

TERM SHEET
CITY OF BEE CAVE, TEXAS
VILLAGE AT SPANISH OAKS PUBLIC IMPROVEMENT DISTRICT
5/21/2021

The following limitations and performance standards will apply to the proposed Village at Spanish Oaks Public Improvement District (the "PID") as agreed to by CCNG Real Estate Investors II, LP (the "Developer") and the City of Bee Cave, Texas (the "City") in connection with the development of the Village at Spanish Oaks mixed use development (the "Project"):

PUBLIC IMPROVEMENT DISTRICT

FINANCING CRITERIA

1. **Estimated cost of the Authorized Improvements:** \$ 25 million
2. **Maximum bonds ("PID Bonds") to be issued are estimated to be:** \$ 18 million
3. **Maximum annual permitted increase in annual installment:** 0.0%
4. **Maximum years of capitalized interest :** 2
5. **Maturity of bonds (to extent allowed by law):** 30 years
6. **The aggregate principal amount of bonds required to be issued will not exceed an amount sufficient to fund: (i) the actual costs of the qualified public improvements (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 3 years from the date of the initial delivery of the bonds and (iii) any costs of issuance. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of actual bond issuance.**

MISCELLANEOUS

1. No General Obligation or Certificate of Obligation bonds will be utilized by the City to fund the Authorized Improvements for the PID.
2. No PID bonds will be issued without the approval by the City of a Service and Assessment Plan ("SAP") for the PID.
3. The PID Bond indenture will contain language precluding the City from making any debt service payments for the PID Bonds other than from dedicated and available assessment revenues.

4. The PID may seek bond issues either in advance of construction of any Authorized Improvements or as a reimbursement for Authorized Improvements upon completion of the construction of such Authorized Improvements subject to compliance with these standards.
5. Assessments on any given portion of the property may be adjusted in connection with subsequent PID Bond issues as long as the assessments are determined in accordance with the SAP and the PID Act. Assessments on any portion of the Project will bear a direct proportionate relationship to the special benefit of the public improvements to such portion. Scheduled assessments will not be increased on any lot once conveyed to an end user.
6. All of the City's reasonable and customary costs with respect to issuance of the PID Bonds and creation of the PID will either be funded by the Developer or paid from PID Bond proceeds. The City and the Developer will agree to a budget for the City's costs, including ongoing PID administrative expenses, in advance of the preparation of bond documents. Ongoing administrative costs of the PID will be paid through the annual installments of the assessments.
7. It is agreed that the PID will be exempt from any public bidding or other purchasing and procurement policies per Texas Local Government Code Section 252.022(a)((9) which states that a project is exempt from such policies if "paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."
8. It is agreed that the improvements to be funded by the PID are defined as Authorized Improvements under Texas Local Government Code Section 372.003.
9. It is agreed that all principal landowners funding Authorized Improvements funded by the PID Bonds will provide any required continuing disclosure obligations associated with the issuance of PID Bonds as required under the PID Bond indenture or any other regulatory agreement or regulatory agency.
10. The appraiser preparing the appraisal required in connection with the PID Bonds will be selected by the City in consultation with the Developer and all reasonable fees will be paid by the Developer.
11. The underwriter for the PID Bonds will be selected by the City and the Developer.
12. PID Bonds will be issued by the City upon request by the Developer and approval by the City Council following: receipt of an appraisal, financial analysis, and other professional services and due diligence reasonably necessary to support the request.
13. This term sheet will remain in place and in force until such time and date that a final Financing Agreement is executed by the City and the Developer.