



**NOTICE OF MEETING
OF THE
TIRZ NO. 2 BOARD
Tuesday, December 7, 2021 – 6:00 pm**

Notice is hereby given that a meeting of the Tax Increment Reinvestment Zone (TIRZ) No. 2 Board of the City of Marble Falls, Texas will be held December 7, 2021 at 6:00 pm in the City Hall Council Chambers located at 800 Third Street, Marble Falls, Texas, at which time the following subjects will be discussed:

- 1. Call to Order.** *Chair Richard Westerman*
- 2. Administration of Oaths of Office.** *Christina McDonald, City Secretary*
- 3. Election of Vice Chair.** *TIRZ Board*
- 4. Discussion and Action on Resolution 2021-R-12 approving the Final Project and Finance Plan for TIRZ No. 2 to the City Council of the City of Marble Falls.** *Caleb Kraenzel, Assistant City Manager*
- 5. Discussion and Action on the approval of a Chapter 380 Agreement between MM Marble Falls 1070, LLC, the TIRZ No. 2 Board, and the City of Marble Falls for the development of property within the TIRZ No. 2.** *Caleb Kraenzel, Assistant City Manager*
- 6. Announcements and future agenda items.**
- 7. Adjournment.**

Certificate of Posting

I, Christina McDonald, City Secretary for the City of Marble Falls, Texas, do certify that this Notice of Meeting was posted at City Hall, in a place readily accessible to the general public at all times, on the 2nd day of December, 2021 at 3:00 pm and remained so posted for at least 72 continuous hours preceding the scheduled time of said meeting.

A handwritten signature in cursive script that reads "Christina McDonald".

Christina McDonald, TRMC
City Secretary

In compliance with the Americans with Disabilities Act, the City of Marble Falls will provide for reasonable accommodations for persons attending Open Meetings. To better serve you, requests should be received 24 hours prior to the meeting. Please contact Ms. Christina McDonald, City Secretary at (830) 693-3615.



TIRZ Agenda Item Cover Memo
December 7, 2021

Agenda Item No.: 2
Presenter: Christina McDonald, City Secretary
Department: Administration
Legal Review: N/A

AGENDA CAPTION

Administration of Oaths of Office.

BACKGROUND INFORMATION

The City Secretary will administrate Oaths of Office to all of the board members.

STAFF RECOMMENDATION



TIRZ Agenda Item Cover Memo
December 7, 2021

Agenda Item No.: 3
Presenter: Christina McDonald, City Secretary
Department: Administration
Legal Review: N/A

AGENDA CAPTION

Election of Vice Chair.

BACKGROUND INFORMATION

The board will elect a Vice Chair which will serve for a term of one year.

STAFF RECOMMENDATION



TIRZ Agenda Item Cover Memo December 7, 2021

Agenda Item No.: 4
Presenter: Caleb Kraenzel, Assistant City Manager
Department: Administration
Legal Review:

AGENDA CAPTION

Discussion and Action on Resolution 2021-R-12 approving the Final Project and Finance Plan for TIRZ No. 2 to the City Council of the City of Marble Falls.

BACKGROUND INFORMATION

TIRZ No. 2 was created by the City Council with adoption of Ordinance 2020-O-09A on September 15, 2020 and a Preliminary Project and Finance Plan was approved for projects to be constructed within the boundaries of the TIRZ. This item is for the TRIZ Board to consider action on Resolution 2021-R-12 which is to approve the Final Project and Finance Plan for TIRZ 2 attached to this memo.

A summary of the financing structure for the TIRZ established by the Final Project and Financing Plan is as follows:

- 50% of future City Ad Valorem tax increment generated within TIRZ No.2 to the City
- 50% of future City Ad Valorem tax increment generated within TIRZ No. 2 to Developer
 - For a 41-year term or a maximum revenue cap of \$124 Million
 - The residential development component of the TIRZ increment is to be used in the following priority: first, to reduce the PID annual installment over the life of the proposed PID so that the total equivalent tax rate (after TIRZ credit) does not exceed \$2.99 per \$100 of assessed value, and second as a 380 Agreement eligible reimbursement to the developer in accordance with the 380 Agreement set out in the next agenda item.
 - The commercial and multi-family component of the TIRZ increment is planned to be a 380 Agreement eligible reimbursement to the developer.
- The TIRZ is essential to fund the proposed Sports Complex and Recreation

Center Shell building as well as other public projects that are not funded or partially funded by the PID.

Final Project and Financing Plan (PPFP) has been reviewed by City staff and consultants consisting of the City Attorney, City PID Administrator (P3 Works), and City Bond Counsel (Bickerstaff, Heath, Delgado, and Acosta).

STAFF RECOMMENDATION

Approval of Resolution 2021-R-12.

RESOLUTION NO. 2021-R-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWO, CITY OF MARBLE FALLS, TEXAS, APPROVING THE FINAL PROJECT AND FINANCING PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, as amended ("Act"), and Ordinance No. 2020-O-09A, adopted by the City Council of the City of Marble Falls, Texas ("City Council") on September 15, 2020, the City of Marble Falls, Texas ("City"), created the tax increment reinvestment zone identified as Reinvestment Zone Number Two, City of Marble Falls ("TIRZ No. 2" or "Zone"); and

WHEREAS, pursuant to Ordinance No. 2020-O-09A, the City Council created the Board of Directors ("Board") for TIRZ No. 2 and a preliminary Project and Financing Plan for TIRZ No. 2; and

WHEREAS, it is the function and responsibility of the Board to make recommendations to the City Council concerning the administration, management, and operation of TIRZ No. 2; and

WHEREAS, it is the responsibility of the Board to prepare and adopt a Project and Financing Plan attached hereto as Exhibit "A" (the "Plan") for TIRZ No. 2 and submit such Plan to the City Council for its approval; and

WHEREAS, the Board has been provided a presentation on the Plan; and

WHEREAS, the Board finds that the Plan is feasible and encourages further development within TIRZ No.2; and

WHEREAS, the Board finds that the Plan includes all information required by Section 311.003 (b) and (c) of the Act and therefore recommends that the City Council should approve that Plan as the final Project and Financing Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWO, CITY OF MARBLE FALLS, TEXAS, THAT:

Section 1: The Plan for Reinvestment Zone Number Two, City of Marble Falls, is hereby approved; the Board therefore recommends that the City Council approve that Plan as the final Project and Financing Plan for Reinvestment Zone Number Two, City of Marble Falls.

Section 2: The Chair of the Board is authorized to sign this Resolution on the Board's behalf.

Section 3: Should any provision, section, subsection, sentence, clause, or phrase of this Resolution be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Resolution shall remain in full force and effect. The City of Marble Falls hereby declares that it would have passed this Resolution, and each provision, section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses, and phrases be declared unconstitutional or invalid.

Section 4: This Resolution shall take effect immediately from and after the date of its passage.

PASSED, APPROVED, and ADOPTED by the Board of Directors of Reinvestment Zone Number Two, City of Marble Falls, Texas, on this the 7th day of December, 2021 on vote of ____ AYES; ____ NAYS.

Richard Westerman, Chair

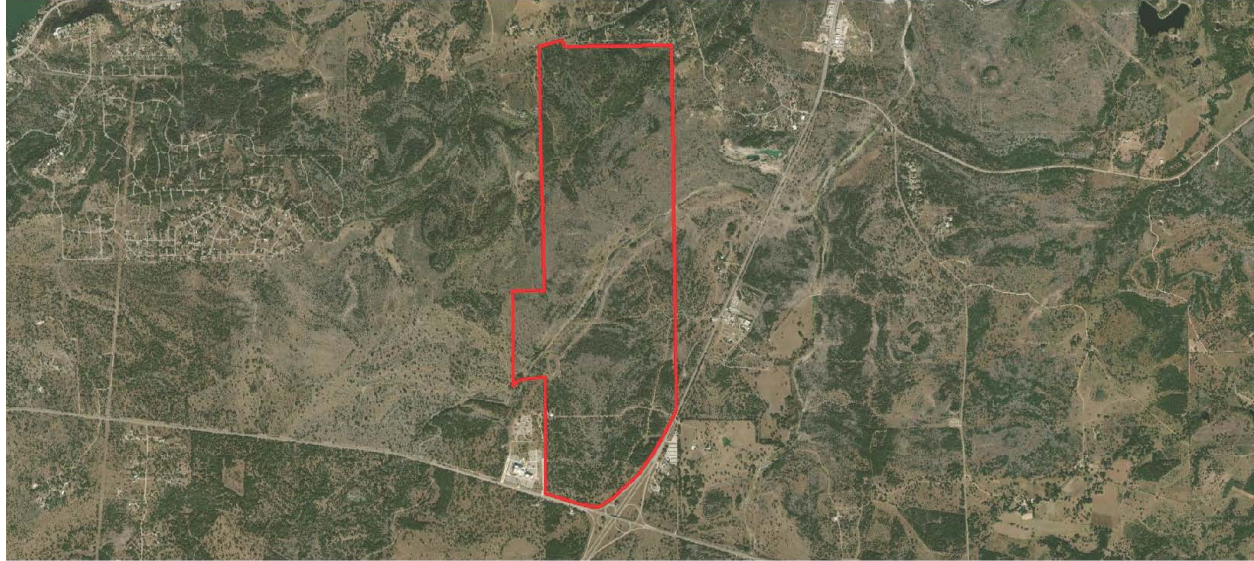
Attest:

Christina McDonald, City Secretary

EXHIBIT A Project and Financing Plan

PROJECT AND FINANCING PLAN
DECEMBER 2021

Tax Increment Reinvestment Zone #2 City of Marble Falls, Texas



Project and Financing Plan, TIRZ #2



Foreword

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Marble Falls is located in southern Burnet County on the banks of Lake Marble Falls. It is about 38 miles northwest of downtown Austin and 80 miles north of San Antonio.

With a population of approximately 6,932 people, Marble Falls is the gateway to the Highland Lakes region of the Texas Hill Country. The area features rolling, wooded hills with numerous vistas of area lakes. Hunting, fishing, boating, golf, tennis and outdoor activities are plentiful. Working families and retirees enjoy these outdoor activities year round.

There are several independent school districts in the Marble Falls area. The largest is Marble Falls ISD, with over 4,000 students in grades K-12. There are also several private and parochial schools in the area offering pre-school through high school. Over 85% of the area's population are high school graduates, and over 24% of the region's adult population hold a bachelor's degree or higher.



Baylor Scott & White's state-of-the-art health care clinic, located near the intersection of US 291 and SH 71, opened in June of 2013. The Baylor Scott & White Hospital - Marble Falls - with a 46-bed tower (Phase I) and multispecialty services including primary care, cardiology, general surgery, orthopedics, podiatry, ophthalmology, gastrointestinal, and pain management - opened in August of 2015.

DISCLAIMER

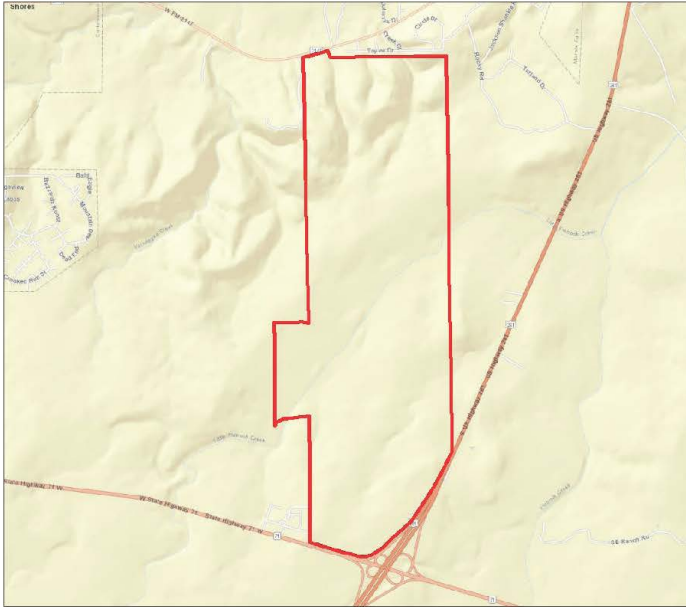
Our conclusions and recommendations are based on current market conditions and the expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously, and to revisit key project assumptions periodically to ensure that they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be volatile, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.

Project and Financing Plan, TIRZ #2



Introduction

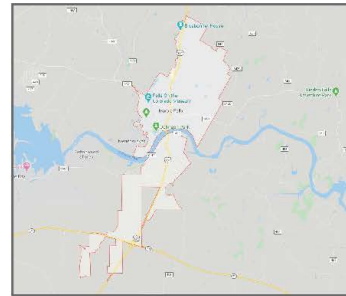


Tax Increment Reinvestment Zone #2, City of Marble Falls

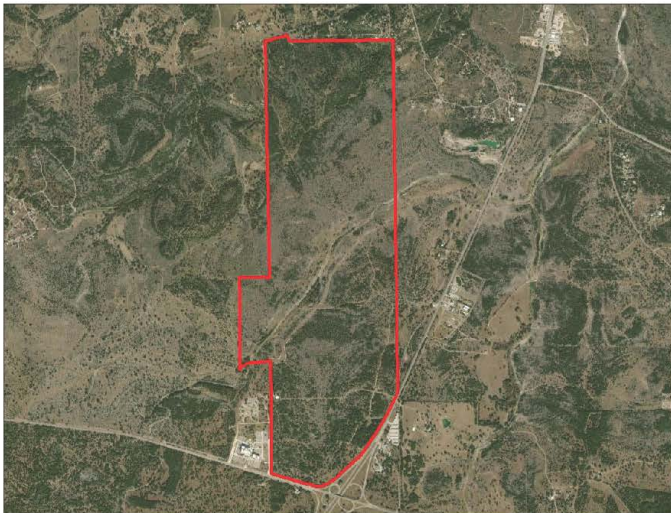
The goal of Tax Increment Reinvestment Zone #2 (TIRZ) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #2 will promote the creation of a mixed-use development consisting of commercial development and residential development, including both single family and multifamily development, as well as major public facilities in the form of a sports complex and recreation center.

The project and financing plan outlines the funding of \$118,271,070 in public improvements related to water, sanitary sewer, and storm water facilities, as well as street and intersection improvements, open space, park, and recreation facilities, and economic development grants. The TIRZ can fund these improvements through ad valorem participation of eligible taxing jurisdictions.

Without the implementation of the TIRZ, the specified property would continue to impair the sound growth of the municipality.

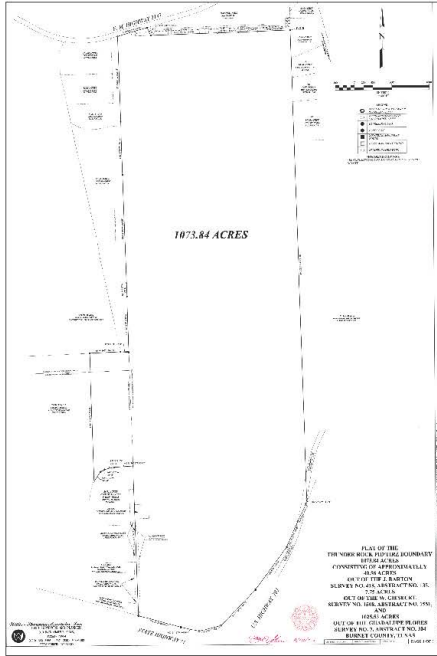


TIRZ Boundary



Boundary Description

Marble Falls TIRZ #2 is located in the south of the City of Marble Falls encompassing approximately 1073.84 acres. The TIRZ is located south of FM 2147, west of US Highway 281, and north of State Highway 71.



Legal Description

FIELD NOTES TO ACCOMPANY A SURVEY PLAT OF THE THUNDER ROCK PID/TIRZ BOUNDARY, A 1073.84 ACRE TRACT OF LAND CONSISTING OF APPROXIMATELY 40.56 ACRES OUT OF THE J. BARTON SURVEY NO. 418, ABSTRACT NO. 135, AND 7.75 ACRES OUT OF THE W. GIESECKE SURVEY NO. 1508, ABSTRACT NO. 1551, AND 1025.53 ACRES OUT OF THE GUADALUPE FLORES SURVEY NO. 7, ABSTRACT NO. 304, BURNET COUNTY, TEXAS. THE BASIS OF BEARING FOR THIS SURVEY IS THE TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD 83. DISTANCES SHOWN ARE GRID DISTANCES. SURFACE DISTANCES CAN BE OBTAINED USING A SURFACE ADJUSTMENT FACTOR OF 1.00012.

BEGINNING AT A 11.2" REBAR FOUND FOR THE NORTHEAST CORNER OF THIS 1071.76 ACRES AND BEING THE SOUTHEAST CORNER OF CHANNEL OAKS, SECTION II, THE PLAT OF WHICH IS RECORDED IN VOLUME 1, PAGE 230, BURNET COUNTY PLAT RECORDS AND BEING IN THE WEST LINE OF THAT CERTAIN 12.19 ACRES CONVEYED TO JOHN RANDALL, RECORDED IN VOLUME 486, PAGE 905, BURNET COUNTY DEED RECORDS (B.C.D.R.), AS SHOWN ON THE PLAT OF LAKE MARBLE FALLS SUBDIVISION, AN UNRECORDED SUBDIVISION;

THENCE SOI 04°05'E 10,030.44' WITH THE WEST LINE OF SAID LAKE MARBLE FALLS SUBDIVISION THEN THE WEST LINE OF 317.317 ACRES EXHIBIT "L" CONVEYED TO ANITA DIANE ROPER DORSEY IN VOLUME 1153, PAGE 0358, OFFICIAL PUBLIC RECORDS, BURNET COUNTY, TEXAS TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" BEING POINT IN THE EAST RIGHT OF WAY OF THE OLD HIGHWAY 108 CONVEYED TO BURNET COUNTY, TEXAS IN VOLUME 75, PAGE 275 AND VOLUME 77, PAGE 277, B.C.D.R.;

THENCE S09°58'34"W 113.74', ALONG THE EAST RIGHT OF WAY OF SAID OLD HIGHWAY 108 TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" BEING AN ANGLE POINT HEREOF;

THENCE ALONG THE PRESENT WEST RIGHT-OF-WAY OF U. S. HIGHWAY NO. 281, S26°02'42"W, 415.47', TO A 11.2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" IN THE EXISTING WEST RIGHT-OF-WAY OF SAID U. S. HIGHWAY 281;

THENCE WITH THE WEST RIGHT-OF-WAY OF U. S. HIGHWAY 281 THEN THE NORTH RIGHT-OF-WAY OF STATE HIGHWAY 71 THE NEXT SIX (6) CALLS:

- 1.) S23°24'55"W, 588.00', TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 2.) S36°38'26"W, 1134.58', TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 3.) S44°06'29"W, 1061.61', TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 4.) S76°10'25"W, 485.98', TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 5.) N77°21'12"W, 400.36', TO A CONCRETE HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 6.) N74°29'20"W, 942.77', TO A MAG NAIL SET WITH WASHER STAMPED "WILLIS" BEING THE SOUTHWEST CORNER HEREOF WITHIN THE EXISTING RIGHT-OF-WAY OF FLATROCK BLVD. A 100' WIDE ACCESS EASEMENT CONVEYED TO THE CITY OF MARBLE FALLS IN DOCUMENT NO. 200904481, O.P.R.B.C.T.;

Legal Description (Continued)

THENCE ALONG THE WEST LINE HEREOF AND THE EAST LINE OF A REMNANT OF 1.50 ACRES CONVEYED TO CRAIG CROSSING, LLC IN DOCUMENT NO. 200802587, O.P.R.B.C.T., THEN THE EAST LINE OF A REMNANT OF 18.00 ACRES CONVEYED TO CRAIG CROSSING, LLC IN DOCUMENT NO. 201001057, O.P.R.B.C.T., THEN THE EAST LINE OF 1.50 ACRES CONVEYED TO LAKE OF THE HILLS REGIONAL MEDICAL CENTER IN DOCUMENT NO. 200802588, O.P.R.B.C.T., THEN THE EAST LINE OF A REMNANT OF 116.20 ACRES CONVEYED TO CRAIG CROSSING, LLC IN VOLUME 1399, PAGE 0234, O.P.R.B.C.T. AND ON THIS SEGMENT PASSING THE SOUTHWEST AND NORTHWEST CORNERS OF 2.068 ACRES CONVEYED TO THE CITY OF MARBLE FALLS, TEXAS IN DOCUMENT NO. 200902538, O.P.R.B.C.T., FINALLY WITH THE EAST LINE OF 26.55 ACRES CONVEYED TO THE CITY OF MARBLE FALLS, TEXAS IN DOCUMENT NO. 201402040, O.P.R.B.C.T., N01°39'30"W, 3200.25' TO A PIPE POST; BEING AN ELL CORNER HEREOF AND BEING THE NORTHEAST CORNER OF SAID 26.55 ACRES;

THENCE WITH THE NORTH LINE OF SAID 26.55 ACRES AND A SOUTH LINE HEREOF WITH THE NEXT 4 CALLS AS ANGLE POINTS AS FOLLOWS:

- 1.) S86°36'52"W 408.02' TO A PIPE POST, 2.) S77°44'11"W 200.78' TO A PIPE POST, 3.) S60°19'06"W 106.41' TO A PIPE POST AND,

4.) S35°07'05"W 243.44' TO A 11.2" REBAR FOUND WITH CAP STAMPED "RPLS 1877", BEING AN ANGLE POINT IN THE EAST LINE OF TRACT NO. 2: 460.869 ACRES CONVEYED TO J. EMMITT SCHIEFFER IN VOLUME 168, PAGE 397, BURNET COUNTY DEED RECORDS AND BEING THE MOST WESTERLY SOUTHWEST CORNER HEREOF;

THENCE WITH THE EAST LINE OF SAID 460.869 ACRES AND THE WEST LINE HEREOF, N01°35'40"W 2739.44' TO THE NORTHEAST CORNER OF SAID 460.869 ACRES AND BEING IN THE SOUTH LINE OF 584.00 ACRES CONVEYED TO JEFF R. McSPADDEN, JR. IN DOCUMENT NO. 201503195, O.P.R.B.C.T. AND BEING THE MOST WESTERLY NORTHWEST CORNER HEREOF;

THENCE WITH THE SOUTH LINE OF SAID 584.00 ACRES N87°30'27"E 636.59' TO A 1/2" REBAR FOUND AT THE COMMON SOUTH CORNER OF SAID 184.00 ACRES AND OF 67.23 ACRES CONVEYED TO JANE BENEDUM, IN VOLUME 481, PAGE 837, O.P.R.B.C.T. AND S86°22'03"E 203.24' TO A 1/2" REBAR FOUND AT THE SOUTHEAST CORNER OF SAID 67.23 ACRES AND AN ELL CORNER HEREOF;

THENCE WITH THE EAST LINE OF SAID 67.23 ACRES AND OF 17.47 ACRES CONVEYED TO JANE BENEDUM, IN VOLUME 481, PAGE 837, O.P.R.B.C.T. AND THE WEST LINE HEREOF THE NEXT 5 CALLS AS FOLLOWS:

- 1.) N01°03'44"W 1193.24' TO A 1/2" REBAR FOUND; 2.) N01°49'14"W 295.61' TO A RECORD POINT; 3.) N01°43'19"W 2305.18' TO A 1/2" REBAR FOUND; 4.) N01°34'39"W 1140.92' TO A 1/2" REBAR FOUND AND,

5.) N01°40'49"W 1825.88', TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877" AT THE NORTHEAST CORNER OF SAID 17.47 ACRES AND THE NORTHWEST CORNER HEREOF IN THE SOUTH LINE OF R. M. HIGHWAY 2147, ALSO BEING THE NORTHWEST CORNER OF LOT NO. 1 OF SAID CHANNEL OAKS, SECTION II;

THENCE WITH SAID HIGHWAY LINE AND THE NORTH LINE OF LOT NOS. 1, 2, 3 AND 4 OF SAID CHANNEL OAKS, SECTION II, N74°04'09"E 659.96' TO A 11.2" REBAR FOUND, AT THE COMMON NORTH CORNER OF LOTS 4 AND 5 OF SAID CHANNEL OAKS, SECTION II;

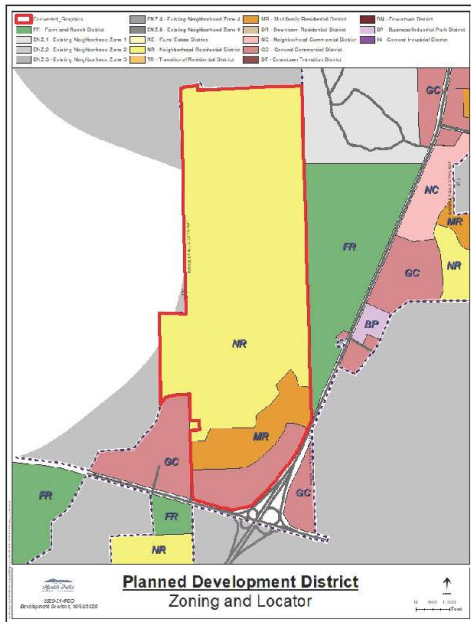
THENCE ALONG THE COMMON LINE OF LOTS 4, 5 THEN 38, S23°15'41"E 180.31', TO A 1/2" REBAR FOUND AT THE COMMON SOUTH CORNER OF LOTS 4 AND 38 OF SAID CHANNEL OAKS, SECTION II;

THENCE WITH THE SOUTH LINE OF SAID CHANNEL OAKS, SECTION II AND THE NORTH LINE HEREOF WITH THE NEXT 4 CALLS AS FOLLOWS:

- 1.) N88°15'43"E 1430.40' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877"; 2.) N88°38'31"E 454.17' TO A 11.2" REBAR FOUND WITH CAP STAMPED "RPLS 1877"; 3.) N87°53'19"E 407.13' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877" AND

N88°01'56"E 695.85' TO THE PLACE OF BEGINNING (P.O.B.)

Current Conditions



Land Use

The land within the zone is predominately vacant.

Method of Relocating Persons to be Displaced

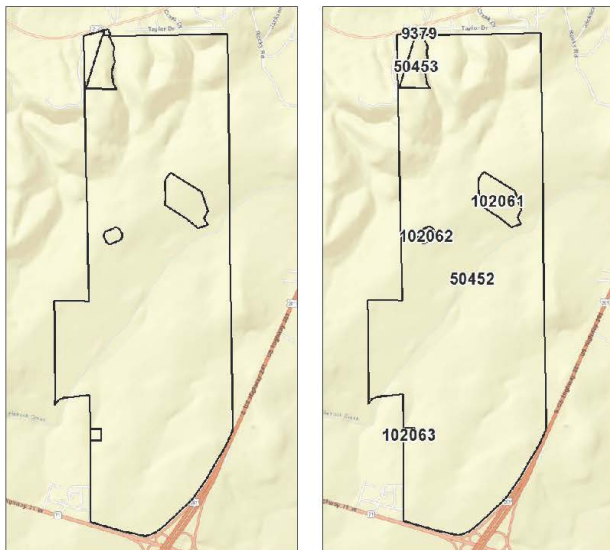
It is not anticipated that any persons will be displaced or need to be relocated as result of implementation.

Zoning

The property was zoned a Planned Development District pursuant to Ordinance No. 2020-O-12A approved on December 1, 2020.

It is not anticipated there will be any changes to the City of Marble Falls zoning ordinance, master plan, building codes, subdivision rules and regulations or other municipal ordinances as a result of the TIRZ.

Current Conditions



Current Ownership Information

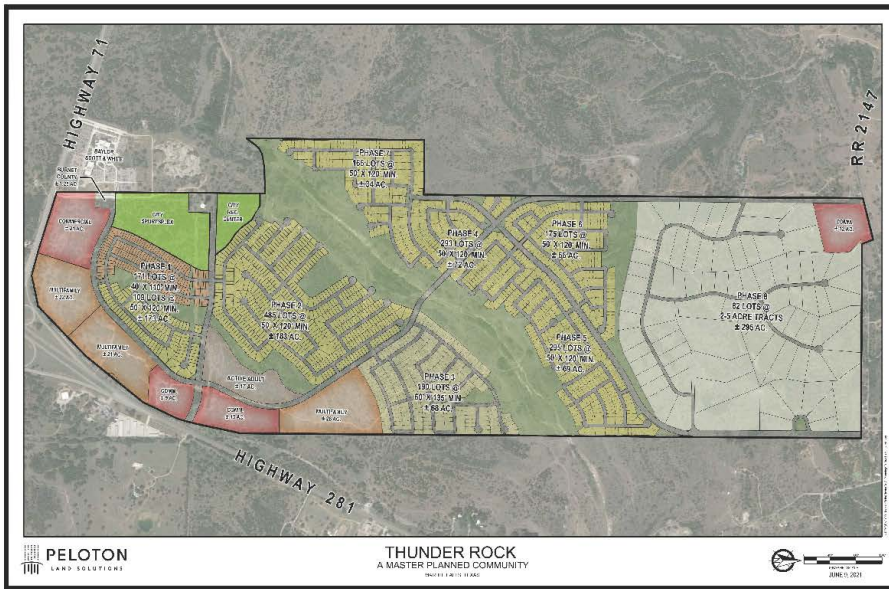
There are currently 6 tax parcels within Tax Increment Reinvestment Zone #2. Three of the parcels are owned by the City of Marble Falls. There is an approximately 1.225 acre tract located within the zone owned by Burnet County. The 2020 taxable base value of the property located within the zone is \$508,079.

It is the City's desire to have two of the parcels owned by the City developed, facilitated by a direct transfer agreement between the City and a private entity, pursuant to Chapter 272 of the Local Government Code. Subject to a separate agreement, the County has transferred a tract to the Developer for the purposes of facilitating development.

For further details of parcels included within the TIRZ see Appendix A.

Proposed Development

TIRZ #2 contains a planned proposed development consisting of residential development, including both single family and multifamily development, as well as commercial development.



Project and Financing Plan, TIRZ #2



Proposed Development

Anticipated Development

The TIRZ #2 development is anticipated to be a large scale mixed-use development that will be constructed over the next several years and financed in part by incremental real property tax generated within the TIRZ.

The table provides an overview of the potential development that we believe will occur during the life of the TIRZ along with estimated dates of when the new construction will begin and be completed.

	Construction Start	Final Delivery	Units/SF	Taxable Value PSF/Unit	Incremental Value
SINGLE FAMILY					
40, 50, 60 FT & RANCHETTE LOTS	2022	2031	1,966	\$ 286,657	\$ 563,567,662
					\$ 563,567,662
MULTIFAMILY					
MULTIFAMILY/ACTIVE ADULT	2024	2031	1,074	\$ 95,000	\$ 102,030,000
					\$ 102,030,000
COMMERCIAL					
COMMERCIAL	2026	2031	204,000	\$ 125	\$ 25,500,000
					\$ 25,500,000
Total					\$ 691,097,662

Project and Financing Plan, TIRZ #2



Project Costs

Project Costs of the Zone

There are a number of improvements within Tax Increment Reinvestment Zone #2 that will be financed by in part by incremental real property tax generated within the TIRZ.

Proposed Project Costs		
Water Facilities and Improvements	\$	12,256,875 10.36%
Sanitary Sewer Facilities and Improvements	\$	12,256,875 10.36%
Storm Water Facilities and Improvements	\$	12,256,875 10.36%
Street and Intersection Improvements	\$	16,624,748 14.06%
Open Space, Park and Recreation Facilities and Improvements	\$	5,526,285 4.67%
To be determined annually,		
maximum amount \$124,000,000*		
Economic Development Grants*		---
Land and Right of Way Acquisitions	\$	3,288,000 2.78%
Public Facilities	\$	3,780,736 3.20%
Administrative Costs	\$	6,228,055 5.27%
	\$	118,271,070 100.0%

*The Economic Development Grants amount will be determined annually, with a maximum grant amount of \$124,000,000. In accordance with the Thunder Rock Development Agreement, if an offset of assessments is not needed per the Thunder Rock Public Improvement District Service and Assessment Plan (the "SAP"), the remainder of TIRZ revenues is allocated to the Economic Development Grant.

The costs illustrated in the table above, including the Economic Development Grants, are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item. The project costs include costs listed as Authorized Improvements in the SAP, and revenues generated from the TIRZ may be used to provide an offset of public improvement district assessments as shown in the SAP. The City will review invoices and inspect the Authorized Improvements prior to acceptance and approve reimbursement of such Authorized Improvements.

Economic Development Grants authorized by Chapter 311 of the Texas Tax Code
Sec. 311.010. POWERS AND DUTIES OF BOARD OF DIRECTORS

(h) Subject to the approval of the governing body of the municipality or county that designated the zone, the board of directors of a reinvestment zone, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. **For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code.** The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan.

Chapter 311 of the Texas Tax Code

Sec. 311.002. DEFINITIONS

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

- (A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;
- (B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;
- (C) real property assembly costs;
- (D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;
- (E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;
- (F) relocation costs;
- (G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;
- (H) interest before and during construction and for one year after completion of construction, whether or not capitalized;
- (I) the cost of operating the reinvestment zone and project facilities;
- (J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;
- (K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and
- (L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

Financial Feasibility Analysis

Method of Financing

To fund the public improvements outlined on the previous page, the City Marble Falls will contribute 50% of the ad valorem real property increment within the Zone.

Debt Service

It is anticipated at this time that the TIRZ not will incur any bonded indebtedness.

Economic Feasibility Study

A taxable value analysis was developed as part of the project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on the previously outlined developments. A summary overview of the anticipated development square footages, the anticipated sales per square foot and the anticipated taxable value per square foot can be found on the table below.

The following pages show the estimated captured appraised value of the zone during each year of its existence and the net benefits of the zone to each of the local taxing jurisdictions as well as the method of financing and debt service.

Utilizing the information outlined in this feasibility study, we have found that the TIRZ is economically feasible and will provide the City and other taxing jurisdictions with economic benefits that would not occur without its implementation.

Real Property Tax	Participation		
City of Marble Falls	0.61000000	50%	0.30500000
Burnet County	0.35820000	0%	0.00000000
Burnet County Special	0.04170000	0%	0.00000000
Central Texas Groundwater	0.00740000	0%	0.00000000
Marble Falls ISD	1.19880000	0%	0.00000000
	2.21590000		0.30500000

Personal Property Tax	Participation		
City of Marble Falls	0.61000000	0%	0.00000000
Burnet County	0.35820000	0%	0.00000000
Burnet County Special	0.04170000	0%	0.00000000
Central Texas Groundwater	0.00740000	0%	0.00000000
Marble Falls ISD	1.19880000	0%	0.00000000
	2.21590000		0.00000000

Sales Tax	Participation		
City of Marble Falls	0.02000000	0.00%	0.00000000
State of Texas	0.06250000	0.00%	0.00000000
	0.08250000		0.00000000

SINGLE FAMILY - INPUT & OUTPUT

INPUT

INFLATION RATE	3.00%	
DISCOUNT RATE	6.00%	
FULL PROPERTY TAX PARTITION		
City of Meriden PAIR	0.000000%	0.000000%
Burnt Count	0.000000%	0.000000%
Burnt Count Special	0.000000%	0.000000%
County Tax on Gross/Value	0.000000%	0.000000%
Meriden PAIR SD	0.000000%	0.000000%
2.000000%		0.000000%
PERSONAL PROPERTY TAX PARTITION		
City of Meriden PAIR	0.000000%	0.000000%
Burnt Count	0.000000%	0.000000%
Burnt Count Special	0.000000%	0.000000%
County Tax on Gross/Value	0.000000%	0.000000%
Meriden PAIR SD	0.000000%	0.000000%
2.000000%		0.000000%
City of Meriden PAIR		
City of Meriden PAIR	0.000000%	0.000000%
State of Tax	0.000000%	0.000000%
0.000000%		0.000000%

SINGLE FAMILY	RENTAL INCOME	AREA	FEEL PROPERTY	SPF	SALES	
		SYNTH	\$/SF	TOTAL VALUE	\$/SF	TOTAL VALUE
45 St. St. PT. S. RANCHETTE LOTS	241	186	244.97	45,147.63	-	-
TOTAL		186		45,147.63		

OUTPUT

TOTAL TAX REVENUE	TOTAL	FEEL PROPERTY	PERSONAL	SALES
City of Meriden PAIR	27.0%	\$ 102,497.44	\$ -	\$ -
Burnt Count	18.0%	\$ 110,925.18	\$ -	\$ -
Burnt Count Special	9.0%	\$ 10,109.35	\$ -	\$ -
County Tax on Gross/Value	0.0%	\$ 3,528.37	\$ -	\$ -
Meriden PAIR SD	64.0%	\$ 778,442.93	\$ -	\$ -
TOTAL	100.0%	\$ 1,005,492.97	\$ -	\$ -

TOTAL TAX REVENUE	TOTAL	FEEL PROPERTY	PERSONAL	SALES
City of Meriden PAIR	00.0%	\$ 0.00	\$ -	\$ -
Burnt Count	0.0%	\$ -	\$ -	\$ -
Burnt Count Special	0.0%	\$ -	\$ -	\$ -
County Tax on Gross/Value	0.0%	\$ -	\$ -	\$ -
Meriden PAIR SD	100.0%	\$ 1,005,492.97	\$ -	\$ -
TOTAL	100.0%	\$ 1,005,492.97	\$ -	\$ -

NET BENEFIT	TOTAL	FEEL PROPERTY	PERSONAL	SALES
City of Meriden PAIR	18.0%	\$ 110,925.18	\$ -	\$ -
Burnt Count	9.0%	\$ 10,109.35	\$ -	\$ -
Burnt Count Special	2.2%	\$ 1,109.35	\$ -	\$ -
County Tax on Gross/Value	0.0%	\$ -	\$ -	\$ -
Meriden PAIR SD	62.8%	\$ 778,442.93	\$ -	\$ -
TOTAL	100.0%	\$ 1,000,586.81	\$ -	\$ -

T&E REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Category	Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
TOTAL REVENUE	Revenue	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Cost	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
NET BENEFIT	Revenue	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Cost	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

COMMERCIAL : INPUT & OUTPUT

► INPUT

INFLATION RATE	3.00%	
DISCOUNT RATE	6.00%	
REAL PROPERTY TAX PARTICIPATION		
City of Bismarck	56%	\$ 216,000
Burns County	9%	\$ 3,600
Burns County Special	9%	\$ 3,600
Central Trust & Grains&str	9%	\$ 3,600
North Dakota	9%	\$ 3,600
TOTAL		\$ 265,200
PERSONAL PROPERTY TAX PARTICIPATION		
City of Bismarck	9%	\$ 3,600
Burns County	9%	\$ 3,600
Burns County Special	9%	\$ 3,600
Central Trust & Grains&str	9%	\$ 3,600
North Dakota	9%	\$ 3,600
TOTAL		\$ 14,400
City of Bismarck	9%	\$ 3,600
State of Texas	9%	\$ 10,800
TOTAL		\$ 14,400

COMMERCIAL	Real Property	SALES TAX	REAL PROPERTY TAX	PERSONAL PROPERTY TAX	SALES TAX	REAL PROPERTY TAX	PERSONAL PROPERTY TAX
	\$ 31	\$ 24,900	\$ 265,200	\$ 14,400	\$ 31	\$ 24,900	\$ 14,400
TOTAL			\$ 265,200				

► OUTPUT

TOTAL REAL PROPERTY TAX		TOTAL	REAL PROPERTY TAX	PERSONAL	SALES
City of Bismarck	2.0%	\$ 5,304.00	\$ 5,304.00	\$ -	\$ -
Burns County	0.2%	\$ 530.40	\$ 530.40	\$ -	\$ -
Burns County Special	0.2%	\$ 530.40	\$ 530.40	\$ -	\$ -
Central Trust & Grains&str	0.2%	\$ 530.40	\$ 530.40	\$ -	\$ -
North Dakota	0.2%	\$ 530.40	\$ 530.40	\$ -	\$ -
TOTAL	3.0%	\$ 16,428.00	\$ 16,428.00	\$ 0.0%	\$ 0.0%
TOTAL PERSONAL PROPERTY TAX		TOTAL	REAL PROPERTY TAX	PERSONAL	SALES
City of Bismarck	0.2%	\$ 7,200.00	\$ -	\$ 7,200.00	\$ -
Burns County	0.2%	\$ 720.00	\$ -	\$ 720.00	\$ -
Burns County Special	0.2%	\$ 720.00	\$ -	\$ 720.00	\$ -
Central Trust & Grains&str	0.2%	\$ 720.00	\$ -	\$ 720.00	\$ -
North Dakota	0.2%	\$ 720.00	\$ -	\$ 720.00	\$ -
TOTAL	1.0%	\$ 14,400.00	\$ -	\$ 14,400.00	\$ -
TOTAL SALES TAX		TOTAL	REAL PROPERTY TAX	PERSONAL	SALES
City of Bismarck	0.2%	\$ 5,304.00	\$ -	\$ -	\$ 5,304.00
Burns County	0.2%	\$ 530.40	\$ -	\$ -	\$ 530.40
Burns County Special	0.2%	\$ 530.40	\$ -	\$ -	\$ 530.40
Central Trust & Grains&str	0.2%	\$ 530.40	\$ -	\$ -	\$ 530.40
North Dakota	0.2%	\$ 530.40	\$ -	\$ -	\$ 530.40
TOTAL	1.0%	\$ 16,428.00	\$ -	\$ -	\$ 16,428.00

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Real Property Tax	16,428	16,925	17,422	17,919	18,416	18,913	19,410	19,907	20,404	20,901	21,398	21,895	22,392	22,889	23,386	23,883	24,380	24,877	25,374	25,871
Personal Property Tax	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Sales Tax	16,428	16,925	17,422	17,919	18,416	18,913	19,410	19,907	20,404	20,901	21,398	21,895	22,392	22,889	23,386	23,883	24,380	24,877	25,374	25,871
TOTAL TAX REVENUE	47,256	48,250	49,246	50,242	51,238	52,234	53,230	54,226	55,222	56,218	57,214	58,210	59,206	60,202	61,198	62,194	63,190	64,186	65,182	66,178

Financial Feasibility Analysis - Proposed TIRZ Revenue

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

Category	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	
RESIDENTIAL
COMMERCIAL
INDUSTRIAL
TOTAL

Financial Feasibility Analysis - 100% of Tax Revenue Generated

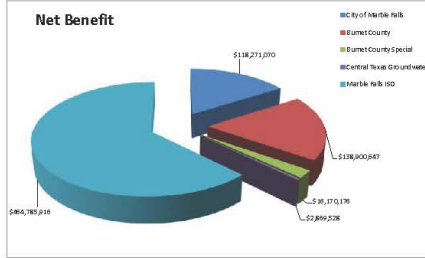
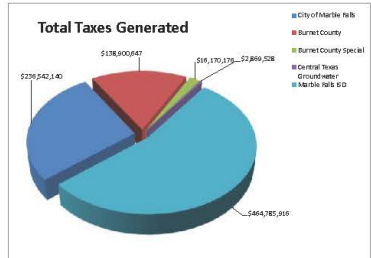
ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

Category	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
RESIDENTIAL
COMMERCIAL
INDUSTRIAL
TOTAL

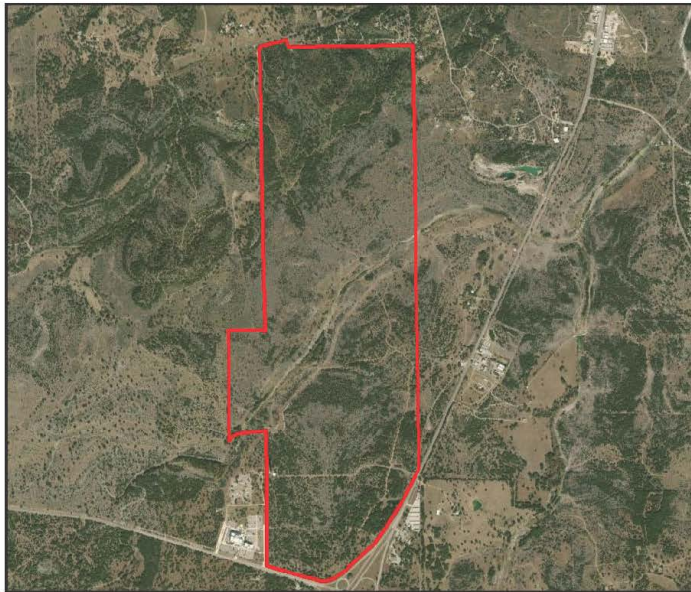
Financial Feasibility Analysis - Summary

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	TIF	Net Benefit
City of Marble Falls	\$236,542,143	\$118,271,070	\$118,271,070
Burnet County	\$138,900,647	\$0	\$138,900,647
Burnet County Special	\$16,170,176	\$0	\$16,170,176
Central Texas Groundwater	\$2,869,528	\$0	\$2,869,528
Marble Falls ISD	\$464,785,916	\$0	\$464,785,916
Total	\$859,268,406	\$118,271,070	\$740,997,336



Terms and Conditions



Projects Cost Estimates:

All project costs listed in the project plan shall be considered estimates and shall not be considered a cap on expenditures.

Length of TIRZ #2:

Termination of the Zone shall occur upon the earlier of: (i) December 31, 2061 (with final year's tax to be collected by September 1, 2062); or (ii) until the amount of the City's ad valorem Tax Increment placed into the Tax Increment Fund, as defined in Ordinance No. 2003-0-09A, totals One Hundred Twenty Four Million Dollars (\$124,000,000), or (iii) at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act.

Powers and Duties of Board of Directors:

The Board shall have all powers granted to it by Chapter 311 of the Texas Tax Code, including powers of a municipality under Chapter 360, Local Government Code, to make grants. The Board shall not be authorized to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the Zone's project and financing plan.

APPENDIX A - CURRENT PROPERTY OWNERSHIP

BURNET CENTRAL APPRAISAL DISTRICT
 P. O. BOX 98 / 523 SOUTH PARK
 BURNET, TEXAS 78611
 PHONE: (817) 756-8294
 FAX: (817) 756-7873
 burneta@ncav.com
 www.burnetcd.org

July 2, 2021

CERTIFICATE OF OWNERSHIP

I, Stan Humphill, the undersigner, hereby certify that I have examined the tax rolls of Burnet Central Appraisal District and on the 2nd day of July 2021, and find that the following persons/entities own the property within the proposed Thunder Rock Public Improvement District, as described in the Resolution No. 2020-10-11A of the City of Marble Falls, lies within Burnet County. Please see the below ownership list showing ownership of the property in the proposed PID.

Owner	Acres in Proposed	
	Prop ID	PID
BURNET COUNTY	119011	1.25
MARBLE FALLS CITY OF	102068	2.066
MARBLE FALLS CITY OF	119060	26.33
MARBLE FALLS CITY OF	119070	10.38
MM MARBLE FALLS 1070 LLC	50452	932.559
MM MARBLE FALLS 1070 LLC	50453	15
MM MARBLE FALLS 1070 LLC	102061	71.11*
MM MARBLE FALLS 1070 LLC	102062	3.264
MM MARBLE FALLS 1070 LLC	9829	0.655
MM MARBLE FALLS 1070 LLC	119070	1.25

WITNESS MY SIGNATURE the 2nd day of July 2021.

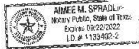
Burnet Central Appraisal District

By Stan Humphill
 Name: Stan Humphill
 Title: Chief Appraiser

STATE OF TEXAS

COUNTY OF BURNET

This instrument was acknowledged before me on the 2nd day of July 2021 by Stan Humphill.



Aimee M. Spaulding
 Aimee Spaulding
 Notary Public



TIRZ No. 2 Board Agenda Item Cover Memo
December 7, 2021

Agenda Item No.: 5

Presenter: Caleb Kraenzel, Assistant City Manager

Department: Administration

Legal Review:

AGENDA CAPTION

Discussion and Action on the approval of a Chapter 380 agreement between MM Marble Falls 1070, LLC, the TIRZ No. 2 Board, and the City of Marble Falls for the development of property within TIRZ No. 2.

BACKGROUND INFORMATION

This item is for the approval of a Chapter 380 Agreement which will allow 50% of the ad valorem tax revenue generated from within TIRZ No. 2 to be paid to the developer of the Thunder Rock for projects identified in the Final Finance Plan approved in the previous agenda item.

Chapter 380 Agreements are authorized pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380 of Texas Local Government Code and authorize the City to establish and administer "Programs" and to provide grants or incentives of public money to promote local economic development and to stimulate business and commercial activity in the City.

The City has previously on October 19, 2010 adopted a Chapter 380 Policy and this 380 Agreement is consistent with the Policy adopted by the City; and

The 380 Agreement provides that the City and the Board intend for the TIRZ Revenues collected from the City ad valorem TIRZ increment to be: (i) transferred annually to the City and used to off-set or pay a portion of the Assessments levied within the PID District securing PID Bonds for each phase of Development for the Authorized Improvements in order to lower the amount of the Assessments on properties within the District in each year, (except Assessments levied in Improvement Area #1 of the District for the Improvement Area #1 Projects and Assessments levied in the Major Improvement Area of the District for the Major Improvement Area Projects, which shall not receive such credit), and (ii) to provide an economic development grant to the Developer, not to exceed \$124,000,000.00, which amount includes 6% interest on the balance, over the life of the Program. These grant proceeds will be paid annually to the Developer for the remaining balance of the monies in the TIRZ Fund after application of the annual credit to offset a

portion of the Assessments, if any.

Pursuant to the 380 Agreement, the City and the Board agree to dedicate fifty percent (50%) of the City's ad valorem tax increment attributable to the TIRZ, based on the City's tax rate each year and as authorized by law, for a period of forty-one (41) years, or until the cumulative amount of City ad valorem TIRZ increment placed into the TIRZ Fund (as defined in the Project and Financing Plan) including interest on the balance, totals One Hundred Twenty Four Million Dollars (\$124,000,000.00), whichever comes first.

RECOMMENDATION

Based on the existing development agreement, continuing performance by the developer, City Staff recommends approval of the 380 Agreement.

Memo Contents:

- Chapter 380 Agreement – Pages 3-12
- Exhibit A – Metes and Bounds Depiction of the TIRZ boundaries – Pages 13-15
- Exhibit B – Project and Financing Plan – Pages 16-27
- Exhibit C – Form of TIRZ Reimbursement Certificate – Pages 28-30

TIRZ NO. 2 ECONOMIC DEVELOPMENT AGREEMENT

This TIRZ No. 2 Economic Development Agreement (the “Agreement”) is entered into as of the 7th day of December 2021 (the “Effective Date”), by and between the **CITY OF MARBLE FALLS**, Texas, a home-rule municipality situated in Burnet County, Texas (the “City”), **MM MARBLE FALLS 1070, LLC**, a Texas limited liability company (the “Developer”), and the **BOARD OF DIRECTORS** (the “Board”) of Reinvestment Zone Number Two, City of Marble Falls, Texas (the “TIRZ”) created pursuant to the provisions of Chapter 311, Texas Tax Code, as amended (the “Act”).

RECITALS

WHEREAS, the City, the Developer, and the Board are sometimes collectively referenced in this Agreement as “Parties” or, each individually, as a “Party”; and

WHEREAS, the TIRZ was created pursuant to Ordinance No. 2020-O-09A, adopted by the City Council of the City (the “City Council”) on September 15, 2020, pursuant to the Act; and

WHEREAS, on December 7, 2021, pursuant to Ordinance No. 2021-O-12B, the City Council approved a Final Project and Finance Plan for the TIRZ (the “Project and Financing Plan”, attached hereto as Exhibit “B”); and

WHEREAS, on October 6, 2020, the City created the Thunder Rock Public Improvement District, pursuant to Chapter 372, Texas Local Government Code, as amended (the “District”), the boundaries of the District being described by metes and bounds and depicted on Exhibit “A” attached hereto and made a part hereof for all purposes; and

WHEREAS, the District is coterminous with the boundaries of the TIRZ and the City, subject to the approval of the City Council, will levy special assessments (the “Assessments”) on properties within the District to pay for construction of the Authorized Improvements (as defined in the Service and Assessment Plan), all as set forth in that certain Thunder Rock Public Improvement District Service and Assessment Plan dated as of July 20, 2021, regarding the levy of Assessments (as amended and supplemented from time to time, the “Service and Assessment Plan”); and

WHEREAS, the City, subject to the approval of the City Council, intends to issue special assessment revenue bonds (the “PID Bonds”) secured by a pledge of the Assessments, for the purpose of providing funds to construct the Authorized Improvements; and

WHEREAS, the Project and Financing Plan provides for the collection of fifty percent (50%) of the City’s ad valorem tax increment attributable to the TIRZ, based on the City’s tax rate each year and as authorized by law, for a period of forty-one (41) years, or until the amount of City ad valorem TIRZ increment placed into the TIRZ Fund (as defined in the Project and Financing Plan), including interest on the balance, totals One Hundred Twenty Four Million Dollars (\$124,000,000.00), whichever comes first; and

WHEREAS, the TIRZ Revenues are intended by the Board and the City to be dedicated

to off-set or pay a portion of the Assessments levied for the costs of construction of the Authorized Improvements as set forth in the Service and Assessment Plan and the Project and Financing Plan necessary for the development of the Property as a mixed use development (the “Development”); and

WHEREAS, the Authorized Improvements shall be owned and maintained by the City for the benefit of the Development and the TIRZ; and

WHEREAS, after the off-set of Assessments, the TIRZ Revenues are intended by the Board and the City to be dedicated to the payment of a Chapter 380 grant to the Developer as set forth in the Project and Financing Plan as consideration for the Developer’s undertaking of the Development; to reimburse Developer for actual costs of TIRZ projects as set forth in the Project and Financing Plan (the “TIRZ Projects”); and to reimburse the Developer for other projects and costs, including but not limited to reimbursing the Developer for deposits made in connection with the issuance of PID Bonds, which promote local economic development and stimulate business and commercial activity in the City; and

WHEREAS, Article III, Section 52-a of the Texas Constitution and Chapter 380 of Texas Local Government Code provide constitutional and statutory authority for establishing and administering the Program to provide grants or incentives of public money to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, Article III, Section 52-a of the Texas Constitution provides that the development and diversification of the economy of the state is a public purpose; and

WHEREAS, the City has found that providing a grant of funds to Developer in exchange for Developer’s undertaking of the Development will promote local economic development and stimulate business and commercial activity and create jobs within the City (the “Program”); and

WHEREAS, the City has previously adopted a Chapter 380 Policy on October 19, 2010 and this Agreement is consistent with the policy adopted by the City; and

WHEREAS, the City has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the Program, as set out in the Project and Financing Plan, attached hereto, contain controls to ensure that the public purpose is accomplished; and

WHEREAS, the Parties have agreed for the Developer to undertake the Development as set forth in the Development Agreement, and the Development Agreement and documents related to the District and the TIRZ contain controls to ensure the public purpose is accomplished; and

WHEREAS, but for the Developer undertaking the Development, the TIRZ would not generate sufficient TIRZ increment to provide the grant to the Developer as set forth in the Project and Financing Plan; and

WHEREAS, pursuant to Section 311.010(h) of the Act, the Board may establish and provide for the administration of one or more programs, including the Program, for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and

underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone, and the Board has all the powers of a municipality under Chapter 380, Texas Local Government Code; and

WHEREAS, the City and the Board intend for the TIRZ Revenues collected from the City ad valorem TIRZ increment to be: (i) transferred annually to the City and used to off-set or pay a portion of the Assessments levied within the District securing PID Bonds for each phase of Development for the Authorized Improvements in order to lower the amount of the Assessments on properties within the District in each year, except Assessments levied in Improvement Area #1 of the District for the Improvement Area #1 Projects and Assessments levied in the Major Improvement Area of the District for the Major Improvement Area Projects, which shall not receive such credit, and (ii) to provide an economic development grant to the Developer, not to exceed \$124,000,000.00, which amount includes interest on the balance, over the life of the Program, pursuant to Chapter 380, Texas Local Government Code, as amended (“Chapter 380”), which grant proceeds will be paid annually for the remaining balance of the monies in the TIRZ Fund after application of the annual credit to offset a portion of the Assessments; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Service and Assessment Plan.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE I **THE DEVELOPMENT**

Section 1.01. Completion of the Authorized Improvements. The City agrees to the construction and completion of the Authorized Improvements by the Developer or caused by the Developer within the Development, which construction is authorized and provided for in that certain Thunder Rock Development Agreement by and between the Developer and the City, approved by the City Council on September 1, 2020 (the “Development Agreement”).

Section 1.02. Issuance of the PID Bonds. The City, subject to the approval of the City Council, intends to proceed with the sale of the PID Bonds and to use a portion of the proceeds from the sale of the PID Bonds to pay for the costs of the Authorized Improvements as incurred by the Developer.

Section 1.03. Use of TIRZ Revenues. Obligation of the Board and the City to dedicate the TIRZ Revenues and commence payments of grant funds.

(a) The City and the Board agree to dedicate fifty percent (50%) of the City’s ad valorem tax increment attributable to the TIRZ, based on the City’s tax rate each year and as authorized by law, for a period of forty-one (41) years, or until the cumulative amount of City ad valorem TIRZ increment placed into the TIRZ Fund (as defined in the Project and Financing Plan) whether that amount remains in such Fund or has been allocated or dedicated as provided in the following Section 1.03 (b), including interest on the balance, totals One Hundred Twenty Four

Million Dollars (\$124,000,000.00), whichever comes first.

(b) The City and the Board agree to allocate or dedicate the TIRZ Revenues collected from the City ad valorem TIRZ increment to the City, and such TIRZ Revenues shall be used in the following order of priority:

(i) First, to pay administrative expenses of the TIRZ;

(ii) Second, up to the TIRZ Maximum Annual Credit Amount as outlined in the Service and Assessment Plan, to pay all or a portion of the Assessments levied within the District securing each series of PID Bonds for each phase of Development for the Authorized Improvements, except Assessments levied in Improvement Area #1 of the District for the Improvement Area #1 Projects and Assessments levied in the Major Improvement Area of the District for the Major Improvement Area Projects, which shall not receive such credit. The TIRZ Revenues shall be paid to or transferred to the City each year on or before May 1 and shall be applied to reduce the Assessments billed in that year. The application and allocation of the TIRZ Revenues to the properties within the District shall be made on an equitable basis as set forth in the Service and Assessment Plan; and

(iii) Third, to provide grants to the Developer in the form of a Chapter 380 grant each year in accordance with this Agreement and the Project and Financing Plan, attached hereto as Exhibit "B", to the extent that there is a sufficient remaining balance of monies in the TIRZ Fund after payment of administrative expenses, application of the annual credit to offset Assessments, and subject to the minimum balance requirement set out in subsection (d). Such grant shall be provided as (A) reimbursement for completed TIRZ Projects, including a completed segment, section, or portion of a TIRZ Project as set forth in the Project and Financing Plan and (B) reimbursement to the Developer for other projects and costs, including but not limited to the reimbursing the Developer for deposits made in connection with the issuance of PID Bonds, which serves the public purpose of economic development under the Program. The grant is authorized by Article III, Section 52-a of the Texas Constitution, Chapter 380, and by Section 311.010(h) of the Act. Provided however, that such grants shall not exceed \$124,000,000.00, including interest on the balance, during the term of this Agreement and shall be used for reimbursement of the Developer's costs expended as provided above, and provided such Developer's costs have not been otherwise reimbursed through the issuance of PID Bonds. Interest on the balance is to accrue at a rate of six percent (6%) annually beginning on the anniversary date of the sale of PID Bonds. To receive grants, Developer shall, prior to May 1 each year, submit a TIRZ reimbursement certificate to the City Representative (as defined below) in the form of Exhibit "C" attached hereto (the "TIRZ Reimbursement Certificate"), including documentation demonstrating compliance with the terms of this Agreement and the Project and Financing Plan. "City Representative" shall mean the current or acting City Manager of the City, or a person designated to act on behalf of that individual, including the TIRZ administrator of the City, if the designation is in writing and signed by the current or acting City Manager. The City Representative shall review each TIRZ Reimbursement Certificate within fifteen (15) business days of receipt thereof and upon approval payment shall be made to the Developer as specified in the TIRZ Reimbursement Certificate and this Agreement within such fifteen (15) business days period. If a TIRZ Reimbursement Certificate is approved only in part, the City Representative shall specify the extent to which the TIRZ Reimbursement Certificate is approved and payment for such partially approved TIRZ Reimbursement Certificate shall be made to the Developer as specified in

this Agreement, provided that funds are available in the TIRZ Fund. If the City Representative requires reasonable additional documentation, timely and reasonably disapproves or reasonably questions the correctness or authenticity of the TIRZ Reimbursement Certificate, the City Representative shall deliver a detailed Notice to the Developer, within ten (10) business days of receipt thereof, then payment with respect to disputed portion(s) of the TIRZ Reimbursement Certificate shall not be made until the Developer and the City Representative have jointly settled such dispute or additional information has been provided to the City Representative's reasonable satisfaction.

(c) Chapter 380 grant payments under item (iii) above to the Developer shall be contingent upon Developer's on-going compliance with the terms and conditions of the Development Agreement and 380 payments hereunder may be suspended during any period of non-compliance. If the total cost of a TIRZ Project (or segment, section, or portion thereof) exceeds the budgeted cost for such TIRZ Project (or segment, section, or portion thereof) (a "Cost Overrun"), the Developer and/or the constructing party, as applicable, shall be solely responsible for the remainder of the cost of such TIRZ Project (or segment, section, or portion thereof), except as provided herein. If, upon the completion of construction of a TIRZ Project (or segment, section, or portion thereof) and payment or reimbursement for such TIRZ Project, the total cost of a TIRZ Project (or segment, section, or portion thereof) is less than the budgeted cost for such TIRZ Project (or segment, section, or portion thereof) (a "Cost Underrun"), any remaining budgeted cost(s) may be available to pay Cost Overruns on any other TIRZ Project. Prior to completion of all of the TIRZ Projects (or segment, section, or portion thereof), any anticipated Cost Underruns for such TIRZ Project (or segment, section, or portion thereof) may be applied to any Cost Overruns on any other TIRZ.

(d) Notwithstanding anything contained in this Agreement, the TIRZ shall maintain a minimum balance of ten thousand dollars (\$10,000.00) in the TIRZ fund to pay unexpected administrative expenses.

ARTICLE II **MISCELLANEOUS PROVISIONS**

Section 2.01. Term. This Agreement shall be in force and effect from the date of execution hereof until the expiration of the term of the TIRZ, which is the earlier of: (i) forty-one (41) years, or (ii) until the amount of City ad valorem TIRZ increment placed into the TIRZ Fund (as defined in the Project and Financing Plan), including interest on the balance, totals One Hundred Twenty Four Million Dollars (\$124,000,000.00), whichever comes first.

Section 2.02 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

Section 2.03 Successors and Assigns. All covenants and agreements contained by or on behalf of the TIRZ in this Agreement shall bind its successors and assigns and shall inure to the

benefit of the Developer and its successors and assigns. This Agreement and the right to monies available in the TIRZ Fund, including the grant, set forth herein may be assigned, from time to time and in whole or in part, by the Developer to any person or entity and collaterally assigned to any lender. The assignment must be in writing. A copy of the assignment shall be given to the City within thirty (30) days after such assignment; however, City consent to the assignment is not required. Upon any such assignment and notice to the City, Developer shall not be released from performing the duties or obligations that are assigned and that arise after the effective date of the assignment or the date that the City receives notice of the assignment, whichever later occurs; further, the Developer is not released from any liabilities that arose prior to the effective date or date of notice to the City, whichever later occurs, unless the City and the Board agree. The Developer's rights under this Agreement are a personal obligation and do not constitute a covenant running with the land.

Section 2.04 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any Party shall be deemed to have been received when personally delivered or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City: Attn: City Manager
 City of Marble Falls
 800 3rd Street
 Marble Falls, Texas 78654

With a copy to: Attn: Patty L. Akers
 Messer Fort and McDonald, PLLC
 13625 Pond Springs Rd., Suite 204
 Austin, Texas 78729

To the Board: Attn: City Manager
 City of Marble Falls
 800 3rd Street
 Marble Falls, Texas 78654

To the Developer: Attn: Mehrdad Moayedi
 MM Marble Falls 1070, LLC
 1800 Valley View Lane, Suite 300
 Farmers Branch, Texas 75234

With a copy to: Attn: J. Prabha Cinclair
 Miklos Cinclair, PLLC
 1800 Valley View Lane, Suite 360
 Farmers Branch, Texas 75234

Any Party may change its address or addresses for delivery of notice by delivering written

notice of such change of address to the other Party.

Section 2.05 Interpretation. The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

Section 2.06 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is necessary and required.

Section 2.07 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been and is duly authorized to do so. The Board represents and warrants that this Agreement has been approved by official action of the Board in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the Board has been and is duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been and is duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

Section 2.08 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the Parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

Section 2.09 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Burnet County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Burnet County State District Court.

Section 2.10 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except in writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement

shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Section 2.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

Section 2.12 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and the Developer expressly amending the terms of this Agreement.

Section 2.13 Consideration. This Agreement is executed by the Parties without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

Section 2.14 Developer Indemnification. In the event of any litigation challenging the validity or enforceability of this Agreement, Developer agrees to indemnify the City or the TIRZ Board, as applicable, for its reasonable attorneys' fees and costs spent on defending the validity or enforceability of the Agreement. Developer shall reimburse the City or the TIRZ Board for any grant payments that are made by the City or the TIRZ Board to the Developer, if such payments are deemed by a court with jurisdiction to be illegal or a violation of state or federal law.

Section 2.15 Attorneys Fees. In the event any legal action or process is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its necessary and reasonable attorneys' fees and expenses incurred by reason of such action.

[SIGNATURE PAGES FOLLOW]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF MARBLE FALLS, TEXAS

By: _____
Name: Richard Westerman
Title: Mayor

ATTEST:

By: _____
Name: Christina McDonald
Title: City Secretary

TIRZ NO. 2 BOARD:

REINVESTMENT ZONE NUMBER TWO,
CITY OF MARBLE FALLS, TEXAS

By: _____
Name: Richard Westerman
Title: Chairman

ATTEST:

By: _____
Name: Christina McDonald
Title: City Secretary

DEVELOPER:

MM Marble Falls 1070, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

EXHIBIT "A" (Page 1 of 3)
Metes and Bounds Description and Depiction of the District



STATE OF TEXAS:
COUNTY OF BURNET:

FIELD NOTES TO ACCOMPANY A SURVEY PLAT OF THE THUNDER ROCK PID/TIRZ BOUNDARY, A 1073.84 ACRE TRACT OF LAND CONSISTING OF APPROXIMATELY 40.56 ACRES OUT OF THE J. BARTON SURVEY NO. 418, ABSTRACT NO. 135, AND 7.75 ACRES OUT OF THE W. GIESECKE SURVEY NO. 1508, ABSTRACT NO. 1551, AND 1025.53 ACRES OUT OF THE GUADALUPE FLORES SURVEY NO. 7, ABSTRACT NO. 304, BURNET COUNTY, TEXAS. THE BASIS OF BEARING FOR THIS SURVEY IS THE TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD 83. DISTANCES SHOWN ARE GRID DISTANCES. SURFACE DISTANCES CAN BE OBTAINED USING A SURFACE ADJUSTMENT FACTOR OF 1.00012.

BEGINNING AT A 1/2" REBAR FOUND FOR THE NORTHEAST CORNER OF THIS 1071.76 ACRES AND BEING THE SOUTHEAST CORNER OF CHANNEL OAKS, SECTION II, THE PLAT OF WHICH IS RECORDED IN VOLUME 1, PAGE 230, BURNET COUNTY PLAT RECORDS AND BEING IN THE WEST LINE OF THAT CERTAIN 12.19 ACRES CONVEYED TO JOHN RANDALL, RECORDED IN VOLUME 486, PAGE 905, BURNET COUNTY DEED RECORDS (B.C.D.R.), AS SHOWN ON THE PLAT OF LAKE MARBLE FALLS SUBDIVISION, AN UNRECORDED SUBDIVISION;

THENCE **S01°40'05"E 10,030.44'** WITH THE WEST LINE OF SAID LAKE MARBLE FALLS SUBDIVISION THEN THE WEST LINE OF 317.317 ACRES EXHIBIT "L" CONVEYED TO ANITA DIANE ROPER DORSEY IN VOLUME 1153, PAGE 0358, OFFICIAL PUBLIC RECORDS, BURNET COUNTY, TEXAS TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" BEING POINT IN THE EAST RIGHT OF WAY OF THE OLD HIGHWAY 108 CONVEYED TO BURNET COUNTY, TEXAS IN VOLUME 75, PAGE 275 AND VOLUME 77, PAGE 277, B.C.D.R.;

THENCE **S09°58'34"W 113.74'**, ALONG THE EAST RIGHT OF WAY OF SAID OLD HIGHWAY 108 TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" BEING AN ANGLE POINT HEREOF;

THENCE ALONG THE PRESENT WEST RIGHT-OF-WAY OF U. S. HIGHWAY NO. 281, **S26°02'42"W, 415.47'**, TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "RPLS 1877" IN THE EXISTING WEST RIGHT-OF-WAY OF SAID U. S. HIGHWAY 281;

THENCE WITH THE WEST RIGHT-OF-WAY OF U. S. HIGHWAY 281 THEN THE NORTH RIGHT-OF-WAY OF STATE HIGHWAY 71 THE NEXT SIX (6) CALLS:

- 1.) **S23°24'55"W, 588.00'**, TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 2.) **S36°38'26"W, 1134.58'**, TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 3.) **S44°06'29"W, 1061.61'**, TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 4.) **S76°10'25"W, 485.98'**, TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 5.) **N77°21'12"W, 400.36'**, TO A CONCRETE HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 6.) **N74°29'20"W, 942.77'**, TO A MAG NAIL SET WITH WASHER STAMPED "WILLIS" BEING THE SOUTHWEST CORNER HEREOF WITHIN THE EXISTING RIGHT-OF-WAY OF FLATROCK BLVD. A 100' WIDE ACCESS EASEMENT CONVEYED TO THE CITY OF MARBLE FALLS IN DOCUMENT NO. 200904481, O.P.R.B.C.T.;

THENCE ALONG THE WEST LINE HEREOF AND THE EAST LINE OF A REMNANT OF 1.50 ACRES CONVEYED TO CRAIG CROSSING, LLC IN DOCUMENT NO. 200802587, O.P.R.B.C.T., THEN THE EAST LINE OF A REMNANT OF 18.00 ACRES CONVEYED TO CRAIG CROSSING, LLC IN DOCUMENT NO. 201001057, O.P.R.B.C.T., THEN THE EAST LINE OF 1.50 ACRES CONVEYED TO LAKE OF THE HILLS REGIONAL MEDICAL CENTER IN DOCUMENT NO. 200802588, O.P.R.B.C.T., THEN THE EAST LINE OF A REMNANT OF 116.20 ACRES CONVEYED TO CRAIG CROSSING, LLC IN VOLUME 1399, PAGE 0234, O.P.R.B.C.T. AND ON THIS SEGMENT PASSING THE SOUTHWEST AND NORTHWEST CORNERS OF 2.066 ACRES CONVEYED TO THE CITY OF MARBLE FALLS, TEXAS IN DOCUMENT NO. 200902538, O.P.R.B.C.T., FINALLY WITH THE EAST LINE OF 26.55 ACRES CONVEYED TO THE CITY OF MARBLE FALLS, TEXAS IN DOCUMENT NO. 201402040, O.P.R.B.C.T., **N01°39'30"W, 3200.25'** TO A PIPE POST, BEING AN ELL CORNER HEREOF AND BEING THE NORTHEAST CORNER OF SAID 26.55 ACRES;

THENCE WITH THE NORTH LINE OF SAID 26.55 ACRES AND A SOUTH LINE HEREOF WITH THE NEXT 4 CALLS AS ANGLE POINTS AS FOLLOWS:

- 1.) **S86°36'52"W 408.02'** TO A PIPE POST; 2.) **S77°44'11"W 200.78'** TO A PIPE POST; 3.) **S60°19'06"W 106.41'** TO A PIPE POST AND;
- 4.) **S35°07'05"W 243.44'** TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877", BEING AN ANGLE POINT IN THE EAST LINE OF TRACT NO. 2: 460.869 ACRES CONVEYED TO J. EMMITT SCHIEFFER IN VOLUME 168, PAGE 397, BURNET COUNTY DEED RECORDS AND BEING THE MOST WESTERLY SOUTHWEST CORNER HEREOF;

THENCE WITH THE EAST LINE OF SAID 460.869 ACRES AND THE WEST LINE HEREOF, **N01°35'40"W 2739.44'** TO THE NORTHEAST CORNER OF SAID 460.869 ACRES AND BEING IN THE SOUTH LINE OF 584.00 ACRES CONVEYED TO JEFF R. McSPADDEN, JR. IN DOCUMENT NO. 201503185, O.P.R.B.C.T. AND BEING THE MOST WESTERLY NORTHWEST CORNER HEREOF;

THENCE WITH THE SOUTH LINE OF SAID 584.00 ACRES **N87°30'27"E 636.59'** TO A 1/2" REBAR FOUND AT THE COMMON SOUTH CORNER OF SAID 184.00 ACRES AND OF 67.23 ACRES CONVEYED TO JANE BENEDEM, IN VOLUME 481, PAGE 837, O.P.R.B.C.T. AND **S86°22'03"E 203.24'** TO A 1/2" REBAR FOUND AT THE SOUTHEAST CORNER OF SAID 67.23 ACRES AND AN E.L. CORNER HEREOF;

THENCE WITH THE EAST LINE OF SAID 67.23 ACRES AND OF 17.47 ACRES CONVEYED TO JANE BENEDEM, IN VOLUME 481, PAGE 837, O.P.R.B.C.T. AND THE WEST LINE HEREOF THE NEXT 5 CALLS AS FOLLOWS:

- 1.) **N01°30'44"W 1193.24'** TO A 1/2" REBAR FOUND; 2.) **N01°49'14"W 295.61'** TO A RECORD POINT; 3.) **N01°43'19"W 2305.18'** TO A 1/2" REBAR FOUND ; 4.) **N01°34'39"W 1140.92'** TO A 1/2" REBAR FOUND AND;
- 5.) **N01°40'49"W 1825.88'**, TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877" AT THE NORTHEAST CORNER OF SAID 17.47 ACRES AND THE NORTHWEST CORNER HEREOF IN THE SOUTH LINE OF R. M. HIGHWAY 2147, ALSO BEING THE NORTHWEST CORNER OF LOT NO. 1 OF SAID CHANNEL OAKS, SECTION II;

THENCE WITH SAID HIGHWAY LINE AND THE NORTH LINE OF LOT NOS. 1, 2 3 AND 4 OF SAID CHANNEL OAKS, SECTION II, **N74°04'09"E 659.96'** TO A 1/2" REBAR FOUND, AT THE COMMON NORTH CORNER OF LOTS 4 AND 5 OF SAID CHANNEL OAKS, SECTION II;

THENCE ALONG THE COMMON LINE OF LOTS 4, 5 THEN 38, **S23°15'41"E 180.31'**, TO A 1/2" REBAR FOUND AT THE COMMON SOUTH CORNER OF LOTS 4 AND 38 OF SAID CHANNEL OAKS, SECTION II;

THENCE WITH THE SOUTH LINE OF SAID CHANNEL OAKS, SECTION II AND THE NORTH LINE HEREOF WITH THE NEXT 4 CALLS AS FOLLOWS:

- 1.) **N88°15'43"E 1430.40'** TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877"; 2.) **N88°38'31"E 454.17'** TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877"; 3.) **N87°53'19"E 407.13'** TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877" AND **N88°01'56"E 695.85'** TO THE PLACE OF BEGINNING (P.O.B.).

I HEREBY CERTIFY THAT THE FIELD NOTES HEREON REPRESENTS THE RESULTS OF AN ON THE GROUND SURVEY MADE UNDER MY DIRECTION AND SUPERVISION DATED 5/15/2020 AND THAT ALL CORNERS ARE AS DESCRIBED HEREON.

THIS SURVEY WAS MADE FOR THE BENEFIT OF CENTURION AMERICAN

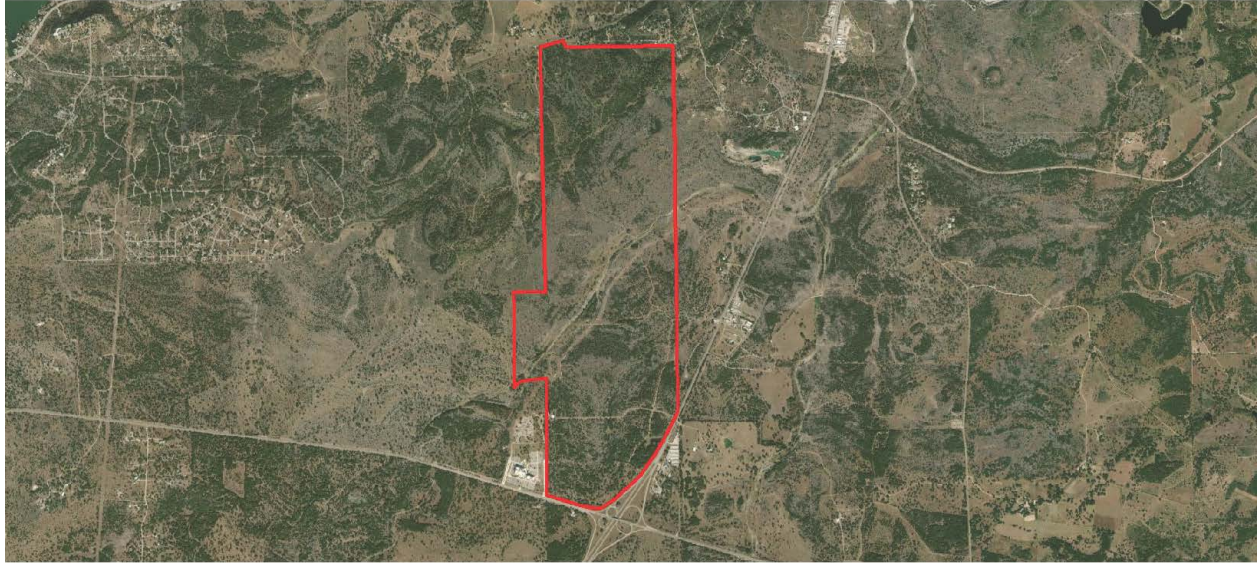
 DATE 8/18/20
 DONALD SHERMAN REGISTERED PROFESSIONAL LAND SURVEYOR NO. 1877
 OFFICE: J.FRAILEY JOB#: 15614



EXHIBIT “B”
PROJECT AND FINANCING PLAN TIRZ No. 2

PROJECT AND FINANCING PLAN
 DECEMBER 2021

Tax Increment Reinvestment Zone #2
City of Marble Falls, Texas



Project and Financing Plan, TIRZ #2



Foreword

Table of Contents

- Introduction 1
- TIRZ Boundary 2
- Current Conditions & Ownership 5
- Proposed Development 7
- Project Costs 9
- Financial Feasibility Analysis 10
- Terms and Conditions 20
- Appendix A 21



Marble Falls is located in southern Burnet County on the banks of Lake Marble Falls. It is about 38 miles northwest of downtown Austin and 80 miles north of San Antonio.

With a population of approximately 6,932 people, Marble Falls is the gateway to the Highland Lakes region of the Texas Hill Country. The area features rolling, wooded hills with numerous vistas of area lakes. Hunting, fishing, boating, golf, tennis and outdoor activities are plentiful. Working families and retirees enjoy these outdoor activities year round.

There are several independent school districts in the Marble Falls area. The largest is Marble Falls ISD, with over 4,000 students in grades K-12. There are also several private and parochial schools in the area offering pre-school through high school. Over 85% of the area's population are high school graduates, and over 24% of the region's adult population hold a bachelor's degree or higher.



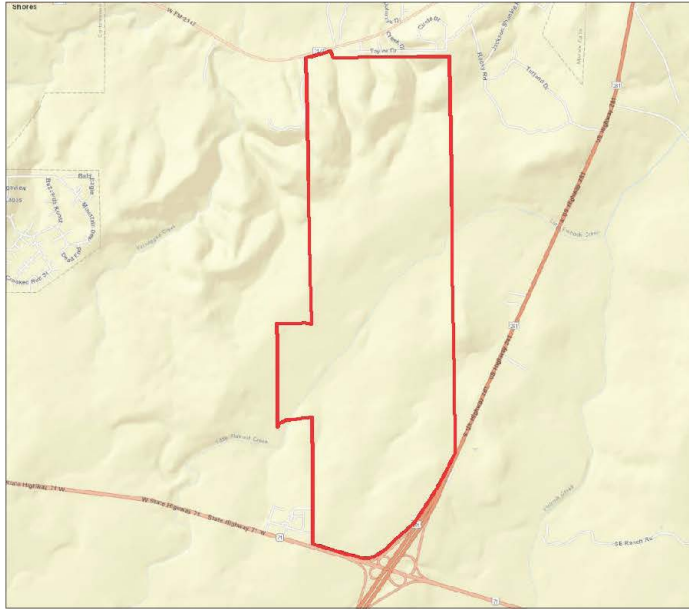
Baylor Scott & White's state-of-the-art health care clinic, located near the intersection of US 281 and SH 71, opened in June of 2013. The Baylor Scott & White Hospital - Marble Falls—with a 46-bed tower (Phase 1) and multispecialty services including primary care, cardiology, general surgery, orthopedics, podiatry, ophthalmology, gastrointestinal, and pain management—opened in August of 2015.

DISCLAIMER
 Our conclusions and recommendations are based on current market conditions and the expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously, and to revisit key project assumptions periodically to ensure that they are still justified.
 The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.

Project and Financing Plan, TIRZ #2



Introduction

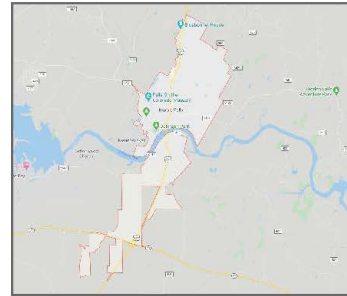


Tax Increment Reinvestment Zone #2, City of Marble Falls

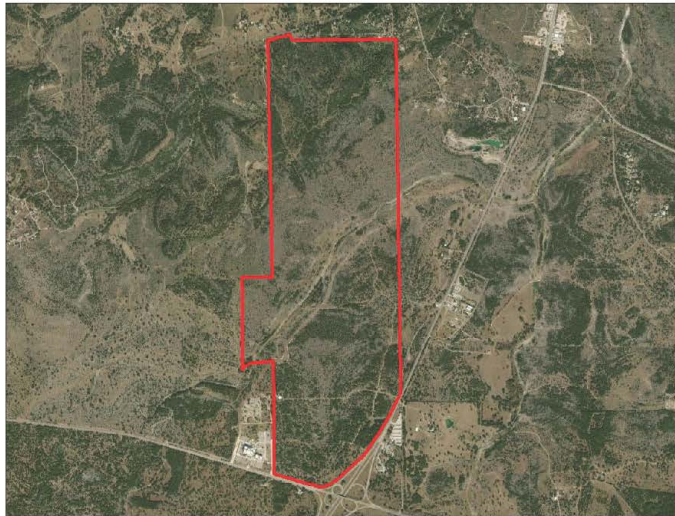
The goal of Tax Increment Reinvestment Zone #2 (TIRZ) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #2 will promote the creation of a mixed-use development consisting of commercial development and residential development, including both single family and multifamily development, as well as major public facilities in the form of a sports complex and recreation center.

The project and financing plan outlines the funding of \$118,271,070 in public improvements related to water, sanitary sewer, and storm water facilities, as well as street and intersection improvements, open space, park, and recreation facilities, and economic development grants. The TIRZ can fund these improvements through ad valorem participation of eligible taxing jurisdictions.

Without the implementation of the TIRZ, the specified property would continue to impair the sound growth of the municipality.

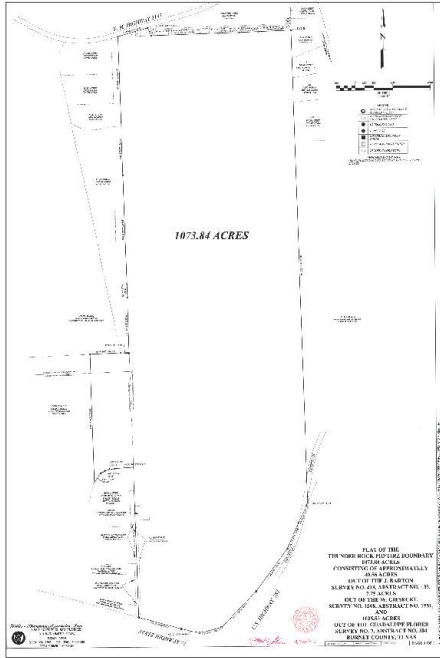


TIRZ Boundary



Boundary Description

Marble Falls TIRZ #2 is located in the south of the City of Marble Falls encompassing approximately 1073.84 acres. The TIRZ is located south of FM 2147, west of US Highway 281, and north of State Highway 71.



Legal Description

FIELD NOTES TO ACCOMPANY A SURVEY PLAT OF THE THUNDER ROCK PID/TIRZ BOUNDARY, A 1073.84 ACRE TRACT OF LAND CONSISTING OF APPROXIMATELY 40.56 ACRES OUT OF THE J. BARTON SURVEY NO. 418, ABSTRACT NO. 135, AND 7.75 ACRES OUT OF THE W. GIESECKE SURVEY NO. 1508, ABSTRACT NO. 1551, AND 1025.53 ACRES OUT OF THE GUADALUPE FLORES SURVEY NO. 7, ABSTRACT NO. 304, BURNET COUNTY, TEXAS. THE BASIS OF BEARING FOR THIS SURVEY IS THE TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD 83. DISTANCES SHOWN ARE GRID DISTANCES. SURFACE DISTANCES CAN BE OBTAINED USING A SURFACE ADJUSTMENT FACTOR OF 1.00012.

BEGINNING AT A 1/2" REBAR FOUND FOR THE NORTHEAST CORNER OF THIS 1071.76 ACRES AND BEING THE SOUTHEAST CORNER OF CHANNEL OAKS, SECTION II, THE PLAT OF WHICH IS RECORDED IN VOLUME 1, PAGE 230, BURNET COUNTY PLAT RECORDS AND BEING IN THE WEST LINE OF THAT CERTAIN 12.19 ACRES CONVEYED TO JOHN RANDALL, RECORDED IN VOLUME 486, PAGE 905, BURNET COUNTY DEED RECORDS (B.C.D.R.), AS SHOWN ON THE PLAT OF LAKE MARBLE FALLS SUBDIVISION, AN UNRECORDED SUBDIVISION;

THENCE SOI 04°0'05"E 10,030.44' WITH THE WEST LINE OF SAID LAKE MARBLE FALLS SUBDIVISION THEN THE WEST LINE OF 317.317 ACRES EXHIBIT "L" CONVEYED TO ANITA DIANE ROPER DORSEY IN VOLUME 1153, PAGE 0358, OFFICIAL PUBLIC RECORDS, BURNET COUNTY, TEXAS TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" BEING POINT IN THE EAST RIGHT OF WAY OF THE OLD HIGHWAY 108 CONVEYED TO BURNET COUNTY, TEXAS IN VOLUME 75, PAGE 275 AND VOLUME 77, PAGE 277, B.C.D.R.;

THENCE S09°58'34"W 113.74'; ALONG THE EAST RIGHT OF WAY OF SAID OLD HIGHWAY 108 TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" BEING AN ANGLE POINT HEREOF;

THENCE ALONG THE PRESENT WEST RIGHT-OF-WAY OF U. S. HIGHWAY NO. 281, S26°02'42"W, 415.47'; TO A 1/2" REBAR FOUND WITH PLASTIC CAP STAMPED "R.P.L.S. 1877" IN THE EXISTING WEST RIGHT-OF-WAY OF SAID U. S. HIGHWAY 281;

THENCE WITH THE WEST RIGHT-OF-WAY OF U. S. HIGHWAY 281 THEN THE NORTH RIGHT-OF-WAY OF STATE HIGHWAY 71 THE NEXT SIX (6) CALLS:

- 1.) S23°24'55"W, 588.00'; TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 2.) S36°38'26"W, 1134.58'; TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 3.) S44°06'29"W, 1061.61'; TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 4.) S76°10'25"W, 485.98'; TO A BRASS HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 5.) N77°21'12"W, 400.36'; TO A CONCRETE HIGHWAY MONUMENT FOUND FOR AN ANGLE POINT HEREOF;
- 6.) N74°29'20"W, 942.77'; TO A MAG NAIL SET WITH WASHER STAMPED "WILLIS" BEING THE SOUTHWEST CORNER HEREOF WITHIN THE EXISTING RIGHT-OF-WAY OF FLATROCK BLVD. A 100' WIDE ACCESS EASEMENT CONVEYED TO THE CITY OF MARBLE FALLS IN DOCUMENT NO. 200904481, O.P.R.B.C.T.;

Legal Description (Continued)

THENCE ALONG THE WEST LINE HEREOF AND THE EAST LINE OF A REMNANT OF 1.50 ACRES CONVEYED TO CRAIG CROSSING, LLC IN DOCUMENT NO. 200802587, O.P.R.B.C.T., THEN THE EAST LINE OF A REMNANT OF 18.00 ACRES CONVEYED TO CRAIG CROSSING, LLC IN DOCUMENT NO. 201001057, O.P.R.B.C.T., THEN THE EAST LINE OF 1.50 ACRES CONVEYED TO LAKE OF THE HILLS REGIONAL MEDICAL CENTER IN DOCUMENT NO. 200802588, O.P.R.B.C.T., THEN THE EAST LINE OF A REMNANT OF 116.20 ACRES CONVEYED TO CRAIG CROSSING, LLC IN VOLUME 1399, PAGE 0234, O.P.R.B.C.T. AND ON THIS SEGMENT PASSING THE SOUTHWEST AND NORTHWEST CORNERS OF 2.066 ACRES CONVEYED TO THE CITY OF MARBLE FALLS, TEXAS IN DOCUMENT NO. 201402040, O.P.R.B.C.T., N01°39'30"W, 3200.25' TO A PIPE POST, BEING AN ELL CORNER HEREOF AND BEING THE NORTHEAST CORNER OF SAID 26.55 ACRES.

THENCE WITH THE NORTH LINE OF SAID 26.55 ACRES AND A SOUTH LINE HEREOF WITH THE NEXT 4 CALLS AS ANGLE POINTS AS FOLLOWS:

- 1.) S86°36'52"W 408.02' TO A PIPE POST;
- 2.) S77°44'11"W 200.78' TO A PIPE POST;
- 3.) S60°19'06"W 406.41' TO A PIPE POST AND;

4.) S35°07'05"W 243.44' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877", BEING AN ANGLE POINT IN THE EAST LINE OF TRACT NO. 2: 460.869 ACRES CONVEYED TO J. EMMITT SCHIEFFER IN VOLUME 168, PAGE 397, BURNET COUNTY DEED RECORDS AND BEING THE MOST WESTERLY SOUTHWEST CORNER HEREOF;

THENCE WITH THE EAST LINE OF SAID 460.869 ACRES AND THE WEST LINE HEREOF, N01°25'40"W 2739.44' TO THE NORTHEAST CORNER OF SAID 460.869 ACRES AND BEING IN THE SOUTH LINE OF 584.00 ACRES CONVEYED TO JEFF R. McSPADDEN, JR. IN DOCUMENT NO. 201503185, O.P.R.B.C.T. AND BEING THE MOST WESTERLY NORTHWEST CORNER HEREOF;

THENCE WITH THE SOUTH LINE OF SAID 584.00 ACRES N87°30'27"E 636.59' TO A 1/2" REBAR FOUND AT THE COMMON SOUTH CORNER OF SAID 184.00 ACRES AND OF 67.23 ACRES CONVEYED TO JANE BENEDEM, IN VOLUME 481, PAGE 837, O.P.R.B.C.T. AND S86°22'03"E 203.24' TO A 1/2" REBAR FOUND AT THE SOUTHEAST CORNER OF SAID 67.23 ACRES AND AN ELL CORNER HEREOF;

THENCE WITH THE EAST LINE OF SAID 67.23 ACRES AND OF 17.47 ACRES CONVEYED TO JANE BENEDEM, IN VOLUME 481, PAGE 837, O.P.R.B.C.T. AND THE WEST LINE HEREOF THE NEXT 5 CALLS AS FOLLOWS:

- 1.) N01°03'44"W 1193.24' TO A 1/2" REBAR FOUND;
- 2.) N01°49'14"W 295.61' TO A RECORD POINT;
- 3.) N01°43'19"W 2305.18' TO A 1/2" REBAR FOUND;
- 4.) N01°34'39"W 1140.92' TO A 1/2" REBAR FOUND AND;
- 5.) N01°40'49"W 1825.89' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877" AT THE NORTHEAST CORNER OF SAID 17.47 ACRES AND THE NORTHWEST CORNER HEREOF IN THE SOUTH LINE OF R. M. HIGHWAY 2147, ALSO BEING THE NORTHWEST CORNER OF LOT NO. 1 OF SAID CHANNEL OAKS, SECTION II;

THENCE WITH SAID HIGHWAY LINE AND THE NORTH LINE OF LOT NOS. 1, 2, 3 AND 4 OF SAID CHANNEL OAKS, SECTION II, N74°04'09"E 659.96' TO A 1/2" REBAR FOUND, AT THE COMMON NORTH CORNER OF LOTS 4 AND 5 OF SAID CHANNEL OAKS, SECTION II;

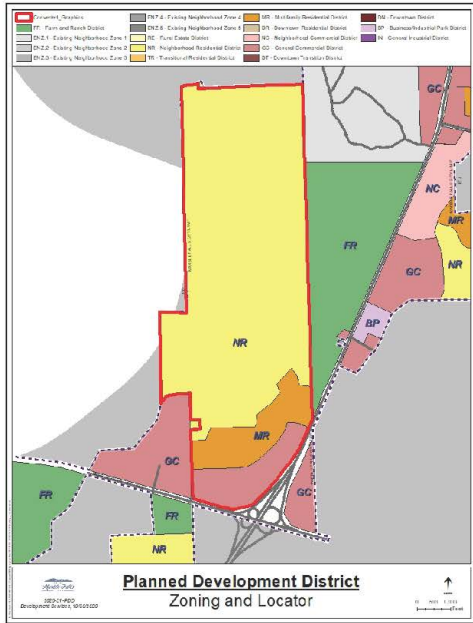
THENCE ALONG THE COMMON LINE OF LOTS 4, 5 THEN 38, S23°15'41"E 180.31'; TO A 1/2" REBAR FOUND AT THE COMMON SOUTH CORNER OF LOTS 4 AND 38 OF SAID CHANNEL OAKS, SECTION II;

THENCE WITH THE SOUTH LINE OF SAID CHANNEL OAKS, SECTION II AND THE NORTH LINE HEREOF WITH THE NEXT 4 CALLS AS FOLLOWS:

- 1.) N88°15'43"E 1430.40' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877";
- 2.) N88°38'31"E 454.17' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877";
- 3.) N87°53'19"E 407.13' TO A 1/2" REBAR FOUND WITH CAP STAMPED "RPLS 1877" AND

N88°01'56"E 695.85' TO THE PLACE OF BEGINNING (P.O.B.)

Current Conditions



Land Use

The land within the zone is predominately vacant.

Method of Relocating Persons to be Displaced

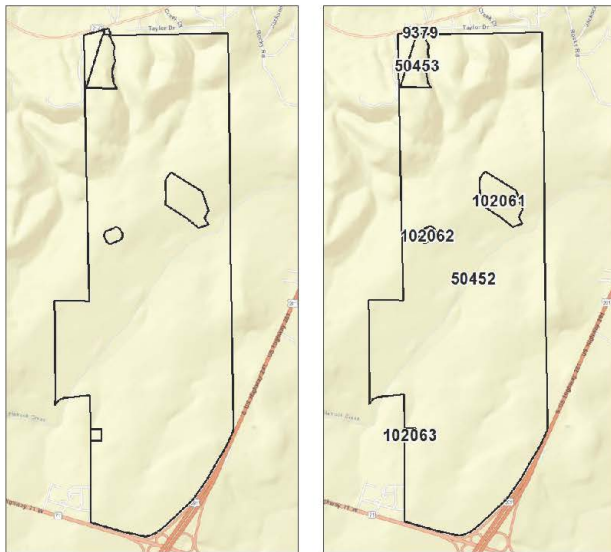
It is not anticipated that any persons will be displaced or need to be relocated as result of implementation.

Zoning

The property was zoned a Planned Development District pursuant to Ordinance No. 2020-0-12A approved on December 1, 2020.

It is not anticipated there will be any changes to the City of Marble Falls zoning ordinance, master plan, building codes, subdivision rules and regulations or other municipal ordinances as a result of the TIRZ.

Current Conditions



Current Ownership Information

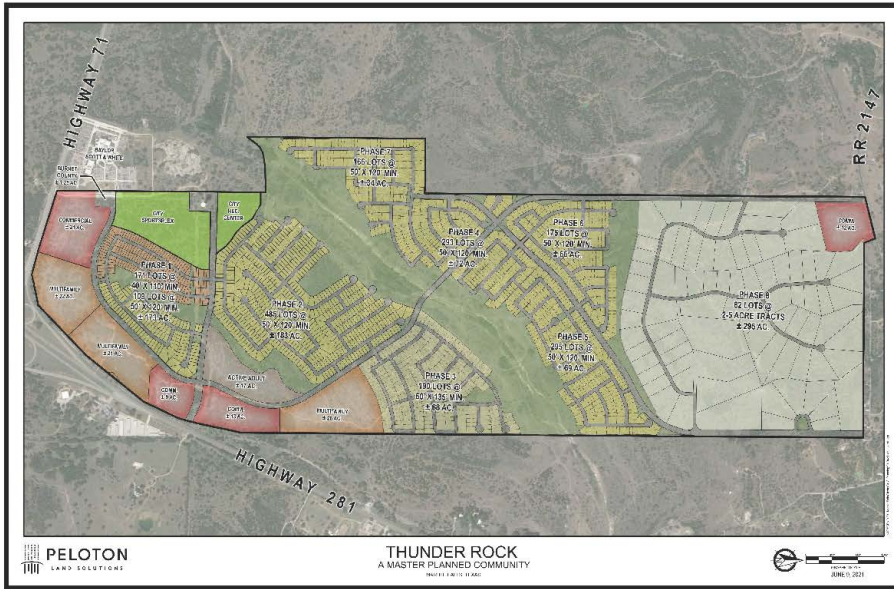
There are currently 6 tax parcels within Tax Increment Reinvestment Zone #2. Three of the parcels are owned by the City of Marble Falls. There is an approximately 1.225 acre tract located within the zone owned by Burnet County. The 2020 taxable base value of the property located within the zone is \$508,079.

It is the City's desire to have two of the parcels owned by the City developed, facilitated by a direct transfer agreement between the City and a private entity, pursuant to Chapter 27.2 of the Local Government Code. Subject to a separate agreement, the County has transferred a tract to the Developer for the purposes of facilitating development.

For further details of parcels included within the TIRZ see Appendix A.

Proposed Development

TIRZ #2 contains a planned proposed development consisting of residential development, including both single family and multifamily development, as well as commercial development.



Proposed Development

Anticipated Development

The TIRZ #2 development is anticipated to be a large scale mixed-use development that will be constructed over the next several years and financed in part by incremental real property tax generated within the TIRZ.

The table provides an overview of the potential development that we believe will occur during the life of the TIRZ along with estimated dates of when the new construction will begin and be completed.

	Construction Start	Final Delivery	Units/SF	Taxable Value PSF/Unit	Incremental Value
SINGLE FAMILY					
40, 50, 60 FT & RANCHETTE LOTS	2022	2031	1,966	\$ 286,657	\$ 563,567,662
					\$ 563,567,662
MULTIFAMILY					
MULTIFAMILY/ACTIVE ADULT	2024	2031	1,074	\$ 95,000	\$ 102,030,000
					\$ 102,030,000
COMMERCIAL					
COMMERCIAL	2026	2031	204,000	\$ 125	\$ 25,500,000
					\$ 25,500,000
Total					\$ 691,097,662

Project Costs

Project Costs of the Zone

There are a number of improvements within Tax Increment Reinvestment Zone #2 that will be financed by in part by incremental real property tax generated within the TIRZ.

Proposed Project Costs		
Water Facilities and Improvements	\$	12,256,875 10.36%
Sanitary Sewer Facilities and Improvements	\$	12,256,875 10.36%
Storm Water Facilities and Improvements	\$	12,256,875 10.36%
Street and Intersection Improvements	\$	16,624,742 14.06%
Open Space, Park and Recreation Facilities and Improvements	\$	5,526,286 4.67%
Economic Development Grants*		
		To be determined annually, maximum amount \$124,000,000*
Land and Right of Way Acquisitions	\$	3,288,000 2.78%
Public Facilities	\$	3,780,736 3.20%
Administrative Costs	\$	6,228,055 5.27%
	\$	118,271,070 100.0%

*The Economic Development Grants amount will be determined annually, with a maximum grant amount of \$124,000,000. In accordance with the Thunder Rock Development Agreement, if an offset of assessments is not needed per the Thunder Rock Public Improvement District Service and Assessment Plan (the "SAP"), the remainder of TIRZ revenues is allocated to the Economic Development Grant.

The costs illustrated in the table above, including the Economic Development Grants, are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item. The project costs include costs listed as Authorized Improvements in the SAP, and revenues generated from the TIRZ may be used to provide an offset of public improvement district assessments as shown in the SAP. The City will review invoices and inspect the Authorized Improvements prior to acceptance and approve reimbursement of such Authorized Improvements.

Economic Development Grants authorized by Chapter 311 of the Texas Tax Code Sec. 311.010. POWERS AND DUTIES OF BOARD OF DIRECTORS

(h) Subject to the approval of the governing body of the municipality or county that designated the zone, the board of directors of a reinvestment zone, as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. **For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code.** The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan.

Chapter 311 of the Texas Tax Code

Sec. 311.002. DEFINITIONS

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

- (A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;
- (B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;
- (C) real property assembly costs;
- (D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;
- (E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;
- (F) relocation costs;
- (G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;
- (H) interest before and during construction and for one year after completion of construction, whether or not capitalized;
- (I) the cost of operating the reinvestment zone and project facilities;
- (J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;
- (K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and
- (L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

Financial Feasibility Analysis

Method of Financing

To fund the public improvements outlined on the previous page, the City Marble Falls will contribute 50% of the ad valorem real property increment within the Zone.

Debt Service

It is anticipated at this time that the TIRZ not will incur any bonded indebtedness.

Economic Feasibility Study

A taxable value analysis was developed as part of the project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on the previously outlined developments. A summary overview of the anticipated development square footages, the anticipated sales per square foot and the anticipated taxable value per square foot can be found on the table below.

The following pages show the estimated captured appraised value of the zone during each year of its existence and the net benefits of the zone to each of the local taxing jurisdictions as well as the method of financing and debt service.

Utilizing the information outlined in this feasibility study, we have found that the TIRZ is economically feasible and will provide the City and other taxing jurisdictions with economic benefits that would not occur without its implementation.

Real Property Tax	Participation		
City of Marble Falls	0.61000000	50%	0.30500000
Burnet County	0.35820000	0%	0.00000000
Burnet County Special	0.04170000	0%	0.00000000
Central Texas Groundwater	0.00740000	0%	0.00000000
Marble Falls ISD	1.19860000	0%	0.00000000
	2.21590000		0.30500000

Personal Property Tax	Participation		
City of Marble Falls	0.61000000	0%	0.00000000
Burnet County	0.35820000	0%	0.00000000
Burnet County Special	0.04170000	0%	0.00000000
Central Texas Groundwater	0.00740000	0%	0.00000000
Marble Falls ISD	1.19860000	0%	0.00000000
	2.21590000		0.00000000

Sales Tax	Participation		
City of Marble Falls	0.02000000	0.00%	0.00000000
State of Texas	0.06250000	0.00%	0.00000000
	0.08250000		0.00000000

SINGLE FAMILY : INPUT & OUTPUT

INPUT

INFLATION RATE	3.00%
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DISCOUNT RATE	6.00%
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REAL PROPERTY TAX		PARTICIPATION	
City of Meritt Park	0.310000%	51%	0.258000%
Burns County	0.252000%	0%	0.000000%
Burns County Special	0.041700%	0%	0.000000%
County of Wasco	0.074000%	0%	0.000000%
Meritt Park SD	1.153000%	0%	0.000000%
TOTAL	2.230000%		0.258000%

PERSONAL PROPERTY TAX		PARTICIPATION	
City of Meritt Park	0.420000%	0%	0.000000%
Burns County	0.252000%	0%	0.000000%
Burns County Special	0.041700%	0%	0.000000%
County of Wasco	0.074000%	0%	0.000000%
Meritt Park SD	1.153000%	0%	0.000000%
TOTAL	2.230000%		0.000000%

City of Meritt Park	0.420000%	0%	0.000000%
State of Texas	0.022000%	0%	0.000000%
TOTAL	0.442000%		0.000000%

SINGLE FAMILY	NO. OF UNITS	AREA (SQ FT)	AREA (ACRES)	REAL PROPERTY TAX VALUE	PERSONAL PROPERTY TAX VALUE	TOTAL TAX VALUE	SALES TAX VALUE
48, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	201	1,100,000	25.23	\$242,421	\$1,100,000	\$1,342,421	\$1,100,000
TOTAL	201	1,100,000	25.23	\$242,421	\$1,100,000	\$1,342,421	\$1,100,000

OUTPUT

TOTAL SALE REVENUE	TOTAL	REAL PROPERTY	PERSONAL	SALES
City of Meritt Park	27.0%	\$192,427,447	\$0	\$0
Burns County	18.0%	\$132,427,447	\$0	\$0
Burns County Special	7.0%	\$5,193,243	\$0	\$0
County of Wasco	2.3%	\$2,252,117	\$0	\$0
Meritt Park SD	84.0%	\$715,242,085	\$0	\$0
TOTAL	100.0%	\$1,047,522,340	\$0	\$0

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL	SALES
City of Meritt Park	90.0%	\$1,100,000	\$0	\$0
Burns County	0.0%	\$0	\$0	\$0
Burns County Special	0.0%	\$0	\$0	\$0
County of Wasco	0.0%	\$0	\$0	\$0
Meritt Park SD	100.0%	\$1,100,000	\$0	\$0
TOTAL	100.0%	\$1,100,000	\$0	\$0

NET REVENUE	TOTAL	REAL PROPERTY	PERSONAL	SALES
City of Meritt Park	18.0%	\$132,427,447	\$0	\$0
Burns County	18.0%	\$132,427,447	\$0	\$0
Burns County Special	2.3%	\$2,252,117	\$0	\$0
County of Wasco	0.0%	\$0	\$0	\$0
Meritt Park SD	82.0%	\$715,242,085	\$0	\$0
TOTAL	100.0%	\$1,082,349,096	\$0	\$0



TOTAL REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Category	Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	
TOTAL REVENUE	Net Revenue	1,082,349,096	1,115,000,000	1,148,000,000	1,181,000,000	1,214,000,000	1,247,000,000	1,280,000,000	1,313,000,000	1,346,000,000	1,379,000,000	1,412,000,000	1,445,000,000	1,478,000,000	1,511,000,000	1,544,000,000	1,577,000,000	1,610,000,000	1,643,000,000	1,676,000,000	1,709,000,000	1,742,000,000	1,775,000,000	1,808,000,000	1,841,000,000	1,874,000,000	1,907,000,000	1,940,000,000	1,973,000,000	2,006,000,000	2,039,000,000	2,072,000,000
	Total Revenue	1,082,349,096	1,115,000,000	1,148,000,000	1,181,000,000	1,214,000,000	1,247,000,000	1,280,000,000	1,313,000,000	1,346,000,000	1,379,000,000	1,412,000,000	1,445,000,000	1,478,000,000	1,511,000,000	1,544,000,000	1,577,000,000	1,610,000,000	1,643,000,000	1,676,000,000	1,709,000,000	1,742,000,000	1,775,000,000	1,808,000,000	1,841,000,000	1,874,000,000	1,907,000,000	1,940,000,000	1,973,000,000	2,006,000,000	2,039,000,000	2,072,000,000
TOTAL COSTS	Operating Costs	1,082,349,096	1,115,000,000	1,148,000,000	1,181,000,000	1,214,000,000	1,247,000,000	1,280,000,000	1,313,000,000	1,346,000,000	1,379,000,000	1,412,000,000	1,445,000,000	1,478,000,000	1,511,000,000	1,544,000,000	1,577,000,000	1,610,000,000	1,643,000,000	1,676,000,000	1,709,000,000	1,742,000,000	1,775,000,000	1,808,000,000	1,841,000,000	1,874,000,000	1,907,000,000	1,940,000,000	1,973,000,000	2,006,000,000	2,039,000,000	2,072,000,000
	Total Costs	1,082,349,096	1,115,000,000	1,148,000,000	1,181,000,000	1,214,000,000	1,247,000,000	1,280,000,000	1,313,000,000	1,346,000,000	1,379,000,000	1,412,000,000	1,445,000,000	1,478,000,000	1,511,000,000	1,544,000,000	1,577,000,000	1,610,000,000	1,643,000,000	1,676,000,000	1,709,000,000	1,742,000,000	1,775,000,000	1,808,000,000	1,841,000,000	1,874,000,000	1,907,000,000	1,940,000,000	1,973,000,000	2,006,000,000	2,039,000,000	2,072,000,000
NET BENEFIT	Net Benefit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Net Benefit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	



Financial Feasibility Analysis

MULTIFAMILY: INPUT & OUTPUT

INPUT

REPLICATION RATE	2.0%
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RECORDING FEE	0.01%
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REAL PROPERTY TAX		PERCENTAGE	
CITY OF MICHIGAN PAID	0.510000%	5%	0.300000%
Burns County	0.232000%	0%	0.000000%
Burns County Special	0.447000%	0%	0.000000%
Carroll Tax and Groundwater	0.876000%	0%	0.000000%
Mich. Paid SD	1.028000%	0%	0.000000%
TOTAL	2.104000%		0.300000%

PERSONAL PROPERTY TAX		PERCENTAGE	
CITY OF MICHIGAN PAID	0.410000%	0%	0.000000%
Burns County	0.232000%	0%	0.000000%
Burns County Special	0.447000%	0%	0.000000%
Carroll Tax and Groundwater	0.876000%	0%	0.000000%
Mich. Paid SD	1.028000%	0%	0.000000%
TOTAL	2.104000%		0.000000%

CITY OF MICHIGAN PAID		PERCENTAGE	
CITY OF MICHIGAN PAID	0.230000%	0%	0.000000%
Ed. of Taxes	0.028000%	0%	0.000000%
TOTAL	0.258000%		0.000000%

MULTIFAMILY	Total Dollars	AREA	REAL PROPERTY	PERSONAL	SDZ	SALTS
		ACREAGE	TAX VALUE	TAX VALUE	TAX VALUE	TAX VALUE
MULTIFAMILY (VACANT) ADULT	701	1,074	33,431	19,376,000	-	-
TOTAL	701	1,074	33,431	19,376,000	-	-

OUTPUT

MULTIFAMILY (VACANT) ADULT	TOTAL	REAL PROPERTY	PERSONAL	SALTS		
CITY OF MICHIGAN PAID	2.0%	\$ 33,431,232	=	\$ 26,624,528	+ \$ -	= \$ -
Burns County	0.2%	\$ 2,916,721	=	\$ 2,916,720	+ \$ -	= \$ -
Burns County Special	0.0%	\$ 2,425,021	=	\$ 2,425,021	+ \$ -	= \$ -
Carroll Tax and Groundwater	0.3%	\$ 422,118	=	\$ 422,118	+ \$ -	= \$ -
Mich. Paid SD	0.5%	\$ 1,671,552	=	\$ 1,671,552	+ \$ -	= \$ -
TOTAL	3.0%	\$ 39,867,644	=	\$ 34,060,929	+ \$ -	= \$ -

TOTAL (VACANT) ADULT	TOTAL	REAL PROPERTY	PERSONAL	SALTS		
CITY OF MICHIGAN PAID	0.02%	\$ 17,810,161	=	\$ 17,810,161	+ \$ -	= \$ -
Burns County	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
Burns County Special	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
Carroll Tax and Groundwater	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
Mich. Paid SD	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
TOTAL	0.02%	\$ 17,810,161	=	\$ 17,810,161	+ \$ -	= \$ -

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL	SALTS		
CITY OF MICHIGAN PAID	0.2%	\$ 2,916,721	=	\$ 2,916,720	+ \$ -	= \$ -
Burns County	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
Burns County Special	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
Carroll Tax and Groundwater	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
Mich. Paid SD	0.0%	\$ -	=	\$ -	+ \$ -	= \$ -
TOTAL	0.2%	\$ 2,916,721	=	\$ 2,916,720	+ \$ -	= \$ -

Financial Feasibility Analysis

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050		
REVENUE																															
Real Property Tax	1,000,000	1,020,000	1,040,000	1,060,000	1,080,000	1,100,000	1,120,000	1,140,000	1,160,000	1,180,000	1,200,000	1,220,000	1,240,000	1,260,000	1,280,000	1,300,000	1,320,000	1,340,000	1,360,000	1,380,000	1,400,000	1,420,000	1,440,000	1,460,000	1,480,000	1,500,000	1,520,000	1,540,000	1,560,000		
Personal Property Tax	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
Other Taxes	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
TOTAL REVENUE	1,700,000	1,720,000	1,740,000	1,760,000	1,780,000	1,800,000	1,820,000	1,840,000	1,860,000	1,880,000	1,900,000	1,920,000	1,940,000	1,960,000	1,980,000	2,000,000	2,020,000	2,040,000	2,060,000	2,080,000	2,100,000	2,120,000	2,140,000	2,160,000	2,180,000	2,200,000	2,220,000	2,240,000	2,260,000	2,280,000	
COSTS																															
Construction Costs	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Operating Costs	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
TOTAL COSTS	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
NET BENEFIT	200,000	220,000	240,000	260,000	280,000	300,000	320,000	340,000	360,000	380,000	400,000	420,000	440,000	460,000	480,000	500,000	520,000	540,000	560,000	580,000	600,000	620,000	640,000	660,000	680,000	700,000	720,000	740,000	760,000	780,000	800,000

COMMERCIAL : INPUT & OUTPUT

▶ INPUT

INFLATION RATE	3.00%		
DISCOUNT RATE	6.00%		
REAL PROPERTY TAX			
PARTICULARS			
City of Middlesex	0.41000000	0%	0.00000000
Summit County	0.53200000	0%	0.00000000
Summit County Special	0.14700000	0%	0.00000000
Central Texas Groundwater	0.00740000	0%	0.00000000
Middlesex ID	1.92200000	0%	0.00000000
	2.09640000		0.00000000
PERSONAL PROPERTY TAX			
PARTICULARS			
City of Middlesex	0.41000000	0%	0.00000000
Summit County	0.53200000	0%	0.00000000
Summit County Special	0.14700000	0%	0.00000000
Central Texas Groundwater	0.00740000	0%	0.00000000
Middlesex ID	1.92200000	0%	0.00000000
	2.09640000		0.00000000
SALES TAX			
City of Middlesex	0.43000000	0%	0.00000000
Summit County	0.42000000	0%	0.00000000
	0.85000000		0.00000000

COMMERCIAL	PROB. DENSITY	AREA	TOTAL PROPERTY TAX	PERSONAL PROPERTY TAX	SALES TAX	TOTAL VALUE	NET TOTAL VALUE	NET TOTAL VALUE
COMMERCIAL	0.01	24,400	121	38,400.00	1	-	-	-
TOTAL				38,400.00				

▶ OUTPUT

PROPERTY TAXES	%	TOTAL	REAL PROPERTY	PERSONAL	SALES
City of Middlesex	22.5%	\$ 2,292,240	\$ 2,292,240	\$ -	\$ -
Summit County	28.1%	\$ 4,348,276	\$ 4,348,276	\$ -	\$ -
Summit County Special	2.8%	\$ 97,100	\$ 97,100	\$ -	\$ -
Central Texas Groundwater	0.2%	\$ 93,100	\$ 93,100	\$ -	\$ -
Middlesex ID	58.1%	\$ 14,132,971	\$ 14,132,971	\$ -	\$ -
	100.0%	\$ 17,064,687	\$ 17,064,687	\$ 0.0%	\$ 0.0%

NET GROSS REVENUE	%	TOTAL	REAL PROPERTY	PERSONAL	SALES
City of Middlesex	22.5%	\$ 4,174,487	\$ 4,174,487	\$ -	\$ -
Summit County	28.1%	\$ 4,348,276	\$ 4,348,276	\$ -	\$ -
Summit County Special	2.8%	\$ 97,100	\$ 97,100	\$ -	\$ -
Central Texas Groundwater	0.2%	\$ 93,100	\$ 93,100	\$ -	\$ -
Middlesex ID	46.7%	\$ 14,132,971	\$ 14,132,971	\$ -	\$ -
	100.0%	\$ 18,876,934	\$ 18,876,934	\$ 0.0%	\$ 0.0%

TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

Category	Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
TOTAL TAX REVENUE	Real Property	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687
	Personal Property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TAX REVENUE - PRE-ADJUSTMENT	Real Property	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687	17,064,687
	Personal Property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Financial Feasibility Analysis - Proposed TIRZ Revenue

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

Category	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	
TOTAL	Value	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Revenue	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Financial Feasibility Analysis - 100% of Tax Revenue Generated

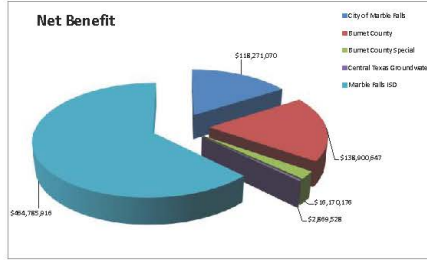
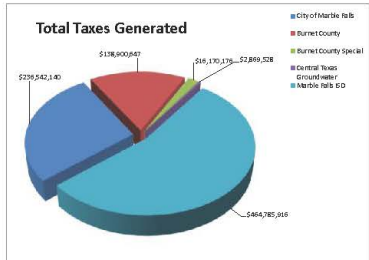
ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

Category	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
TOTAL	Value	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Revenue

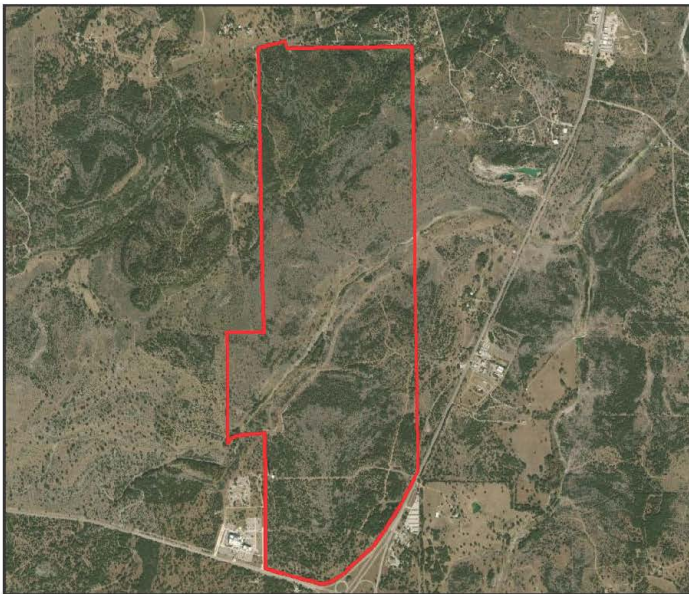
Financial Feasibility Analysis - Summary

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	TIF	Net Benefit
City of Marble Falls	\$236,542,140	\$118,271,070	\$118,271,070
Burnet County	\$138,900,647	\$0	\$138,900,647
Burnet County Special	\$16,170,176	\$0	\$16,170,176
Central Texas Groundwater	\$2,869,528	\$0	\$2,869,528
Marble Falls ISD	\$464,785,916	\$0	\$464,785,916
Total	\$859,268,406	\$118,271,070	\$740,997,336



Terms and Conditions



Projects Cost Estimates:

All project costs listed in the project plan shall be considered estimates and shall not be considered a cap on expenditures.

Length of TIRZ #2:

Termination of the Zone shall occur upon the earlier of: (i) December 31, 2061 (with final year's tax to be collected by September 1, 2062), or (ii) until the amount of the City's ad valorem Tax Increment placed into the Tax Increment Fund, as defined in Ordinance No. 2020-0-09A, totals One Hundred Twenty Four Million Dollars (\$124,000,000), or (iii) at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act.

Powers and Duties of Board of Directors:

The Board shall have all powers granted to it by Chapter 311 of the Texas Tax Code, including powers of a municipality under Chapter 380, Local Government Code, to make grants. The Board shall not be authorized to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the Zone's project and financing plan.

APPENDIX A - CURRENT PROPERTY OWNERSHIP

BURNET CENTRAL APPRAISAL DISTRICT
 P. O. BOX 908 / 223 SOUTH PARKWAY
 BURNET, TEXAS 78611
 PHONE: (817) 786-8291
 FAX: (817) 786-7873
 burnetad@actv.com
 www.burnetad.org

July 2, 2021

CERTIFICATE OF OWNERSHIP

I, Stan Humphill, the under-signer, hereby certify that I have examined the tax rolls of Burnet Central Appraisal District and on the 2nd day of July 2021, and find that the following persons/entities own the property within the proposed Thunder Rock Public Improvement District, as described in the Resolution No. 2020-R-10A of the City of Marble Falls, lies within Burnet County. Please see the below ownership list showing ownership of the property in the proposed PID.

Owner	Prop ID	Acres in Proposed	
		Prop ID	Acres
BURNET COUNTY	115011		1.25
MARBLE FALLS CITY OF	10206A		2.066
MARBLE FALLS CITY OF	118660		26.33
MARBLE FALLS CITY OF	118670		10.38
MM MARBLE FALLS 1070 LLC	50452	992.559	
MM MARBLE FALLS 1070 LLC	50453	15	
MM MARBLE FALLS 1070 LLC	102061	71.11	
MM MARBLE FALLS 1070 LLC	102062	3.264	
MM MARBLE FALLS 1070 LLC	9879	0.635	
MM MARBLE FALLS 1070 LLC	119010	1.25	

WITNESS MY SIGNATURE the 2nd day of July 2021.

Burnet Central Appraisal District

By Stan Humphill
 Name: Stan Humphill
 Title: Chief Appraiser

STATE OF TEXAS

COUNTY OF BURNET

This instrument was acknowledged before me on the 2nd day of July 2021 by Stan Humphill.



Arnee M. Spradling
 Arnee Spradling
 Notary Public

EXHIBIT “C”
Form of TIRZ Reimbursement Certificate

The undersigned is a duly authorized representative for MM Marble Falls 1070, LLC, a Texas limited liability company (the “Developer”) and requests payment from the Tax Increment Fund of Reinvestment Zone Number Two, City of Marble Falls, Texas (“TIRZ No. 2”) from the board of directors of TIRZ No. 2 (the “TIRZ Board”) and the City of Marble Falls, Texas (the “City”) in the amount of \$ _____ for reimbursement of the costs of the TIRZ No. 2 projects (the “TIRZ Projects”) and/or other costs or projects (the “Other Projects”) which promote local economic development and stimulate business and commercial activity in the City.

In connection to the above referenced payment, the Developer represents and warrants to the TIRZ Board and the City as follows:

1. The undersigned is a duly authorized representative of the Developer, is qualified to execute this TIRZ Reimbursement Certificate on behalf of Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced TIRZ Project(s) and/or Other Projects has not been reimbursed from the Thunder Rock Public Improvement District or been the subject of any prior payment request submitted to the City, or if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the TIRZ Project(s) below is a true and accurate representation of the costs associated with construction of said TIRZ Projects, and such costs are in compliance with the TIRZ Project and Financing Plan.
4. The work with respect to the TIRZ Project(s) referenced below (or its completed segment) has been completed and the City representative(s) may begin inspection of the TIRZ Projects.
5. The Developer agrees to cooperate with the City representative(s) in conducting its review of the requested payment, and agrees to provide reasonable additional information and documentation as is reasonably necessary for the City representative(s) to complete said review. In no event shall the City require both an all-bills-paid affidavit and copies of cleared checks to be provided as supporting documentation. The City agrees that providing either an all-bills-paid affidavit or copies of cleared checks shall be sufficient.

Attached hereto, are invoices for cost incurred to be paid as TIRZ No. 2 revenues are available.

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

MM Marble Falls 1070, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company

Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayed
Its: Manager

APPROVAL OF REQUEST BY CITY AND/OR TIRZ BOARD

The City Representative is in receipt of the attached TIRZ Reimbursement Certificate, acknowledges the TIRZ Reimbursement Certificate, and finds the TIRZ Reimbursement Certificate to be in order. After reviewing the TIRZ Reimbursement Certificate, the City, acting through its City Representative, approves the TIRZ Reimbursement Certificate.

CITY OF MARBLE FALLS, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

**REINVESTMENT ZONE NUMBER TWO,
CITY OF MARBLE FALLS, TEAS**

By: _____

Name: _____

Title: _____

Date: _____