# CERTIFICATE OF COUNTY CLERK

THE STATE OF TEXAS §
§
COUNTY OF MEDINA §

THE UNDERSIGNED HEREBY CERTIFIES that:

The Commissioners Court (the *Court*) of Medina County, Texas (the *County*), convened on the 25th day of November, 2013 in regular session in the regular meeting place of the Court in the County Courthouse (the *Meeting*), which Meeting was at all times open to the public, the duly constituted officers and members of the Court being as follows:

| | |
|---|---|
| James E. Barden | County Judge |
| Richard Saathoff | Commissioner, Precinct No. 1 |
| Larry Sittre | Commissioner, Precinct No. 2 |
| David Lynch | Commissioner, Precinct No. 3 |
| Jerry Beck | Commissioner, Precinct No. 4 |

and all of such persons were present at the Meeting, except the following: NONE, thus constituting a quorum. Among other business considered at the Meeting, the attached order (the *Order*) entitled:

> AN ORDER BY THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS APPROVING A PROJECT PLAN AND A FINANCE PLAN RELATING TO REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS, AND A SERVICE PLAN AND AN ASSESSMENT PLAN RELATING TO POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT; APPROVING THE COUNTY'S ENTERING INTO A DEVELOPMENT AGREEMENT WITH 320 POTRANCO RANCH, LLC, AND REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS; APPROVING THE COUNTY'S ENTERING INTO, ON BEHALF OF THE POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT, A DEVELOPMENT AGREEMENT WITH 320 POTRANCO RANCH, LLC; AND FINDING AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the due consideration of the Court. After presentation and discussion of the Order, a motion was made by Commissioner Saathoff that the Order be passed and adopted. The motion was seconded by Commissioner Sittre and carried by the following vote:

_5_ voted "For" _0_ voted "Against" _0_ "Abstained"

all as shown in the official Minutes of the Court for the Meeting.

2. The attached Order is a true and correct copy of the original on file in the official records of the County; the duly qualified and acting members of the Court of the County on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Court was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Order would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Order, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this 25th day of November, 2013.

COMMISSIONERS COURT MEDINA COUNTY, TEXAS

County Clerk and Ex-Officio Clerk of the Commissioners Court of Medina County, Texas

(SEAL OF COMMISSIONERS COURT)

**ORDER NO. 112513**

**AN ORDER BY THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS APPROVING A PROJECT PLAN AND A FINANCE PLAN RELATING TO REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS, AND A SERVICE PLAN AND AN ASSESSMENT PLAN RELATING TO POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT; APPROVING THE COUNTY'S ENTERING INTO A DEVELOPMENT AGREEMENT WITH 320 POTRANCO RANCH, LLC, AND REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS; APPROVING THE COUNTY'S ENTERING INTO, ON BEHALF OF THE POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT, A DEVELOPMENT AGREEMENT WITH 320 POTRANCO RANCH, LLC; AND FINDING AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, Medina County, Texas (the *County*) recognizes the importance of its continued role in local economic development and the protection of the health, safety, and welfare of its inhabitants; and

WHEREAS, in furtherance of this recognition, the County has heretofore created, by Resolution No. 20813A adopted by the County's Commissioners Court (the *Court*) on February 11, 2013, the Potranco Ranch Public Improvement District (the *District*), pursuant to and in accordance with the provisions of Chapter 372, as amended, Texas Local Government Code (*Chapter 372*); and

WHEREAS, in addition, the County has heretofore created, by Order No. 31113 adopted by the Court on March 11, 2013, the Reinvestment Zone Number Two, Medina County, Texas (the *Zone*), pursuant to and in accordance with the provisions of Chapter 311, as amended, Texas Tax Code (*Chapter 311*); and

WHEREAS, each of the District and the Zone have been duly organized and are governed by respective boards (the *District Board* and the *Zone Board*, respectively), pursuant to the applicable creation authorization of the County heretofore described and applicable laws of the State of Texas (the *State*); and

WHEREAS, the Zone Board, on November 18, 2013, adopted a "Project Plan" (as defined in Chapter 311 and a "Finance Plan" (being a plan described in Section 311.011 of Chapter 311) relative to the development of the Zone and has submitted such Project Plan and Finance Plan (in the form attached hereto as Exhibit A) to the Court, as required and in accordance with Chapter 311; and

WHEREAS, to accomplish the Zone's development, the Zone Board has negotiated with 320 Potranco Ranch, LLC (the *Developer*) a development agreement applicable to the Zone, which development agreement the Zone Board approved the Zone's entering into with the County and the Developer by official action taken on November 18, 2013; and

WHEREAS, the District Board, on November 18, 2013, adopted a "Service Plan" (being a plan described in Section 372.013 of Chapter 372) and an "Assessment Plan" (being a plan described in Section 372.014 of Chapter 372), respectively, relative to the District, and has submitted such Service Plan and Assessment Plan (in the form attached hereto as Exhibit B) to the Court, as required and in accordance with Chapter 372; and

WHEREAS, to accomplish the District's development and to provide for the maintenance and operation of certain District improvements, the District Board has negotiated with the Developer a development agreement applicable to the District, which development agreement the District Board, by official action taken on November 18, 2013, approved and requested that the County consider entering into, on the District's behalf, with the Developer; and

WHEREAS, because the terms of the plans and development agreements relative to the Zone and the District obligate the Developer to construct residential improvements of higher quality than the County is otherwise permitted to require, as well as safety improvements that the County is not at all permitted to require, under current applicable State law, the Court determines that its approval of the same will promote the general health, safety, and well-being and provide increased opportunity for economic prosperity within the County and, accordingly, is in the best interests of the County and its inhabitants; and

WHEREAS, the Court has determined that the implementation of the Zone's Project Plan and Finance Plan is feasible and that entering into the development agreement concerning Zone development is in the best interests of the inhabitants of the Zone and the County; and

WHEREAS, the Court has determined that the implementation of the District's Service Plan and Assessment Plan is feasible and compliant with Chapter 372 and that the County's entering into the development agreement concerning District development, on behalf of the District, is in the best interests of the inhabitants of the District and the County; and

BE IT ORDERED BY THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS THAT:

SECTION 1: The Court hereby accepts and approves the Project Plan and the Finance Plan relating to the Zone.

SECTION 2. The Court hereby approves that certain "Development Agreement By and Among Medina County, Texas, 320 Potranco Ranch, LLC, and Reinvestment Zone Number Two, Medina County, Texas", dated as of November 25, 2013 (the *TIRZ Development Agreement*), in the form attached hereto as Exhibit C, and authorizes the County Judge to execute and enter into the same as the act and deed of the Court for all purposes. Any costs and expenses of the County incurred as a result of its being a party to the TIRZ Development Agreement and owed to the Zone or the Developer shall be payable from amounts from time to time on deposit in the Tax Increment Fund (as such term is defined in the TIRZ Development Agreement), to the extent (and only to the extent) of the availability of funds sufficient to satisfy any such obligation.

SECTION 3: The Court hereby accepts and approves the Service Plan and the Assessment Plan relating to the District.

SECTION 4. The Court hereby approves that certain "Development Agreement By and Between Medina County, Texas, Acting on Behalf of the Potranco Ranch Public Improvement District, and 320 Potranco Ranch, LLC", dated as of November 25, 2013 (the *PID Development Agreement*), in the form attached hereto as Exhibit D, and authorizes the County Judge to execute and enter into the same as the act and deed of the Court for all purposes. In connection with the foregoing, the Court hereby finds and determines that the Developer is an "entity" under Section 372.023 of Chapter 372. Any costs and expenses of the County incurred as a result of its being a party to the PID Development Agreement and owed to the Developer shall be payable solely from the Available Assessment (as such term is defined in the PID Development Agreement), to the extent (and only to the extent) of the availability of funds from such source being sufficient to satisfy any such obligation.

SECTION 5: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Court.

SECTION 6: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters resolved herein.

SECTION 7: This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 8: If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Court hereby declares that this Order would have been enacted without such invalid provision.

SECTION 9: It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 10: This Order shall be in force and effect from and after its final passage, and it is so resolved.

* * * *

PASSED AND ADOPTED on the 25th day of November, 2013.

MEDINA COUNTY, TEXAS

County Judge

ATTEST:

County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)

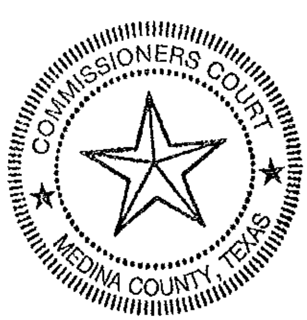


**EXHIBIT A**

PROJECT PLAN AND FINANCE PLAN
REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS

N/A

**EXHIBIT B**

SERVICE PLAN AND ASSESSMENT PLAN
POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT

See Tab No. 7

**EXHIBIT C**

DEVELOPMENT AGREEMENT BY AND AMONG MEDINA COUNTY, TEXAS,
320 POTRANCO RANCH, LLC, AND
REINVESTMENT ZONE NUMBER TWO, MEDINA COUNTY, TEXAS

N/A

**EXHIBIT D**

DEVELOPMENT AGREEMENT BY AND BETWEEN MEDINA COUNTY, TEXAS, ACTING ON BEHALF OF THE POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT, AND 320 POTRANCO RANCH, LLC

See Tab No. 8

## POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT 2013/14 SERVICE PLAN AND ASSESSMENT PLAN

## I. INTRODUCTION

The Commissioners Court (the *Court*) of Medina County, Texas (the *County*), by Resolution Number 20813A (the *Resolution*) approved by the Court on February 11, 2013, created the Potranco Ranch Public Improvement District (the *District*) pursuant to the provisions of Subchapter A of Chapter 372, as amended, Texas Local Government Code (the *Act*). The PID's creation pursuant to the Resolution became effective upon the County's satisfaction of the Act's requirement to publish the contents of the Resolution in a newspaper of general circulation within the County, which publication occurred on February 28, 2013. As a result of the foregoing, the District is a duly organized and existing Texas public improvement district under the Act.

The Act requires that the District's advisory board annually prepare a service plan, which includes an assessment plan, and deliver the same to the Court for review and approval. This Potranco Ranch Public Improvement District 2013/14 Service Plan and Assessment Plan (this *Plan*) is prepared in compliance with these provisions of the Act. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Resolution.

As required by the Act, this Plan includes projections based on current estimates. It is subject to annual review and modifications to reflect changed circumstances, which are expected to impact actual results and future projections.

## II. SERVICE PLAN

The Act requires the "service plan" referenced therein to cover a period of at least five years and to define the annual projected costs and indebtedness for the Improvements undertaken during such period. As evidenced in Exhibit A hereto, District development is anticipated to occur in Phases, with the build out for each phase lasting approximately one year. Accordingly, Phases 1 through 5 are currently anticipated to be completed during the five year period required by the Act to be covered by the service plan. For greater clarity regarding the entirety of the project that constitutes the District's development, projections regarding all Phases are included in and made a part of this Plan, which projections are attached hereto as Exhibit A. The phasing is anticipated to occur sequentially, as indicated in Exhibit A hereto, with each succeeding Phase to begin development after completion of its preceding Phase.

The expected time for completion of each Phase, as well as the estimated costs for Improvements (plus interest costs relating thereto and costs of maintenance thereof) scheduled for construction, acquisition, or installation during such Phase, are included in Exhibit A hereto. The tables in Exhibit A hereto also summarize the sources and uses of funds required to construct, finance, operate, and maintain the Improvements, by Phase. Other than the obligations evidenced in the Development Agreement by and between the County and 320 Potranco Ranch, LLC (the *Developer*), attached hereto as Exhibit B, there is currently no indebtedness that is secured by or payable from the revenues of the District. Updates regarding the foregoing information, as the same relates to Phases at such time incomplete, shall be included in subsequent "service plans" updating this Plan prepared by the District's advisory board and delivered to the Court for review and approval, as required by and in accordance with the Act.

The "service plan" that is included in Article II of this Plan shall be reviewed and updated at least annually by the District's advisory board in sufficient time to allow the Court to determine the then-applicable District costs and expenses applicable to the next fiscal year, updating the estimated Improvement costs, and updating the Assessment Roll (defined herein).

## III. ASSESSMENT PLAN

The Act requires that the Court apportion the costs of the Improvements on the basis of special benefits thereby conferred upon Assessable Property within the District (which assessable Property is identified by (i) a tax map identification number assigned to the parcel or tract by the County Appraisal District for real property tax purposes or (ii) a lot and block number shown on a final subdivision plat recorded in the County's real property records (each such parcel or tract of Assessable Property, a *Parcel*). The Act provides that such Improvement costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The 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 County and the area to be assessed and the methods of assessing the special benefits for various classes or improvements.

The tables attached hereto as Exhibit A provide the estimated allocation of costs of Improvements among each Parcel. At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel included in Phases beyond Phase I will derive from the Improvements. Accordingly, the assessment of each Parcel will be annually revisited (and possibly adjusted) in accordance with Section 372.015 of the Act.

The "assessment plan" that is included in Article II of this Plan describes the special benefit received by each Parcel within the District, provides the basis and justification for the determination that this special benefit exceeds the portion of the cost of Improvements allocated to and assessed against each such Parcel, and establishes the methodologies by which the Court determines special benefit resultant from the Improvements to Parcels (and allocates costs thereof) in a manner that results in an equal share allocation of the costs of Improvements apportioned to Parcels similarly benefited (such allocation of costs, the *Assessments*). The determination by the Court of the cost allocation and assessment methodologies set forth below is the result of the discretionary exercise by the Court of its legislative authority and governmental powers bestowed thereon under the Act and is conclusive and binding on the owners of District property (including the Parcels) and all future owners and developers of the same.

**Special Benefit**

Parcels upon which Assessments are imposed (*Assessed Property*) must receive a direct and special benefit from the Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Improvements are provided specifically for the benefit of the Parcels upon which Assessments are made. The Improvements (generally described in the Resolution and more particularly described in line-item format in the tables attached hereto Exhibit A) and the costs thereof, as well as costs of financing, operating, and, and maintaining the same, are authorized by the Act. Pursuant to the cost estimates for Improvements, as evidenced in the tables attached hereto as Exhibit A, the Court hereby finds and determines that the total costs of the Improvements exceeds the total amount of the Assessments. Funding the costs of the Improvements through the District has been determined by the Court to be the most beneficial means of funding these public improvements.

Based on the foregoing, the Assessments result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessments. This conclusion is based on and supported by the evidence, information, and testimony provided to the Court, including the information that is attached as Exhibit A hereto and the consent and acknowledgement of the Owners of the Parcels hereafter referenced, who are best positioned to determine the sufficiency of the special benefit realized from the Improvements and whose consent and acknowledgement is binding thereon.

**Collection of Costs of Improvements**

The Improvements will provide a special benefit to the Parcels within the District. Accordingly, the costs of the Improvements are allocated entirely to the Parcels based on the special benefit received thereby. The tables attached hereto as Exhibit A summarize the allocation of costs of Improvements to Parcels within the District. These costs are estimates and may be revised in annual updates to this Plan (but may not result in increased Assessments without consent by the Owner of a Parcel upon which such increased Assessment is proposed to be imposed).

**Assessment Methodology**

The costs of Improvements may be assessed by the Court against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Improvements for which Assessments are made equals or exceeds the amount of the Assessments. The costs of Improvements may be assessed using any methodology that results in the imposition of equal shares of these costs of Improvements upon such Assessed Property that is similarly benefited.

For purpose of this "assessment plan" that is included in Article III of this Plan, the Court has determined that the Parcels shall be assessed $4,800,115.00 of the costs of the Improvements ($1,010,000.00 of which shall be constitute capital cost recovery, with the remaining $3,790,115.00 being attributed to interest costs, if any, incurred in connection with the financing of Improvements and ongoing costs of maintaining the Improvement, all as specified in the Resolution), which costs shall be allocated among the Parcels within the District by spreading the aggregate amount of the Assessments across all Parcels within the District based on the ratio of the estimated build-out value of each Parcel to the total build-out value for all Parcels within the District (which allocation methodology is reflected in the tables attached hereto as Exhibit A).

Based on the cost estimates provided to the County by the Developer (evidencing, in the tables attached hereto as Exhibit A, that the total cost of Improvements exceeds the aggregate amount of the Assessments), the Court has determined that the value of the benefit to the Assessed Property derived from the Improvements is at least equal to the amount of the Assessments levied thereon.

Upon subsequent division(s) of any Parcel, the Assessment applicable thereto will be apportioned *pro rata* based on the estimated build-out value of each newly created Parcel.

When Parcels are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated average build-out value at the time the Parcels are platted to the total build-out value of all Parcels then platted. The result of this approach is that each final Parcel within a recorded subdivision plat with similar build-out values will have the same Assessment, with more valuable Parcels having a proportionately larger share of the total Assessments than less valuable Parcels. As part of the determination as to the ability of different Parcels to differently utilize and benefit from the Improvements, the Court has taken into consideration that larger, more expensive homes, on average, will create more vehicle trips and greater demands for water and wastewater consumption and larger, more expensive homes are likely to be built on larger, more valuable lots.

Prior to the division of any Parcel or the recording of a subdivision plat, the Owner shall provide the County an estimated build-out as of the date of the recorded subdivision plat for each new subdivided Parcel created by a recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact the Parcel's build-out value. The calculation of the estimated average Parcel build-out value shall be confirmed by the District's advisory board based on information provided by the County, the Developer, the Owner, homebuilders, third party consultants retained by any of the foregoing or by the District's advisory board, the Official Public Records of the County, and/or any other information regarding the Parcel.

The Assessment and Annual Installments (defined herein) for each Parcel located in the District is shown on the District's Assessment Roll (the *Assessment Role*) attached hereto as Exhibit C, and no Assessment shall be changed except as authorized by this "assessment plan" or the Act.

**Assessments and Annual Installments**

The Assessments will be levied on each Parcel according to the Assessment Roll, attached hereto as Exhibit C, and may be paid annually in installments equal to $0.18 per $100 valuation of such Parcel (which amount can be adjusted downward on an annual basis, but shall never exceed the amount of $0.18 per $100.00 of valuation), as reflected in the County's official tax rolls (such annual payments, the *Annual Installments*), in accordance with the Act and Section 2 of the Resolution. The Annual Installments for the Assessments will be collected on the amounts shown on the Assessment Roll and shall be due and owing concurrently with the due date of ad valorem taxes annually levied by the County upon the Parcel that has also become subject to an Assessment, subject to any revisions made in annual updates to this Plan.

**Administrative Expenses**

The cost of administering the District and collecting the Annual Installments (together, the *Administrative Expenses*) shall be paid on a *pro rata* basis by the Owner (defined below) of each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, subject to any revisions made in annual updates to this Plan.

**Consent and Acknowledgement of Owners**

Each owner of Assessable Property (each, an *Owner*) has reviewed this "assessment plan" that is a part of this Plan and has ratified, confirmed, accepted, acknowledged, agreed to, and approved: (i) the Improvements, the costs thereof, and their conferring upon the Owner's Parcel(s) special benefits, (ii) the determinations and finding by the Court as to the extent of the special benefits upon the Owner's Parcel(s) resultant from the Improvements and that the value of those special benefits (as heretofore described) to the Owner's Parcel(s) exceeds the amount of the Assessment imposed on such Owner's Parcel(s)), and (iii) the Court's imposition of the Assessments on each Parcel made in Order No. 122313 adopted by the Court on December 23, 2013 (the *Assessment Order*), in accordance with this Plan, the Resolution, and the Act.

* * * *

# EXHIBIT A

## Public Improvements, Construction Schedule, and Related Tables and Projections

# Exhibit B - Construction Schedule

## Medina County
## Potranco Ranch Public Improvement District (PID)

November 9, 2013

| | | | | | |
|---|---|---|---|---|---|
| Site Area | | | 320.00 | Acres | |
| Initial Home Price Range | | $ | 350,000 | | |
| Project Year: | | | | | |
| Phase 1 | 2013 | | 22 | Single Family Homes | 350,000.00 |
| Phase 2 | 2014 | | 40 | Single Family Homes | 353,500.00 |
| Phase 3 | 2015 | | 40 | Single Family Homes | 357,035.00 |
| Phase 4 | 2016 | | 40 | Single Family Homes | 360,605.35 |
| Phase 5 | 2017 | | 40 | Single Family Homes | 364,211.40 |
| Phase 6 | 2018 | | 40 | Single Family Homes | 367,853.52 |
| Phase 7 | 2019 | | 40 | Single Family Homes | 371,532.05 |
| Phase 8 | 2020 | | 40 | Single Family Homes | 375,247.37 |
| Phase 9 | 2021 | | 40 | Single Family Homes | 375,247.37 |
| Phase 10 | 2022 | | 18 | Single Family Homes | 375,247.37 |
| Phase 11 | 2023 | | 0 | | 378,999.85 |
| Phase 12 | 2024 | | 0 | | 382,789.85 |
| Total | | | 360 | | |

| | | |
|---|---|---|
| Experience of Developer | Experienced | |
| Performance Bonds: | Required to be provided by Contractor | |
| Payment Bonds: | Required to be provided by Contractor | |

| | | | |
|---|---|---|---|
| Assumptions: | Assumed Community Value at Buildout | $ | 131,463,736 |
| | Assumed Community Value Appreciation Factor | | 1.00% |
| | Assumed PID Collection Rate | | 99.00% |
| | Estimated Total PID Collections (1st 25 years) | $ | 4,800,115 |
| | Estimated PID Life | | Perpetual |

# Public Infrastructure Improvements

## Potranco Ranch Public Improvement District (PID)

### Projected Public Improvement District Revenue

| Tax Year | Public Improvement District: Beginning Assessed Value | Public Improvement District: Annual Value of New Development | Public Improvement District: Projected Year-End Assessed Value | PID: Captured Assessed Value | PID: Assessment Rate | PID: Annual Assessments | Cumulative PID Revenues | County/Assessor Admin. Exp. |
|---|---|---|---|---|---|---|---|---|
| 2013 | - | 7,700,000 | 7,700,000 | 7,700,000 | 0.1800000 | - | - | 10,000 |
| 2014 | 7,700,000 | 14,140,000 | 21,840,000 | 21,840,000 | 0.1800000 | 13,721 | 13,721 | 10,000 |
| 2015 | 21,840,000 | 14,281,400 | 36,121,400 | 36,121,400 | 0.1800000 | 38,919 | 52,640 | 10,000 |
| 2016 | 36,121,400 | 14,424,214 | 50,545,614 | 50,545,614 | 0.1800000 | 64,368 | 117,009 | 10,000 |
| 2017 | 50,545,614 | 14,568,456 | 65,114,070 | 65,114,070 | 0.1800000 | 90,072 | 207,081 | 10,000 |
| 2018 | 65,114,070 | 14,714,141 | 79,828,211 | 79,828,211 | 0.1800000 | 116,033 | 323,114 | 10,000 |
| 2019 | 79,828,211 | 14,861,282 | 94,689,493 | 94,689,493 | 0.1800000 | 142,254 | 465,368 | 10,000 |
| 2020 | 94,689,493 | 15,009,895 | 109,699,388 | 109,699,388 | 0.1800000 | 168,737 | 634,105 | 10,000 |
| 2021 | 109,699,388 | 15,009,895 | 124,709,283 | 124,709,283 | 0.1800000 | 195,484 | 829,589 | 10,000 |
| 2022 | 124,709,283 | 6,754,453 | 131,463,736 | 131,463,736 | 0.1800000 | 222,232 | 1,051,821 | 10,000 |
| 2023 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,286,089 | 10,000 |
| 2024 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,520,358 | 10,000 |
| 2025 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,754,626 | 10,000 |
| 2026 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,988,894 | 10,000 |
| 2027 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,223,163 | 10,000 |
| 2028 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,457,431 | 10,000 |
| 2029 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,691,700 | 10,000 |
| 2030 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,925,968 | 10,000 |
| 2031 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,160,236 | 10,000 |
| 2032 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,394,505 | 10,000 |
| 2033 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,628,773 | 10,000 |
| 2034 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,863,041 | 10,000 |
| 2035 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,097,310 | 10,000 |
| 2036 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,331,578 | 10,000 |
| 2037 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,565,847 | 10,000 |
| 2038 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,800,115 | 10,000 |
| | | $ 131,463,736 | | | | $ 4,800,115 | | $ 260,000 |

| Existing Annual Value Growth Factors | |
|---|---|
| Years 2013-2022 | 1.00% |
| Thereafter | 0.00% |
| Combined Compound Growth Rate | |

| | |
|---|---|
| Participation Level | 100% |
| Tax Rate Growth Factor | 0.00% |
| Tax Rate Collection Factor | 99.00% |

# Public Infrastructure Improvements

## Potranco Ranch Public Improvement District (PID)

### Participation

| Entity | Assessment Rate | Level of Participation | Assessment Rate | % of Project | PID Revenues | PID Expenses |
|---|---|---|---|---|---|---|
| Potranco Ranch PID | 0.1800000 | 100% | 0.1800000 | 100.00% | $ 4,800,115 | $ 29,300,417 |
| TOTAL | 0.1800000 | | 0.1800000 | 100.00% | $ 4,800,115 | $ 29,300,417 |

## Potranco Ranch Public Improvement District (PID)

### Projected New Assessed Values

| Year | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5 | Phase 6 | Phase 7 | Phase 8 | Phase 9 | Phase 10 | Phase 11 | Phase 12 | Total | Cumulative Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | $ 7,700,000 | | | | | | | | | | | | $ 7,700,000 | $ 7,700,000 |
| 2014 | | $ 14,140,000 | | | | | | | | | | | $ 14,140,000 | $ 21,840,000 |
| 2015 | | | $ 14,281,400 | | | | | | | | | | $ 14,281,400 | $ 36,121,400 |
| 2016 | | | | $ 14,424,214 | | | | | | | | | $ 14,424,214 | $ 50,545,614 |
| 2017 | | | | | $ 14,568,456 | | | | | | | | $ 14,568,456 | $ 65,114,070 |
| 2018 | | | | | | $ 14,714,141 | | | | | | | $ 14,714,141 | $ 79,828,211 |
| 2019 | | | | | | | $ 14,861,282 | | | | | | $ 14,861,282 | $ 94,689,493 |
| 2020 | | | | | | | | $ 15,009,895 | | | | | $ 15,009,895 | $ 109,699,388 |
| 2021 | | | | | | | | | $ 15,009,895 | | | | $ 15,009,895 | $ 124,709,283 |
| 2022 | | | | | | | | | | $ 6,754,453 | | | $ 6,754,453 | $ 131,463,736 |
| 2023 | | | | | | | | | | | $ - | | $ - | $ 131,463,736 |
| 2024 | | | | | | | | | | | | $ - | $ - | $ 131,463,736 |
| 2025 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2026 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2027 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2028 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2029 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2030 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2031 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2032 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2033 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2034 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2035 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2036 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| | | | | | | | | | | | | | $ - | $ 131,463,736 |
| | $ 7,700,000 | $ 14,140,000 | $ 14,281,400 | $ 14,424,214 | $ 14,568,456 | $ 14,714,141 | $ 14,861,282 | $ 15,009,895 | $ 15,009,895 | $ 6,754,453 | $ - | $ - | $ 131,463,736 | |

# Potranco Ranch Public Improvement District (PID)

Sources & Uses

| Sources of Funds | |
|---|---|
| PID Revenues at $0.18 per $100 | $ 4,800,115 |
| Tax Increment Reinvestment Zone # 2 | $ 9,840,000 |
| Developer Contribution | $ 14,660,302 |
| Total Sources of Funds | $ 29,300,417 |

Uses of Funds

| Begin Construction | Phase 1 2013 | Phase 2 2014 | Phase 3 2015 | Phase 4 2016 | Phase 5 2017 | Phase 6 2018 | Phase 7 2019 | Phase 8 2020 | Phase 9 2021 | Phase 10 2022 | Phase 11 2023 | Phase 12 2024 | Total Infrastructure Improvements |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Single Family Lots | 53 | 50 | 42 | 42 | 42 | 42 | 42 | 47 | 0 | 0 | 0 | 0 | 360 |
| Single Family Homes | 22 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 18 | 0 | 0 | 360 |
| **Public Improvements** | | | | | | | | | | | | | |
| **Hard Cost** | | | | | | | | | | | | | |
| Site Work | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Entry | $ 130,229 | $ 122,857 | $ 103,200 | $ 103,200 | $ 103,200 | $ 103,200 | $ 103,200 | $ 115,486 | $ - | $ - | $ - | $ - | $ 884,571 |
| Streets & Approaches | $ 1,259,129 | $ 1,187,857 | $ 997,800 | $ 997,800 | $ 997,800 | $ 997,800 | $ 997,800 | $ 1,116,586 | $ - | $ - | $ - | $ - | $ 8,552,571 |
| Drainage | $ 172,629 | $ 162,857 | $ 136,800 | $ 136,800 | $ 136,800 | $ 136,800 | $ 136,800 | $ 153,086 | $ - | $ - | $ - | $ - | $ 1,172,571 |
| Sewer | $ 304,371 | $ 287,143 | $ 241,200 | $ 241,200 | $ 241,200 | $ 241,200 | $ 241,200 | $ 269,914 | $ - | $ - | $ - | $ - | $ 2,067,429 |
| Water | $ 345,257 | $ 325,714 | $ 273,600 | $ 273,600 | $ 273,600 | $ 273,600 | $ 273,600 | $ 306,171 | $ - | $ - | $ - | $ - | $ 2,345,143 |
| Water Re-Use System | $ 98,429 | $ 92,857 | $ 78,000 | $ 78,000 | $ 78,000 | $ 78,000 | $ 78,000 | $ 87,286 | $ - | $ - | $ - | $ - | $ 668,571 |
| **Total Hard Cost** | $ 2,310,043 | $ 2,179,286 | $ 1,830,600 | $ 1,830,600 | $ 1,830,600 | $ 1,830,600 | $ 1,830,600 | $ 2,048,529 | $ - | $ - | $ - | $ - | $ 15,690,857 |
| **Hard Cost - TIRZ Related** | | | | | | | | | | | | | |
| Sewer/Water | $ 196,100 | $ 185,000 | $ 155,400 | $ 155,400 | $ 155,400 | $ 155,400 | $ 155,400 | $ 173,900 | $ - | $ - | $ - | $ - | $ 1,332,000 |
| Signage | $ 6,954 | $ 6,560 | $ 5,510 | $ 5,510 | $ 5,510 | $ 5,510 | $ 5,510 | $ 6,166 | $ - | $ - | $ - | $ - | $ 47,232 |
| Erosion Control | $ 9,843 | $ 9,286 | $ 7,800 | $ 7,800 | $ 7,800 | $ 7,800 | $ 7,800 | $ 8,729 | $ - | $ - | $ - | $ - | $ 66,857 |
| Electric - CPS / MEC | $ 166,571 | $ 157,143 | $ 132,000 | $ 132,000 | $ 132,000 | $ 132,000 | $ 132,000 | $ 147,714 | $ - | $ - | $ - | $ - | $ 1,131,429 |
| Temporary Sewer | $ 45,429 | $ 42,857 | $ 36,000 | $ 36,000 | $ 36,000 | $ 36,000 | $ 36,000 | $ 40,286 | $ - | $ - | $ - | $ - | $ 308,571 |
| **Total Hard Cost** | $ 424,896 | $ 400,846 | $ 336,710 | $ 336,710 | $ 336,710 | $ 336,710 | $ 336,710 | $ 376,795 | $ - | $ - | $ - | $ - | $ 2,886,089 |
| **Soft Cost - TIRZ Related** | | | | | | | | | | | | | |
| Engineering-Surveying | $ 272,571 | $ 257,143 | $ 216,000 | $ 216,000 | $ 216,000 | $ 216,000 | $ 216,000 | $ 241,714 | $ - | $ - | $ - | $ - | $ 1,851,429 |
| Contingency | $ 60,571 | $ 57,143 | $ 48,000 | $ 48,000 | $ 48,000 | $ 48,000 | $ 48,000 | $ 53,714 | $ - | $ - | $ - | $ - | $ 411,429 |
| Interest | $ 75,714 | $ 71,429 | $ 60,000 | $ 60,000 | $ 60,000 | $ 60,000 | $ 60,000 | $ 67,143 | $ - | $ - | $ - | $ - | $ 514,286 |
| Closing Costs | $ 43,914 | $ 41,429 | $ 34,800 | $ 34,800 | $ 34,800 | $ 34,800 | $ 34,800 | $ 38,943 | $ - | $ - | $ - | $ - | $ 298,286 |
| Municipal Fees | $ 9,086 | $ 8,571 | $ 7,200 | $ 7,200 | $ 7,200 | $ 7,200 | $ 7,200 | $ 8,057 | $ - | $ - | $ - | $ - | $ 61,714 |
| Construction Management | $ 31,800 | $ 30,000 | $ 25,200 | $ 25,200 | $ 25,200 | $ 25,200 | $ 25,200 | $ 28,200 | $ - | $ - | $ - | $ - | $ 216,000 |
| **Total Soft Cost** | $ 493,657 | $ 465,714 | $ 391,200 | $ 391,200 | $ 391,200 | $ 391,200 | $ 391,200 | $ 437,771 | $ - | $ - | $ - | $ - | $ 3,353,143 |
| **County Wide Benefits** | | | | | | | | | | | | | |
| To be used at discretion of County for ERS and/or Sheriff services, upgrades, capital equipment, etc. | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total County Wide Benefits** | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 |
| **Interest from TIRZ Obligation** | $ 55,113 | $ 105,413 | $ 144,268 | $ 179,951 | $ 212,414 | $ 241,608 | $ 267,485 | $ 295,195 | $ 270,612 | $ 242,561 | $ 65,593 | $ - | $ 2,080,213 |
| **Grand Total Community and County Wide Benefits** | $ 3,283,709 | $ 3,151,259 | $ 2,702,778 | $ 2,738,461 | $ 2,770,924 | $ 4,300,118 | $ 2,825,995 | $ 3,158,290 | $ 270,612 | $ 242,561 | $ 65,593 | $ - | $ 25,510,302 |
| **Administrative Expenses (Paid to Medina County)** | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 120,000 |
| **Ongoing Annual Maintenance of PID Improvements** | $ 50,000 | $ 50,000 | $ 50,000 | $ 75,000 | $ 75,000 | $ 100,000 | $ 100,000 | $ 125,000 | $ 125,000 | $ 150,000 | $ 150,000 | $ 150,000 | $ 1,200,000 |
| **Grand Total** | $ 3,343,709 | $ 3,211,259 | $ 2,762,778 | $ 2,823,461 | $ 2,855,924 | $ 4,410,118 | $ 2,935,995 | $ 3,293,290 | $ 405,612 | $ 402,561 | $ 225,593 | $ 160,000 | $ 26,830,302 |

| CAPITAL COSTS: | |
|---|---|
| Total Hard Cost | $ 15,690,857 |
| Total Hard Cost - Funded by TIRZ Funds | $ 2,886,089 |
| Total Soft Cost - Funded by TIRZ Funds | $ 3,353,143 |
| Total County Benefits - Funded by TIRZ Funds | $ 1,500,000 |
| Interest from TIRZ Obligation - Funded by TIRZ Funds | $ 2,080,213 |
| Total Payments Made By Potranco Ranch (Developer) | $ 25,510,302 |
| **EXPENSES:** | |
| Total Admin. Expenses (Paid to County/Assessor) | $ 260,000 |
| Total Ongoing Maintenance of PID Improvements | $ 3,530,115 |
| Grand Total | $ 29,300,417 |
| Project Financing Surplus (Shortage) | $ (0) |

**PID BUDGET SUMMARY:**

| | |
|---|---|
| Total Hard Cost - Funded by TIRZ Funds | $ 2,886,089 |
| Total Soft Cost - Funded by TIRZ Funds | $ 3,353,143 |
| Total County Benefits - Funded by TIRZ Funds | $ 1,500,000 |
| Interest from TIRZ Obligation - Funded by TIRZ Funds | $ 1,820,768 |
| TIRZ Total Administration Expense to County | $ 280,000 |
| Subtotal | $ 9,840,000 |
| Total Reimbursment of PID Eligible Hard Cost | $ 1,030,000 |
| Total Admin. Expenses (Paid to County/Assessor) | $ 260,000 |
| Total Ongoing Maintenance of PID Improvements | $ 3,530,115 |
| **Total Funds to be Used for Reimbursements** | $ 14,640,115 |

NOTE: It is anticipated that the PID will issue PID revenue bonds which will create no recourse on the County upon the contributions from the TIRZ increment and the PID assessments (less maintenance expenses) being sufficient to underwrite $3,500,000 of bond debt. No additional bonds are anticipated being required.

**EXHIBIT B**

**Development Agreement**

See Tab No. 8

# EXHIBIT C

## Assessment Roll

------------------------------------------------------------------------------------------------------------------------------

MEDINACAD
12/10/2013 11:55AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 1
------------------------------------------------------------------------------------------------------------------------------

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
VALUES

PID: R81752 (00039365) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
0S0405-00001-00001-81752 LOT 1, ACRES 0.601
LANDNHS $ 30,000
MC MILLIN TEXAS HOME, LLC
IMPHS $ 0
2750 WOMBLE ROAD, #200 SITUS: BARDEN PKWY
IMPNHS $ 0
SAN DIEGO CA 92106 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
------------------------------------------------------------------------------------------------------------------------------

PID: R81761 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
LOT 10, ACRES 0.5595
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: BARDEN PKWY
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
------------------------------------------------------------------------------------------------------------------------------

PID: R81762 (00039366) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0

```
R81762                             LOT 11, ACRES 0.5595
LANDNHS  $    30,000
ENDEAVOR WALL HOMES, LLC
IMPHS    $         0
2005 NE GREEN OAKS BLVD., #150 SITUS: BARDEN PKWY
IMPNHS   $         0
ARLINGTON TX 76006                 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $         0
                                   LAND SPTB: 01
AGUSE    $         0

AGMKT    $         0

TIMUSE   $         0

TIMMKT   $         0

ASSESSED $    30,000 GME - MEDINA COUNTY

TAXABLE  $    30,000
--------------------------------------------------------------------------------
------------------------------------------------
PID: R81753  (00039366)            POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS   $         0
0S0405-00001-00002-81753           LOT 2, ACRES 0.5903
LANDNHS  $    30,000
ENDEAVOR WALL HOMES, LLC
IMPHS    $         0
2005 NE GREEN OAKS BLVD., #150 SITUS: BARDEN PKWY
IMPNHS   $         0
ARLINGTON TX 76006                 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $         0
                                   LAND SPTB: 01
AGUSE    $         0

AGMKT    $         0

TIMUSE   $         0

TIMMKT   $         0

ASSESSED $    30,000 GME - MEDINA COUNTY

TAXABLE  $    30,000
--------------------------------------------------------------------------------
------------------------------------------------
♀-------------------------------------------------------------------------------
-------------------------------------------------
MEDINACAD
                              12/10/2013  11:55AM
2013 CERTIFIED APPRAISAL ROLL
                              PAGE            2
--------------------------------------------------------------------------------
------------------------------------------------


    OWNER NAME AND ADDRESS             PROPERTY DESCRIPTION          EXEMPTIONS
            VALUES

PID: R81754  (00034238)            POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS   $         0
                                   LOT 3, ACRES 0.5596
LANDNHS  $    30,000
```

```
320 POTRANCO RANCH, LLC
IMPHS     $          0
15720 BANDERA RD. #103          SITUS: BARDEN PKWY
IMPNHS    $          0
HELTOES TX 78023                ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $           0
                                LAND SPTB: 01
AGUSE     $          0

AGMKT     $          0

TIMUSE    $          0

TIMMKT    $          0

ASSESSED $      30,000 GME - MEDINA COUNTY

TAXABLE   $     30,000
----------------------------------------------------------------------------------
------------------------------------------------
PID: R81755  (00034238)         POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS    $          0
                                LOT 4, ACRES 0.5596
LANDNHS   $     30,000
320 POTRANCO RANCH, LLC
IMPHS     $          0
15720 BANDERA RD. #103          SITUS: BARDEN PKWY
IMPNHS    $          0
HELTOES TX 78023                ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $           0
                                LAND SPTB: 01
AGUSE     $          0

AGMKT     $          0

TIMUSE    $          0

TIMMKT    $          0

ASSESSED $      30,000 GME - MEDINA COUNTY

TAXABLE   $     30,000
----------------------------------------------------------------------------------
------------------------------------------------
PID: R81756  (00034238)         POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS    $          0
                                LOT 5, ACRES 0.5663
LANDNHS   $     30,000
320 POTRANCO RANCH, LLC
IMPHS     $          0
15720 BANDERA RD. #103          SITUS: BARDEN PKWY
IMPNHS    $          0
HELTOES TX 78023                ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $           0
                                LAND SPTB: 01
AGUSE     $          0

AGMKT     $          0

TIMUSE    $          0

TIMMKT    $          0
```

```
ASSESSED $    30,000 GME - MEDINA COUNTY

TAXABLE  $    30,000
----------------------------------------------------------------------------------
----------------------------------------------
PID: R81757  (00039366)        POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS   $         0
0SW0405-00001-00006-81757      LOT 6, ACRES 0.7087
LANDNHS  $    30,000
ENDEAVOR WALL HOMES, LLC
IMPHS    $         0
2005 NE GREEN OAKS BLVD., #150 SITUS: BARDEN PKWY
IMPNHS   $         0
ARLINGTON TX 76006             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $         0
                               LAND SPTB: 01
AGUSE    $         0

AGMKT    $         0

TIMUSE   $         0

TIMMKT   $         0

ASSESSED $    30,000 GME - MEDINA COUNTY

TAXABLE  $    30,000
----------------------------------------------------------------------------------
----------------------------------------------
PID: R81758  (00039366)        POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS   $         0
0S0405-00001-00007-81758       LOT 7, ACRES 0.5605
LANDNHS  $    30,000
ENDEAVOR WALL HOMES, LLC
IMPHS    $         0
2005 NE GREEN OAKS BLVD., #150 SITUS: BARDEN PKWY
IMPNHS   $         0
ARLINGTON TX 76006             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $         0
                               LAND SPTB: 01
AGUSE    $         0

AGMKT    $         0

TIMUSE   $         0

TIMMKT   $         0

ASSESSED $    30,000 GME - MEDINA COUNTY

TAXABLE  $    30,000
----------------------------------------------------------------------------------
----------------------------------------------
♀---------------------------------------------------------------------------------
----------------------------------------------
MEDINACAD
                           12/10/2013  11:55AM
2013 CERTIFIED APPRAISAL ROLL
                           PAGE            3
----------------------------------------------------------------------------------
----------------------------------------------
```

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
VALUES

PID: R81759 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
LOT 8, ACRES 0.5512
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: BARDEN PKWY
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0
AGMKT $ 0
TIMUSE $ 0
TIMMKT $ 0
ASSESSED $ 30,000 GME - MEDINA COUNTY
TAXABLE $ 30,000

---

PID: R81760 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
LOT 9, ACRES 0.5595
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: BARDEN PKWY
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0
AGMKT $ 0
TIMUSE $ 0
TIMMKT $ 0
ASSESSED $ 30,000 GME - MEDINA COUNTY
TAXABLE $ 30,000

---

PID: R81763 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
LOT 900, ACRES 5.326
LANDNHS $ 500
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: POTRANCO RD
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 500 GME - MEDINA COUNTY

TAXABLE $ 500

---

PID: R81764 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
LOT 901, ACRES 0.206, GREENBELT

LANDNHS $ 500
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: BARDEN PKWY
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 500 GME - MEDINA COUNTY

TAXABLE $ 500

---

PID: R81765 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 1,
LANDHS $ 0
LOT 902, ACRES 1.80, DETENTION

LANDNHS $ 500
320 POTRANCO RANCH, LLC BASIN
IMPHS $ 0
15720 BANDERA RD. #103
IMPNHS $ 0
HELTOES TX 78023 SITUS: BARDEN PKWY
HSCAPADJ $ 0
ENTS: FED1,GME,HSP,MWD,RFM,SMV

AGUSE $ 0
LAND SPTB: 01

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 500 GME - MEDINA COUNTY

TAXABLE $ 500

---

♀---

---

OWNER NAME AND ADDRESS VALUES | PROPERTY DESCRIPTION | EXEMPTIONS

PID: R81766 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 1, ACRES 0.7792
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: BARDEN PKWY & LOST CREEK
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0
AGMKT $ 0
TIMUSE $ 0
TIMMKT $ 0
ASSESSED $ 30,000 GME - MEDINA COUNTY
TAXABLE $ 30,000

---

PID: R81775 (00039365) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 10, ACRES 0.5818
LANDNHS $ 30,000
MC MILLIN TEXAS HOME, LLC
IMPHS $ 0
2750 WOMBLE ROAD, #200 SITUS: MISTY DAWN
IMPNHS $ 0
SAN DIEGO CA 92106 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0
AGMKT $ 0
TIMUSE $ 0
TIMMKT $ 0
ASSESSED $ 30,000 GME - MEDINA COUNTY
TAXABLE $ 30,000

---

PID: R81776 (00038377) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 11, ACRES 0.5595
LANDNHS $ 30,000
ENDEAVOR WALL HOMES, LLC

```
IMPHS     $           0
2005 NORTHEAST GREEN OAKS BLVD SITUS: MISTY DAWN
IMPNHS    $           0
ARLINGTON TX 76006             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $            0
                               LAND SPTB: 01
AGUSE     $           0

AGMKT     $           0

TIMUSE    $           0

TIMMKT    $           0

ASSESSED $      30,000 GME - MEDINA COUNTY

TAXABLE   $     30,000
-------------------------------------------------------------------------------------
------------------------------------------------
PID: R81777  (00038211)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS    $           0
                               LOT 12, ACRES 0.5624

LANDNHS   $     30,000
MCMILLIN TEXAS HOMES, LLC
IMPHS     $           0
C/O ED BERLANGA                SITUS: MISTY DAWN
IMPNHS    $           0
21232 GATHERING OAK DRIVE, SUI ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $            0
SAN ANTONIO TX 78260           LAND SPTB: 01
AGUSE     $           0

AGMKT     $           0

TIMUSE    $           0

TIMMKT    $           0

ASSESSED $      30,000 GME - MEDINA COUNTY

TAXABLE   $     30,000
-------------------------------------------------------------------------------------
------------------------------------------------
PID: R81778  (00038377)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS    $           0
0S0405-00002-00013-81778       LOT 13, ACRES 0.7532
LANDNHS   $     30,000
ENDEAVOR WALL HOMES, LLC
IMPHS     $           0
2005 NORTHEAST GREEN OAKS BLVD SITUS: MISTY DAWN
IMPNHS    $           0
ARLINGTON TX 76006             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $            0
                               LAND SPTB: 01
AGUSE     $           0

AGMKT     $           0

TIMUSE    $           0

TIMMKT    $           0

ASSESSED $      30,000 GME - MEDINA COUNTY
```

TAXABLE $ 30,000
------------------------------------------------------------------------------------------------------------------------------------
9------------------------------------------------------------------------------------------------------------------------------------

MEDINACAD
12/10/2013 11:55AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 5
------------------------------------------------------------------------------------------------------------------------------------

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
VALUES

PID: R81779 (00038211) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 14, ACRES 0.693
LANDNHS $ 30,000
MCMILLIN TEXAS HOMES, LLC
IMPHS $ 0
C/O ED BERLANGA SITUS: MISTY DAWN
IMPNHS $ 0
21232 GATHERING OAK DRIVE, SUI ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
SAN ANTONIO TX 78260 LAND SPTB: 01
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
------------------------------------------------------------------------------------------------------------------------------------
PID: R81780 (00038377) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 15, ACRES 0.7533
LANDNHS $ 30,000
ENDEAVOR WALL HOMES, LLC
IMPHS $ 0
2005 NORTHEAST GREEN OAKS BLVD SITUS: MISTY DAWN
IMPNHS $ 0
ARLINGTON TX 76006 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

```
--------------------------------------------------------------------------------
------------------------------------------------
PID: R81781  (00039366)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS   $          0
                               LOT 16, ACRES 0.5612
LANDNHS  $     30,000
ENDEAVOR WALL HOMES, LLC
IMPHS    $          0
2005 NE GREEN OAKS BLVD., #150 SITUS: MISTY DAWN
IMPNHS   $          0
ARLINGTON TX 76006             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $          0
                               LAND SPTB: O1
AGUSE    $          0

AGMKT    $          0

TIMUSE   $          0

TIMMKT   $          0

ASSESSED $     30,000 GME - MEDINA COUNTY

TAXABLE  $     30,000
--------------------------------------------------------------------------------
------------------------------------------------
PID: R81782  (00034238)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS   $          0
                               LOT 17, ACRES 0.5595
LANDNHS  $     30,000
320 POTRANCO RANCH, LLC
IMPHS    $          0
15720 BANDERA RD. #103         SITUS: MISTY DAWN
IMPNHS   $          0
HELTOES TX 78023               ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $          0
                               LAND SPTB: O1
AGUSE    $          0

AGMKT    $          0

TIMUSE   $          0

TIMMKT   $          0

ASSESSED $     30,000 GME - MEDINA COUNTY

TAXABLE  $     30,000
--------------------------------------------------------------------------------
------------------------------------------------
PID: R81783  (00038211)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS   $          0
                               LOT 18, ACRES 0.5595
LANDNHS  $     30,000
MCMILLIN TEXAS HOMES, LLC
IMPHS    $          0
C/O ED BERLANGA                SITUS: MISTY DAWN
IMPNHS   $          0
21232 GATHERING OAK DRIVE, SUI ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $          0
SAN ANTONIO TX 78260           LAND SPTB: O1
AGUSE    $          0
```

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

----------------------------------------------------------------------------------------------------------------------------------

♀----------------------------------------------------------------------------------------------------------------------------------

MEDINACAD
12/10/2013 11:55AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 6

----------------------------------------------------------------------------------------------------------------------------------

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
VALUES

PID: R81784 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 19, ACRES 0.5598

LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: MISTY DAWN
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

----------------------------------------------------------------------------------------------------------------------------------

PID: R81767 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 2, ACRES 0.7433

LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: LOST CREEK
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

-----------------------------------------------------------------------------------------------------------------------

PID: R81785 (00038377) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 20, ACRES 0.6941
LANDNHS $ 30,000
ENDEAVOR WALL HOMES, LLC
IMPHS $ 0
2005 NORTHEAST GREEN OAKS BLVD SITUS: BARDEN PKWY & MISTY DAWN
IMPNHS $ 0
ARLINGTON TX 76006 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: O1

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

-----------------------------------------------------------------------------------------------------------------------

PID: R81786 (00039365) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 21, ACRES 0.6485
LANDNHS $ 30,000
MC MILLIN TEXAS HOME, LLC
IMPHS $ 0
2750 WOMBLE ROAD, #200 SITUS: BARDEN PKWY & SUNRISE HILL
IMPNHS $ 0
SAN DIEGO CA 92106 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: O1

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

-----------------------------------------------------------------------------------------------------------------------

PID: R81768 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 3, ACRES 0.8818
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0

15720 BANDERA RD. #103 SITUS: LOST CREEK
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

---

---

MEDINACAD
12/10/2013 11:55AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 7

---

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
VALUES

PID: R81787 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 33, ACRES 0.5785

LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: BARDEN PKWY & SUNRISE HILL
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000

---

PID: R81788 (00038211) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 34, ACRES 0.6273

LANDNHS $ 30,000
MCMILLIN TEXAS HOMES, LLC
IMPHS $ 0
C/O ED BERLANGA SITUS: BARDEN PKWY & STONE TRAIL
IMPNHS $ 0

21232 GATHERING OAK DRIVE, SUI ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
SAN ANTONIO TX 78260 LAND SPTB: O1
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
-----------------------------------------------------------------------------------------------------------------------------

PID: R81769 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 4, ACRES 0.8377
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: LOST CREEK
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: O1
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
-----------------------------------------------------------------------------------------------------------------------------

PID: R81770 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 5, ACRES 0.8097
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: LOST CREEK
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: O1
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
----------------------------------------------------------------------------------

-----------------------------------------------
PID: R81771 (00034238) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
LOT 6, ACRES 0.6252
LANDNHS $ 30,000
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: LOST CREEK
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
--------------------------------------------------------------------------------
-----------------------------------------------
♀-------------------------------------------------------------------------------
-----------------------------------------------
MEDINACAD
12/10/2013 11:55AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 8
--------------------------------------------------------------------------------
-----------------------------------------------

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
. VALUES

PID: R81772 (00038211) POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS $ 0
0S0405-00002-00007-81772 LOT 7, ACRES 0.6888
LANDNHS $ 30,000
MCMILLIN TEXAS HOMES, LLC
IMPHS $ 0
C/O ED BERLANGA SITUS: LOST CREEK
IMPNHS $ 0
21232 GATHERING OAK DRIVE, SUI ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
SAN ANTONIO TX 78260 LAND SPTB: 01
AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
--------------------------------------------------------------------------------
-----------------------------------------------
PID: R81773 (00038377) POTRANCO RANCH, UNIT 1, BLOCK 2,

```
LANDHS    $          0
0S0405-00002-00008-81773       LOT 8, ACRES 0.8495
LANDNHS  $     30,000
ENDEAVOR WALL HOMES, LLC
IMPHS     $          0
2005 NORTHEAST GREEN OAKS BLVD SITUS: BARDEN PKWY & LOST CREEK
IMPNHS    $          0
ARLINGTON TX 76006             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $           0
                               LAND SPTB: 01
AGUSE     $          0

AGMKT     $          0

TIMUSE    $          0

TIMMKT    $          0

ASSESSED $     30,000 GME - MEDINA COUNTY

TAXABLE  $     30,000
--------------------------------------------------------------------------------
------------------------------------------------
PID: R81774  (00039365)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS    $          0
                               LOT 9, ACRES 0.7248
LANDNHS  $     30,000
MC MILLIN TEXAS HOME, LLC
IMPHS     $          0
2750 WOMBLE ROAD, #200         SITUS: BARDEN PKWY & MISTY DAWN
IMPNHS    $          0
SAN DIEGO CA 92106             ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $           0
                               LAND SPTB: 01
AGUSE     $          0

AGMKT     $          0

TIMUSE    $          0

TIMMKT    $          0

ASSESSED $     30,000 GME - MEDINA COUNTY

TAXABLE  $     30,000
--------------------------------------------------------------------------------
------------------------------------------------
PID: R81791  (00034238)        POTRANCO RANCH, UNIT 1, BLOCK 2,
LANDHS    $          0
                               LOT 903, ACRES 0.307, GREENBELT
LANDNHS  $        500
320 POTRANCO RANCH, LLC
IMPHS     $          0
15720 BANDERA RD. #103         ENTS: FED1,GME,HSP,MWD,RFM,SMV
IMPNHS    $          0
HELTOES TX 78023               LAND SPTB: 01
HSCAPADJ $           0

AGUSE     $          0

AGMKT     $          0

TIMUSE    $          0
```

TIMMKT $ 0

ASSESSED $ 500 GME - MEDINA COUNTY

TAXABLE $ 500
---------------------------------------------------------------------------------------------------------------------------

PID: R81792 (00039365) POTRANCO RANCH, UNIT 1, BLOCK 3,
LANDHS $ 0
LOT 1, ACRES 0.661

LANDNHS $ 30,000
MC MILLIN TEXAS HOME, LLC
IMPHS $ 0
2750 WOMBLE ROAD, #200 SITUS: BARDEN PKWY & STONE TRAIL
IMPNHS $ 0
SAN DIEGO CA 92106 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: 01

AGUSE $ 0

AGMKT $ 0

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30,000 GME - MEDINA COUNTY

TAXABLE $ 30,000
---------------------------------------------------------------------------------------------------------------------------

♀

LAND TOTALS
---------------------------------------------------------------------------------------------------------------------------

| | | | |
|---|---|---|---|
| LAND - HOMESITE | (+) | $0 | |
| LAND - NON HOMESITE | (+) | $1,052,000 | |
| LAND - AG MARKET | (+) | $0 | |
| LAND - TIMBER MARKET | (+) | $0 | |
| LAND - EXEMPT AG/TIMBER MARKET | (+) | $0 | |
| TOTAL LAND MARKET VALUE | (=) | $1,052,000 | (+) |

$1,052,000

IMPROVEMENT TOTALS
---------------------------------------------------------------------------------------------------------------------------

| | | | |
|---|---|---|---|
| IMPROVEMENTS - HOMESITE | (+) | $0 | |
| IMPROVEMENTS - NON HOMESITE | (+) | $0 | |
| TOTAL IMPROVEMENTS | (=) | $0 | (+) |

$0

OTHER TOTALS
---------------------------------------------------------------------------------------------------------------------------

PERSONAL PROPERTY (0) $0 (+)
$0
MINERALS (0) $0 (+)
$0

AUTOS (0) $0 (+)
$0
TOTAL MARKET VALUE (=)
$1,052,000 $1,052,000
TOTAL HOMESTEAD CAP ADJUSTMENT
(-) $0
TOTAL EXEMPT PROPERTY
(-) $0

PRODUCTIVITY TOTALS
------------------------------------------------------------------------------------------------------------------------------------

| | | |
|---|---|---|
| TOTAL PRODUCTIVITY MARKET (NON EXEMPT) | (+) | $0 |
| AG USE (0) | (-) | $0 |
| TIMBER USE (0) | (-) | $0 |
| TOTAL PRODUCTIVITY LOSS | (=) | $0 |

(-) $0
TOTAL ASSESSED
(=) $1,052,000

EXEMPTIONS
------------------------------------------------------------------------------------------------------------------------------------

| | | |
|---|---|---|
| (HS) HOMESTEAD LOCAL (0) | (+) | $0 |
| (HS) HOMESTEAD STATE (0) | (+) | $0 |
| (O65) OVER 65 LOCAL (0) | (+) | $0 |
| (O65) OVER 65 STATE (0) | (+) | $0 |
| (DP) DISABLED PERSONS LOCAL (0) | (+) | $0 |
| (DP) DISABLED PERSONS STATE (0) | (+) | $0 |
| (DV) DISABLED VET (0) | (+) | $0 |
| (DVX) DISABLED VET 100% (0) | (+) | $0 |
| (PRO) PRORATED EXEMPT PROPERTY (0) | (+) | $0 |
| TOTAL EXEMPTIONS | (=) | $0 |

(-) $0
NET TAXABLE (BEFORE FREEZE)
(=) $1,052,000

****FREEZE TOTALS (OA)
------------------------------------------------------------------------------------------------------------------------------------

| | |
|---|---|
| FREEZE ASSESSED | $0.00 |
| FREEZE TAXABLE | $0.00 |
| FREEZE CEILING(0) | $0.00 |
| NEW O65 EXEMPTIONS | $0.00 |

****FREEZE TOTALS (DP)
------------------------------------------------------------------------------------------------------------------------------------

| | |
|---|---|
| FREEZE ASSESSED | $0.00 |
| FREEZE TAXABLE | $0.00 |
| FREEZE CEILING (0) | $0.00 |
| NEW DP EXEMPTIONS | $0.00 |

---

MEDINACAD
12/10/2013 11:56AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 1

---

OWNER NAME AND ADDRESS VALUES | PROPERTY DESCRIPTION | EXEMPTIONS

PID: R66933 (071227)  A0005 G. ARREOLA SURVEY 38, ACRES
LANDHS $ 0
0A0005-00038-00000-66933  115.62
LANDNHS $ 0
POTRANCO RANCH, L. P.
IMPHS $ 0
23960 SCENIC LOOP RD  SITUS: FM 1957
IMPNHS $ 0
SAN ANTONIO TX 78255  ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: D1
AGUSE $ 9,830
AGMKT $ 809,340
TIMUSE $ 0
TIMMKT $ 0
ASSESSED $ 9,830 GME - MEDINA COUNTY
TAXABLE $ 9,830

---

PID: R80650 (00034238)  A0005 G. ARREOLA SURVEY 38, ACRES
LANDHS $ 0
R80650  2.32
LANDNHS $ 0
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103  SITUS: FM 1957
IMPNHS $ 0
HELTOES TX 78023  ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: D1
AGUSE $ 200
AGMKT $ 16,240
TIMUSE $ 0
TIMMKT $ 0
ASSESSED $ 200 GME - MEDINA COUNTY
TAXABLE $ 200

---

PID: R66934 (071227)  A1327 W. RHODE SURVEY 96 1/3 ,
LANDHS $ 0

0A1327-00096-00000-66934 ACRES 60.990
LANDNHS $ 0
POTRANCO RANCH, L. P.
IMPHS $ 0
23960 SCENIC LOOP RD SITUS: FM 1957
IMPNHS $ 0
SAN ANTONIO TX 78255 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: D1

AGUSE $ 5,180

AGMKT $ 426,930

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 5,180 GME - MEDINA COUNTY

TAXABLE $ 5,180

---

PID: R80649 (00034238) A1327 W. RHODE SURVEY 96 1/3 ,
LANDHS $ 0
ACRES 72.513
LANDNHS $ 0
320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: FM 1957
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: D1

AGUSE $ 6,160

AGMKT $ 507,590

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 6,160 GME - MEDINA COUNTY

TAXABLE $ 6,160

---

---

MEDINACAD
12/10/2013 11:56AM
2013 CERTIFIED APPRAISAL ROLL
PAGE 2

---

OWNER NAME AND ADDRESS PROPERTY DESCRIPTION EXEMPTIONS
VALUES

PID: R82300 (00034238) A1452 J. GARNER SURVEY 97, ACRES
LANDHS $ 0
R82300 0.36
LANDNHS $ 0

320 POTRANCO RANCH, LLC
IMPHS $ 0
15720 BANDERA RD. #103 SITUS: FM 1957
IMPNHS $ 0
HELTOES TX 78023 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: D1

AGUSE $ 30

AGMKT $ 2,520

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 30 GME - MEDINA COUNTY

TAXABLE $ 30

---

PID: R66935 (071227) A1452 J. GARNER SURVEY 97, ACRES
LANDHS $ 0
0A1452-00097-00000-66935 28.39
LANDNHS $ 0
POTRANCO RANCH, L. P.
IMPHS $ 0
23960 SCENIC LOOP RD SITUS: FM 1957
IMPNHS $ 0
SAN ANTONIO TX 78255 ENTS: FED1,GME,HSP,MWD,RFM,SMV
HSCAPADJ $ 0
LAND SPTB: D1

AGUSE $ 2,410

AGMKT $ 198,730

TIMUSE $ 0

TIMMKT $ 0

ASSESSED $ 2,410 GME - MEDINA COUNTY

TAXABLE $ 2,410

---

♀

LAND TOTALS

---

| | | | |
|---|---|---|---|
| LAND - HOMESITE | (+) | $0 | |
| LAND - NON HOMESITE | (+) | $0 | |
| LAND - AG MARKET | (+) | $1,961,350 | |
| LAND - TIMBER MARKET | (+) | $0 | |
| LAND - EXEMPT AG/TIMBER MARKET | (+) | $0 | |
| TOTAL LAND MARKET VALUE | (=) | $1,961,350 | (+) |

$1,961,350

IMPROVEMENT TOTALS

---

| | | |
|---|---|---|
| IMPROVEMENTS - HOMESITE | (+) | $0 |

IMPROVEMENTS - NON HOMESITE (+) $0
TOTAL IMPROVEMENTS (=) $0 (+)
$0

OTHER TOTALS
------------------------------------------------------------------------------------------------------------------------------------------------------

PERSONAL PROPERTY (0) $0 (+)
$0
MINERALS (0) $0 (+)
$0
AUTOS (0) $0 (+)
$0
TOTAL MARKET VALUE (=)
$1,961,350 $1,961,350
TOTAL HOMESTEAD CAP ADJUSTMENT
(-) $0
TOTAL EXEMPT PROPERTY
(-) $0

PRODUCTIVITY TOTALS
------------------------------------------------------------------------------------------------------------------------------------------------------

TOTAL PRODUCTIVITY MARKET (NON EXEMPT) (+) $1,961,350
AG USE (6) (-) $23,810
TIMBER USE (0) (-) $0
TOTAL PRODUCTIVITY LOSS (=) $1,937,540
(-) $1,937,540
TOTAL ASSESSED
(=) $23,810

EXEMPTIONS
------------------------------------------------------------------------------------------------------------------------------------------------------

(HS) HOMESTEAD LOCAL (0) (+) $0
(HS) HOMESTEAD STATE (0) (+) $0
(O65) OVER 65 LOCAL (0) (+) $0
(O65) OVER 65 STATE (0) (+) $0
(DP) DISABLED PERSONS LOCAL (0) (+) $0
(DP) DISABLED PERSONS STATE (0) (+) $0
(DV) DISABLED VET (0) (+) $0
(DVX) DISABLED VET 100% (0) (+) $0
(PRO) PRORATED EXEMPT PROPERTY (0) (+) $0
TOTAL EXEMPTIONS (=) $0
(-) $0
NET TAXABLE (BEFORE FREEZE)
(=) $23,810

****FREEZE TOTALS (OA)
------------------------------------------------------------------------------------------------------------------------------------------------------

FREEZE ASSESSED $0.00
FREEZE TAXABLE $0.00
FREEZE CEILING(0) $0.00
NEW O65 EXEMPTIONS $0.00

****FREEZE TOTALS (DP)

| | |
|---|---|
| FREEZE ASSESSED | $0.00 |
| FREEZE TAXABLE | $0.00 |
| FREEZE CEILING (0) | $0.00 |
| NEW DP EXEMPTIONS | $0.00 |

## DEVELOPMENT AGREEMENT BY AND BETWEEN MEDINA COUNTY, TEXAS, ACTING ON BEHALF OF THE POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT, AND 320 POTRANCO RANCH, LLC

This Development Agreement (this *Agreement*) is entered into by and between MEDINA COUNTY, TEXAS, a Texas political subdivision (the *County*), on behalf of Potranco Ranch Public Improvement District, a Texas public improvement district (the *District*), and 320 POTRANCO RANCH, LLC, a Texas limited liability company (the *Developer*).

WITNESSETH

WHEREAS, the County recognizes the importance of its continued role in economic development; and

WHEREAS, the County, under certain specified conditions and upon satisfaction of certain prerequisites, is authorized under Subchapter A of Chapter 372, as amended, Texas Local Government Code (the *PID Act*), to create public improvements districts to provide for the development, construction, installation, operation, and maintenance of improvement projects that confer a special benefit on a definable part of the County; and

WHEREAS, in response to its receipt of a valid petition, the County has, by Resolution No. 20813A (the *Creation Resolution*) adopted by the Commissioners Court of the County (the *Court*) on February 11, 2013 pursuant to and in accordance with the authority of the PID Act (which Creation Resolution became effective upon the County's publication of the Creation Resolution in the *Castroville News Bulletin* on February 28, 2013, as required and in accordance with the PID Act), created the District and established therefor a Board of Directors (the *District Board*) to act as its managing body regarding matters of governance not otherwise reserved to the Court in the Creation Resolution and the PID Act; and

WHEREAS, the District was created to promote development and redevelopment in the District through the levy and collection of an assessment, which type of development and redevelopment would not otherwise occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the PID Act authorizes the use of funds derived from a public improvement district created thereunder to pay expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a county designating the public improvement district that are included within (i) the definition of "public improvement projects" as identified in the PID Act and (ii) the finance, project, and service plans relating to the public improvement district; and

WHEREAS, on November 18, 2013, the District Board adopted and approved the Plans (defined below) and recommended to the County that it also approve each of the Plans; and

WHEREAS, by County, by County Order No. 112513 adopted by the Court on November 25, 2013, approved the Plans; and

WHEREAS, the PID Act authorizes the County, by order or resolution, to identify an entity or entities that will be responsible for acquiring for dedication, conveyance, and/or lease the Public Improvement Projects (defined below) that are included in the Plans, as well as be responsible for the maintenance and operation of the same, and specifying the source of County funds from which payment of the costs of those Public Improvement Projects shall be made; and

WHEREAS, the District Board has recommended to the County that the Developer undertake responsibility for the acquisition for dedication, conveyance and/or lease, as well as be responsible for the maintenance and operation of the same, the Public Improvement Projects that are included in the Plans and that the County enter into this Agreement with the Developer to memorialize the terms of such assignment and assumption of responsibilities; and

WHEREAS, the County, by County Order No. 112513 adopted by the Court on November 25, 2013, has identified the Developer as an "entity" under Section 372.023 of the Act, authorized the County's execution of this Agreement, and identified as the source of payment of County obligations arising hereunder the Available Assessment (defined herein) from time to time held in the PID Fund;

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement, as well as good and valuable consideration (the sufficiency of which is hereby acknowledged by all parties hereto), the County and the Developer hereby agree as follows:

## I. DEFINITIONS

In addition to the words and terms defined elsewhere herein, the following capitalized and italicized words and terms are defined terms under this Agreement. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article defining such words and terms, unless the context clearly indicates otherwise. Whenever the context requires (i) references in this Agreement of the singular number shall include the plural and vice versa and (ii) words denoting gender shall be construed to include the masculine, feminine, and neuter. The titles given to any article or section of this Agreement are for convenience of reference only and are not intended to modify the meaning of the article or section.

1.1 *Administrative Costs* shall mean the administrative costs incurred by the County and the Medina County Tax Assessor/Collector, respectively, or any other County-affiliated entity, in the management and administration of the District business, which includes calculating and collecting the PID Assessment, making deposits and disbursements to and from the PID Fund, preparation of periodical financial statements and analysis regarding the District, and the costs, if any, of conducting annual audits of the District and the PID Fund.

1.2 *Affidavit of Payment* means an affidavit of payment from any contractor, subcontractor, material supplier, and/or laborer that has provided goods and/or services in relation to a Public Improvement Project that is the subject of a Contract Progress Payment Request submitted by the Developer to the District Board.

1.3 *Agreement* shall mean this Development Agreement, dated as of November 25, 2013, between the County, on behalf of the District, and the Developer, as the same may be amended or supplemented from time to time.

1.4 *Available Assessment* shall mean the PID Assessment, less the Administrative Costs.

1.5 *Capital Costs* shall mean the costs of Public Improvement Projects included in the Project Plan that may be capitalized in accordance with generally accepted accounting procedures, being an aggregate amount equal to One Million Ten Thousand Dollars ($1,010,000.00).

1.6 *Certificate of Completion* shall mean a written acknowledgement by the Developer that Public Improvement Projects were constructed as specified in the Plans and in this Agreement and that said Public Improvement Projects comply with all the County codes (or other rules and regulations of any other governmental entity or agency having jurisdiction over the subject Public Improvement Project) and published standards for the particular type of improvement at issue and accompanied by evidence of inspection and approval by the Project engineer of record.

1.7 *Completion* shall mean construction of a Public Improvement Project within the District in accordance with the Plans and with this Agreement so that the particular Public Improvement Project (or Phase thereof) can be used and maintained for its intended purpose.

1.8 *Construction Schedule* shall mean the timetable for constructing the Public Improvement Projects specified in the Plans and this Agreement, as may be amended pursuant to Article XII of this Agreement and as more particularly set forth in Exhibit B hereto.

1.9 *Contract Progress Payment Request* shall mean a request for payment due to the Developer for successfully completed work on a specific Public Improvement Project (or Phase thereof, if such Public Improvement Project is contemplated under the Plans to be completed in Phases) in the District, accompanied by documentation satisfactory to the County and the District Board that includes the name and address of the entity or entities that performed the work, a description of the contract pursuant to which the payment is made, the amount of such payment, the original contract amount, total payments made to date on such contract, adequate proof of payment (i.e. cancelled checks and invoices for said payments, if available, or properly executed Affidavit of Payment), an estimate of remaining work to be completed on the specific Public Improvement Project (or Phase thereof), the cost of such remaining work, and any customary lien and/or subcontractor releases.

1.10 *County Subdivision Rules and Regulations* means those development and subdivision regulations and standards that govern the subdivision and development of real property in the County, as adopted by the Court and that are in effect as of the date the Court adopted the Creation Resolution (provided that such subsequent rules and regulations may be applied to the Project if such application is then permitted under applicable law).

1.11 *District Property* shall mean the real property that is included in the District that is subject to the Plans, being the property described in Exhibit A hereto.

1.12 *Financing Costs* shall mean the costs of financing the Public Improvement Projects that are included in the Plans.

1.13 *Financing Plan* shall mean the "financing plan" relating to the Project that has been presented to and approved by the County, at the recommendation of the District Board, as the same may be amended from time to time by the County at the recommendation of the District Board.

1.14 *Operating and Maintenance Costs* shall mean the costs of operating and maintaining completed Public Improvement Projects.

1.15 *Phase* shall mean a discrete portion of the entire Project (or, if on a component basis, a discrete portion of any Public Improvement Project that is a part of the Project) that is being constructed by the Developer in segments or over time, normally being a set number of units and/or acres out of the District Property that are being constructed together during a specific timeline.

1.16 *PID Assessment* shall mean the revenues resultant from the County's annual levy and collection of an assessment or assessments within the District pursuant to and in accordance with the PID Act and Section 2.3 hereof and deposited (as collected) to the PID Fund.

1.17 *PID* shall mean the Potranco Ranch Public Improvement District, created by the County by Resolution No. 20813A adopted by the Court on February 11, 2013 (referred to herein as the Creation Resolution) pursuant to the PID Act.

1.18 *PID Fund* shall mean the special improvement district fund named "Potranco Ranch Special Improvement District Fund", created, held, and administered by the County for the deposit, upon collection, of PID Assessments, in accordance with the Creation Resolution.

1.19 *Plans* shall mean, collectively, the Financing Plan, the Project Plan, and the Service Plan.

1.20 *Project* shall mean the design, construction, assembly, installation and implementation of all Public Improvement Projects relating to the District, as more specifically detailed in the Plans and in this Agreement.

1.21 *Project Plan* shall mean the "project plan" relating to the Project that has been presented to and approved by the County, at the recommendation of the District Board, as the same may be amended from time to time by the County at the recommendation of the District Board.

1.22 *Project Costs* shall mean the costs of Public Improvement Projects that are included in the Plans and that consist of the Capital Costs, Finance Costs, and Operating and Maintenance Costs.

1.23 *Public Improvement Projects* shall mean the "public improvement projects" (as defined in the Act) authorized from time to time to be made in the District in accordance with and as permitted by Section 372.003 of the Act and which are included in the Plans, as further described and defined in Section 3.2 hereof.

1.24 *Service Plan* shall mean the "service plan", as such term is identified and used in Section 372.013 of the PID Act (which includes the "assessment plan", as such term is identified and used in Section 372.014 of the PID Act), that is prepared from time to time by the District Board and approved by the County, that is applicable to the District.

## II. PID ASSESSMENT; AGREEMENT TO REIMBURSE; RELATED REPRESENTATIONS

2.1 The County and the Developer hereby agree that the County, at the recommendation from time to time of the District Board and upon approval of the Court, shall use funds derived from the Available Assessment (and from no other source) to pay Project Costs to the Developer, which includes Capital Costs in a total amount not to exceed One Million Ten Thousand Dollars ($1,010,000.00), plus any Financing Costs and Operating and Maintenance Costs from time to time incurred, either directly or by pledge to a separate governmental entity or a non-profit corporation created to act on behalf of a governmental entity, as full compensation to the Developer for its acquisition for further dedication, conveyance, and/or lease of the Public Infrastructure Projects that are included in the Plans, as well as responsibility for the operation and maintenance of the same under the Plans and this Agreement.

2.2 Payment of all Project Costs shall be limited to those Project Costs properly incurred by the Developer, as included in the Plans and approved by the Court at the recommendation of the District Board. In addition, to receive payment as described in Section 2.1 above for a Capital Cost, the Developer must complete the subject Public Improvement Projects in compliance with the Plans and this Agreement and promptly submit a Certificate of Completion and a Contract Progress Payment Request to the District Board. Upon verification of completion of the subject Public Improvement Projects, the District Board shall notify the County of the Developer's right to receive payment, and the County shall then satisfy the Developer's Contract Progress Payment Request to the extent of the availability of Available Assessment then on deposit in the PID Fund (and not otherwise encumbered in accordance with the provisions of this Agreement).

In the event that the Available Assessment is insufficient to fully pay any authorized Project Costs, including an approved Contract Progress Payment Request, the County will disburse additional Available Assessment, as and when the same becomes available, to the Developer until such approved Project Costs have been satisfied in full, or consider the issuance of indebtedness in accordance with Section 5.3 hereof (provided that the conditions precedent to any such issuance of indebtedness are satisfied).

In the event of insufficiency of Available Assessment to pay all authorized and approved Project Costs, the Available Assessment shall be applied in the following order of priority until all such approved Project Costs have been satisfied: (i) Operating and Maintenance Costs, (ii) Financing Costs, and (iii) Capital Costs.

No fees, costs, expenses, or penalties shall be paid to the Developer on any late payment (i.e. due to the insufficiency of Available Assessment), unless caused by intentional breach of this Agreement, by the party making such late payment. There shall also be no recourse against any of the County, the Court, the District Board, or any official, employee, agent, or representative of any of the foregoing if all or any part of the Project Costs are not paid and/or reimbursed to the Developer due to the insufficiency of the Available Assessment.

2.3 The Developer represents to the County that it understands that any payments made by the Developer in anticipation of reimbursement from funds held in the PID Fund that are derived from the Available Assessment shall not be, nor construed to be, financial obligations of the County or any other taxing entity of the State of Texas, and are payable only from amounts from time to time on deposit and held in the PID Fund, to the extent (i) such expenditures are included in the Plans and are approved by the Court at the recommendation of the District Board and (ii) of the availability of funds from time to time held in PID Fund. The Developer shall bear all risks associated with reimbursement thereto for prior payment of the costs of Public Improvement Projects that are included in the Plans, including risk of nonpayment or untimely payment resultant from incorrect estimates of the Available Assessment, changes in PID Assessment rates or PID Assessment collections, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in development code requirements applicable to the Project and for which the Project does not enjoy statutory or constitutional vested rights, unanticipated effects covered under the legal doctrine of *force majeure*, and/or other unanticipated factors.

THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS UNDER THIS AGREEMENT IS AN AGREEMENT OF THE COUNTY TO PAY OR REIMBURSE THE DEVELOPER FOR ITS PRIOR PAYMENT OF PROJECT COSTS, SOLELY AND TO THE EXTENT OF THEIR AVAILABILITY, FROM FUNDS HELD IN THE PID FUND DERIVED FROM THE AVAILABLE ASSESSMENT THAT ARE LAWFULLY AVAILABLE FOR SUCH PURPOSE. THE COUNTY IS NOT OBLIGATED TO UTILIZE ANY OF ITS OTHER FUNDS, REGARDLESS OF SOURCE (INCLUDING ITS LEVY AND COLLECTION OF AD VALOREM TAXES) TO PAY PROJECT COSTS, REGARDLESS OF THE AMOUNT OR SOURCE OF FUNDS THAT ARE LAWFULLY AVAILABLE TO MAKE SUCH PAYMENTS. THE OBLIGATION TO PAY PROJECT COSTS FROM THE AVAILABLE ASSESSMENT DOES NOT CONSTITUTE A PLEDGE, A LIABILITY, OR A CHARGE UPON THE FUNDS OF THE COUNTY AND DOES NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE STATE, THE COUNTY, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE HAS BEEN PLEDGED TO THE PAYMENT OF THE PROJECT COSTS.

2.4 The annual PID Assessment shall be determined, calculated, apportioned and levied by the Court in accordance with the applicable provisions of the PID Act (included Sections 372.014 through 372.017 thereof), on the basis of the "assessment plan" (as defined and described in Section 372.014 of the Act) that is to be included in and made a part of the Service Plan. Collection of the PID Assessment shall be made by the Medina County Tax Assessor/Collector, whose annual charge for provision of this service shall be considered an Administrative Cost. The PID Assessment shall continue to be collected and deposited to the PID Fund for the life of the District, as specified in the Creation Resolution.

## III. THE PROJECT

3.1 The Project shall constitute and include, in addition to the Public Improvement Projects, the design, construction, assembly, installation and implementation of a single-family residential development of large lots built pursuant to the County Subdivision Rules and Regulations. Completion of the Project, as well as operation and maintenance of the Public Improvement Projects, is the responsibility of the Developer; Project Costs are those costs and expenses that relate to that portion of the Project constituting Public Improvement Projects. The Public Improvement Projects that are included in a part of the Plans consist, generally, of the following items: street excavation and installation, curbing, sidewalks, drainage, lighting, traffic control, highway improvements, signage and fencing, on and off-site sewer, water re-use utilities, common area landscaping, entry gate monumentation, landscaping, and other "public improvements" now or hereafter authorized under the Act, as more fully described in the Plans and in Exhibit C hereto

3.2 Those portions of the Project that qualify as Public Improvement Projects (and the related costs therefor qualifying as Project Costs) shall be publically bid in general compliance with Subchapter B of Chapter 271, as amended, Texas Local Government Code.

3.3 Unless paid directly by the County from the Available Assessment held in the PID Fund, Project Costs to be paid by the Available Assessment (whether by reimbursement or pass-through) shall be initially paid through one or more of the following sources:

i. Funds obtained by the Developer.

a. Developer's capital;

b. Debt obtained by, and secured by the resources of, the Developer;

c. Venture capital raised by or on behalf of the Developer;

d. Developer's sale of partnership shares;

e. Developer's sale of property owned thereby within the District; and/or other funds lawfully obtained by or on behalf of the Developer or its general or limited partners; and

f. Any other lawfully available source.

ii. Proceeds of Debt issued by the County on behalf of the District.

a. Bonds, notes, or other sources of indebtedness issued by the County on behalf of the District, pursuant to and in accordance with applicable law now or hereafter in effect and Section 5.3 hereof; provided, that such indebtedness shall be secured by and payable solely from (and to the extent of availability thereof) the Available Assessment, and which repayment shall be considered and constitute a part of the Project Costs (with the principal component of any such indebtedness being considered

Capital Costs and the interest component of any such indebtedness being considered Financing Costs).

3.4 To the extent that Project Costs are initially paid from the sources identified in Section 3.3(i) above, the County agrees to apply, to the extent (but only to the extent) of their availability (first taking into account the pledge thereof as security for the repayment of indebtedness identified in Section 3.3(ii) above), the Available Assessment to reimburse the Developer for Project Costs. For the avoidance of doubt, the aggregate of all Available Assessments disbursed by the County shall not exceed the amount of all Project Costs identified in Section 2.1 hereof, regardless of whether such disbursement shall be in the form of direct payment of Project Costs, reimbursement to the Developer for its prior payment of Project Costs, or the aggregate amount of debt service on any and all County debt described in Section 3.3(ii) hereof (the principal component of which shall have been paid to Developer for reimbursement for its prior payment of qualifying Capital Costs, but the unpaid interest thereon being considered Financing Costs).

3.5 The Developer may use any or part of the District Property owned thereby as collateral for a funding source identified in Section 3.3(i) hereof as required for the financing of such funding source. The Developer may also use its right to receive payment or reimbursements under this Agreement for such purposes provided that the proceeds of such funding shall be used solely for the purpose of paying Project Costs.

## IV. DUTIES AND OBLIGATIONS OF THE DEVELOPER

4.1 Subject to the performance of their respective duties and obligations arising under this Agreement by the County, the Developer agrees to complete, or cause to be completed, and operate and maintain, or cause to be operated and maintained, the Public Improvement Projects that are included in the Plans (and as described in Section 3.2 hereof). The Developer agrees to provide, or cause to be provided, all materials, labor, and services for completing, operating, and maintaining the Public Improvement Projects that are included in the Plans (and as described in Section 3.2 hereof), which materials, labor, and services shall be of adequate quality when graded against industry standards. The Developer also agrees, when required in connection with the construction, installation, operation, or maintenance of the Public Improvement Projects, to obtain or cause to be obtained, all necessary permits and approvals from the County and/or all other governmental entities having jurisdiction or regulatory authority over the construction, installation, operation, or maintenance of improvements within the District. All Public Improvement Projects will be completed, operated, and maintained (or caused to be completed, operated, and maintained) by the Developer in accordance with the Plans and this Agreement.

4.2 The Developer shall be responsible for paying, or causing to be paid, to the County and any other governmental entity described in Section 4.1 hereof for the costs of all applicable permit fees and licenses required for construction or installation of Public Improvement Projects, which payments shall be considered Project Costs subject to payment and/or reimbursement hereunder.

4.3 The Developer agrees to use its best efforts to start and complete the Project in accordance with the Construction Schedule set forth in Exhibit B to this Agreement.

4.4 The Developer shall submit to the County and to the District Board written reports detailing Project construction progress and expenses incurred, with the first such report to be delivered not later than ninety (90) days following the effective date of this Agreement and each subsequent annual report to be delivered not later than the anniversary of the due date of the initial report of each year thereafter (unless the County reasonably requests that such reports delivered on a more frequent basis) until completion of the Project.

4.5 The Developer shall diligently work to successfully complete, or have completed, any and all required Public Improvement Projects that are included in the Plans and the costs of which are considered Capital Costs. Completion of such Public Improvement Projects shall be at no additional cost to the County; provided, however, that the Developer is only required to construct such Public Improvement Projects to the extent of the anticipated availability of sufficient Available Assessment (whether then on deposit or reasonably expected to be deposited to the PID Fund) to reimburse the Developer for the Capital Costs of such Public Improvement Projects as provided in the Plans and/or subject to the Developer's entering into an agreement or agreements with any third party to fund all or part of the Capital Costs of such Public Improvement Projects. Notwithstanding the foregoing, Operating and Maintenance Costs relating to completed Public Improvement Projects shall constitute a continuing District obligation that shall be included in each "assessment plan" referenced in Section 2.4 hereof.

4.6 The Developer shall prepare, or cause to be prepared, plans and specifications for each Phase of the Project (which shall include plans and specifications for any and all Public Improvement Projects included in such Phase) prior to starting any construction in said Phase. Furthermore, the Developer shall not commence any Project construction until the plans and specifications for a Phase have been approved in writing by the Court.

4.7 The Developer agrees to supervise the construction of the Project and cause the construction to be performed in accordance with the Plans and the plans and specifications described in Section 4.6 hereof.

4.8 If substantial completion of the Project is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, fire or other casualty, court injunction, necessary condemnation proceedings, interference by third parties or drop in overall economic conditions, or any circumstances reasonably beyond the Developer's control, then following written request of the Developer made to the County (which request shall document the relied-upon reason for delay), the deadlines set forth in the Construction Schedule <u>shall</u> be extended by the period of each such delay (which period shall be evidenced in the aforementioned request).

4.9 Development services that are performed by the Developer hereunder shall be enforced in compliance with applicable law.

4.10 All personnel supplied or used by the Developer in the performance of its obligations arising under this Agreement shall be deemed employees, contractors or subcontractors of the Developer and shall not be considered employees, agents or subcontractors of the County, the District, the Court, or the District for any purpose whatsoever. The Developer shall be solely responsible for the compensation of all such personnel.

## V. DUTIES AND OBLIGATIONS OF THE COUNTY

5.1 As stated in Article II hereof, the County shall, upon the recommendation of the District Board, pay, only from and to the extent of the availability of the Available Assessment, the Project Costs included in the Plans, whether by direct payment or by payment or reimbursement to the Developer, in the total amount provided in Section 2.1 hereof, Project Costs from time to time incurred, as required under and in accordance with the Plans and this Agreement.

5.2 The County shall deposit, upon its receipt thereof, the PID Assessment into the PID Fund.

5.3 To the extent permitted by applicable law from time to time in effect, the County agrees, subject to the conditions hereafter imposed, to cause the issuance of bonds or notes, the proceeds of which will be used to accelerate the reimbursement to the Developer for Capital Costs that have been incurred but are not able to be immediately paid because of the limited availability of the Available Assessment at such time. No single issuance of bonds or notes shall be issued in an aggregate principal amount less than $1,000,000 and any such issuance of bonds or notes is subject to the following conditions:

i. Approval by the Court of an order or resolution authorizing (or consenting to such issuance by another authorized entity, including a non-profit corporation created for the purpose of acting on the behalf of the County or such other entity) of the applicable series of bonds or notes;

ii. A pledge of the Available Assessment, as the source of security and repayment of the applicable series of bonds or notes, under and in accordance with the Act;

iii. Approval of the issuance or issuances of the applicable series of bonds or notes by the Attorney General of the State of Texas and registration thereof with the Texas Comptroller of Public Accounts;

iv. Approval of the plan of finance (including proposed amortization schedule evidencing relatively level debt service) pursuant to which such series of bonds or notes are issued by the County's financial advisor and receipt of confirmation from the County's financial advisor that the total debt service to be paid on all series of bonds or notes that are the subject of this Section 5.3, when combined with other reimbursements of Project Costs having been or expected to be made to the Developer, shall not exceed the total amount of all Project Costs to be paid to the Developer pursuant to Section 2.1 hereof; and

v. Evidence that the unencumbered Available Assessment, as of the time of such issuance of bonds or notes, equals at least 125% of the maximum annual debt service of the contemplated issuance of bonds or notes.

The County shall endeavor to cause bonds or notes that are the subject of this Section 5.3 to be issued as soon as practicable upon satisfaction of the prerequisites identified above.

5.4 The County agrees to recognize this Agreement as a permit under Chapter 245, as amended, Texas Local Government Code Chapter 245.

5.5 The County shall provide and acknowledge the waivers and variances to the County Subdivision Rules and Regulations, as identified in Exhibit D hereto, to facilitate the development and construction of the Project.

## VI. INSURANCE

6.1 The Developer recognizes and acknowledges that the Developer's financial integrity is of significant interest to the County; therefore, subject to the Developer's right to maintain commercially reasonable deductibles (when compared to industry standards relative to development projects of similar scope as the Project) in such amounts as are approved by the County, the Developer shall obtain and maintain, in full force until the Project is completed and at the Developer's sole (but reimbursable as a Project Cost) expense, insurance coverage written on a per-occurrence basis, except for professional liability coverage, by companies authorized and admitted to do business in the State of Texas and rated "A-" or better by A.M. Best Company and/or otherwise acceptable to the County, in the following types and amounts:

| Type | | Amount |
|---|---|---|
| (1) | Worker's Compensation & Employer's Liability | Statutory<br>$500,000/$500,000/$500,000 |
| (2) | Commercial General Liability (Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations | Combined limits of $500,000 per occurrence and $750,000 in the aggregate or its equivalent in umbrella or excess liability coverage |
| (3) | Business Automobile Liability (any auto, including employer's non-owned and hired auto coverage) | $250,000 combined single limit per occurrence |

6.2 The County shall be entitled, upon request and without expense, to receive copies of the insurance policies delivered in accordance with Section 6.1 hereof, along with all endorsements thereto, as they apply to the limits required by the County. The County may also make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such insurance policies). Upon such request by the County, the Developer shall exercise reasonable efforts to accomplish such changes in insurance policy coverage and pay the cost thereof.

6.3 Nothing herein contained shall be construed as limiting in any way the extent to which the Developer may be held responsible for payments of damages to persons or property resulting from the performance of work undertaken by the Developer or any of its subcontractors that is the subject of this Agreement or is otherwise related to the development of the Project.

## VII. DEFAULT

In the event that the Developer fails to commence construction of the Project, fails to complete construction of the Project, or fails to perform any other obligation pursuant to the terms of this Agreement, the County may terminate this Agreement if the Developer does not commence curative action relative to such failure within thirty (30) calendar days after receiving written notice from the County and/or the District Board requesting that the failure be cured. In addition, and in the event the Developer fails to cure a default within one hundred twenty (120) calendar days after receiving such notice, this Agreement may be terminated by the County. If this Agreement is terminated and the Developer has incurred expenditures for Public Improvement Projects that were specifically approved by the Court at the recommendation of the District Board for Developer reimbursement (but specifically excluding unearned Project Costs, including ongoing Operating and Maintenance Costs), then the Developer shall be reimbursed for such expenditures out of the PID Fund (to the extent of the availability of the Available Assessment at such time), despite termination of this Agreement.

## VIII. INDEMNIFICATION

8.1 THE DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS, THE COUNTY, THE COURT, THE DISTRICT BOARD, AND ANY OTHER OFFICIAL, EMPLOYEE, AGENT, ATTORNEY, OR REPRESENTATIVE OF ANY OF THE FOREGOING (TOGETHER, THE *INDEMNIFIED PARTIES*) FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY A THIRD PARTY, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON ANY INDEMNIFIED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF THE DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY. IN THE EVENT THE DEVELOPER AND AN INDEMNIFIED PARTY ARE FOUND JOINTLY LIABLE, BECAUSE OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNIFIED PARTY, BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO ANY SUCH INDEMNIFIED PARTY UNDER APPLICABLE TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES HERETO UNDER TEXAS LAW AS TO SAID CLAIMANTS. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER

PERSON OR ENTITY. THE DEVELOPER SHALL IMMEDIATELY ADVISE THE COURT AND THE DISTRICT BOARD, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST THE DEVELOPER OR AN INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE DEVELOPER, RELATED TO OR ARISING OUT OF THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT.

8.2 In addition to the indemnification provided in Section 8.1 above, the Developer shall also require each of its subcontractors working on the Project to indemnify each Indemnified Party from and against any and all claims, losses, damages, causes of actions, suits and liabilities arising out of their actions related to the performance of this Agreement, utilizing (in its entirety) the same indemnification language contained herein.

## IX. SITE INSPECTION; EXAMINATION OF RECORDS

9.1 The Developer shall allow the County and the District Board (or representatives, agents, or employees thereof) reasonable access to the Project site for inspections during and upon completion of construction of the Project for the Court and/or the District Board to assess the Developer's compliance with this Agreement.

9.2 In addition to the Developer's delivery of periodic reports to the County in accordance with Section 4.4 hereof, the County reserves the right to conduct examinations, during regular business hours and following notice to the District Board and the Developer, of the books and records related to the development of the Project and to this Agreement (including such items as contracts, paper, correspondence, copy, books, accounts, billings and other information related to the performance of the District Board and/or the Developer's services hereunder) no matter where such books and records are located. In the event that such books and records are located outside of the County, the Developer and/or the District Board, as applicable, shall produce the books and records upon receipt of three days prior notice from the County. The County also reserves the right to perform any and all additional audit tests relating to the activities of the District Board and/or the Developer's services relative to the Project. These examinations shall be conducted at the offices maintained by the District Board and/or the Developer (if such offices are located in the County and, if not, at the County Courthouse), during normal business hours. The costs of any of the foregoing shall be deemed to be Administrative Costs.

## X. WAIVER; LIMITED EFFECT OF WAIVER

Any provision of this Agreement may be waived only if waived in writing and signed by an authorized County representative, acting under authority ordered or resolved by the Court, and the Developer. In the event of waiver, such waiver shall be limited to the particular provision so waived and shall be deemed a waiver of no other provision of this Agreement

## XI. ENTIRE AGREEMENT; INCORPORATION OF EXHIBITS

11.1 This Agreement embodies the final and entire agreement among the parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of any of such parties.

11.2 The exhibits attached to this Agreement are incorporated herein by reference and shall be considered a part of this Agreement for the purposes stated herein as though reproduced and originally included herein, except that if there is a conflict between an exhibit and a provision of this Agreement, the provision of this Agreement shall prevail over the exhibit.

## XII. CHANGES AND AMENDMENTS

12.1 Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be made by written amendment, signed by an authorized County representative, acting under authority ordered or resolved by the Court, and the Developer.

12.2 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable to the District, as well as the County's and the Developer's respective obligations hereunder, may occur during the term of this Agreement and the parties agree to amend this Agreement to reflect such changes in rules, regulations or laws to the extent that failure to do so shall invalidate the intent of the Agreement as it existed immediately prior to the subject change in rule, regulation, or law.

12.3 The parties hereto agree that the District Board, without consent of the County, may amend the Project construction schedule evidenced in Exhibit B hereto, or categorical amounts included in the Finance Plan, provided such changes do not cause a change in such schedule or amounts by more than 25% (any such change resulting in variance exceeding 25% shall require written consent of the County); provided, however that the Court shall be given written notice of any such amendment and, absent County objection within thirty days of its receipt of such notice, the same shall become effective. County objection within this period of time shall negate the effectiveness of any such variance. Notwithstanding any provision herein to the contrary, and for the avoidance of doubt, no change affecting the total amount of Project Costs (including Capital Costs) to be paid from the Available Assessment from the amount evidenced in Section 2.1 hereof shall be effective unless consented to in writing by the County, after approval of such change by the Court.

## XIII. SEVERABILITY

If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including (but not limited to) any County code, regulation, or orders, then (and in that event) it is the intention of the parties hereto that such invalid, illegal or unenforceable clause or provision shall be severed and deleted from this Agreement, without affecting any other clause or provision hereof, and the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein. The parties hereto also intend that, in lieu of each clause or provision of this Agreement that is determined to be invalid, illegal or unenforceable in accordance with the foregoing provisions of this Article XIII, there shall be added, as a part of this Agreement, a clause or provision as similar as may be possible to such invalid, illegal or unenforceable clause or provision that is legal, valid and enforceable so that the intent and purpose of the severed clause or provision, to the extent (but only to the extent) that the same is legally permissible, is honored and accomplished.

## XIV. VENUE AND GOVERNING LAW

14.1 THIS CONTRACT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

14.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in a court of competent jurisdiction located in the County. Notwithstanding the foregoing, the parties hereto agree that any dispute that may arise under this Agreement shall first be submitted to non-binding mediation, or to alternative dispute resolution proceedings, before litigation is filed in court.

14.3 This Agreement is considered a "permit" for the purposes of Chapter 245, as amended, Texas Local Government Code.

14.4 To the extent (but only to the extent) its obligations are not uncertain or in dispute, the County is not entitled to claim immunity on the grounds of sovereignty from (i) relief by writ of mandamus to perform its obligations hereunder or (ii) enforcement by writ of mandamus of its payment obligations with respect to amounts due to the Developer pursuant to the terms of this Agreement.

## XV. TAXES, ASSESSMENT, AND FEES

The Developer shall pay, on or before their respective due dates to the appropriate collecting authority, all federal, State, and local taxes, assessments and fees that are now or may hereafter be levied upon its property, including any property with the District, and cooperate in assuring that the value of all sales of such property from the Developer to any third party, or any part thereof, are timely reported to the Medina County Appraisal District.

## XVI. NOTICE AND ESCROW

16.1 Any notice sent under this Agreement (except as otherwise expressly required) must be written and mailed with sufficient postage, sent by certified mail, return receipt requested or delivered personally to an officer of the receiving party at the following addresses, or sent via facsimile to the indicated number:

The County:
County Judge
Medina County Commissioners Court
1502 Avenue K, Room 201
Hondo, Texas 78861
Phone: (830) 741-6020
Fax: (830) 741-6025

The Developer:
320 Potranco Ranch, LLC
c/o Mr. David L. Earl
15303 Huebner, Building 15
San Antonio, Texas 78248
Phone: (210) 222-1500
Fax: (210) 222-9100

The District Board:
Presiding Officer
Potranco Ranch Public Improvement District
c/o Medina County, Texas
1502 Avenue K, Room 201
Hondo, Texas 78861
Phone: (830) 741-6020
Fax: (830) 741-6025

16.2 Any party hereto may change its address by delivering written notice of such change to the other parties hereto at the respective addresses identified in Section 16.1 hereof. Any communication delivered by facsimile transmission shall be deemed delivered when such transmission is made if during normal business hours or at the beginning of the next business day if the transmission is made after normal business hours. Any communication delivered in person shall be deemed received when receipted for by or actually received by an officer of the party to whom the communication is properly addressed.

## XVII. HEADINGS AND CAPTIONS

All section captions and headings used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the written agreement between the parties hereto.

## XVIII. EFFECTIVE DATE

This Agreement shall become effective from the date of execution. This Agreement shall terminate on the earlier of: (i) the County has paid all Project Costs from the Available Assessment; (ii) the date of a termination by default (provided that all required cure periods have been provided and the default remains uncured; or (iii) expiration of the District pursuant to the Creation Resolution, unless the terms of this Agreement are extended by mutual agreement of the County and the Developer (as evidenced in writing).

* * *

IN WITNESS THEREOF, the parties hereto have caused this instrument to be duly executed this 25th day of November, 2013.

MEDINA COUNTY, TEXAS

By: ______________________
James E. Barden
County Judge

320 POTRANCO RANCH, LLC

By: ______________________
David L. Earl
President

**EXHIBIT A**

District Property

EXHIBIT "A"
320.15 ACRES

STATE OF TEXAS
COUNTY OF MEDINA

Field notes for a 320.15 acre tract of land in Medina County, Texas and being out of the following Surveys with their approximate acreage.

59.65 acres out of Survey Number 97, Abstract 1452;
142.49 acres out of Survey Number 96, Abstract 1327 and
118.01 acres out of Survey Number 38, Abstract 5 all in Medina County, Texas.

Said 320.15 acre tract of land being the same land as described in a deed from Ruth Steinle Ausburn to Prolanco Ranch, LP, recorded in Volume 573, Page 741 of the Official Public Records of Medina County, Texas. Said 320.15 acre tract of land being more particularly described by metes and bounds as follows.

BEGINNING at a 5/8 inch steel pin found on the south Right-Of-Way line of FM Hwy 1957 (variable width 80' min) for the northwest corner of this tract and being the northwest corner of a called 320.00 acre tract as described in a deed from Ruth Steinle Ausburn to Prolanco Ranch, LP, recorded in Volume 573, Page 741 of the Official Public Records of Medina County, Texas. Said point being the northwest corner of a called 619.4125 acre tract (VI Second Tract) from Marina R. Steinle to Johanna Steinle Williams in a Last Will and Testament, recorded in Volume 63, Page 378 of the Official Public Records of Medina County, Texas. Said point also being the northeast corner of a called 722.7286 acre tract (VII Second Tract) from Marina R. Steinle to Ruth Steinle in a Last Will and Testament, recorded in Volume 63, Page 378 of the Official Public Records of Medina County, Texas

THENCE along the South Right-Of-Way line of FM Hwy 1957 the following four calls; North 86° 32' 48" East, a distance of 126.51 feet to a Txdot Brass Disk found for an angle point; South 82° 51' 59" East, a distance of 331.58 feet to a Txdot Brass Disk found for an angle point; North 66° 51' 45" East, a distance of 176.50 feet to a Txdot Brass disk found for an angle point and North 86° 45' 28" East, a distance of 1735.16 feet to a Steel fence post found for the northeast corner of the herein described 320.15 acre tract.

THENCE cutting across the aforesaid 722.7286 acre tract, South 00° 08' 33" West, a distance of 6018.96 feet to a 5/8 inch steel pin found for the southeast corner of the herein described 320.15 acre tract and being on the north line of a called 264.583 acre tract as described in a deed from Sharon Alice Manito to Linda Swanson, recorded in Volume 93, Page 445 of the Official Public Records of Medina County, Texas.

THENCE with the south line of this tract the following three calls; South 89° 34' 06" West, a distance of 48.09 feet to a Cedar post found for an angle point; North 89° 30' 41" West, a distance of 875.53 feet to a steel pipe post found between two gates for an angle point and North 89° 12' 27" West, a distance of 1426.74 feet to a Fence Corner Post found for the southwest corner of the herein described 320.15 acre tract and being the southeast corner of the aforesaid 619.4125 acre tract.

THENCE with the west line of this tract, North 00° 08' 55" East, a distance of 5858.20 feet to the place of the BEGINNING

I, Jerry D. Walker, Jr., hereby certify that these field notes were prepared from an actual survey made on the ground on August 29, 2011.

Bearing based on Geodetic Observation taken at the time of the survey and tied into the Leica Cors Network.

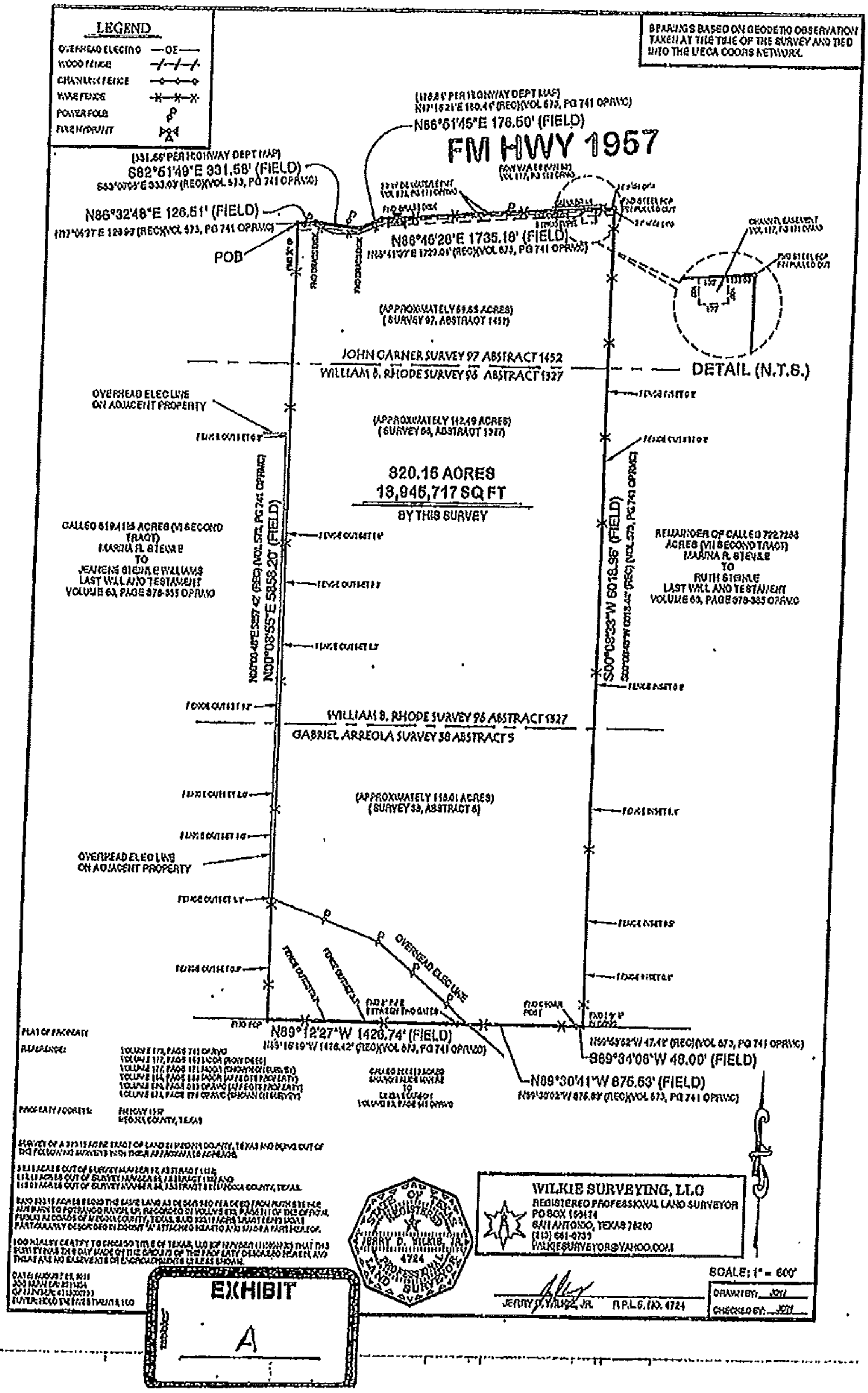
Reference is hereby made to an 11" X 17" Survey Drawing that accompanies these Field Notes.

Jerry D. Walker, Jr.
Registered Professional
Land Surveyor No. 4724
Job Number 2011125

STATE OF TEXAS
REGISTERED
JERRY D. WALKER, JR.
4724
PROFESSIONAL
LAND SURVEYOR



EXHIBIT
A



LEGEND
BEARINGS BASED ON GEODETIC OBSERVATION TAKEN AT THE TIME OF THE SURVEY AND TIED INTO THE LIECA COORS NETWORK.
N66°51'45"E 176.60' (FIELD)
FM HWY 1957
S82°51'49"E 331.58' (FIELD)
N86°32'46"E 126.51' (FIELD)
N86°45'20"E 1735.18' (FIELD)
POB
DETAIL (N.T.S.)
JOHN GARNER SURVEY 97 ABSTRACT 1452
WILLIAM B. RHODE SURVEY 96 ABSTRACT 1327
OVERHEAD ELEC LINE ON ADJACENT PROPERTY
320.16 ACRES
13,945,717 SQ FT
BY THIS SURVEY
N00°08'55"E 5858.20' (FIELD)
S00°08'33"W 6018.96' (FIELD)
LAST WILL AND TESTAMENT
RUTH STEHLE
WILLIAM B. RHODE SURVEY 96 ABSTRACT 1327
GABRIEL ARREOLA SURVEY 38 ABSTRACT 5
OVERHEAD ELEC LINE ON ADJACENT PROPERTY
OVERHEAD ELEC LINE
N89°12'27"W 1426.74' (FIELD)
S89°34'06"W 48.00' (FIELD)
N89°30'41"W 875.63' (FIELD)
WILKIE SURVEYING, LLC
REGISTERED PROFESSIONAL LAND SURVEYOR
SAN ANTONIO, TEXAS
WILKIESURVEYOR@YAHOO.COM
SCALE: 1" = 600'
JERRY D. WILKIE, JR.
R.P.L.S. NO. 4724
DRAWN BY:
CHECKED BY:
EXHIBIT
A

# <u>EXHIBIT B</u>

Construction Schedule

# Exhibit B - Construction Schedule

## Medina County
## Potranco Ranch Public Improvement District (PID)

November 9, 2013

| | | | | | |
|---|---|---|---|---|---|
| Site Area | | | 320.00 | Acres | |
| Initial Home Price Range | | $ | 350,000 | | |
| Project Year: | | | | | |
| Phase 1 | 2013 | | 22 | Single Family Homes | 350,000.00 |
| Phase 2 | 2014 | | 40 | Single Family Homes | 353,500.00 |
| Phase 3 | 2015 | | 40 | Single Family Homes | 357,035.00 |
| Phase 4 | 2016 | | 40 | Single Family Homes | 360,605.35 |
| Phase 5 | 2017 | | 40 | Single Family Homes | 364,211.40 |
| Phase 6 | 2018 | | 40 | Single Family Homes | 367,853.52 |
| Phase 7 | 2019 | | 40 | Single Family Homes | 371,532.05 |
| Phase 8 | 2020 | | 40 | Single Family Homes | 375,247.37 |
| Phase 9 | 2021 | | 40 | Single Family Homes | 375,247.37 |
| Phase 10 | 2022 | | 18 | Single Family Homes | 375,247.37 |
| Phase 11 | 2023 | | 0 | | 378,999.85 |
| Phase 12 | 2024 | | 0 | | 382,789.85 |
| Total | | | 360 | | |

| | | | |
|---|---|---|---|
| | Experience of Developer | Experienced | |
| | Performance Bonds: | Required to be provided by Contractor | |
| | Payment Bonds: | Required to be provided by Contractor | |
| Assumptions: | Assumed Community Value at Buildout | $ | 131,463,736 |
| | Assumed Community Value Appreciation Factor | | 1.00% |
| | Assumed PID Collection Rate | | 99.00% |
| | Estimated Total PID Collections (1st 25 years) | $ | 4,800,115 |
| | Estimated PID Life | Perpetual | |

# Public Infrastructure Improvements

## Potranco Ranch Public Improvement District (PID)

### Projected Public Improvement District Revenue

| Tax Year | Public Improvement District: Beginning Assessed Value | Annual Value of New Development | Projected Year-End Assessed Value | PID: Captured Assessed Value | Assessment Rate | Annual Assessments | Cumulative PID Revenues | County/Assessor Admin. Exp. |
|---|---|---|---|---|---|---|---|---|
| 2013 | - | 7,700,000 | 7,700,000 | 7,700,000 | 0.1800000 | - | - | 10,000 |
| 2014 | 7,700,000 | 14,140,000 | 21,840,000 | 21,840,000 | 0.1800000 | 13,721 | 13,721 | 10,000 |
| 2015 | 21,840,000 | 14,281,400 | 36,121,400 | 36,121,400 | 0.1800000 | 38,919 | 52,640 | 10,000 |
| 2016 | 36,121,400 | 14,424,214 | 50,545,614 | 50,545,614 | 0.1800000 | 64,368 | 117,009 | 10,000 |
| 2017 | 50,545,614 | 14,568,456 | 65,114,070 | 65,114,070 | 0.1800000 | 90,072 | 207,081 | 10,000 |
| 2018 | 65,114,070 | 14,714,141 | 79,828,211 | 79,828,211 | 0.1800000 | 116,033 | 323,114 | 10,000 |
| 2019 | 79,828,211 | 14,861,282 | 94,689,493 | 94,689,493 | 0.1800000 | 142,254 | 465,368 | 10,000 |
| 2020 | 94,689,493 | 15,009,895 | 109,699,388 | 109,699,388 | 0.1800000 | 168,737 | 634,105 | 10,000 |
| 2021 | 109,699,388 | 15,009,895 | 124,709,283 | 124,709,283 | 0.1800000 | 195,484 | 829,589 | 10,000 |
| 2022 | 124,709,283 | 6,754,453 | 131,463,736 | 131,463,736 | 0.1800000 | 222,232 | 1,051,821 | 10,000 |
| 2023 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,286,089 | 10,000 |
| 2024 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,520,358 | 10,000 |
| 2025 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,754,626 | 10,000 |
| 2026 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 1,988,894 | 10,000 |
| 2027 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,223,163 | 10,000 |
| 2028 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,457,431 | 10,000 |
| 2029 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,691,700 | 10,000 |
| 2030 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 2,925,968 | 10,000 |
| 2031 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,160,236 | 10,000 |
| 2032 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,394,505 | 10,000 |
| 2033 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,628,773 | 10,000 |
| 2034 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 3,863,041 | 10,000 |
| 2035 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,097,310 | 10,000 |
| 2036 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,331,578 | 10,000 |
| 2037 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,565,847 | 10,000 |
| 2038 | 131,463,736 | - | 131,463,736 | 131,463,736 | 0.1800000 | 234,268 | 4,800,115 | 10,000 |
| | | $ 131,463,736 | | | | $ 4,800,115 | | $ 260,000 |

| Existing Annual Value Growth Factors | |
|---|---|
| Years 2013-2022 | 1.00% |
| Thereafter | 0.00% |
| Combined Compound Growth Rate | |

| | |
|---|---|
| Participation Level | 100% |
| Tax Rate Growth Factor | 0.00% |
| Tax Rate Collection Factor | 99.00% |

## Public Infrastructure Improvements

### Potranco Ranch Public Improvement District (PID)

Participation

| Entity | Assessment Rate | Level of Participation | Assessment Rate | % of Project | PID Revenues | PID Expenses |
|---|---|---|---|---|---|---|
| Potranco Ranch PID | 0.1800000 | 100% | 0.1800000 | 100.00% | $ 4,800,115 | $ 29,300,417 |
| TOTAL | 0.1800000 | | 0.1800000 | 100.00% | $ 4,800,115 | $ 29,300,417 |

### Potranco Ranch Public Improvement District (PID)

Projected New Assessed Values

| Year | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5 | Phase 6 | Phase 7 | Phase 8 | Phase 9 | Phase 10 | Phase 11 | Phase 12 | Total | Cumulative Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | $ 7,700,000 | | | | | | | | | | | | $ 7,700,000 | $ 7,700,000 |
| 2014 | | $ 14,140,000 | | | | | | | | | | | $ 14,140,000 | $ 21,840,000 |
| 2015 | | | $ 14,281,400 | | | | | | | | | | $ 14,281,400 | $ 36,121,400 |
| 2016 | | | | $ 14,424,214 | | | | | | | | | $ 14,424,214 | $ 50,545,614 |
| 2017 | | | | | $ 14,568,456 | | | | | | | | $ 14,568,456 | $ 65,114,070 |
| 2018 | | | | | | $ 14,714,141 | | | | | | | $ 14,714,141 | $ 79,828,211 |
| 2019 | | | | | | | $ 14,861,282 | | | | | | $ 14,861,282 | $ 94,689,493 |
| 2020 | | | | | | | | $ 15,009,895 | | | | | $ 15,009,895 | $ 109,699,388 |
| 2021 | | | | | | | | | $ 15,009,895 | | | | $ 15,009,895 | $ 124,709,283 |
| 2022 | | | | | | | | | | $ 6,754,453 | | | $ 6,754,453 | $ 131,463,736 |
| 2023 | | | | | | | | | | | $ - | | $ - | $ 131,463,736 |
| 2024 | | | | | | | | | | | | $ - | $ - | $ 131,463,736 |
| 2025 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2026 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2027 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2028 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2029 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2030 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2031 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2032 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2033 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2034 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2035 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| 2036 | | | | | | | | | | | | | $ - | $ 131,463,736 |
| | | | | | | | | | | | | | $ - | $ 131,463,736 |
| | $ 7,700,000 | $ 14,140,000 | $ 14,281,400 | $ 14,424,214 | $ 14,568,456 | $ 14,714,141 | $ 14,861,282 | $ 15,009,895 | $ 15,009,895 | $ 6,754,453 | $ - | $ - | $ 131,463,736 | |

**EXHIBIT C**

Public Improvement Projects

# Potranco Ranch Public Improvement District (PID)

## Sources & Uses

| | |
|---|---|
| **Sources of Funds** | |
| PID Revenues at $0.18 per $100 | $ 4,800,115 |
| Tax Increment Reinvestment Zone # 2 | $ 9,840,000 |
| Developer Contribution | $ 14,660,302 |
| **Total Sources of Funds** | $ 29,300,417 |

**Uses of Funds**

| | Phase 1 2013 | Phase 2 2014 | Phase 3 2015 | Phase 4 2016 | Phase 5 2017 | Phase 6 2018 | Phase 7 2019 | Phase 8 2020 | Phase 9 2021 | Phase 10 2022 | Phase 11 2023 | Phase 12 2024 | Total Infrastructure Improvements |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Begin Construction | | | | | | | | | | | | | |
| Single Family Lots | 55 | 50 | 42 | 42 | 42 | 42 | 42 | 47 | 0 | 0 | 0 | 0 | 360 |
| Single Family Homes | 22 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 18 | 0 | 0 | 360 |
| **Public Improvements** | | | | | | | | | | | | | |
| **Hard Cost** | | | | | | | | | | | | | |
| Site Work | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Entry | $ 130,229 | $ 122,857 | $ 103,200 | $ 103,200 | $ 103,200 | $ 103,200 | $ 103,200 | $ 115,486 | $ - | $ - | $ - | $ - | $ 884,571 |
| Streets & Approaches | $ 1,259,129 | $ 1,187,857 | $ 997,800 | $ 997,800 | $ 997,800 | $ 997,800 | $ 997,800 | $ 1,116,586 | $ - | $ - | $ - | $ - | $ 8,552,571 |
| Drainage | $ 172,629 | $ 162,857 | $ 136,800 | $ 136,800 | $ 136,800 | $ 136,800 | $ 136,800 | $ 153,086 | $ - | $ - | $ - | $ - | $ 1,172,571 |
| Sewer | $ 304,371 | $ 287,143 | $ 241,200 | $ 241,200 | $ 241,200 | $ 241,200 | $ 241,200 | $ 269,914 | $ - | $ - | $ - | $ - | $ 2,067,429 |
| Water | $ 345,257 | $ 325,714 | $ 273,600 | $ 273,600 | $ 273,600 | $ 273,600 | $ 273,600 | $ 306,171 | $ - | $ - | $ - | $ - | $ 2,345,143 |
| Water Re-Use System | $ 98,429 | $ 92,857 | $ 78,000 | $ 78,000 | $ 78,000 | $ 78,000 | $ 78,000 | $ 87,286 | $ - | $ - | $ - | $ - | $ 668,571 |
| **Total Hard Cost** | $ 2,310,043 | $ 2,179,286 | $ 1,830,600 | $ 1,830,600 | $ 1,830,600 | $ 1,830,600 | $ 1,830,600 | $ 2,048,529 | $ - | $ - | $ - | $ - | $ 15,690,857 |
| **Hard Cost - TIRZ Related** | | | | | | | | | | | | | |
| Sewer/Water | $ 196,100 | $ 185,000 | $ 155,400 | $ 155,400 | $ 155,400 | $ 155,400 | $ 155,400 | $ 173,900 | $ - | $ - | $ - | $ - | $ 1,332,000 |
| Signage | $ 6,954 | $ 6,560 | $ 5,510 | $ 5,510 | $ 5,510 | $ 5,510 | $ 5,510 | $ 6,166 | $ - | $ - | $ - | $ - | $ 47,232 |
| Erosion Control | $ 9,843 | $ 9,286 | $ 7,800 | $ 7,800 | $ 7,800 | $ 7,800 | $ 7,800 | $ 8,729 | $ - | $ - | $ - | $ - | $ 66,857 |
| Electric - CPS / MEC | $ 166,571 | $ 157,143 | $ 132,000 | $ 132,000 | $ 132,000 | $ 132,000 | $ 132,000 | $ 147,714 | $ - | $ - | $ - | $ - | $ 1,131,429 |
| Temporary Sewer | $ 45,429 | $ 42,857 | $ 36,000 | $ 36,000 | $ 36,000 | $ 36,000 | $ 36,000 | $ 40,286 | $ - | $ - | $ - | $ - | $ 308,571 |
| **Total Hard Cost** | $ 424,896 | $ 400,846 | $ 336,710 | $ 336,710 | $ 336,710 | $ 336,710 | $ 336,710 | $ 376,795 | $ - | $ - | $ - | $ - | $ 2,886,089 |
| **Soft Cost - TIRZ Related** | | | | | | | | | | | | | |
| Engineering-Surveying | $ 272,571 | $ 257,143 | $ 216,000 | $ 216,000 | $ 216,000 | $ 216,000 | $ 216,000 | $ 241,714 | $ - | $ - | $ - | $ - | $ 1,851,429 |
| Contingency | $ 60,571 | $ 57,143 | $ 48,000 | $ 48,000 | $ 48,000 | $ 48,000 | $ 48,000 | $ 53,714 | $ - | $ - | $ - | $ - | $ 411,429 |
| Interest | $ 75,714 | $ 71,429 | $ 60,000 | $ 60,000 | $ 60,000 | $ 60,000 | $ 60,000 | $ 67,143 | $ - | $ - | $ - | $ - | $ 514,286 |
| Closing Costs | $ 43,914 | $ 41,429 | $ 34,800 | $ 34,800 | $ 34,800 | $ 34,800 | $ 34,800 | $ 38,943 | $ - | $ - | $ - | $ - | $ 298,286 |
| Municipal Fees | $ 9,086 | $ 8,571 | $ 7,200 | $ 7,200 | $ 7,200 | $ 7,200 | $ 7,200 | $ 8,057 | $ - | $ - | $ - | $ - | $ 61,714 |
| Construction Management | $ 31,800 | $ 30,000 | $ 25,200 | $ 25,200 | $ 25,200 | $ 25,200 | $ 25,200 | $ 28,200 | $ - | $ - | $ - | $ - | $ 216,000 |
| **Total Soft Cost** | $ 493,657 | $ 465,714 | $ 391,200 | $ 391,200 | $ 391,200 | $ 391,200 | $ 391,200 | $ 437,771 | $ - | $ - | $ - | $ - | $ 3,353,143 |
| **County Wide Benefits** | | | | | | | | | | | | | |
| To be used at discretion of County for ERS and/or Sheriff services, upgrades, capital equipment, etc. | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total County Wide Benefits** | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 |
| **Interest from TIRZ Obligation** | $ 55,113 | $ 105,413 | $ 144,268 | $ 179,951 | $ 212,414 | $ 241,608 | $ 267,485 | $ 295,195 | $ 270,612 | $ 242,561 | $ 65,593 | $ - | $ 2,080,213 |
| **Grand Total Community and County Wide Benefits** | $ 3,283,709 | $ 3,151,259 | $ 2,702,778 | $ 2,738,461 | $ 2,770,924 | $ 4,300,118 | $ 2,825,995 | $ 3,158,290 | $ 270,612 | $ 242,561 | $ 65,593 | $ - | $ 25,510,302 |
| **Administrative Expenses (Paid to Medina County)** | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | 10,000 | $ 120,000 |
| **Ongoing Annual Maintenance of PID Improvements** | $ 50,000 | $ 50,000 | $ 50,000 | $ 75,000 | $ 75,000 | $ 100,000 | $ 100,000 | $ 125,000 | $ 125,000 | $ 150,000 | $ 150,000 | 150,000 | $ 1,200,000 |
| **Grand Total** | $ 3,343,709 | $ 3,211,259 | $ 2,762,778 | $ 2,823,461 | $ 2,855,924 | $ 4,410,118 | $ 2,935,995 | $ 3,293,290 | $ 405,612 | $ 402,561 | $ 225,593 | 160,000 | $ 26,830,302 |

| | |
|---|---|
| **CAPITAL COSTS:** | |
| **Total Hard Cost** | $ 15,690,857 |
| **Total Hard Cost - Funded by TIRZ Funds** | $ 2,886,089 |
| **Total Soft Cost - Funded by TIRZ Funds** | $ 3,353,143 |
| **Total County Benefits - Funded by TIRZ Funds** | $ 1,500,000 |
| **Interest from TIRZ Obligation - Funded by TIRZ Funds** | $ 2,080,213 |
| **Total Payments Made By Potranco Ranch (Developer)** | $ 25,510,302 |
| **EXPENSES:** | |
| **Total Admin. Expenses (Paid to County/Assessor)** | $ 260,000 |
| **Total Ongoing Maintenance of PID Improvements** | $ 3,530,115 |
| **Grand Total** | $ 29,300,417 |
| **Project Financing Surplus (Shortage)** | $ (0) |

**PID BUDGET SUMMARY:**

| | |
|---|---|
| Total Hard Cost - Funded by TIRZ Funds | $ 2,886,089 |
| Total Soft Cost - Funded by TIRZ Funds | $ 3,353,143 |
| Total County Benefits - Funded by TIRZ Funds | $ 1,500,000 |
| Interest from TIRZ Obligation - Funded by TIRZ Funds | $ 1,820,768 |
| TIRZ Total Administration Expense to County | $ 280,000 |
| Subtotal | $ 9,840,000 |
| Total Reimbursment of PID Eligible Hard Cost | $ 1,010,000 |
| Total Admin. Expenses (Paid to County/Assessor) | $ 260,000 |
| Total Ongoing Maintenance of PID Improvements | $ 3,530,115 |
| **Total Funds to be Used for Reimbursements** | $ 14,640,115 |

NOTE: It is anticipated that the PID will issue PID revenue bonds which will create no recourse on the County upon the contributions from the TIRZ increment and the PID assessments (less maintenance expenses) being sufficient to underwrite $3,500,000 of bond debt. No additional bonds are anticipated being required.

| | | Phase 1 2012 | Phase 2 2013 | Phase 3 2014 | Phase 4 2015 | Phase 5 2016 | Phase 6 2017 | Phase 7 2018 | Phase 8 2019 |
|---|---|---|---|---|---|---|---|---|---|
| | | 35 | 34 | 36 | 35 | 44 | 30 | 47 | 47 |
| | | 0 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Grand Total - Use of Funds | | 3,343,709 | 3,211,259 | 2,762,778 | 2,823,461 | 2,655,924 | 4,410,116 | 2,935,995 | 3,293,290 |
| TIRZ Revenue | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PID Revenue | | 0 | 13,721 | 38,919 | 64,308 | 90,072 | 116,033 | 142,254 | 168,737 |
| O/S Debt - Incr/(Decr) | | 3,343,709 | 3,197,537 | 2,723,860 | 2,759,093 | 2,765,852 | 4,294,085 | 2,793,742 | 3,124,553 |
| Cumulative O/S Debt | | 3,343,709 | 6,541,247 | 9,265,106 | 12,024,199 | 14,790,051 | 19,084,137 | 21,877,878 | 25,002,431 |
| Interest Accrued | 6.00% | 200,623 | 392,475 | 555,906 | 721,452 | 887,403 | 1,145,048 | 1,312,673 | 1,500,146 |

| | Phase 9 2020 | Phase 10 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 52 | 0 | | | | | | | | |
| | 40 | 40 | | | | | | | | |
| Grand Total - Use of Funds | 402,561 | 225,693 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TIRZ Revenue | 0 | 0 | 0 | 0 | 0 | 574,000 | 731,500 | 731,500 | 731,500 | 731,500 |
| PID Revenue | 195,484 | 222,232 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 |
| O/S Debt - Incr/(Decr) | 207,077 | 3,361 | (234,268) | (234,268) | (234,268) | (808,268) | (965,768) | (965,768) | (965,768) | (965,768) |
| Cumulative O/S Debt | 25,209,508 | 25,212,869 | 24,978,601 | 24,744,332 | 24,510,064 | 23,701,796 | 22,736,027 | 21,770,259 | 20,804,491 | 19,838,722 |
| Interest Accrued | 1,512,570 | 1,512,772 | 1,498,716 | 1,484,660 | 1,470,604 | 1,422,108 | 1,364,162 | 1,306,216 | 1,248,269 | 1,190,323 |

| | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | Infrastructure Improvements |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 360 |
| | | | | | | | | | 360 |
| Grand Total - Use of Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,264,690 |
| TIRZ Revenue | 731,500 | 731,500 | 731,500 | 536,400 | 0 | 0 | 0 | 0 | 6,230,900 |
| PID Revenue | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 234,268 | 4,800,115 |
| O/S Debt - Incr/(Decr) | (965,768) | (965,768) | (965,768) | (770,668) | (234,268) | (234,268) | (234,268) | (234,268) | |
| Cumulative O/S Debt | 18,872,954 | 17,907,185 | 16,941,417 | 16,170,749 | 15,936,480 | 15,702,212 | 15,467,944 | 15,233,675 | |
| Interest Accrued | 1,132,377 | 1,074,431 | 1,016,485 | 970,245 | 956,189 | 942,133 | 928,077 | 914,021 | 28,660,083 |

**EXHIBIT D**

Waivers and Variances to County Subdivision Rules and Regulations

None.

## EXHIBIT D

Waivers and Variances to County Subdivision Rules and Regulations

None.

# Leader News
## Publisher's Affidavit

The State of Texas
County of Medina

Before me, the undersigned authority, on this day did personally appear, Natalie Spencer, a person known to me, who on her oath stated that she is the Publisher of the Leader News, a newspaper published in Medina County, Texas, and which newspaper is of general circulation and has been published for more than twelve (12) months prior to the insertion of the attached notice, and that she knows the facts stated on this affidavit

That the attached printed matter is a true and correct copy of the publication of the notice of which it purports to be a true copy, as the same appeared in such newspaper in the respective issues of:

12/12/13 Potranco Ranch Public Improvement District

The charge of such newspaper being

$ 407.16

Natalie Spencer
Newspaper Representative's Signature

Subscribed and sworn to before me on this the 13th day of December, 2013.

Michael Casarez
Notary Public
Medina County, Texas

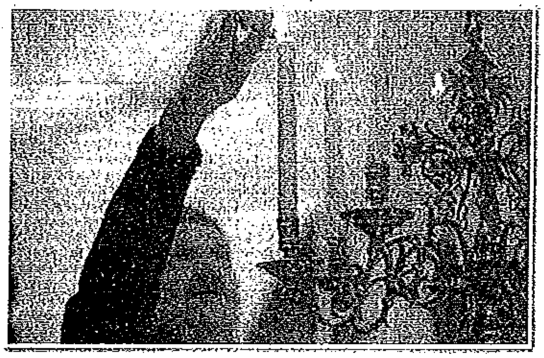
MICHAEL CASAREZ
Notary Public, State of Texas
My Commission Expires
April 30, 2016

Notary Seal

Xavier Jung House on Gentilz Street, home of Taylor Marett and fiancé Tarre Conte.

"After the Jungs moved to San Antonio, the colony midwife lived here. There were a lot of births and stuff going

that we live here full time. But we're comfortable, this is our everyday," said Conte, who appreciated the chance



Egan Gleason lights a non-electric chandelier for the CCS's Candlelight Home Tour. Gleason's house was one of five historically interesting structures opened up to public admiration on Dec. 7. (Photo by Ann Chen)

# Vendors delighted with turnout

Continued from Page 1

ing seasonal favorites like "Frosty the Snowman" and "Jingle Bells" as they followed Santa around the square.

"The Santa Claus [was] great," said AJ Bills, who was there with wife, Jennifer, their two children and two nephews. "When he was going around in the golf

and got the kids' attention, and they ran over there and gave him a big old hug. That was nice. I liked that."

Given the unpredictable whims of Mother Nature, Kempf and the chamber were thankful for the continued support that so many have shown the event.

"Kudos to those that came out and braved the weather, both vendors and shoppers. Many said it wouldn't keep them from coming next year as they love coming to Castroville," said Kempf. "We were blessed that it wasn't wet and icy. There were quite a few people that worked really hard in very cold weather. [We] really appreciate everyone that helped, performed, set up booths and shopped."

Jane McDaniel shows an admiring Old Fashion Christmas shopper some of her hand-sewn products. She is a recognized storyteller who promotes her Irish culture by making traditional dolls and has been a vendor at the event for more than 10 years now. (Photo by Ann Chen)

Grace Kempf celebrated her 100th birthday on Sat. Nov. 30 at the Old Standby Saloon surrounded by family and many friends.

Kempf was born Dec. 4, 1913 to the late William and Maude Collins, the third of seven children.

She remembers as a child traveling from Poteet to Brackettville by covered wagon, stopping at night and camping along the Nueces River. Having a can of pork and beans for supper was a real treat.

Kempf now resides at Medina Valley Health and Rehab where she enjoys visiting with the other residents and playing bingo and dominoes.

## Potranco Ranch Public Improvement District - Medina County, Texas
## Notice of Public Hearing to Consider Proposed Assessments
## 10:00 A.M. on December 23, 2013
## Medina County Courthouse

Please take notice that on December 23, 2013 at 10:00 A.M., the Commissioners Court of Medina County, Texas will conduct a public hearing (the *Hearing*) at the Medina County Courthouse, 1100 16th Street, Hondo, Texas 78861, at the regular meeting place of the Commissioners Court. The purpose of the Hearing is to consider the 2014 assessment rate for property owners in the Potranco Ranch Public Improvement District (the *District*), as required by and in compliance with Chapter 372, as amended, Texas Local Government Code (the *Act*).

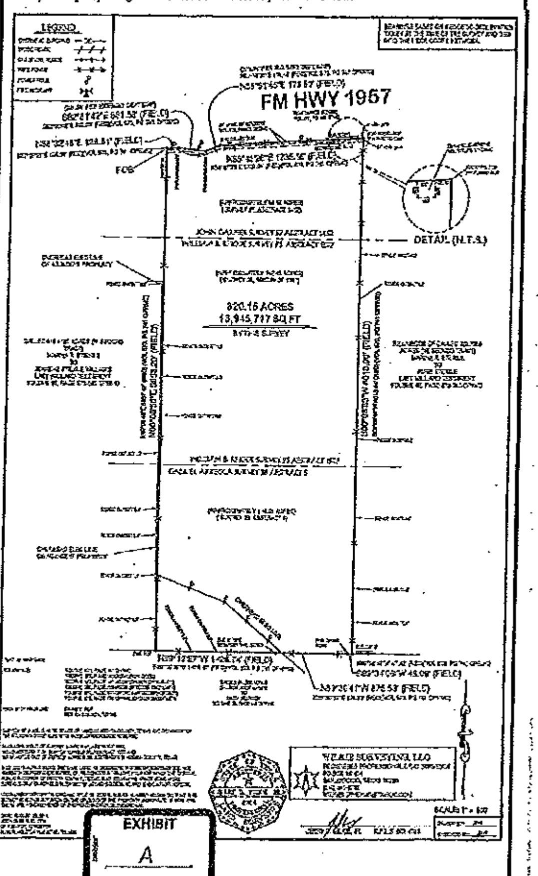
All interested persons will be given the opportunity to appear and be heard at the Hearing. Written or oral objections will be considered. The proposed assessment roll of property in the District subject to assessment will be available for inspection in the office of the Medina County Tax Assessor-Collector on and after December 13, 2013.

As required by the Act, the following information is provided concerning matters to be considered at the Hearing.

**Nature of Services and Improvements:** The general nature of the public improvements, including: (i) design, acquisition, construction, and installation of public improvement projects, as authorized by the Act, that are necessary for the development of the Property, which public improvements will include (but are not limited to) improvements to utilities; establishment of roads, bridges, and associated drainage and trails; water and sewer facilities; demolition and land clearing; lighting improvements; construction of entry-way features; signage; other infrastructure improvements within the District; and ongoing services (including maintenance of public improvements); (ii) costs associated with developing and financing the aforementioned public improvements; and (iii) costs of establishing, administering, and operating the District. The District is to supplement and enhance the services within the District, assuming the service of road maintenance that would otherwise be the responsibility of the County and providing other service that the County is not obligated to provide. Other services ordinarily provided by the County will continue to be provided to the District by the County.

**Estimated Cost of the Services and Improvements and Method of Assessment:** The total estimated capital cost of public improvements within the District for which the District will reimburse the developer is $1,010,000. The total estimated cost of developing, financing, operating and maintaining, the public improvements within the District, as well as establishing, administering, and operating the District through 2038 is $3,790,115. As a result, the total amount of the assessment on District property is $4,800,115, payable in annual installments. The cost of public improvements for the 2014 calendar year is estimated at $13,721, based on a proposed 2014 calendar year assessment rate of $0.18 per $100.00 valuation against District property.

**District Boundaries:** The District is located within the County, approximately 3.4 miles East from the intersection of FM 471 and FM 1957 (Potranco Road) on the South side of FM 1957 (Potranco Road). A map depicting the District boundaries is published below.



**Potranco Ranch Public Improvement District - Medina County, Texas**
**Notice of Public Hearing to Consider Proposed Assessments**
**10:00 A.M. on December 23, 2013**
**Medina County Courthouse**

Please take notice that on December 23, 2013 at 10:00 A.M., the Commissioners Court of Medina County, Texas will conduct a public hearing (the *Hearing*) at the Medina County Courthouse, 1100 16th Street, Hondo, Texas 78861, at the regular meeting place of the Commissioners Court. The purpose of the Hearing is to consider the 2014 assessment rate for property owners in the Potranco Ranch Public Improvement District (the *District*), as required by and in compliance with Chapter 372, as amended, Texas Local Government Code (the *Act*).

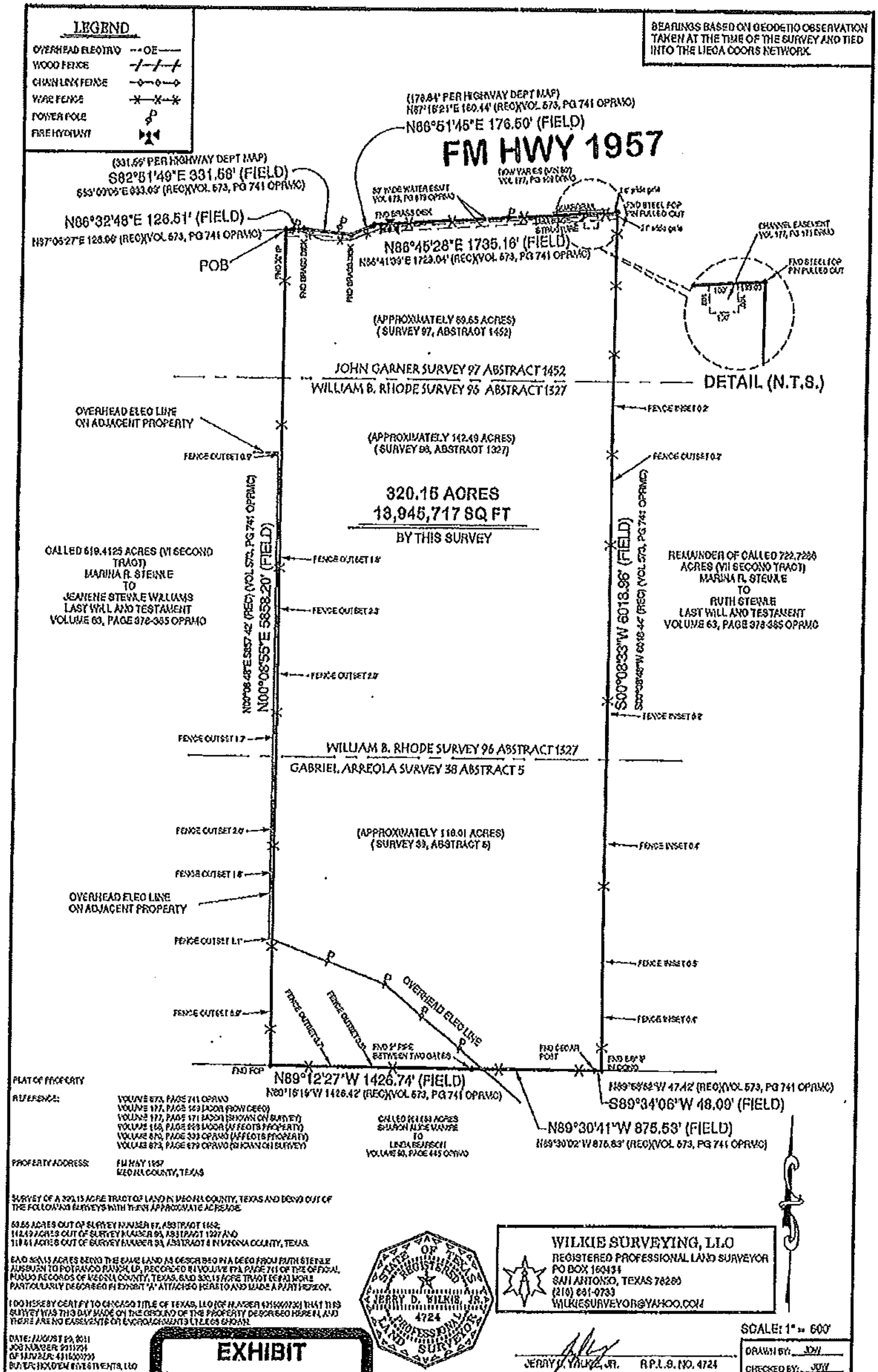
All interested persons will be given the opportunity to appear and be heard at the Hearing. Written or oral objections will be considered. The proposed assessment roll of property in the District subject to assessment will be available for inspection in the office of the Medina County Tax Assessor-Collector on and after December 13, 2013.

As required by the Act, the following information is provided concerning matters to be considered at the Hearing.

**Nature of Services and Improvements:** The general nature of the public improvements, including: (i) design, acquisition, construction, and installation of public improvement projects, as authorized by the Act, that are necessary for the development of the Property, which public improvements will include (but are not limited to) improvements to utilities; establishment of roads, bridges, and associated drainage and trails; water and sewer facilities; demolition and land clearing; lighting improvements; construction of entry-way features; signage; other infrastructure improvements within the District; and ongoing services (including maintenance of public improvements); (ii) costs associated with developing and financing the aforementioned public improvements; and (iii) costs of establishing, administering, and operating the District. The District is to supplement and enhance the services within the District, assuming the service of road maintenance that would otherwise be the responsibility of the County and providing other service that the County is not obligated to provide. Other services ordinarily provided by the County will continue to be provided to the District by the County.

**Estimated Cost of the Services and Improvements and Method of Assessment:** The total estimated capital cost of public improvements within the District for which the District will reimburse the developer is $1,010,000. The total estimated cost of developing, financing, operating and maintaining, the public improvements within the District, as well as establishing, administering, and operating the District through 2038 is $3,790,115. As a result, the total amount of the assessment on District property is $4,800,115, payable in annual installments. The cost of public improvements for the 2014 calendar year is estimated at $13,721, based on a proposed 2014 calendar year assessment rate of $0.18 per $100.00 valuation against District property.

**District Boundaries:** The District is located within the County, approximately 3.4 miles East from the intersection of FM 471 and FM 1957 (Potranco Road) on the South side of FM 1957 (Potranco Road). A map depicting the District boundaries is published below.


LEGEND
OVERHEAD ELECTRIC
WOOD FENCE
CHAIN LINK FENCE
WIRE FENCE
POWER POLE
FIRE HYDRANT
BEARINGS BASED ON GEODETIC OBSERVATION TAKEN AT THE TIME OF THE SURVEY AND TIED INTO THE LIECA COORS NETWORK
FM HWY 1957
N86°51'45"E 176.50' (FIELD)
S82°51'49"E 331.58' (FIELD)
N86°32'48"E 126.51' (FIELD)
POB
N86°45'28"E 1735.16' (FIELD)
(APPROXIMATELY 59.65 ACRES)
(SURVEY 97, ABSTRACT 1452)
JOHN GARNER SURVEY 97 ABSTRACT 1452
WILLIAM B. RHODE SURVEY 96 ABSTRACT 1327
DETAIL (N.T.S.)
OVERHEAD ELEC LINE ON ADJACENT PROPERTY
(APPROXIMATELY 142.49 ACRES)
(SURVEY 96, ABSTRACT 1327)
320.15 ACRES
13,945,717 SQ FT
BY THIS SURVEY
N00°06'55"E 5858.20' (FIELD)
S00°08'33"W 6018.96' (FIELD)
WILLIAM B. RHODE SURVEY 96 ABSTRACT 1327
GABRIEL ARREOLA SURVEY 38 ABSTRACT 5
(APPROXIMATELY 118.01 ACRES)
(SURVEY 38, ABSTRACT 5)
OVERHEAD ELEC LINE
N89°12'27"W 1426.74' (FIELD)
S89°34'06"W 48.09' (FIELD)
N89°30'41"W 875.53' (FIELD)
WILKIE SURVEYING, LLC
REGISTERED PROFESSIONAL LAND SURVEYOR
SAN ANTONIO, TEXAS
WILKIESURVEYOR@YAHOO.COM
STATE OF TEXAS
REGISTERED
JERRY D. WILKIE, JR.
4724
PROFESSIONAL LAND SURVEYOR
SCALE: 1" = 600'
R.P.L.S. NO. 4724

EXHIBIT

A

Richard Saathoff
Commissioner Precinct No. 1

James E. Barden
County Judge

David Lynch
Commissioner Precinct No. 3

Larry Sittre
Commissioner Precinct No. 2

Jerry Beck
Commissioner Precinct No. 4

MEDINA COUNTY COMMISSIONERS COURT
DECEMBER 23, 2013
9:00 A.M.

## ITEM #1 - MEETING CALLED TO ORDER

Judge Barden called the meeting to order at 9:00 a.m. and noted that all members of the court were present. Other officials/department heads in attendance for all or part of the meeting were Chief Deputy Sheriff Chris Champion, County Treasurer Cynthia Ivy, Human Resource Director Stacey Cameron, Assistant Auditor Rubi Cline, Accounts Payable Clerk Debbie Southwell and Administrative Assistant Jennifer Adlong.

## ITEM #2 - CONSIDER APPROVAL OF DECEMBER 9, 2013 MEETING MINUTES AND DECEMBER 16, 2013 SPECIAL MEETING MINUTES

Following careful review a motion was made by Commissioner Saathoff and second by Commissioner Beck to approve the December 9, 2013 meeting minutes with amendments to Item #14 add "Commissioner" before "Sittre" in the third paragraph; Item #15 change "crosses the Medina River" to "Near Paradise Canyon" in the second sentence; Item #17 change "Mr. Lutz does not recommend" to "As a result the County is not in position to institute" in the second sentence; Item #21 add "386" in the first sentence. Motion carried.

After review a motion was made by Commissioner Saathoff and second by Commissioner Sittre to approve the December 16, 2013 special meeting minutes with amendments to Item #1 add "Also visitor, Tony Hackebeil was present" after the last sentence; Item #2 add "($22,500)" after funds in the second sentence. Motion Carried. Commissioner Lynch abstained.

## ITEM #3 - CONSIDER APPROVAL OF BUDGET AMENDMENTS

There were no budget amendments presented at this time.

## ITEM #4 - CONSIDER APPROVAL OF LINE ITEM TRANSFERS

There were no line item transfers presented at this time.

## ITEM #5 - CONSIDER APPROVAL OF ACCOUNTS PAYABLE

County Treasurer Cindy Ivy submitted the accounts payable to the Court Members for approval. Following careful review a motion was made by Commissioner Lynch and second by Commissioner Saathoff to approve the bills for payment with add on invoices payable to Texas Association of Counties and Highway 90 Ranch WSC, with the exception of pages 29 and 32, County Attorney special and forfeiture fund accounts, which do not require court approval. Motion Carried. (See attached)

Later during the meeting two add on invoices payable to Rock Solid and Tondre Transfer & Storage were presented for approval. A motion was made by Commissioner Lynch and second by Commissioner Sittre to approve the two invoices for payment. Motion carried. (See attached)

Jennifer A. Adlong
JENNIFER A. ADLONG
Clerk of Commissioners Court

January 14, 2014
Date

## ITEM #6 - CONSIDER APPROVAL OF PERSONNEL CHANGES

There were no personnel changes presented at this time.

## ITEM #7 - PUBLIC HEARING TO CONSIDER PROPOSED ASSESSMENTS ON PROPERTY LOCATED IN THE POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT

Judge Barden opened the public hearing at 10:01 AM to accept public comment on proposed assessments on property located in the Potranco Ranch Public Improvement District. Attorney Clay Binford gave a brief update on the status of the Potranco Ranch Public Improvement District. Mr. Binford stated this is the final step to levy assessments on the property located in the Potranco Ranch Public Improvement District. Since no one signed up to speak Judge Barden closed the hearing at 10:08AM.

## ITEM #8 - CONSIDERATION AND APPROVAL OF AN ORDER ACCEPTING AND APPROVING AN ASSESSMENT ROLL FOR THE POTRANCO RANCH PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD AND PAYMENT OF THE ASSESSMENTS; AND OTHER MATTERS IN CONNECTION WITH THE FOREGOING

Attorney Clay Binford presented Court Members with an Order accepting and approving an assessment roll for the Potranco Ranch Public Improvement District. After review of a proposed order as described in the agenda and discussion by the Court Members, a motion to approve the Order as presented was made by Commissioner Saathoff and seconded by Commissioner Sittre. The motion was approved. (See attached)

## ITEM #9 - CONSIDER APPROVAL TO PURCHASE 3.248 ACRES OF LAND FROM CITY OF HONDO LOCATED IMMEDIATELY NORTH (ACROSS THE STREET) FROM COUNTY JAIL FACILITIES FOR A NET CONSIDERATION OF $43,898, PLUS NECESSARY CLOSING COSTS; TO RELEASE FIRST REFUSAL RIGHTS ON 2.935 ACRES IMMEDIATELY SOUTH OF THE COUNTY JAIL PROPERTY; AND TO AUTHORIZE COUNTY JUDGE TO EXECUTE DOCUMENTS TO EFFECT SAME

Judge Barden gave the Court Members a brief update on the status of the County purchasing a portion of the 3.248 acres located north of the County Jail. The County would be purchasing 2.248 acres for a net amount of $43,898 plus closing costs. The Auction facility adjacent to the property will be purchasing 1 acre of the 3.248 acres. A motion was made by Commissioner Lynch and second by Commissioner Saathoff to release first refusal rights on 2.935 acres immediately south of the County Jail property and authorize the County Judge to execute documents for same. Motion carried.

## ITEM #10 - CONSIDER APPROVAL OF CORRECTED MEDINA COUNTY PAYROLL SCHEDULE FOR 2014(STACEY CAMERON, HR DIRECTOR)

HR Director Stacey Cameron presented a corrected payroll schedule for 2013. The recently approved schedule had a mistake regarding the last payroll period of the year. A motion was made by Commissioner Saathoff and second by Commissioner Sittre to approve the corrected 2013 Payroll Schedule as presented. Motion carried. (See attached)

Jennifer A. Adlong
JENNIFER A. ADLONG
Clerk of Commissioners Court
January 14, 2014
Date

ITEM #11 – CONSIDER APPROVAL OF AMENDMENT 01 TO DEPARTMENT OF STATE HEALTH SERVICES CONTRACT 2014-001166, PUBLIC HEALTH EMERGENCY PREPAREDNESS; HEALTH UNIT (STACEY CAMERON, GRANT ADMINISTRATOR)

Court Members reviewed Amendment 01 to Department of State Health Services Contract 2014-001166, Public Health Emergency Preparedness for the Health Unit. The Amendment is to add language to the statement of work, update programmatic reporting requirements, add and update special provisions plus updates to exhibits A&B. This item is ratification of approval. Contract amendments with the Department of State Health Services will be e-signatures. A motion was made by Commissioner Saathoff and second by Commissioner Lynch to ratify approval of Amendment 01 to Department of State Health Services Contract 2014-001166, Public Health Emergency Preparedness. Motion carried. (See attached)

ITEM #12 – CONSIDER APPROVAL OF AMENDMENT 01 TO DEPARTMENT OF STATE HEALTH SERVICES CONTRACT 2014-001140; IMMUNIZATION BRANCH-LOCALS; HEALTH UNIT (STACEY CAMERON, GRANT ADMINISTRATOR)

Court Members reviewed Amendment 01 to Department of State Health Services Contract 2014-001140, Public Health Emergency Preparedness for the Health Unit. The Amendment is to change one word to the work plan/exhibit under unit c-5, addition to the financial status report requirements and due dates to the programmatic reporting requirements section and update of the LHD ILA reporting requirements program end date for the third quarter. This item is ratification of approval. Contract amendments with the Department of State Health Services will be e-signatures. A motion was made by Commissioner Sittre and second by Commissioner Beck to ratify approval of Amendment 01 to Department of State Health Services Contract 2014-001140, Immunization Branch-Locals. Motion carried. (See attached)

ITEM #13 – CONSIDER APPROVAL OF RESOLUTION TO CAST VOTES TO ELECT MEDINA COUNTY APPRAISAL DISTRICT 2014-2015 BOARD OF DIRECTORS

Court Members reviewed the Official Ballot from Medina County Appraisal District to elect Board of Directors for 2014-2015. The candidates on the ballot are Michael Groff, J. Gruber, Mamie Navarro, Richard Rothe and Roy Sheetz. A motion was made by Commissioner Lynch and second by Commissioner Sittre to cast 283 votes for Michael Groff, J. Gruber, Mamie Navarro and Roy Sheetz; and 285 votes for Richard Rothe. Motion carried. (See attached)

ITEM #14 – CONSIDER SERVICE AGREEMENT WITH THE SPYGLASS GROUP, LLC FOR AUDIT OF TELECOMMUNICATIONS SERVICE ACCOUNTS

Court Members reviewed the SpyGlass Snapshot Audit Agreement for primary audit services. SpyGlass will analyze the County's primary telecommunications service accounts to seek cost recovery, service elimination and cost recommendations. SpyGlass fees will consist of 50% of any refund, credit or compensation received for past services and 50% of any recognized savings going forward for a 12 month period. A motion was made by Commissioner Sittre and second by Commissioner Lynch to approve the SpyGlass Snapshot Audit Agreement. Motion carried. (See attached)

Jennifer A. Adlong
JENNIFER A. ADLONG
Clerk of Commissioners Court
January 14, 2014
Date

ITEM #15 - CONSIDER APPOINTMENTS TO FILL THREE VACANCIES ON ESD NO. 5 EFFECTIVE JANUARY 1, 2014

Court Members discussed the three vacancies on ESD No. 5 (Natalia VFD) Board of Directors. Liz Cargile and Shawn Schrek are willing to continue to serve another two year term. Mr. Emilio Flores has resigned since being elected to the Natalia School Board. Three names have been submitted to fill the vacancy. Mr. Donald Helton, Ms. Maria Sanchez and Ms. Melissa Morales all have expressed a willingness to serve. A motion was made by Commissioner Beck and second by Commissioner Lynch to reappoint Liz Cargile and Shawn Schrek for another two year term effective January 1, 2014 and appoint Maria Sanchez to fill the vacancy left by Emilio Flores effective January 1, 2014. Motion carried. (See attached)

ITEM #16 - PUBLIC HEARING: CONSIDER REDUCING SPEED LIMIT ON COUNTY ROADS 375, 385, 386, 387, 388, 389 (GREEN GLENN ACRES SUBDIVISION) AND COUNTY ROAD 381

Judge Barden opened the public hearing at 10:37 AM and since no one wished to speak during the public hearing it was closed at 10:38 AM. No action taken)

ITEM #17 - CONSIDER RESOLUTION AND ORDER ESTABLISHING SPEED LIMIT ON COUNTY ROADS 375, 385, 386, 387, 388, 389 (GREEN GLENN ACRES SUBDIVISION) AND COUNTY ROAD 381

Commissioner Sittre stated that a speed limit of 30 MPH on County Roads 375, 385, 386, 387, 388, & 389 are within the Green Glenn Acres Subdivision and a speed limit of 35 MPH on County Road 381 would be the safest. After Court Members reviewed the resolution and order establishing a speed limit on County Roads 375, 385, 386, 387, 388, 389 (Green Glenn Acres Subdivision) and County Road 381, a motion was made by Commissioner Sittre and second by Commissioner Lynch to set the speed limit on County Roads 375, 385, 386, 387, 388, 389 (Green Glenn Acres Subdivision) at 30 MPH and 35 MPH on County Road 381for the entire length of all roads. Motion carried. (See attached)

ITEM# 18 - PUBLIC HEARING: CONSIDER REDUCING SPEED LIMIT ON COUNTY ROAD 174 (COUNTRY VIEW SUBDIVISION) LOCATED IN PRECINCT 1

Judge Barden opened the public hearing at 10:40 AM to receive comments from the public regarding reducing speed limit on County Road 174 with in Country View Subdivision.

Patricia Bryant stated she is favor of the reducing the speed because of how steep and winding the road is.

Ferrell Tucker President of the Homeowners Association is in favor of reducing the speed limit and supports what the Commissioner recommends.

Judge Barden closed the public hearing at 10:44AM. No action taken.

Jennifer A. Adlong
JENNIFER A. ADLONG
Clerk of Commissioners Court
January 14, 2014
Date

## ITEM #19 - CONSIDER APPROVAL OF RESOLUTION AND ORDER ESTABLISHING SPEED LIMIT ON COUNTY ROAD 174 (COUNTRY VIEW SUBDIVISION) LOCATED IN PRECINCT 1

Commissioner Saathoff stated that a speed limit of 25 MPH would be the safest because of the curves and hills along the road. After Court Members reviewed the resolution and order establishing a speed limit on County Road 174 (Country View Subdivision), a motion was made by Commissioner Saathoff and second by Commissioner Beck to set the speed limit on County Road 174 at 25 MPH for the entire length of the road. Motion carried. (See attached)

## ITEM #20 - CONSIDER ACCEPTANCE OF EMERGENCY SERVICE DISTRICT NO. 6 ANNUAL FINANCIAL REPORT FOR YEAR ENDED SEPTEMBER 30, 2012

Court Members reviewed ESD No. 6 (Hondo VFD/Yancey VFD) annual financial report for year ended September 30, 2012. The audit was performed by Coleman, Horton & Company LLP. After review a motion was made by Commissioner Sittre and second by Commissioner Beck to accept ESD No. 6 annual financial report for year ended September 30, 2012. Motion carried. (See attached)

## ITEM #21 - CONSIDER DECLARING PRECINCT EQUIPMENT AS SALVAGE AND AUTHORIZE SALE OF SAME

Court Members reviewed pictures of the equipment (John Deere Tractor with bucket) needing to be disposed of from Precinct 3. A motion was made by Commissioner Sittre and second by Commissioner Lynch to declare the equipment to be salvage and authorize sale of same. Motion carried. Items will be listed on the fixed asset disposals in the County Auditor's Office, as appropriate.

## ITEM #22 - COURT MEMBERS ANNOUNCEMENTS

Judge Barden informed Court Members of the news he received from the TAC Representative of the worker's compensation insurance rate will decrease by 14% for the upcoming year because of the recent decrease in claims and injuries.

The Extension Service is having an Open House across the hall in the conference room this morning.

The jail received a clean bill of health complying with the Texas Commission on Jail Standards.

The unemployment rate is down in Medina County.

There will be a public hearing regarding the CETRZ to be scheduled for December 30, 2013.

Commissioner Saathoff is still interested in the County getting wellness programs started and would like for Stacey Cameron, HR Director to follow up on same.

Commissioner Beck wished everyone a safe and Merry Christmas.

## ITEM #23 - ADJOURN

There being no further business, County Judge Barden declared the meeting adjourned at 11:05 AM.

Jennifer A. Adlong
JENNIFER A. ADLONG
Clerk of Commissioners Court
January 14, 2014
Date