RESOLUTION NO. R-2019-86

A RESOLUTION OF THE CITY OF BASTROP, TEXAS APPROVING AN AMENDED AND RESTATED PUBLIC IMPROVEMENTS DISTRICT DEVELOPMENT AND REIMBURSEMENT AGREEMENT FOR THE HUNTERS CROSSING PUBLIC IMPROVEMENT DISTRICT AS ATTACHED IN EXHIBIT A.

WHEREAS, the City of Bastrop, 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, as amended (the "PID Act"), has previously established the "Hunters Crossing Public Improvement District" (the "District"), pursuant to Resolution No. R-2001-19 adopted by the City Council of the City (the "City Council") on September 11, 2001 (the "Original Creation Authorization"); and

WHEREAS, on November 11, 2003, the City Council passed and approved Resolution No. R-2003-34 amending the Original Creation Authorization by reducing the estimated costs of the public improvements for the PID (the "Public Improvements") and modifying the method of assessment; and

WHEREAS, on February 24, 2004, the City, the Hunters Crossing Local Government Corporation (the "Corporation"), and Sabine Investment Company (the "Original Developer") executed that certain Public Improvements District Development and Reimbursement Agreement (the "Original Agreement"); and

WHEREAS, TF Hunters Crossing, LP (the "Developer") is an assignee of the Original Agreement and the Parties acknowledge that TF Hunters Crossing, LP has replaced Sabine Investment Company as the "Developer" under the Original Agreement for the purpose of acquiring all or part of the Original Developer's assets, and such assignment does not relieve the Original Developer of liability under the Original Agreement; and

WHEREAS, the City, the Corporation, and the Developer now wish to amend and restate the Original Agreement.

WHEREAS, the City Council desires to approve the Amended and Restated Public Improvements District Development and Reimbursement Agreement (the "Agreement") between the City, the Corporation, and the Developer.

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

Section 1. Findings.

The findings and determinations set forth in the recitals hereof are hereby incorporated by reference for all purposes, are true and correct and constitute findings and determinations of the City Council acting in its legislative capacity.

Section 2. The Agreement.

The Agreement attached hereto as Exhibit A and incorporated herein for all purposes is hereby approved pursuant to the PID Act Section 372.023 as a reimbursement agreement for the
District as described in the 2019 Amended and Restated Service and Assessment Plan and the Mayor is authorized to execute such Agreement on behalf of the City.

**Section 3. Filing in Land Records.**

The City Secretary is directed to cause a copy of this Resolution, including the Agreement, to be recorded in the real property records of Bastrop County.

**Section 4. Public Meeting.**

The City Council met in a public meeting on September 24, 2019 and adopted this resolution with a majority of vote.

**Section 5. Effective Date.**

This Resolution shall take effect and the provisions and terms of the Agreement shall be and become effective upon passage and execution hereof.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]
Duly Resolved and Adopted by the City Council of the City of Bastrop, Texas on the 24th day of September 2019.

City of Bastrop, Texas

Approved:

[Signature]
Connie Schroeder, Mayor

Attest:

[Signature]
Ann Franklin, City Secretary

Approved as to Form and Legality:

[Signature]
George Hyde, Special Legal Counsel to City of Bastrop, Texas
EXHIBIT A

AMENDED AND RESTATED PUBLIC IMPROVEMENTS DISTRICT DEVELOPMENT AND REIMBURSEMENT AGREEMENT

[Attached]
AMENDED and RESTATED PUBLIC IMPROVEMENTS DISTRICT DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Amended and Restated Public Improvements District Development and Reimbursement Agreement (this "Agreement") is made by and among the CITY OF BASTROP, TEXAS (the "City"), HUNTERS CROSSING LOCAL GOVERNMENT CORPORATION (the "Corporation"), and TF HUNTERS CROSSING, LP ("Developer"), each a "Party" and collectively the "Parties," to be effective on September 24, 2019 (the "Effective Date").

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to “sections” shall mean sections of this Agreement; (2) all references to “exhibits” shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to “ordinances” or “resolutions” shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, this Agreement amends and restates that certain Public Improvements District Development and Reimbursement Agreement between the City, the Corporation, and Sabine Investment Company executed on February 24, 2004 (the "Original Agreement");

1.4 WHEREAS, Forestar (USA) Real Estate Group, Inc., a Delaware Corporation, is the corporate successor to Sabine Investment Company (collectively, the "Original Developer");

1.5 WHEREAS, TF Hunters Crossing, LP is an assignee of the Original Agreement and the Parties acknowledge that TF Hunters Crossing, LP has replaced Sabine Investment Company as the “Developer” under the Original Agreement for the purpose of acquiring all or part of the Original Developer’s assets, and such assignment does not relieve the Original Developer of liability under the Original Agreement;

1.6 WHEREAS, the Developer is a Delaware limited partnership;

1.7 WHEREAS, the City is a Texas home-rule municipality;

1.8 WHEREAS, on September 11, 2001, the City Council passed and approved the P.I.D Creation Resolution authorizing the creation of the P.I.D pursuant to the Act, covering
approximately 283.061 contiguous acres within the City's corporate limits, which land is described on Exhibit A attached hereto;

1.9 WHEREAS, on November 11, 2003, the City Council passed and approved the PID Creation Resolution Amendment by reducing the estimated costs of the Authorized Improvements and modifying the method of assessment;

1.10 WHEREAS, on December 9, 2003, the City Council passed and approved an Assessment Ordinance, as amended on December 14, 2004;

1.11 WHEREAS, the Assessment Ordinance approved the SAP;

1.12 WHEREAS, the SAP identifies Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.13 WHEREAS, the SAP sets forth the Costs of the Authorized Improvements;

1.14 WHEREAS, the SAP determines and apportions the Costs of the Authorized Improvements to the Assessed Property, which Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property as required by the Act;

1.15 WHEREAS, an Assessment Ordinance levied the Costs of the Authorized Improvements as Assessments against the Assessed Property in the amounts set forth on an Assessment Roll;

1.16 WHEREAS, Assessments and Annual Installments are due and payable as described in the SAP;

1.17 WHEREAS, Annual Installments shall be billed and collected by the City or its designee;

1.18 WHEREAS, Assessment Revenue from the collection of Assessments and Annual Installments shall be deposited as provided in the applicable Indenture if PID Bonds secured by such Assessments and Annual Installments are issued or into the PID Reimbursement Fund if no such PID Bonds are issued or none of such PID Bonds remain outstanding;

1.19 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Indenture;

1.20 WHEREAS, a PID Project Fund related to PID Bonds shall only be used in the manner set forth in the applicable Indenture;
1.21 WHEREAS, the Parties have agreed to execute a special warranty deed conveying Lot 17, Block A, Hunters Crossing Section Four A from the Developer to the City (the “Special Warranty Deed to the City”);

1.22 WHEREAS, the Parties have agreed to execute a special warranty deed conveying certain easements, rights-of-way, greenbelts, parks, and trails from the Developer to the Corporation (the “Special Warranty Deed to the Corporation”);

1.23 WHEREAS, the Parties have agreed to revise the Declaration of Condominium Regime for Hunters Crossing Condominiums to transfer the pool facility to the Homeowners Association (the “Condo Declaration”);

1.24 WHEREAS, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act;

1.25 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; and (3) each Party has relied upon such Recitals in entering into this Agreement; and

1.26 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP and each Indenture), are incorporated as part of this Agreement for all purposes as if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

2.1 “2018 Capital Assessments” The capital Assessment Revenue collected by the City for fiscal year 2018 totaling $433,774 as of July 11, 2019.

2.2 “2019 Amended and Restated SAP” is defined as the 2019 Amended and Restated Service and Assessment Plan dated September 10, 2019 and to be approved by City Council on September 24, 2019.

2.3 “Act” is defined as Chapter 372, Texas Local Government Code, as amended.
2.4 ‘Agreement’ is defined in the introductory paragraph.

2.5 ‘Annual Installment’ is defined in the SAP.

2.6 ‘Applicable Laws’ means the Act and all other laws or statutes, rules, or regulations of the State of Texas or the United States, as the same may be amended, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

2.7 ‘Assessed Property’ is defined in the SAP.

2.8 ‘Assessment’ is defined in the SAP.

2.9 ‘Assessment Ordinance’ is defined in the SAP.

2.10 ‘Assessment Revenue’ means the revenues actually received by or on behalf of the City from the collection of Assessments.

2.11 ‘Assessment Roll’ is defined in the SAP.

2.12 ‘Authorized Improvements’ are defined in the SAP.

2.13 ‘Bond Proceeds’ mean the proceeds derived from the issuance and sale of PID Bonds that are deposited and made available to pay Costs in accordance with the applicable Indenture.

2.14 ‘City’ is defined in the introductory paragraph.

2.15 ‘City Council’ means the governing body of the City.

2.16 ‘City Representative’ means the person authorized by the City Council to undertake the actions referenced herein.

2.17 ‘Closing Disbursement Request’ means a request in the form of Exhibit B or as otherwise approved by the Parties.

2.18 ‘Corporation’ is defined in the introductory paragraph.

2.19 ‘Costs’ are defined in the SAP.

2.20 ‘Default’ is defined in Section 4.11.1.

2.21 ‘Delinquent Collection Costs’ are defined in the SAP.

2.22 ‘Developer’ is defined in the introductory paragraph.
2.23 "Effective Date" is defined in the introductory paragraph.

2.24 "Failure" is defined in Section 4.11.1.

2.25 "Indenture" means the applicable trust indenture pursuant to which PID Bonds are issued.

2.26 "Maturity Date" is the date one year after the last Annual Installment is collected.

2.27 "Operational and Maintenance Supplemental Services" are defined in the SAP.

2.28 "Original Agreement" means the Public Improvements District Development and Reimbursement Agreement between the City, the Corporation, and Sabine Investment Company executed on February 24, 2004.

2.29 "Original Developer" is defined in Section 1.4.

2.30 "Party" and "Parties" are defined in the introductory paragraph.

2.31 "PID" is defined as the Hunters Crossing Public Improvement District, created by the PID Creation Resolution.

2.32 "PID Bonds" are defined in the SAP.

2.33 "PID Creation Resolution" is defined as Resolution No. R-2001-19 passed and approved by the City Council on September 11, 2001.

2.34 "PID Creation Resolution Amendment" is defined as Resolution No. R-2003-34 passed and approved by City Council on November 11, 2003.

2.35 "PID Pledged Revenue Fund" means the fund established by the City under the applicable Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue securing PID Bonds issued and still outstanding.

2.36 "PID Project Fund" means the fund, including all accounts created within such fund, established by the City under the applicable Indenture (and segregated from all other funds of the City) into which the City deposits Bond Proceeds in the amounts and as described in the applicable Indenture.

2.37 "PID Reimbursement Fund" means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue if not
deposited into the PID Pledged Revenue Fund. The PID Reimbursement Fund replaces the “PID Fund” as defined in the Original Agreement.

2.38 “Reimbursement Agreement Balance” is defined in Section 3.3.

2.39 “SAP” is defined as the *Hunters Crossing Public Improvement District Service and Assessment Plan* approved as part of the December 9, 2003, Assessment Ordinance, as the same may be updated or amended by City Council action in accordance with the Act.

2.40 “Transfer” and “Transferee” are defined in Section 4.14.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. Until PID Bonds are issued, the City shall bill, collect, and immediately deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Operational and Maintenance Supplemental Services and Delinquent Collection Costs). Once PID Bonds are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue in the manner set forth in the applicable Indenture. The City shall also deposit Bond Proceeds and any other funds authorized or required by the Indenture in the manner set forth in the applicable Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Indenture. Funds in the PID Reimbursement Fund shall only be used to pay all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether 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 to foreclose the currently delinquent Annual Installment; provided, however, 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. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflicts with this Agreement.

3.2 Payment of Costs. The Developer has constructed, and the City has accepted, all Authorized Improvements under the SAP other than the completion of a portion of Bear Hunter Drive. Pursuant to the July 12, 2011 independent accounting report, the city verified that the Developer incurred a total of $12,498,265 through June 30, 2007, which increased to $13,349,435 as of June 30, 2010, which additionally increased to $13,894,993 as of June 2019 by constructing a portion of Bear Hunter Drive. The Developer shall further pay an estimated $256,443 to construct the remaining portion of Bear Hunter Drive to be completed in 2020. Therefore, the Developer has incurred and paid at least $13,894,993 in Costs currently and will incur a total of at least $14,151,436 to pay the remaining estimated Costs to construct Bear Hunter Drive. The City acknowledges that the foregoing Costs are approved for reimbursement only up to the maximum capital reimbursement amount in Section 3.3.

3.3 Payment of Reimbursement Agreement Balance. The Developer is entitled to a maximum capital reimbursement amount of $11,961,260 pursuant to the SAP. Regardless of any past reference to, or past adoption of, any accrual of interest on the principal levy, the allocation of PID payments shall be applied only to the adjusted principal provided herein and any and all previously accrued interest shall be waived and cancelled so long as no owner challenges the allocation of PID assessments and provided reimbursement amounts owed the Developer are paid consistent with this Agreement. The total adjusted principal herein shall not bear any interest in the future unless otherwise provided herein. To date, the Developer has been paid $2,205,097.71 from Assessment Revenue and the Developer is owed $9,756,162.29 (the “Reimbursement Agreement Balance”). The Reimbursement Agreement Balance is reduced by the 2019 Assessment Roll to an amount equal to $7,376,072.02 which is the amount of all unpaid but levied capital assessments to be collected by the City and paid to the Developer. The Reimbursement Agreement Balance is payable solely from the PID Reimbursement Fund or from PID Bond Proceeds; and, no other City funds, revenue, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments made from PID Bond Proceeds shall be made in the manner set forth in the applicable Indenture. So long as no bonds are issued, the City shall make a payment to the
Developer at least annually and no later than 90 days after the date payment of the Assessments for such year are due and payable to the City, except for the 2018 Capital Assessments, which are to be paid no later than October 8, 2019. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made.

3.4 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds in the name of the Hunter’s Crossing Local Government Corporation, when and if the City Council determines it is financially feasible for the purposes of paying the Reimbursement Agreement Balance. Pursuant to Section 1202.004 of the Texas Government Code, Developer agrees to pay and has paid the Texas Attorney General examination fee, which is equal to one-tenth of one percent of the principal amount of the public security. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, the Developer’s right to receive payments each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds pursuant to the flow of funds provisions of such Indenture. The failure of the City to issue PID Bonds shall not constitute a “Failure” by the City or otherwise result in a “Default” by the City.

3.5 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items expended by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the scheduled closing date for the PID Bonds for payment in accordance with the provisions of the Indenture. After the City approves the Closing Disbursement Request and proceeds from the PID Bonds are transferred to the Developer, the Reimbursement Agreement Balance will be reduced
to zero and all obligations owed by the City to the Developer pursuant to this Agreement will be satisfied. If in any fiscal year during which PID Bonds remain outstanding the amount of capital assessments collected to pay the annual debt service in that fiscal year exceeds the annual debt service payment, then Developer shall be paid the amount that exceeds the annual debt service payment as a payment towards the portion of the Reimbursement Agreement Balance not paid by PID Bond proceeds (the "Residual Capital Assessments").

3.6 **Obligations Limited.** The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund, the PID Pledged Revenue Fund, or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 **Obligation to Pay.** Subject to the provisions of Section 3.6, the Developer is in substantial compliance with its obligations under the Original Agreement, and the City has approved and accepted the Authorized Improvements for which Developer seeks reimbursement of the Costs by submission of the Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to the Developer or to any person designated by the Developer) identified in the Closing Disbursement Request and to pay debt service on PID Bonds are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Indenture. If PID Bonds are not issued, the City continues to remain obligated to pay the Developer annually from the PID Reimbursement Fund pursuant to the provisions of Section 3.3. If after each year's payment of debt service on PID Bonds is paid there is any Residual Capital Assessments from that year, the City is obligated to pay the Developer annually from the PID Reimbursement Fund such Residual Capital Assessments pursuant to the provisions of Section 3.3.

3.8 **Bear Hunter Drive.** The only outstanding obligation by the Developer under the SAP and Original Agreement is to construct the remaining portion of Bear Hunter Drive streets and drainage
improvements, which are described along with their estimated construction and electrical cost on the attached Exhibit C (the "Bear Hunter Improvements"). The Developer will construct the portion of Bear Hunter Drive identified in blue on Exhibit D attached hereto. Construction will begin 60 days after the City pays to the Developer the 2018 Capital Assessments and be completed within 180 after construction begins. Upon completion of the construction of Bear Hunter Drive, the City will release the performance bond held to guaranty completion of Bear Hunter Drive.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the date on which the Reimbursement Agreement Balance is paid in full or reduced to zero.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Developer’s Contribution. The City acknowledges that the Original SAP Exhibit F, Table A and Exhibit G estimated the unreimbursed Developer's contribution towards PID project costs at $1,868,947. The estimated unreimbursed Developer contribution was subtracted from the total net capital recovery due to the Developer as shown on SAP, Exhibit F-Table A and Exhibit G before assessments were levied. The actual unreimbursed Developer contribution was at least $1,933,733. The unreimbursed Developer’s contribution is attributed in part to the Capital Assessments levied on Parcel 90301 as described in Section 4.6.

4.5 Parcel 98555, Lot 3B. The City acknowledges that Parcel 98555 ("Lot 3B") is a non-benefitted property and as such the assessment originally levied on Lot 3B was reduced to zero.

4.6 Parcel 90301, Home Depot. The City acknowledges that Parcel 90301 ("Home Depot") was benefitted by the PID projects in a manner similar to other commercial property within the PID. The allocable share of PID assessments that would have been levied against Home Depot was funded by a portion of the unreimbursed Developer contribution. As a result, the PID assessment that would have been allocated to Home Depot was reduced to zero.

4.7 Audit. The Developer shall have the right, during normal business hours, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall
provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City’s regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Agreement Balance remains unpaid.

4.8 Developer’s Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer’s right to protest ad valorem taxes. The Developer’s decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.9 PID Administration and Collection of Assessments. If the City designates an administrator who shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, the City shall provide the Developer with a copy of the agreement between the City and the administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement. For so long as PID Bonds remain outstanding or the Reimbursement Agreement Balance remains unpaid, the City shall notify the Developer of any change of administrator or third-party collection of the Assessments.

4.10 Representations and Warranties.

4.9.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to collect sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.9.2 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this
Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.11 Default/Remedies.

4.11.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a “Failure”) and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” If a Failure is monetary, the non-performing Party shall have 10 days within which to cure. If the Failure is non-monetary, the non-performing Party shall have 30 days within which to cure.

4.11.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by the Developer shall entitle the City to terminate this Agreement or to withhold payments to the Developer from the PID Reimbursement Fund or the PID Pledged Revenue Fund or the PID Project Fund in accordance with this Agreement and the Indenture.

4.11.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement. The terms of this Agreement and the payment of the Reimbursement Agreement Balance by the City to the Developer is a contract for goods and services within the meaning of Section 271.151 of the Texas Local Government Code, as amended, and the Reimbursement Agreement Balance is the balance due and owed by the City to the Developer within the meaning of Section 271.151 of the Texas Local Government Code, as amended. Except as provided in this Section 4.10.3, the City does not waive or surrender any of its governmental powers, immunities, or rights.

4.11.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure 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 but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.
4.12 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.13 Estoppel Certificate. From time to time upon written request of the Developer, the City Manager will execute a written estoppel certificate (1) identifying any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or (2) stating, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.14 Transfers. 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 notice to) the City, the Developer’s right, title, or interest to payments under this Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID Reimbursement Fund or the PID Pledged Revenue Fund in accordance with Section 3.3 or from Bond Proceeds (any of the foregoing, a “Transfer,” and the person or entity to whom the transfer is made, a “Transferee”). Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.15 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Bastrop County, Texas.
4.16 **Notice.** Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:  
**Attn:** Lynda Humble, City Manager  
P.O. Box 427  
Bastrop, Texas 78602  
E-mail: lhumble@cityofbastrop.com  
TEL: (512) 332-8800  
FAX: (512) 332-8819

With a copy to:  
**Attn:** George Hyde  
Russell Rodriguez Hyde Bullock  
1633 Williams Drive  
Building 2, Suite 200  
Georgetown, Texas 78628  
E-mail: ghyde@txlocalgovlaw.com  
TEL: (512) 930-1317  
FAX: (866) 929-1641

To the Developer:  
TF Hunters Crossing, LP  
6310 Capital Drive, Suite 130  
Bradenton, Florida 34202

With a copy to:  
**Attn:** Misty Ventura  
Shupe Ventura, PLLC  
9406 Biscayne Blvd.  
Dallas, Texas 75218  
E-mail: misty.ventura@svlandlaw.com  
TEL: (214) 328-1101  
FAX: (800) 519-3768

Any Party may change its address by delivering notice of the change in accordance with this section.

4.17 **Indemnity.** The Developer agrees to indemnify and defend the City and the Corporation against claims arising from the 2019 Amended and Restated SAP approved by the City and adopted by the City Council on September 24, 2019 and this Agreement for four years from the date City Council adopts the 2019 Amended and Restated SAP. The indemnity and defense is conditioned upon and is provided to the extent: (a) such indemnity or defense is not otherwise provided by the City’s membership in the Texas Municipal League Intergovernmental Risk Pool; (b) the City asserts as a
defense to any offensive claims its immunity from suit and immunity from liability; (c) the City asserts as a defense to any challenge that the actions taken to create the PID and levy PID assessments are legislative acts; (d) the City asserts that all recitals in the 2019 Amended and Restated SAP and this Agreement are legislative findings; and (e) the City diligently asserts claims under existing contracts related to the PID against the Original Developer. The Developer has the right to participate in the defense, including objecting to defense counsel selected by the City based on reasonable cause. If at any point during the litigation, the Developer is subjected to greater risk of liability as a result of the legal strategy selected by the defense counsel provided for by this indemnity provision, the Developer must state such objections in writing, and if after receiving the Developer's objections to the strategy elected by defense counsel the City and the Developer are unable to reconcile the concern raised, the Developer is no longer obligated to indemnify the City for damages resulting from such strategy. If the Developer and the City are both named as parties to the lawsuit, the Developer and City will enter into a joint defense agreement to the extent provided by law. This indemnity is secured by a $500,000 indemnity bond to be issued by Fidelity and Deposit Company of Maryland to be continuously in full force and effective from September 27, 2019 until September 24, 2023, or until the indemnity obligation under this Agreement is waived or terminated. The obligation to indemnify pursuant to this paragraph is waived upon the closing date of the PID Bonds, if any. The obligation to indemnify pursuant to this paragraph is terminated if the City and the Corporation fail to continue in good faith to exercise all reasonable efforts to issue PID Bonds to pay the Developer all reimbursements available pursuant to this Agreement.

4.18 Conditional Developer Contribution to Unreimbursed PID Costs:

4.18.1 The City agreed to disburse the 2018 Capital Assessments to Developer on or before October 8, 2019. After receiving the 2018 Capital Assessments and on or before October 15, 2019, the Developer authorizes the City to retain $43,377 (10 percent of the 2018 Capital Assessments) of that disbursement as a contribution towards unreimbursed PID costs.

4.18.2 The City agreed to make all reasonable efforts to issue PID bonds secured solely by the assessments (and not by the full faith and credit of the City). If the PID bonds are issued, the amount owed to the Developer will be further reduced to the amount distributable from PID bonds for project funds, debt service reserve funds and costs of issuance. If PID Bonds are
issued, the City will be paid from the costs of issuance fund or the project fund an amount equal to $56,623 ($100,000 less $43,377) to reimburse the City for unreimbursed PID costs.

4.19 Recordation: This Agreement and any amendments thereto shall be recorded in the deed records of Bastrop County. In addition, all assignments of this Agreement shall be recorded in the deed records of Bastrop County.

4.20 Delegation of Authority. The Parties have agreed to the form of the Special Warranty Deed to the City attached hereto as Exhibit E, the Special Warranty Deed to the Corporation attached hereto as Exhibit F, and the Condo Declaration attached hereto as Exhibit G (collectively, the “Transfer Exhibits”). The City approves the Transfer Exhibits and delegates authority to the City Manager (or her designee) to execute and record the Transfer Exhibits.

4.21 Non-Waiver of Benefits under Original Agreement. To the extent that the Original Agreement provides specific benefits to any party to the Original Agreement, those benefits are not waived under this Agreement and the Original Agreement is preserved solely for the purpose of maintaining those benefits.

4.22 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the applicable Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.23 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.24 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this 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 Agreement.

4.25 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.
4.26 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.27 Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, 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/flo-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.

4.28 No Boycott of Israel. In Amawi v. Pflugerville Independent School District (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction (the “NBI Injunction”) preventing the defendants named therein from enforcement of Texas Government Code §2270.001 et. seq, or any “No Boycott of Israel” clause in any state contract. On May 7, 2019, H.B. 793, 86th Texas Legislature, Regular Session, became law, amending Texas Government Code, §2270.001 et. seq. On May 10, 2019, the Texas Attorney General filed a Motion to Stay the NBI Injunction with the United States Court of Appeals for the Fifth Circuit. In light of the foregoing recent developments, the following representation is provided by the Developer to avoid any uncertainty regarding the authority of the City to enter into this Agreement.

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 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 2270.002, 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.

[Execution pages follow.]
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement this 25th day of September 2019.

CITY OF BASTROP, TEXAS

By: [Signature]
Connie Schroeder, Mayor

STATE OF TEXAS

COUNTY OF BASTROP

This instrument was acknowledged before me on this 25th day of September, 2019 by Connie Schroeder as Mayor of the City of Bastrop, Texas, on behalf of said municipality.

[Seal: ANN FRANKLIN
Notary ID #4113239
My Commission Expires
October 17, 2022]

Notary Public, State of Texas

ATTEST:

By: [Signature]
Ann Franklin, City Secretary

APPROVED AS TO FORM AND LEGALITY:

By: [Signature]
George Hyde, Special Legal Counsel to City of Bastrop, Texas
STATE OF TEXAS

COUNTY OF BASTROP

This instrument was acknowledged before me on this 27th day of September, 2019 by Lynda Humble as President of the Hunters Crossing Local Government Corporation, on behalf of said corporation.

Notary Public, State of Texas

[Signature]

ANN FRANKLIN
Notary ID #41113239
My Commission Expires October 17, 2022
TF HUNTERS CROSSING, LP

By: 
Name: John Brian
Title: Authorized Signatory

STATE OF Florida §
COUNTY OF Orange §

This instrument was acknowledged before me on this 24th day of September, 2019 by John Brian as Authorized Signatory of the TF Hunters Crossing, LP, on behalf of said limited partnership.

[SEAL]:

LORI E. JOYCE
MY COMMISSION # GG 350514
EXPIRES: September 19, 2023
Bonded thru Notary Public Underwriters

Notary Public, State of Florida