These **Liability Coverage** Terms and Conditions apply to all **Liability Coverages**. Unless otherwise stated to the contrary, the terms and conditions of each **Liability Coverage** apply only to that particular **Liability Coverage**. If any provision in these Liability Coverage Terms and Conditions is inconsistent or in conflict with the terms and conditions of any particular **Liability Coverage**, such **Liability Coverage's** terms, conditions, and limitations will control for purposes of that **Liability Coverage**.

II. DEFINITIONS

Wherever appearing in this **Liability Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this Section II. DEFINITIONS:

A. ***Additional Defense Limit of Liability*** means the amount set forth in ITEM 5 of the Declarations for each applicable **Liability Coverage**. If "*Not Applicable*" is shown as the amount of any **Liability Coverage's Additional Defense Limit of Liability**, then any reference to the **Additional Defense Limit of Liability** will be deemed to be deleted from such **Liability Coverage**.

B. ***Annual Reinstatement of the Liability Coverage Limit of Liability*** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable **Liability Coverage Limit of Liability** or, if applicable, the **Liability Coverage Shared Limit of Liability** for each applicable **Liability Coverage** for each **Policy Year** during the **Policy Period**.

C. ***Application*** means the application deemed to be attached to and forming a part of this **Liability Policy**, including any materials submitted and statements made in connection with that application. If the **Application** uses terms or phrases that differ from the terms defined in this **Liability Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Liability Policy** will waive or change any of the terms, conditions and limitations of this **Liability Policy**.

D. ***Change of Control*** means:

1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
2. the obtaining by any person, entity or affiliated group of persons or entities the right to elect, appoint or designate more than fifty percent (50%) of the board of directors, board of trustees, board of managers, or functional equivalent thereof or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Named Insured**.

E. ***Claim*** has the meaning set forth in the applicable **Liability Coverage**.

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F. ***Defense Expenses*** means reasonable and necessary legal fees and expenses incurred by the Company or the **Insured**, with the Company's consent, in the investigation, defense, settlement and appeal of a **Claim**, including but not limited to, cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such **Claim**; provided, that **Defense Expenses** will not include the salaries, wages, benefits or overhead of, or paid to, any **Insured** or any employee of such **Insured**.

G. ***Executive Officer*** has the meaning set forth in the applicable **Liability Coverage**.

H. ***Financial Insolvency*** means, with respect to the **Insured Organization** or any **Outside Entity**, the appointment of a receiver, conservator, liquidator, trustee, or similar official; or the inability of the **Insured Organization** or **Outside Entity** financially to indemnify the **Insured Persons**.

I. ***Foreign Parent Corporation*** means any entity incorporated outside the United States, which owns more than fifty percent (50%) of the outstanding securities or voting rights representing the right to vote for the election of, or to appoint the **Named Insured's** board of directors, board of trustees or board of managers, or to exercise a majority control of the board of directors, board of trustees or board of managers of the **Named Insured**.

J. ***Insured*** has the meaning set forth in the applicable **Liability Coverage**.

K. ***Insured Organization*** has the meaning set forth in the applicable **Liability Coverage**.

L. ***Insured Person*** has the meaning set forth in the applicable **Liability Coverage**.

M. ***Liability Coverage*** means, individually or collectively, the **Liability Coverages** that have been purchased, as indicated in ITEM 4 of the Declarations.

N. **Liability Coverage Limit of Liability** means the amount set forth in ITEM 5 of the Declarations for each applicable **Liability Coverage**.

O. ***Liability Coverage Shared Limit of Liability*** means the amount set forth in ITEM 12 of the Declarations. If "*Not Applicable"* is shown in ITEM 12 of the Declarations or ITEM 4 of the Declarations indicates that only one **Liability Coverage** is included in this **Liability Policy**, any reference to either the **Liability Coverage Shared Limit of Liability** or ITEM 12 of the Declarations will be deemed to be deleted from this **Liability Policy**.

P. ***Liability Policy*** means, collectively, the Declarations, the **Application**, the Liability Coverage Terms and Conditions, each purchased **Liability Coverage**, and any endorsements attached thereto.

Q. ***LLC Manager*** means any natural person who was, is or becomes a manager, member of the board of managers, or a functionally equivalent executive of an **Insured Organization** that is a limited liability company.

R. ***Loss*** has the meaning set forth in the applicable **Liability Coverage**.

S. ***Named Insured*** means any entity named in ITEM 1 of the Declarations.

T. ***Policy Period*** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Liability Policy**.

U. ***Policy Year*** means:

1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof;
2. the time between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Liability Policy** if such time period is less than one year;

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3. with respect to a **Liability Coverage** added to this **Liability Policy** after the Inception Date set forth in ITEM 2, the time between the inception date of such **Liability Coverage** and any anniversary of this **Liability Policy** if the time between the inception date of such **Liability Coverage** and any anniversary of this **Liability Policy** is less than one year; and
4. with respect to a **Liability Coverage** added to this **Liability Policy** after the Inception Date set forth in ITEM 2, the time between the inception date of such **Liability Coverage** and the effective date or cancellation or termination of this **Liability Policy,** if such time is less than one year.

V. ***Pollutant*** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

W. ***Potential Claim*** means any **Wrongful Act** that may subsequently give rise to a **Claim**.

X. ***Related Wrongful Act*** means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.

Y. ***Subsidiary*** has the meaning set forth in the applicable **Liability Coverage**.

Z. ***Wage and Hour Law*** means any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time, minimum wages, meals, rest breaks or the classification of employees for the purpose of determining employees' eligibility for compensation under such law(s).

AA. ***Wrongful Act*** has the meaning set forth in the applicable **Liability Coverage**.

III. CONDITIONS

A. TERRITORY

This **Liability Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world.

B. RETENTION

The **Insured** shall bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of **Loss.**

If any **Claim** gives rise to coverage under a single **Liability Coverage**, the Company has no obligation to pay **Loss**, including **Defense Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under a single **Liability Coverage**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under such **Liability Coverage**.

If any **Claim** gives rise to coverage under two or more **Liability Coverages**, the Company shall have no obligation to pay **Loss**, including **Defense Expenses**, until the largest Retention that is applicable to such **Claim** under such **Liability Coverages** has been paid by the **Insured**.

No Retention will apply to an **Insured Person** if indemnification by the **Insured Organization** is not permitted by law or if the **Insured Organization** is unable to make such indemnification solely by reason of its **Financial Insolvency**. The **Insured Organization** will be conclusively deemed to have indemnified all **Insured Persons** to the extent that the **Insured Organization** is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the **Insured Organization**.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Company any amounts so paid.

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C. LIMITS OF LIABILITY

1. Liability Coverage Limit of Liability

   Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Liability Coverage Shared Limit of Liability** or **Annual Reinstatement of the Liability Coverage Limit of Liability**:

   a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** under each applicable **Liability Coverage** will not exceed the remaining **Liability Coverage Limit of Liability** stated in ITEM 5 of the **Declarations** for each applicable **Liability Coverage**; and

   b. in the event that a **Claim** triggers more than one **Liability Coverage**, the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for any such **Claim** will not exceed the sum of the remaining **Liability Coverage Limits of Liability** of the applicable **Liability Coverages**.

2. Liability Coverage Shared Limit of Liability

   Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established; and further subject to any applicable **Annual Reinstatement of the Liability Coverage Limit of Liability**, if ITEM 4 of the Declarations indicates that more than one **Liability Coverage** has been purchased and a **Liability Coverage Shared Limit of Liability** is shown in ITEM 12 of the Declarations:

   a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** under all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the Declarations, will not exceed the remaining **Liability Coverage Shared Limit of Liability**; and

   b. if the **Liability Coverage Shared Limit of Liability** is exhausted by the payment of amounts covered under any **Liability Coverage** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the Declarations, the premium for all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the Declarations, will be fully earned, all obligations of the Company under all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the Declarations, will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligations of any kind or nature whatsoever under any **Liability Coverage** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the Declarations.

3. Annual Reinstatement of the Liability Coverage Limit of Liability

   Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the Declarations includes an **Annual Reinstatement of the Liability Coverage Limit of Liability**:

   a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the remaining **Liability Coverage Limit of Liability** stated in ITEM 5 of the Declarations for each applicable **Liability Coverage** or, if applicable, the remaining **Liability Coverage Shared Limit of Liability**; and

   b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining **Liability Coverage Limit of Liability** or, if applicable, the **Liability Coverage Shared Limit of Liability** for the last **Policy Year** in effect at the time of the termination or cancellation of the **Liability Coverage** or the **Change of Control**.

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4. Other Provisions

Payment of **Defense Expenses** will reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Company's liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for **Loss** , including **Defense Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If a **Liability Coverage Limit of Liability** is exhausted by the payment of amounts covered under such **Liability Coverage**, the premium for such **Liability Coverage** will be fully earned, all obligations of the Company under such **Liability Coverage** will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligations of any kind or nature whatsoever under such **Liability Coverage**.

D. ADDITIONAL DEFENSE COVERAGE

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that any **Liability Coverage** includes Additional Defense Coverage, **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of any **Claim** made during the **Policy Period** under any such **Liability Coverage** will apply first to and reduce the **Additional Defense Limit of Liability**. The **Additional Defense Limit of Liability** will be in addition to, and not part of, such **Liability Coverage's** applicable **Liability Coverage Limit of Liability** or **Liability Coverage Shared Limit of Liability**, if applicable. The **Additional Defense Limit of Liability** is applicable to **Defense Expenses** only. If the **Annual Reinstatement of the Liability Coverage Limit of Liability** is applicable, the **Additional Defense Limit of Liability** will be reinstated for each **Policy Year**.

Upon exhaustion of the Additional Defense Limit of Liability:

1. **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Company or the **Insured** , with the Company's consent, of **Defense Expenses** reduces any applicable limit of liability.

E. CLAIM DEFENSE

1. If Duty-to-Defend coverage is provided with respect to this **Liability Policy** as indicated in ITEM 7 of the Declarations, the Company will have the right and duty to defend any **Claim** covered by a **Liability Coverage**, even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**; provided, that the Company will not be obligated to defend or to continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.
2. If Reimbursement coverage is provided with respect to this **Liability Policy** as indicated in ITEM 7 of the Declarations:
   a. the Company will have no duty to defend any **Claim** covered by a **Liability Coverage**. It will be the duty of the **Insured** to defend such **Claims**; and the Company will have the right to participate with the **Insured** in the investigation, defense and settlement, including the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such **Liability Coverage** and the selection of appropriate defense counsel; and
   b. upon written request, the Company will advance **Defense Expenses** with respect to such **Claim**. Such advanced payments by the Company will be repaid to the Company by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** are not entitled to payment of such **Defense Expenses** under such **Liability Coverage**. As a condition of any payment of **Defense Expenses** under this subsection, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such **Liability Coverage**.

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3. The **Insured** agrees to cooperate with the Company and, upon the Company's request, assist in making settlements and in the defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under such **Liability Coverage**, will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

F. INSURED'S DUTIES IN THE EVENT OF A CLAIM

The **Insured's** duty to report a **Claim** commences on the earliest date a written notice thereof is received by an **Executive Officer.** If an **Executive Officer** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Liability Policy,** must give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable. The **Insured** agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices under this subsection must be sent by mail or prepaid express courier to the address set forth in ITEM 3 of the Declarations and will be effective upon receipt. The **Insured** agrees not to voluntarily settle any **Claim**, make any settlement offer, assume or admit any liability or, except at the **Insured's** own cost, voluntarily make any payment, pay or incur any **Defense Expenses**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, **Defense Expenses**, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an **Insured** becomes aware of a **Potential Claim** and gives the Company written notice of the particulars of such **Potential Claim,** including all facts related to the **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act** , the dates of the alleged events, and the reasons for anticipating a **Claim** , as soon as practicable during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any **Claim** subsequently made against any **Insured** arising out of such **Wrongful Act** will be deemed to have been made during the **Policy Period**.

All notices under this subsection must be sent by mail or prepaid express courier to the address set forth in ITEM 3 of the Declarations and will be effective upon receipt.

H. RELATED CLAIMS

All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable, for purposes of this **Liability Policy**. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made at the time the first of such **Claims** or **Potential Claims** for **Related Wrongful Acts** was made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SUBROGATION

In the event of payment under this **Liability Policy**, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

J. RECOVERIES

All recoveries from third parties for payments made under this **Liability Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;

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3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

K. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defense Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such event. After any such event, the **Liability Policy** may not be canceled by the **Named Insured** and the entire premium for the **Liability Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Named Insured** will have the right to give the Company notice that it desires to purchase a Run-Off Extended Reporting Period for any **Liability Coverage** for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by such **Liability Coverage**, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability; and
2. the Company's total liability for all **Claims** made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of the applicable **Liability Coverage**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty (30) days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in Section III. CONDITIONS O. EXTENDED REPORTING PERIOD of these Liability Coverage Terms and Conditions will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Named Insured** will have the right to purchase the Extended Reporting Period under the terms of Section III. CONDITIONS O. EXTENDED REPORTING PERIOD of these Liability Coverage Terms and Conditions.

If, at any time during the **Policy Period**, the **Insured Organization** eliminates or reduces its ownership interest in, or control over a **Subsidiary**, such that it no longer meets the definition of a **Subsidiary**, coverage will continue for such entity but only with regard to **Claims** for **Wrongful Acts** which occurred wholly during the time that the entity was a **Subsidiary**.

L. ACQUISITIONS

If, during the **Policy Period**, the **Insured Organization** acquires or forms a **Subsidiary**, this **Liability Policy** will provide coverage for such **Subsidiary** and its respective **Insured Persons**, subject to all other terms and conditions of this **Liability Policy**, provided written notice of such acquisition or formation has been given to the Company, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within ninety (90) days after the effective date of such formation or acquisition. Coverage for such **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Named Insured** has paid the Company any additional premium as may be required by the Company.

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The 90-day notice requirement and the 90-day limitation of coverage will not apply provided that: (1) the assets of the acquired or formed **Subsidiary** do not exceed 30% of the total assets of the **Insured Organization** as reflected in the **Insured Organization's** most recent fiscal year-end financial statement; or (2) the acquisition or formation occurs less than 90 days prior to the end of the **Policy Period**.

M. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Liability Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a "Domestic Partner") of an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse or Domestic Partner results from a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the Domestic Partner; and
2. such **Insured Person** and his or her spouse or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse or Domestic Partner of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Liability Policy** than the **Insured Person** to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or Domestic Partner of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.

N. FOREIGN PARENT CORPORATION COVERAGE

This **Liability Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply coverage for **Defense Expenses** resulting from any **Claim** made against a **Foreign Parent Corporation**, but only if and so long as:

1. such **Claim** results from a **Wrongful Act** actually or allegedly committed solely by any **Insured**;
2. such **Insured** and the **Foreign Parent Corporation** are represented by the same counsel in connection with such **Claim**; and
3. such **Insured** is included as a co-defendant.

No **Foreign Parent Corporation** will, by reason of this subsection, have any greater right to coverage under this **Liability Policy** than any **Insured**.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a **Foreign Parent Corporation** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such **Foreign Parent Corporation** or any member of the board of directors, officer, employee, or functional equivalent thereof.

O. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of any Liability Coverage for any reason other than nonpayment of premium, the **Named Insured** may give the Company written notice that it desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by such **Liability Coverage**, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability; and
2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation;

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The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of the applicable **Liability Coverage**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation.

P. ALLOCATION

1. If Duty-to-Defend coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under any **Liability Coverage** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by such **Liability Coverage** and also loss that is not covered by such **Liability Coverage** because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, then such covered **Loss** and uncovered loss will be allocated as follows:
   a. one hundred percent (100%) of **Defense Expenses** incurred by the **Insureds** who are afforded coverage for such **Claim** will be allocated to covered **Loss**; and
   b. all loss other than **Defense Expense** will be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under such **Liability Coverage**. In making such a determination, the **Insured Organization**, the **Insured Persons** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of the applicable **Liability Coverage** and applicable law.
2. If Reimbursement coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under any **Liability Coverage** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by such **Liability Coverage** and also loss that is not covered by such **Liability Coverage** because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, the **Insureds** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In making such a determination, the parties will take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under the applicable **Liability Coverage**. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of the applicable **Liability Coverage** and applicable law.

Q. CANCELLATION

The Company may cancel this **Liability Policy** for failure to pay a premium when due, in which case twenty (20) days written notice will be given to the **Named Insured**, unless, payment in full is received within twenty (20) days of the **Named Insured's** receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Liability Policy** was in effect.

Subject to the provisions set forth in Section III. CONDITIONS K. CHANGE OF CONTROL, the **Named Insured** may cancel any **Liability Coverage** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. In the event the **Named Insured** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

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The Company will not be required to renew this **Liability Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least thirty (30) days before the Expiration Date set forth in ITEM 2 of the Declarations.

R. ACTION AGAINST THE COMPANY

No action will lie against the Company unless there has been full compliance with all of the terms of this **Liability Policy**.

No person or organization has any right under this **Liability Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

S. CHANGES

Only the **Named Insured** is authorized to make changes in the terms of this **Liability Policy** and solely with the Company's prior written consent. This **Liability Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Liability Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or change to any part of this **Liability Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Liability Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Liability Policy** issued by the Company.

T. ASSIGNMENT

This **Liability Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

U. REPRESENTATIONS

By acceptance of the terms set forth in this **Liability Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Liability Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue with respect to any **Liability Coverage**, such **Liability Coverage** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;
2. any **Insured Organization**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and
3. any **Insured Organization**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Liability Policy**, contained any such untrue statement or representation.

V. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Liability Policy** was issued, to make any changes in the form of this **Liability Policy**, by which the insurance afforded by this **Liability Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

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W. AUTHORIZATION

By acceptance of the terms herein, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Named Insured**; provided, that nothing herein will relieve the **Insureds** from giving any notice to the Company that is required under this **Liability Policy**.

X. ENTIRE AGREEMENT

The Declarations, the **Application**, the Liability Coverage Terms and Conditions, each **Liability Coverage**, and any endorsements attached thereto, constitute the entire agreement between the Company and the **Insured**.

Y. HEADINGS

The titles of the various paragraphs of this **Liability Policy** and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Liability Coverage Terms and Conditions

It is agreed that:

1. The following is added to section **II. DEFINITIONS**:

   Financial Interest means the **Named Insured's** insurable interest in an **Insured Organization** that is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, as a result of the **Named Insured's**:

   1. ownership of the majority of the outstanding securities or voting rights of such **Insured Organization** representing the present right to elect, appoint, or exercise a majority control over such **Insured Organization's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;

   2. indemnification of, or representation that it has an obligation to indemnify, such **Insured Organization** for **Loss** incurred by such **Insured Organization**; or

   3. election or obligation to obtain insurance for such **Insured Organization**.

2. The following is added to section **III. CONDITIONS**:

   SANCTIONS

   This **Liability Policy** will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

3. The following replaces section **III. CONDITIONS**, **A. TERRITORY**:

   A. TERRITORY AND VALUATION

   1. This **Liability Policy** applies anywhere in the world; provided, this **Liability Policy** does not apply to **Loss** incurred by an **Insured**, or a **Foreign Parent Corporation**, residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

   2. In the event an **Insured Organization** incurs **Loss** referenced in 1. above to which this insurance would have applied, the Company will reimburse the **Named Insured** for its **Loss**, on account of its **Financial Interest** in such **Insured Organization**. As a condition precedent to such reimbursement, or any rights under this **Liability Policy**, the **Named Insured** will cause the **Insured Organization** or its **Insured Persons** to comply with the conditions of this **Liability Policy**.

   3. All premiums, Limits of Liability, Retention, **Loss**, and other amounts under this **Liability Policy** are expressed and payable in the currency of the United States. If a judgment is rendered, settlement is denominated, or another element of **Loss** under this **Liability Policy** is stated in a currency other than United States dollars, payment under this **Liability Policy** will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Loss** is due, respectively.

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4. The following is added to section **III. CONDITIONS**, **E. CLAIM DEFENSE**:

   In the event of a **Claim** against an **Insured** or **Foreign Parent Corporation** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance and if Duty-to-Defend coverage is provided with respect to this **Liability Policy** as indicated in ITEM 7 of the Declarations, the Company will have the right and duty to defend such **Claim** as set forth in this section III. CONDITIONS, E. CLAIM DEFENSE, 1. to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

   If the Company is prohibited from defending such **Claim** or if Reimbursement coverage is provided with respect to this **Liability Policy** as indicated in ITEM 7 of the Declarations, then this section III. CONDITIONS, E. CLAIM DEFENSE, 2. applies to such **Claim**; provided, any such **Claim** is subject to section III. CONDITIONS, P. ALLOCATION, 2.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES ENDORSEMENT

This endorsement changes the following:

Liability Coverage Terms and Conditions

It is agreed that:

1. The following replaces the first paragraph of section **III. CONDITIONS**, **O. EXTENDED REPORTING PERIOD**:

   At any time prior to or within 60 days after the effective date of termination or cancellation of any **Liability Coverage** for any reason other than nonpayment of premium, the **Named Insured** may give the Company written notice that it desires to purchase an Extended Reporting offered by the company. Such offering will include a period of 12 months for all **Liability Coverages** that are part of this **Liability Policy**, following the effective date of termination or cancellation of any **Liability Coverage**, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation of any **Liability Coverage** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation of any **Liability Coverage** and which otherwise would be covered by such **Liability Coverage**, subject to the following provisions:

   1. such Extended Reporting Period will not provide a new, additional, or renewed limit(s) of liability; and

   2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of termination or cancellation of any **Liability Coverage**.

2. The following replaces section **III. CONDITIONS**, **U. REPRESENTATIONS**:

   U. REPRESENTATIONS

   By acceptance of the terms set forth in this **Liability Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that this **Liability Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

   If it is established by judicial adjudication through a trial of the underlying facts that any statement or representation in the **Application** to this **Liability Policy** is (i) untrue and (ii) material with respect to any **Liability Coverage**, such **Liability Coverage** is void and of no effect whatsoever, with respect to:

   1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;

   2. any **Insured Organization**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and

   3. any **Insured Organization**, if the person who signed the **Application** knew that the statement or representation was untrue.

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Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Liability Policy**, contained any such untrue statement or representation.

3. The following is added to the Liability Coverage Terms and Conditions:

Throughout the **Liability Policy** and any endorsements abuse means an act which is committed with the intent to cause harm.

4. The following is added to the Liability Coverage Terms and Conditions:

AUTOMATIC REPORTING PERIOD

If the **Insured** or the Company nonrenews or terminates this **Liability Policy** or any Insuring Agreement made part of this **Liability Policy**, except for termination due to non-payment of premium, coverage provided under this **Liability Policy** or such Insuring Agreement shall be automatically extended for the period of 30 days following the effective date of such nonrenewal or termination, (herein called the “Automatic Reporting Period”), but only with respect to a **Wrongful Act** otherwise covered thereunder taking place before the effective date of such nonrenewal or termination. Any Claim made during the Automatic Reporting Period shall be deemed to have been made during the **Policy Year** immediately preceding the Automatic Reporting Period.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**
Policy Number: **106982718**

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TRAVELERS

MISCELLANEOUS PROFESSIONAL LIABILITY

THIS IS A CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ ALL TERMS CAREFULLY.

I. INSURING AGREEMENTS

A. The Company will pay on behalf of the **Insured, Loss** for any **Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period for a **Wrongful Act**.

B. The Company will reimburse the **Insured** for **Disciplinary Proceeding Expenses** incurred in responding to a **Disciplinary Proceeding** commenced during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period. The maximum amount available for **Disciplinary Proceeding Expenses** will be $25,000 for each **Policy Period**, regardless of the number of **Disciplinary Proceedings**, and any payment made hereunder will not be subject to a Retention and will not reduce any applicable limit of liability.

II. DEFINITIONS

Wherever appearing in this **Liability Coverage**, the following words and phrases appearing in bold type have the meanings set forth in this section **II. DEFINITIONS**:

A. ***Claim*** means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a formal administrative or regulatory proceeding, other than a **Disciplinary Proceeding**, commenced by filing of a notice of charges, formal investigative order, service of summons, or similar document;
4. an arbitration, mediation, or other alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
5. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** for a **Wrongful Act**.

A **Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of a **Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Claim** until after the **Policy Period** has expired, then such **Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Claim**.

B. ***Disciplinary Proceeding*** means any proceeding by a regulatory or disciplinary official, board, or agency to investigate charges of professional misconduct in the performance of **Professional Services**.

C. ***Disciplinary Proceeding Expenses*** means reasonable and necessary fees, costs, and expenses incurred by any **Insured** to investigate, defend, or appeal any **Disciplinary Proceeding**, provided that **Disciplinary Proceeding Expenses** do not include:

1. fines, penalties, or sanctions assessed against any **Insured**; or
2. expenses, salaries, wages, benefits, or overhead of, or paid to, any **Insured**.

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D. ***Employee*** means a natural person whose labor or service is engaged by and directed by the **Insured Organization** and:

1. who is on the payroll of the **Insured Organization**, including:
   a. any in-house general counsel of the **Insured Organization**; and
   b. any other full-time, part-time, temporary, and seasonal workers; or
2. whose services have been leased to the **Insured Organization**.

Independent contractors are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the **Wrongful Act**.

E. ***Executive Officer*** means a member of the board of directors, officer, natural person partner, principal, risk manager, or **LLC Manager**, in-house general counsel of the **Insured Organization** or a functional equivalent thereof.

F. ***Insured*** means the **Insured Persons** and the **Insured Organization**.

G. ***Insured Organization*** means the **Named Insured**, any **Subsidiary,** and any such entity as debtor in possession, as such term is used in Chapter 11 of the United States of America Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.

H. ***Insured Person*** means any natural person who was, is, or becomes a member of the board of directors, officer, **Employee**, partner, or **LLC Manager** of the **Insured Organization** for **Wrongful Acts** committed in the discharge of his or her duties as such.

In the event of the death, incapacity, or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives, or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

I. ***Loss*** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements, judgments, compensatory damages, punitive or exemplary damages if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages, prejudgment and postjudgment interest, and legal fees and expenses awarded pursuant to a court order or judgment. **Loss** does not include:

1. civil or criminal fines, sanctions, liquidated damages, payroll or other taxes, penalties, the multiplied portion of any multiplied damage award, any return, withdrawal, restitution or reduction of professional fees, profits, or other charges, or damages or types of relief deemed uninsurable under applicable law;
2. amounts that constitute the cost of complying with any order for, grant of, or agreement to provide, injunctive or non-monetary relief; or
3. any amount allocated to non-covered loss pursuant to section **III. CONDITIONS. P. ALLOCATION** of the Liability Coverage Terms and Conditions.

J. ***Personal Injury*** means:

1. false arrest, detention, or imprisonment, or malicious prosecution;
2. the publication or utterance of libel, slander, or other defamatory or disparaging material;
3. invasion, infringement, or interference with the rights of privacy;
4. wrongful entry or eviction; or
5. invasion of the right of private occupancy.

K. ***Professional Services*** means only those services performed for others set forth in ITEM 5 of the Declarations.

L. ***Subsidiary*** means:

1. any corporation, partnership, limited liability company, or other entity organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 in the Declarations, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the right to elect, appoint, or exercise a majority control over such

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entity's board of directors, board of trustees, board of managers, natural-person general partners, or functional equivalent; and

2. subject to the provisions set forth in section **III. CONDITIONS L. ACQUISITIONS** of the Liability Coverage Terms and Conditions, any entity that the **Insured Organization** acquires or forms during the **Policy Period** in which the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the right to elect, appoint, or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural-person general partners or functional equivalent.

M. ***Wrongful Act*** means any actual or alleged act, error, omission, misstatement, misleading statement, or breach of duty or neglect by or on behalf of, or any matter asserted against, an **Insured** in the rendering of or failure to render **Professional Services**.

All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Liability Coverage**, and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. The Company will not be liable for **Loss** for any **Claim** for any damage to, destruction of, loss of, or loss of use of, any tangible property including damage to, destruction of, loss of, or loss of use of, tangible property that results from inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.
2. The Company will not be liable for **Loss** for any **Claim** for any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, or loss of reputation of any person.
3. The Company will not be liable for **Loss** for any **Claim**:
   a. based upon or arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of any **Pollutant**;
   b. based upon or arising out of any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**; or
   c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**.
4. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any fact, circumstance, situation, event or **Wrongful Act** underlying or alleged in any prior or pending civil, criminal, administrative, or regulatory proceeding against any **Insured** as of the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Liability Coverage**.
5. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any **Wrongful Act** occurring prior to any applicable Retroactive Date set forth in ITEM 5 of the Declarations for this **Liability Coverage.**
6. The Company will not be liable for **Loss** for any **Claim** for any fact, circumstance, situation, or event that is or reasonably would be regarded as the basis for a claim about which any **Executive Officer** had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this **Liability Coverage**.
7. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any fact, circumstance, situation, event or **Wrongful Act** which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Liability Coverage** is a direct renewal or replacement or which it succeeds in time.
8. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties, or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar or related federal, state, or local law or

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regulation, or for any violation of the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), Fair Labor Standards Act (FLSA), or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.

9. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state, or local law or regulation; or for an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an **Employee** or dependent in, any employee benefit plan, fund, or program, including contracts or agreements which are not subject to the provisions of ERISA.

10. The Company will not be liable for **Loss** for any **Claim** by or on behalf of any spouse or person qualifying as a domestic partner under the provisions of any applicable federal, state, or local law, of any **Insured**.

11. The Company will not be liable for **Loss** for any **Claim** by or on behalf of, or in the name or right of, any **Insured** or any entity that at the time the **Wrongful Act** is committed, or the date the **Claim** is made,:

    a. is owned, operated, or controlled by any **Insured**;

    b. owns, operates, or controls any **Insured**; or

    c. any **Insured** is a member of the board of directors, officer, member of the board of managers, partner or principal stockholder.

12. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any **Wrongful Act** by a **Subsidiary** or any related **Insured Person** occurring at any time during which such entity was not a **Subsidiary**.

13. The Company will not be liable for **Loss** for any **Claim** for:

    a. plagiarism; or

    b. misappropriation, infringement, or violation of copyright, patent, trademark, service mark, trade name, trade secret or any other intellectual property rights.

14. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of the liability of others assumed by an **Insured** under any contract or agreement, whether oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.

15. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any **Personal Injury**.

16. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any discrimination, humiliation, harassment, or misconduct by an **Insured** because of race, creed, color, age, gender, sex, sexual preference or orientation, national origin, religion, disability, handicap, marital status, or any other class protected under federal, state, local, or other law.

17. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any commingling of, or failure to segregate, funds or assets by any **Insured**.

B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES

1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** based upon or arising out of any **Insured**:

    a. committing any criminal, dishonest, or fraudulent act;

    b. committing any willful violation of any statute, rule, or law; or

    c. gaining any profit, remuneration, or advantage to which such **Insured** was not legally entitled,

provided that this exclusion will not apply unless a final adjudication establishes that such **Insured** committed such criminal, dishonest, or fraudulent act , or willful violation of statute, rule, or law, or gained such profit, remuneration, or advantage to which such **Insured** was not legally entitled.

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IV. SEVERABILITY OF EXCLUSIONS

No conduct of any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the Exclusions set forth in section **III. EXCLUSIONS**.

V. CONDITIONS

A. RETENTION

This section **V. CONDITIONS A. RETENTION** supplements and does not replace section **III. CONDITIONS B. RETENTION** of the Liability Coverage Terms and Conditions.

If any **Claim** alleges that an **Insured** committed any criminal, dishonest or fraudulent act or omission or any willful violation of any statute, rule, or law, or gained any profit, remuneration, or advantage to which such **Insured** was not legally entitled, then no retention will apply to **Defense Expenses** resulting from such **Claim**, and the Company will reimburse the **Insured Organization** for any **Defense Expenses** paid by the **Insured Organization** in connection with any such **Claim**, if:

1. with respect to such **Claim**, there is a final adjudication of no liability obtained prior to or during trial, in favor of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment or any similar motion or process, after exhaustion of all appeals, or a final judgment of no liability obtained after trial, in favor of all **Insureds**, after exhaustion of all appeals; or
2. such **Claim** is dismissed or there is a stipulation to dismiss such **Claim** with prejudice and without the payment of any monetary consideration by the **Insureds**.

In no event will a settlement of a **Claim** be considered a final adjudication of no liability for purposes of this subsection. As a condition of any reimbursement of **Defense Expenses** as set forth above, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of such amounts in the event that such **Claim** is reinstituted after payment by the Company.

B. SETTLEMENT

The Company may, with the written consent of the **Insured**, make such settlement or compromise of any **Claim** as the Company deems expedient. In the event that the Company recommends an offer of settlement (a "Settlement Offer") of any **Claim** which is acceptable to the claimant(s), and if the **Insured** refuses to consent to such Settlement Offer, the **Insured** will be solely responsible for 30% of all **Defense Expenses** incurred or paid by the **Insured** after the date the **Insured** refused to consent to the Settlement Offer, and the **Insured** will also be responsible for 30% of all **Loss** , other than **Defense Expenses**, in excess of the Settlement Offer, provided that the Company's liability under this **Liability Coverage** for such **Claim** will not exceed the applicable limit of liability.

C. LIMIT OF LIABILITY

This section **V. CONDITIONS C. LIMIT OF LIABILITY** supplements and does not replace section **III. CONDITIONS C. LIMITS OF LIABILITY** of the Liability Coverage Terms and Conditions.

The Company's maximum limit of liability for **Loss**, including **Defense Expenses**, for each **Claim** will not exceed the applicable limit of liability for each **Claim** set forth in ITEM 5 of the Declarations for this **Liability Coverage**, regardless of when payment is made and regardless of when an **Insured's** legal obligation with regard thereto arises or is established.

D. OTHER INSURANCE

This **Liability Coverage** applies as excess insurance over, and will not contribute with any other valid and collectible insurance available to the **Insured**, including any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this **Liability Coverage** by reference in such other policy to the Policy Number of this **Liability Policy**. This **Liability Coverage** will not be subject to the terms of any other insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARCHITECT AND ENGINEER SERVICES EXCLUSION ENDORSEMENT

This endorsement modifies the following:

Miscellaneous Professional Liability

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS** :

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of the rendering of or failure to render services as an architect or engineer.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **106982718**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement modifies insurance provided under the following if applicable:

Liability Policy
Kidnap and Ransom Policy
Identity Fraud Expense Reimbursement Policy

It is agreed that:

The CANCELLATION section of this policy is replaced by the following:

CANCELLATION

The Company may cancel this policy for failure to pay a premium when due, in which case
(twenty) (20) days (number of days must equal or exceed twenty (20) days) written notice,
shall be given to the **Named Insured or Insurance Representative**, unless payment in full is received within twenty (20) days of the **Named Insured or Insurance Representative's** receipt of such notice of cancellation. The Company shall have the right to the premium amount for the portion of the **Policy Period** during which this policy was in effect.

Subject to the provisions set forth in Liability Coverage Terms and Conditions Section III. CONDITIONS K. CHANGE OF CONTROL, if applicable, the **Named Insured or Insurance Representative** may cancel any coverage by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. In the event the **Named Insured or Insurance Representative** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this policy upon its expiration.If the Company elects not to renew, it will provide to the **Named Insured or Insurance Representative** written notice to that effect
(sixty) (60) days (number of days must equal or exceed sixty (60) days)
before the Expiration Date set forth in ITEM 2 of the Declarations.

If notice is delivered or mailed later than the sixtieth (60^{th}) day before the Expiration Date, the coverage shall remain in effect until the sixty-first (61^{st}) day after the date on which the notice is delivered or mailed. Earned premium for any period of coverage that extends beyond the Expiration Date of the policy shall be computed pro rata based on the previous year's rate.

Cancellation and nonrenewal notices will provide a written statement fully explaining any decision which adversely affects the **Named Insured or Insurance Representative**. The Company must state the following:

A. the precise incident, circumstances or risk factor(s) applicable to the policyholder that violates the guidelines;
B. the source of information the Company relied on regarding the incident, circumstances or risk factor(s); and
C. specifically, any other information deemed relevant by the Commissioner.

We may not cancel or refuse to renew a policy or contract of insurance based solely on the fact that the policyholder in question is an elected official.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**
Policy Number: **106982718**

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REQUIRED CONTRACT PROVISIONS (CONTRACTS USING FEDERAL FUNDS)

Italics – Explanatory; NOT CONTRACT LANGUAGE

THRESHOLD	PROVISION	CITATION
None	H) Debarment and Suspension (Executive Orders 12549 and 12689)-A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMS guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Camp., p. 189) and 12689 (3 CFR Part 1989 Camp., p, 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.	2 CFR 200 APPENDIX II (H)
None	Grantees or subgrantees must retain all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.	2 CFR 200.333 (former 24 CFR (85.36(i) {11))
>$10,000	*B) All contracts in excess of $10, 000 must address termination for cause and for convenience by the non-• Federal entity including the manner by which it will be affected and the basis for settlement.* **Termination for Cause:** If the Contractor fails to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor violates any of the covenants, conditions, agreements, or stipulations of this Agreement. The City/County shall have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, which shall be at least five days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor pursuant to this Agreement shall, at the option of the City/County, be turned over to the City/County and become the property of the City/County. In the event of termination for cause, the Contractor shall be entitled to receive reasonable compensation for any necessary services actually and satisfactorily performed prior to the date of termination. Notwithstanding the above. The Contractor shall not be relieved of liability to the City/County for damages sustained by the City/County by virtue of any breach of contract by the Contractor, and the City/County may set-off the damages it incurred as a result of the Contractor's breach of contract from any amounts it might otherwise owe the Contractor. **Termination for Convenience of the City/County:** City/County may at any time and for any reason terminate Contractor 's services and work at City/County's convenience upon providing written notice to the Contractor specifying the extent of termination and the effective date. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement. Upon such termination, Contractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by Contractor as are permitted by the prime contract and approved by City/County; (3) plus ten percent (10%) of the cost of the work referred to in subparagraph (1) above for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Contractor prior to the date of the termination of this Agreement. Contractor shall not be entitled to any claim or claim of lien against City/County for any additional compensation or damages in the event of such termination and payment.	2 CFR 2:00 APPENDIX ll (B)

>$50,000	*(A) Contracts for more than $50,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as appropriate*. Use the following language for contracts > $50,000: **Resolution of Program Non-compliance and Disallowed Costs:** In the event of any dispute, claim, question, or disagreement - arising from or relating to this agreement, or the breach thereof, including determination of responsibility for any costs disallowed as a result of non-compliance with federal, state or TxCDBG program requirements, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith within 30 days of receipt of a written notice of the dispute or invitation to negotiate and attempt to reach a just and equitable solution satisfactory to both parties. If the matter IS not resolved by negotiation within 30 days of receipt of written notice or invitation to negotiate, the parties agree first to try in good faith to settle the matter by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may enter into a written amendment to this Agreement and choose a mediator that is not affiliated with the American Arbitration Association. The parties shall bear the costs of such mediation equally.	2 CFR 200 APPENDIX II (A)
Equal Opportunity Clause for Construction Contracts > $10K, including administration & engineering contracts associated with construction contracts.		
≥$10,000	2 CFR 200 Appendix II (C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60 all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the Equal Opportunity. Clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part. 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity, "and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." **§60-1.4(b) Equal opportunity clause:** *(b) Federally assisted construction contracts. Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract. loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:* *The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract loan, insurance, or guarantee, the following equal opportunity clause:* During the performance of this contract, the contractor agrees as follows: (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places. Available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.	41 CFR §60-1.4 (b) and 2 CFR 200 APPENDIX II (C)

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This Provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled , terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence Immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however. That in the event a contractor becomes involved in. or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations. and relevant

	orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance. The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24 , 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order . In addition, the applicant agrees that if it fails or refuses to comply with these undertakings. the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan. insurance. guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings. (c) Subcontracts. Each nonexempt prime contractor or subcontractor shall include the equal opportunity clause in each of its nonexempt subcontracts. (d) Incorporation by reference. The equal opportunity clause may be incorporated by reference in all Government contracts and subcontracts, including Government bills of lading, transportation requests, contracts for deposit of Government funds, and contracts for issuing and paying U.S. savings bonds and notes, and such other contracts and subcontracts as the Deputy Assistant Secretary may designate. (e) Incorporation by operation of the order. By operation of the order, the equal opportunity clause shall be considered to be a part of every contract and subcontract required by the order and the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts and whether or not the contract between the agency and the contractor is written (f) Adaptation of language. Such necessary changes in language may be made in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings. [43 FR 49240, Oct. 20, 1978, as amended at 62 FR 66971, Dec. 22, 1997; 79 FR 72993, Dec. 9, 2014; 80 FR 54934, September 11. 2015]	

CONSTRUCTION CONTRACTS

>$2,000 for Davis Bacon and Copeland "Anti-Kickback" Act; >$100,000 for Contract Work Hours and Safety Standards Act	*Federal labor standards provisions include:* 1. *Davis Bacon Act (40 U.S.C. 3141 et seq) as supplemented by DOL regulations (29 CFR part 5);* 2. *Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3): and* 3. *Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq)*	

>$2,000	*Compliance with the Davis-Bacon Act (40 U.S.C. 3141 et seq.) as supplemented by Department of Labor regulations (29 CFR part 5) and with the Copeland Anti-Kickback" Act (18 U.S.C. 874: 40 U.S.C. 3145) as supplemented in Department of Labor regulations (29 CFR part 3)* (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation. All prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act 40 U.S.C. 3141-3144 and 3146-3148 as supplemented by Department of Labor regulations {29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland ''Anti-Kickback " Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations {29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency	2 CFR 200 APPENDIX II (D)
≥$100,000	(E) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award of $100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.	2 CFR 200 APPENDIX II (I) and 24 CFR §570.303
>$100,000	(F) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.	2 CFR 200 APPENDIX II (E)
>$150,000	(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended-Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).	*2 CFR 200 APPENDIX II (G)*

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2020-666454

Date Filed:
09/10/2020

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Langford Community Management Services, Inc.
Leander, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
City of Tomball

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
CDBG-MIT
Grant Administrative Services

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Hardin, Margaret	Leander, TX United States	X	
Langford, Judy	Leander, TX United States	X	

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is Judy Langford, and my date of birth is 12/25/60.

My address is 2901 CR 175 (street), Leander (city), TX (state), 78641 (zip code), USA (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Williamson County, State of Texas, on the 21st day of September (month), 20 20 (year).

Signature of authorized agent of contracting business entity
(Declarant)

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Award Contract and Authorize the City Manager to Execute an Agreement for Professional Engineering Services with Huitt-Zollars for E&P Project 2020-10035, Community Development Block Grant – Mitigation Project

Background:
In accordance with the terms and conditions of the Community Development Block Grant – Mitigation Project, staff advertised a Request for Qualifications for professional engineering services for the preparation of the scope and cost associated with the City's application to obtain grant funds as well as to design and provide construction management support for the Mitigation Grant, if awarded.

Staff received eight (8) submittals from qualified firms and a scoring was completed by a committee to determine the top three (3) firms. The top firms were interviewed and based on those interviews staff entered into contract negotiations with Huitt-Zollars.

Staff is recommending awarding a Professional Services Agreement to Huitt-Zollars for preparation of the scope and estimated cost for the identified mitigation project of the City's grant application for the CDBG-MIT grant. The initial contract price for these services will be $4,800.00.

Upon grant award, a contract amendment will be presented to Council for approval. The contract amendment will be for the design, acquisition, surveying, and construction management for the identified mitigation project. The amended contract will not exceed 15% of the total grant amount awarded and may be paid from the grant funds.

Origination:
Public Works Department

Recommendation:
Staff recommends approval to execute an agreement with Huitt-Zollars for professional engineering services for the CDBG-MIT.

Party(ies) responsible for placing this item on agenda:
Beth Jones, Public Works Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Appoint Assistant Court Clerk Inez Sanchez as Juvenile Case Manager for the Tomball Municipal Court

Background:
State legislation requires that City Council approve the appointment of a Juvenile Case Manager for our Municipal Court. Due to a vacancy in the court and the reassignment of duties, it became necessary for Juvenile Case Manager duties to be assumed by Assistant Court Clerk Inez Sanchez.

Origination:
City Manager

Recommendation:
It is recommended that City Council approve the appointment of Inez Sanchez as Juvenile Case Manager.

Party(ies) responsible for placing this item on agenda:
Robert S. Hauck

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Approve Revisions to Administrative Policy No. 27, Adopting Policies and Procedures Necessary to Receive State and Federal Grant Funding

Background:
Proposed revisions to Administrative Policy Number 27 are a result of changes required by the General Land Office to the Citizen Participation Plan.

Administrative Policy Number 27 serves as procedures to be used by all departments when obtaining grants derived from State and/or Federal funds to ensure compliance with state and federal regulations.

All affected departments have reviewed these policies and agree that these policies conform to our existing policies and procedures.

Origination:
Public Works Department

Recommendation:
Public Works staff recommends approval of the proposed revisions to Administrative Policy Number 27, for the implementation of policies and procedures relating to obtaining State and/or Federal grant funds.

Party(ies) responsible for placing this item on agenda:
Beth Jones, Public Works Director

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

ATTACHMENTS:

Administrative Policy No. 27

PURPOSE

The purpose of the Civil Rights Policies is to establish official procedures to be used by all departments in the City of Tomball obtaining grants derived from State and/or Federal funds to ensure compliance in accordance with:

- 2 CFR §200
- 24 CFR §8
- 24 CFR §91.325(b)(6)
- 24 CFR §570
- Fair Housing Act of 1968
- Texas Local Government Code Chapter 171
- Uniform Grant Management Standards (UGMS)

SCOPE

All departments receiving a grant that is funded by the State and/or Federal funds shall ensure that all activities including procurement and contract management are completed in accordance with all policies, procedures, laws and ordinances of the City including the adopted Civil Right Policies herein.
Grant Management shall be conducted in a manner that will promote public confidence in the integrity of the City of Tomball.

POLICIES AND PROCEDURES:

CITY OF TOMBALL
CITIZEN PARTICIPATION PLAN

THE CITY OF TOMBALL

REGARDING THE USE OF GRANT FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
This Citizen Participation Plan was prepared in accordance with Section 104(a) of the Housing and Community Development Act of 1974, as amended. The 24 CFR 91.105 federal regulations outline the "citizen participation" requirements.

The plan is to be used to address citizen participation in the Community Development Block Grant (CDBG) Program. With receipt of HOME Investment Partnerships (HOME) Program funds, the program will be included under this Citizen Participation Plan.

The Citizen Participation Plan (CPP) sets forth policies and procedures for citizen participation in the development of project specific applications and substantial amendments to these projects with funding.

SUBJECT	NUMBER:	EFFECTIVE DATE:	
CIVIL RIGHTS POLICIES	27	09/21/2020	PAGE 2 OF 15
	REVISED: September 21, 2020	APPROVED BY CITY MANAGER: September 21, 2020	
	SUPERSEDES: September 8, 2020	APPROVED BY CITY COUNCIL: September 21, 2020	

CERTIFICATION OF COMPLIANCE

The City of Tomball is certifying to the U. S. Department of Housing and Urban Development (HUD) and State Agencies administering HUD programs that they have an approved Citizen Participation Plan, which:

1. Provides for and encourages citizen participation with emphasis on participation by persons who are residents of slum and blighted areas, by residents in low- and moderate-income neighborhoods, or targeted revitalization areas.
2. Provides for and encourages citizen participation of residents of public and assisted housing developments, as well as provides information to the public housing authorities within our jurisdiction activities related to these programs.
3. Provides for and encourages citizen participation of persons with disabilities as well as provides documents in a format accessible to persons with disabilities, upon request.
4. Provides for and encourages citizen participation of all citizens, including minorities and non-English speaking persons, and identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.
5. Provides citizens with reasonable and timely notification and access to local meetings, information, and records relating to the County's proposed and actual use of federal Community Development Block Grant funds.
6. Provides for public hearings and/or public postings to obtain citizen views; to respond to proposals and questions at all stages of the community development program, including at least the development of needs; and the review of proposed activities, and review of program annual performance. If hearings are held, they shall be after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodations for the disabled; and,
7. Provides for a timely written response to written complaints and grievances where applicable.

Note to Grant Recipients regarding Limited English Proficiency (LEP) requirements:

In accordance with federal law, if there is a significant number of the population who are non-English speaking residents and are affected by the CDBG project, such citizens should have 'meaningful access' to all aspects of the CDBG project. To provide 'meaningful access', Grant Recipients may need to provide interpreter services at public hearings or provide non-English written materials that are routinely provided in English. Examples of such vital documents may include Citizen Participation notices (e.g., complaint procedures, hearings notices), civil rights notices, and any other published notice that may allow an eligible person with limited English proficiency to participate in discussing proposed CDBG activities. For more information, see LEP.gov.

COMPLAINT PROCEDURES

These complaint procedures comply with the requirements of HUD's CDBG Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations). Citizens can obtain a copy of these procedures at the City of Tomball, Texas, 401 Market Street, (281) 290-1400 during regular business hours. Below are the formal complaint and grievance procedures regarding the services provided under the CDBG program.

1. A person who has a complaint or grievance about any services or activities with respect to the CDBG project, whether it is a proposed, ongoing, or completed CDBG project, may during regular business hours submit such complaint or grievance, in writing to the City Civil Rights Officer, at 401 Market Street, Tomball, Texas 77375 or may call (281) 290-1411.
2. A copy of the complaint or grievance shall be transmitted by the Civil Rights Officer to the person/division that is the subject of the complaint or grievance and to the Mayor/City Manager/County Judge within five (5) working days after the date of the complaint or grievance was received.
3. The Mayor/City Manager or their representative shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to person who made the complaint or grievance within fifteen (15) days. The response may be a time extension to further review the complaint or grievance.
4. If the investigation cannot be completed within fifteen (15) working days per 3 above, the person who made the grievance or complaint shall be notified, in writing, within twenty (20) days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.
5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the CDBG Program Manager for their further review and comment.

If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish, or other appropriate language.

TECHNICAL ASSISTANCE

When requested, the City shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of CDBG funds. The City, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

PUBLIC OUTREACH AND INVOLVEMENT

Citizens will be provided reasonable advance notice of, and opportunity to comment on proposed activities in an application to the state and for grants already made regarding activities which are proposed to be added, deleted, or substantially changed from the entity's application to the state. The public outreach and notification will be accomplished through one or more of the following methods:

a) Publication of notice in a local newspaper—a published newspaper article may also be used so long as it provides sufficient information regarding program activities and relevant dates.
b) Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
c) Posting of notice on the local entity website (if available).
d) Public Hearing; or
e) Individual notice to eligible cities and other entities as applicable using one or more of the following methods: Certified mail, Electronic mail or fax, First class (regular mail), Personal delivery (e.g., at a Council of Governments meeting).

These details will be included in the Public Comment Version of the Application, prior to submission.
Citizens, with emphasis on persons of low- and moderate-income who are residents of slum and blight areas, shall be encouraged to submit their views and proposals regarding community development and housing needs. Citizens shall be made aware of the location where they may submit their views and proposals.

PUBLIC COMMENT PROVISIONS AS REQUIRED BY CERTAIN STATE AGENCIES IN THE ADMINISTRATION OF FEDERAL PROGRAMS

When public notice is the sole required notification process for the submission of an application from a State agency, the following provisions shall be observed the City.
A copy of a substantially complete application will be made available to allow for 14 days of public comment, but are not limited to:

1. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and any anticipated program income).
2. The range of activities that may be undertaken with the CDBG funds.
3. The estimated amount of the CDBG- funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate- income persons.
4. The proposed CDBG activities likely to result in displacement and the unit of general local government's anti-displacement and relocation plans required under § 570.488.

When a public hearing is required for submission of an application from a State agency, the following provisions shall be observed by the City:

1. As stated in the COVID-19 Disaster Declaration Proclamation dated March 13th, 2020; public hearings may be held virtually or in person, pursuant to Section 418.017 of the code; "authorization to use all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster." Public notice of all hearings must be posted at least seventy-two (72) hours prior to the scheduled hearing.
2. When a significant number of non-English speaking residents are a part of the potential service area of the CDBG project, vital documents such as notices should be published in the predominant language of these non-English speaking citizens. An interpreter should be present to accommodate the needs of the non-English speaking residents at all public hearing where applicable.
3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries

and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and the City must plan for individuals who require auxiliary aids or services if contacted at least two days prior to the hearing.

4. A public hearing, when required by a Federal Program, shall be held after 5:00 PM on a weekday or at a convenient time on a Saturday or Sunday.
5. If the agency requires a public hearing for submission, then a public notice shall be posted at city hall and the community's website notifying the public of the project selected at least 5 days prior to the submission of the application.

The City shall retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the proposed use of funds for three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.

CITY OF TOMBALL
SECTION 3 POLICY

In accordance with 12 U.S.C. 1701u the City of Tomball agrees to implement the following steps, which, to *the greatest extent feasible,* will provide job training, employment, and contracting opportunities for Section 3 residents and Section 3 businesses of the areas in which the program/project is being carried out.

1. Introduce and pass a resolution adopting this plan as a policy to strive to attain goals for compliance to Section 3 regulations by increasing opportunities for employment and contracting for Section 3 residents and businesses.
2. Assign duties related to implementation of this plan to the designated Civil Rights Officer.
3. Notify Section 3 residents and business concerns of potential new employment and contracting opportunities as they are triggered by CDBG-DR grant awards through the use of: Public Hearings and related advertisements; public notices; bidding advertisements and bid documents; notification to local business organizations such as the Chamber of Commerce or the Urban League; local advertising media including public signage; project area committees and citizen advisory boards; local HUD offices; regional planning agencies; and all other appropriate referral sources. Include Section 3 clauses in all covered solicitation and contracts.
4. Maintain a list of those businesses that have identified themselves as Section 3 businesses for utilization in CDBG-DR funded procurements, notify those businesses of pending contractual opportunities, and make this list available for general Grant Recipient procurement needs.
5. Maintain a list of those persons that have identified themselves as Section 3 residents and contact those persons when hiring/training opportunities are available through either the Grant Recipient or contractors.
6. Require that all Prime contractors and subcontractors with contracts over $100,000 commit to this plan

7. as part of their contract work. Monitor the contractors' performance with respect to meeting Section 3 requirements and require that they submit reports as may be required by HUD to the Grant Recipient.
8. Submit reports as required by HUD regarding contracting with Section 3 businesses and/or employment as they occur; and submit reports within 20 days of federal fiscal year end (by October 20th) which identify and quantify Section 3 businesses and employees.
9. Maintain records, including copies of correspondence, memoranda, etc., which document all action taken to comply with Section 3 regulations.

City of Tomball
Excessive Force Policy

In accordance with 24 CFR 91.325(b)(6), the City of Tomball hereby adopts and will enforce the following policy with respect to the use of excessive force:

1. It is the policy of the City of Tomball to prohibit the use of excessive force by the law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations.
2. It is also the policy of the City of Tomball to enforce applicable State and Local laws against physically barring entrance to or exits from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdictions.
3. City of Tomball will introduce and pass a resolution adopting this policy – Resolution Number 2020-21.

CITY OF TOMBALL
SECTION 504 POLICY AGAINST DISCRIMINATION BASED ON HANDICAP AND GRIEVANCE PROCEDURES

In accordance with 24 CFR Section 8, Nondiscrimination based on Handicap in federally assisted programs and activities of the Department of Housing and Urban Development, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Section 109 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309), the City of Tomball hereby adopts the following policy and grievance procedures:

1. Discrimination prohibited. No otherwise qualified individual with a handicap in the United States shall, solely by reason of his or her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development (HUD).
2. The City of Tomball does not discriminate on the basis of handicap in admission or access to, or treatment or employment in, its federally assisted programs and activities.
3. The City of Tomball recruitment materials or publications shall include a statement of this policy in 1. above.
4. The City of Tomball shall take continuing steps to notify participants, beneficiaries, applicants and employees, including those with impaired vision or hearing, and unions or professional organizations holding collective bargaining or professional agreements with the recipients that it does not discriminate on the basis of handicap in violations of 24 CFR Part 8.

1. For hearing and visually impaired individuals eligible to be served or likely to be affected by the CDBG-DR program, the City of Tomball shall ensure that they are provided with the information necessary to understand and participate in the CDBG-DR program.
2. Grievances and Complaints
    a. Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for the City of Tomball to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.
    b. Complaints should be addressed to: Section 504 Compliance Officer, City of Tomball, 501 James Street, Tomball, Texas 77375, (281) 290-1400, who has been designated to coordinate Section 504 compliance efforts.
    c. A complaint should be filed in writing, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations.
    d. A complaint should be filed within thirty (30) business days after the complainant becomes aware of the alleged violation.
    e. An investigation, as may be appropriate, shall follow a filing of a complaint. The investigation will be conducted by the City Manager or designee. Informal but thorough investigations will afford all interested persons and their representatives, if any, an opportunity to submit evidence relevant to a complaint.
    f. A written determination as to the validity of the complaint and description of resolution, if any, shall be issued by the City Manager or designee, and a copy forwarded to the complainant within fifteen (15) business days after the filing of the complaint where practicable.
    g. The Section 504 Coordinator shall maintain the files and records of the City of Tomball relating to the complaints files.
    h. The complainant can request a reconsideration of the case in instances where he or she is dissatisfied with the determination/resolution as described in f. above. The request for reconsideration should be to the City of Tomball within ten (10) business days after the receipt of the written determination/resolution.
    i. The right of a person to a prompt and equitable resolution of the complaint filed hereunder shall not be impaired by the person's pursuit of other remedies such as the filing of a Section 504 complaint with the U.S. Department of Housing and Urban Development. Utilization of this grievance procedure is not a prerequisite to the pursuit of other remedies.
    j. These procedures shall be construed to protect the substantive rights of interested persons, to meet appropriate due process standards and assure that the City of Tomball complies with Section 504 and HUD regulations.

City of Tomball
Grievance and Complaint Procedure

These complaint procedures comply with the requirements of the Texas General Land Office's Community Development Block Grant – Disaster Recovery (CDBG-DR) Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations).

Below are the formal complaint and grievance procedures regarding the services provided under the CDBG-DR project.

1. A person who has a complaint or grievance about any services or activities with respect to the CDBG-DR project, whether it is a proposed, ongoing, or completed CDBG-DR project, may during regular business hours submit such complaint or grievance, in writing to the Compliance Officer at 501 James Street, Tomball, Texas 77375, or may call (281) 290-1400.
2. A copy of the complaint or grievance shall be transmitted by the Civil Rights Officer to the entity that is the subject of the complaint or grievance and to the City Attorney within five (5) business days after the date of the complaint or grievance was received.
3. The Compliance Officer shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to the person who made the complaint or grievance within ten (10) business days.
4. If the investigation cannot be completed within ten (10) business days, the person who made the grievance or complaint shall be notified, in writing, within fifteen (15) business days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.
5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the CDBG-DR for their further review and comment.
6. If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish.

TECHNICAL ASSISTANCE

When requested, the City shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of CDBG-DR funds. The City, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

PUBLIC OUTREACH EFFORTS

The City shall provide for reasonable public notice, appraisal, examination and comment on the activities proposed for the use of CDBG-DR funds. These efforts shall include:

1. Provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas or areas in which CDBG-DR funds are proposed to be used;
2. Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to an entity's proposed and actual use of CDBG-DR funds;
3. Furnish citizens information, including but not limited to:
    a. the amount of CDBG-DR funds expected to be made available
    b. the range of activities that may be undertaken with the CDBG-DR funds
    c. the estimated amount of the CDBG-DR funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons
    d. if applicable, the proposed CDBG-DR activities likely to result in displacement and the entity's anti-displacement and relocation plan;
4. Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities

1. in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the entity's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state; and
2. These outreach efforts may be accomplished through one or more of the following methods:
    a. Publication of notice in a local newspaper – a published newspaper article may be used so long as it provides sufficient information regarding program activities and relevant dates
    b. Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups
    c. Posting of notice on the local entity website (if available)
    d. Public hearing
    e. Individual notice to eligible cities and other entities as applicable using one or more of the following methods:
        i. Certified mail
        ii. Electronic mail or fax
        iii. First-class (regular) mail
        iv. Personal delivery (e.g. at a City Council meeting)

PUBLIC HEARING PROVISIONS

For each public hearing scheduled and conducted by a CDBG-DR applicant or recipient, the following public hearing provisions shall be observed:

1. Furnish citizens information, including but not limited to
    a. The amount of CDBG-DR funds available per application for the 2016 Flood Competition;
    b. The range of activities that may be undertaken with the CDBG-DR 2016 Flood Competition funds;
    c. The estimated amount of the CDBG-DR 2016 Flood Competition funds proposed to be used for activities that will meet the national objective of benefit to low- and moderate-income persons; and
    d. The proposed CDBG-DR activities likely to result in displacement and the unit of general local government's anti-displacement and relocation plans required under 24 CFR 570.488.
2. Public notice of any hearings must be published at least 72 hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice MUST include the DATE, TIME, LOCATION and TOPICS to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and an applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two (2) days prior to each hearing.
4. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking

residents.

5. City may conduct a public hearing via webinar if they also follow the provisions above. If the webinar is used to conduct a public hearing, a physical location with associated reasonable accommodations must be made available for citizens to participate so as to ensure that those individuals without necessary technology are able to participate.
6. If applicable, the locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three (3) years after the project is completed. Such records must be made available to the public in accordance with Chapter 552, Government Code.

CITY OF TOMBALL

The City of Tomball welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to within 15 business days, when possible.

Complaints of fraud, waste or abuse must be immediately escalated to the City of Tomball Section 504 Standards Officer, regardless of whether the complaint is informal or formal.

Mailing Address:
City of Tomball
501 James Street
Tomball, Texas 77375
Attn: Civil Rights Officer

Phone: (281) 290-1400
Email: mmageo@tomballtx.gov
Business Hours: Monday – Friday, 8 a.m. to 5 p.m.

Texas General Land Office

Complaints should initially contact their local jurisdiction in accordance with their local policies and procedures for customer complaints. However, in the case that the complaint's inquiries or concerns are not addressed with the City, they have the right t to escalate the complaint to the Texas General Land Office (GLO). The GLO will work with the City of Tomball to provide a timely response. The response will be provided within 15 business days of the receipt of the complaint, if possible.

Mailing Address:
Texas General Land Office
Attn: GLO-CDR
PO Box 12873
Austin, Texas 78711-2873

Phone: 844-893-8937 or 512-475-5000

City of Tomball
Fair Housing Policy

In accordance with Fair Housing Act, the City of Tomball hereby adopts the following policy with respect to the Affirmatively Furthering Fair Housing:

1. City of Tomball agrees to affirmatively further fair housing choice for all seven protected classes (race, color, religion, sex, disability, familial status, and national origin).
2. City of Tomball agrees to plan at least one activity during the contract term to affirmatively further fair housing.
3. City of Tomball will introduce and pass a resolution adopting this policy – Resolution Number 2020-21.

CITY OF TOMBALL
INTERNAL MANAGEMENT OF FEDERAL AND/OR STATE FUNDS PROCEDURES

All costs charged by the City must be necessary, reasonable, allowable, and allocable to all Federal and/or State grant programs received administered by the City. The City must assure that all costs are appropriate and eligible including but not limited to the following areas of concern:

1. Administrative requirements - Including duplication of benefits requirements, provisions related to charging pre-award costs, conflict of interest, reporting fraud, and distinction between agencies/government components, contractors, developers, and beneficiaries;
2. Recordkeeping and Reporting requirements - Including records retention and financial reporting requirements;
3. Procurement requirements - Including requirements related to bonding, insurance, suspension and debarment;
4. Contract conditions;
5. Force Account - Including requirements for tracking, documenting, and charging personnel costs and applicable fringe benefits and classification, purchasing, tracking, insuring, and disposing of equipment, supplies, and federally purchased tangible and intangible property;
6. Contract amendments;
7. Contract closeout;
8. Monitoring and Quality Assurance - Including requirements related to preventing fraud, waste, and abuse;
9. Audit - Including Single Audit or program-specific audit requirements

The following is a list of key federal and state regulations governing financial management of grant programs:

a. 24 CFR § 570 Subpart I- governs the state CDBG-DR program;
b. 2 CFR § 200, including all of Subpart E Cost Principles;
c. Uniform Grant Management Standards (UGMS) - Texas Comptroller of Public Accounts and guidance under 2

d. Texas Local Government Code Chapter 171

It is the City's responsibility to be knowledgeable and compliant with these requirements to ensure the appropriate, effective, timely, and eligible use of all funds related to Federal and/or State Programs. The City is responsible for monitoring vendors and projects and compliance with applicable financial management standards, for processing payment requests for funds, and for audit review.

A cost objective is a pool of related costs, which could be related based on the City's departments, function, eligible, activity, agreement with State and/or Federal agencies or any other basis. The term is used to capture a variety of scenarios in which costs may be categorized for purposes of cost allocation or eligibility determinations.

1. As per of 2 CFR § 200.303, the City has established this and other written policies and procedures for internal controls and guidance documentation for responsible financial management of federal and/or state funds and include the adherence to the following:
2. All federal, state, and local conflict of interest provisions, including the requirements of Texas Local Government Code Chapter 171;
3. The City has an established internal control system and documented segregation of duties. Including the appropriate segregation of duties as follows:
    a. No person has complete control over every phase of a significant transaction. For example, the person who authorizes payments to contractors should not draft and issue the payment check and the person who writes a payment check should not reconcile associated bank records;
    b. Monthly bank reconciliation and/or direct deposit monthly statements are reviewed by someone who is not responsible for handling cash or issuing checks;
    c. The person issuing checks for grant expenses does not also handle payroll preparation/issuance of paychecks;
4. The City will take prompt action when an instance of noncompliance is identified internally or through audit findings;
5. The City takes reasonable measures to safeguard protected personally identifiable information (PII) and other information that the City/County considers sensitive consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

Per 24 CFR § 570.502, through established budgets and accounting records, the City is responsible for ensuring all Federal and/or State expenditures are authorized in an approved, documented budget and do not exceed the total budget amount and do not exceed the amount in the City's grant agreement(s).
The City will use one of two general methods available to draw federal and/or state grant funds to pay for project and vendor costs: the reimbursement method and the cash advance method.

a. The reimbursement method entails a transfer of grant funds to the City based on actual expenditures already incurred by the City before it requests a draw;
b. The cash advance method entails the transfer of grant funds from the federal and/or state agency based

upon the City's received invoices before the actual cash disbursements have been made by the City.

SUBJECT	NUMBER:	EFFECTIVE DATE:	
CIVIL RIGHTS POLICIES	27	09/21/2020	PAGE 13 OF 15
	REVISED: September 21, 2020	APPROVED BY CITY MANAGER: September 21, 2020	
	SUPERSEDES: September 8, 2020	APPROVED BY CITY COUNCIL: September 21, 2020	

The City establishes a separate account for each grant it receives. When using a cash advance basis process, the City will ensure that all received grant funding is held in an insured, interest-bearing account (2 CFR § 200.305(b)). Distinct accounting information for each grant is created. Accurate records of encumbrances/obligations against distinct line items within each grant for vendor contracts are made. Accurate records on grant awards, unobligated balances, assets, liabilities, expenditures, program income (if any) and applicable interest are kept and supported by sources documentation, including vendor contracts, invoices, and purchase orders.

Pursuant to 2 CFR § 200.302(a), the City's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, are sufficient to permit the preparation of reports required to demonstrate compliance with general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the City's State and/or Federal grant agreement(s).

City through its annual audit process has proven effective control over, and accountability for, all funds, property, and other assets in its possession. The City makes every effort to adequately safeguard all assets and assure that they are used solely for their intended purpose.

Financial Records for all Federal and/or State grant programs include the following:

1. Transaction registry documenting:
    a. All invoices associated with each Request for Payment; and
    b. Source of funds for each invoice (grant funds by activity, matching funds and/or other funds)
2. Source documentation, including the following:
    a. Copies of Requests for Payment;
    b. Addendum record of direct deposit payments;
    c. Verification of deposits;
    d. Monthly bank statements
    e. Check register/transaction ledger;
    f. Employee time sheets (as applicable);
    g. Equipment time record sheets(as applicable);
    h. Property inventory;
    i. Purchase orders, invoices, and contractor requests for payments;
    j. Electronic Transfer Form (EFT);
    k. All original source documents

The City for each grant agreement received, establishes Responsible Persons. Through resolution, the City identifies the Responsible Persons (at least 2, preferably 4 by job title) responsible for both contractual documents (executed City agreement(s), associated amendments, and various program certifications) and financial documents (requests for payment, issuance of check).

The City, where allowable by the Federal and/or State funding program, will authorize direct deposit to receive payments from the agency(ies) to post directly to the City's local bank account.

SUBJECT	NUMBER:	EFFECTIVE DATE:	
CIVIL RIGHTS POLICIES	27	09/21/2020	PAGE 14 OF 15
	REVISED: September 21, 2020	APPROVED BY CITY MANAGER: September 21, 2020	
	SUPERSEDES: September 8, 2020	APPROVED BY CITY COUNCIL: September 21, 2020	

The City will ensure that there exists staff and contractor capacity necessary to manage all grant funds under its control. The City may procure a Grant administrator to assist with management of grant compliance, subject to 2CFR200 procurement guidelines and requirements.

Eligible/Allowable Costs: All costs charged to the City's grant agreement(s) will be deemed eligible as identified in each Grantor's agreement/implementation manual. Eligible costs are those that conform to the federal/state requirements, including limitations and waivers described in applicable Federal Register Notices, comply with federal cost principles, and align with all associated cross-cutting federal requirements (Davis Bacons and Related Acts, Environmental requirements, etc.) and State and Local law.

The City will assure pursuant to 2 CFR § 200.403, costs meet the following general criteria to be allowable as a charge against any Federal award:

1. Costs must be necessary and reasonable for the performance of the Federal award and be allocable to that award and not to a different award;
2. Costs must conform to any limitations or exclusions set forth in 2 CFR § 200 or in the Federal award as to types or amount of cost items;
3. Costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the City;
4. Costs must be accorded consistent treatment;
    a. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost;
5. Costs must be determined in accordance with generally accepted accounting principles (GAAP);
6. Costs must be adequately documented

Reasonable Costs (2 CFR § 200.404): A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration will be given to:

1. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the City or the proper and efficient performance of the State and/or Federal award;
2. The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, and other laws and regulations; and terms and conditions of the State and/or Federal award;
3. Market prices for comparable goods or services for the geographic area;
4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the City, its employees, the public at large, the State Government and/or Federal Government;
5. Whether the City significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the cost

The City will insure that all grant reimbursement requests meet the definition of Allocable Costs (2 CFR § 200.405 and §200.406) A cost is allocable to a particular grant, City agreement, vendor contract, program or other cost objective if the goods or services involved are chargeable or assignable to that cost objective in accordance with relative benefits received. This standard is met if the cost:

a. Is incurred specifically for that cost objective;
b. Benefits both that cost objective and other work of the City and can be distributed in proportions that may be approximated using reasonable methods; and
c. Is necessary to the overall operation of the City and is assignable in part to the specified cost objective in accordance with 2 CFR § 200.

Any cost allocable to a particular cost objective may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the City from shifting costs that are allowable under two or more cost objectives in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Costs should only be charged net of all applicable credits. Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the cost objective. Examples include:

a. Purchase discounts;
b. Rebates or allowances;
c. Recoveries or indemnities on losses;
d. Insurance refunds or rebates; and
e. Adjustments of overpayments or erroneous charges

To the extent that such credits accruing to or received by the City relate to allowable costs, they must be credited to the State and/or Federal award either as a cost reduction or cash refund, as appropriate. These credits do not constitute program income.

The City will submit a draw request for eligible costs as often as is needed, subject to limitations in grant agreements and at least quarterly throughout the life of a project. The City will submit costs to a Grantor for draw within 60 days of receipt of invoices as allowable.

Pursuant to 24 CFR § 570.489(c), 2 CFR § 200.305(b), and 31 CFR § 205, the City when utilizing the cash advance method will minimize the time elapsing between the transfer of funds from the Federal or State agency and the disbursement by the City for eligible costs. This period must not exceed 5 business days from the date of receipt/deposit of funds.

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:

Executive Session: The City Council will meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.074 - Personnel Matters: Deliberation of the Appointment, Employment, and Duties of a Public Officer or Employee – City Manager

Background:

Origination:

City Council, City Manager, City Attorney

Recommendation:

N/A

Party(ies) responsible for placing this item on agenda:

City Secretary

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	

Regular City Council
Agenda Item
Data Sheet

Meeting Date: September 21, 2020

Topic:
Consideration and Possible Action regarding Amendments to and Extension of the Employment Contract for Robert Hauck, City Manager

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda:
Tracylynn Garcia

ACTION TAKEN

Approval	Readings Passed	Other
☐ Yes ☐ No	☐ 1st ☐ 2nd	