

Subdivision: Homestead at Deer Creek Phase I

Date: 7/14/23

**SUBDIVISION IMPROVEMENT CONSTRUCTION AGREEMENT**

**Between Legacy Capital Funding, LLC and the  
City of Johnson City, Texas**

This Subdivision Improvement Construction Agreement ("Agreement") is made and entered into by and between Legacy Capital Funding, LLC, ("Owner" or "Developer") by and through its authorized representative Mehul Patel, and the City of Johnson City, Texas, ("City") by and through its authorized representative Rick Schroder, the Chief Administrative Officer of the City, individually "Party", collectively the "Parties".

**Recitals**

WHEREAS, the Owner owns the tract of real property ("Property") as shown on the subdivision plat entitled Homestead at Deer Creek Phase I Subdivision ("Subdivision") which is attached hereto as Exhibit A and incorporated fully herein; and

WHEREAS, the City's Subdivision Ordinance, Chapter 10 of the City's Code of Ordinances, requires Owner to either construct the subdivision's improvements or post fiscal surety prior to the City's approval of the subdivision's final plat for recording at Blanco County Records; and

WHEREAS, Owner has elected to post fiscal surety in lieu of full construction of all Improvements; and

WHEREAS, in accordance with the City's Subdivision Ordinance, the Parties desire to enter into this Agreement under the terms and for the purposes outlined herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

**Section I. Agreement**

- A. Recitals. The foregoing recitals are true and correct and are incorporated fully herein as findings of fact.
- B. Agreement for Construction. The Owner agrees to design and construct, at his expense and in accordance with this Agreement, the Improvements ("Improvements") listed and outlined in Exhibit B, attached hereto and incorporated fully herein.
- C. Recording of Final Plat with Improvement Agreement. The City Council approved the final plat on June 21, 2022. In accordance with the City's Subdivision Ordinance, the final plat for the subdivision may be recorded with this Agreement. It is understood by the Parties that approval of recording of the final plat with this Agreement does not constitute or imply the acceptance by the

City of the Improvements listed for construction in this Agreement and shown on the plat. The final plat shall be endorsed with appropriate notes to this effect.

- D. Effective Date and Term. This Agreement shall become effective upon the date of the last signature and shall remain in effect through completion and acceptance by the City of the Improvements, except for those provisions which shall survive the expiration of this Agreement as stated herein.

## Section II. Owner's Obligations

- A. Construction. Owner shall construct the Improvements in accordance with the City's Code of Ordinances, the Design and Standards Manual, drainage criteria, and all applicable City specifications, standards, and regulations (collectively, "Standards"), and with the construction plans for the improvements approved and certified by the City Engineer ("Plans"). The Improvements shall be constructed and be free from design and construction defects. Final acceptance of the Improvements after completion by the City is subject to inspection and certification by the City.
- B. Right of Entry; Inspections. Owner hereby grants the City, its successors, assigns, agents, contractors and employees, a nonexclusive right to enter the property to review and inspect the Improvements during construction. At its expense, Owner shall immediately remediate errors or flaws in construction reported upon inspection. Work on an improvement shall continue and proceed after remediation following approval by the City.
- C. Surety Bond; Increase in Surety. Owner shall post and maintain fiscal guarantees for the Improvements. The fiscal surety may be used only to complete the Improvements listed in Exhibit B. Owner has selected and has submitted a surety bond, attached hereto as Exhibit C and incorporated fully herein, in the amount of the estimated costs of construction to the City as identified in Exhibit B. The surety bond shall be reviewed and verified by the City Attorney. Owner may be required to provide additional fiscal surety for Improvements which may be added later as required for this subdivision, or if it is determined that the estimated total cost of construction exceeds the posted surety bond amount. An amount increase shall be reviewed and approved by the City. Owner shall increase the bond to equal the increased amount and shall submit the revised bond within 30 days after notice of and demand for the required increase by the City. Failure to timely submit a bond or increased bond shall be ground for termination of this Agreement.
- D. Insolvency of Surety. If the surety on the fiscal security is declared bankrupt, becomes insolvent, can no longer conduct business in the State of Texas, or ceases to meet the requirements listed in U.S. Treasury Circular 570, Owner shall, within twenty (20) days thereafter, substitute another surety bond which must be approved by the City.
- E. Restriction on Sale, Transfer or Conveyance of Lots. If the Improvements are not constructed to meet the standards and plans, or the required security has expired or has been deemed insufficient, Owner shall not sell, transfer, or convey any of the lots in the subdivision until remediation is performed, or sufficient security has been posted with the City for the completion of the construction and/or correction and repair of defects in materials or workmanship. In the event of a conveyance by Owner without correction or repair of defects, the City shall not issue any building permits or certificates of occupancy until the work has been remediated or sufficient surety is received.
- F. Documents upon Completion. Upon completion of construction, Owner shall submit to the City the following:

- 1) A written acknowledged guarantee of the serviceability of the Improvements including streets, sewers, water, and any other utilities, signed jointly by the Owner and his prime contractor. The term of the said written guarantee shall be for a period of one year commencing from the date of written acceptance by the City of the Improvements;
  - 2) A certificate signed by the Owner's registered engineer that all improvements constructed in the subdivision have been completed in accordance with the approved construction plans and specifications and in accordance with applicable codes and City Standards and that all obligations incurred by construction of the streets and utilities have been satisfied;
  - 3) A reproducible tracing and one copy of the final plat together with one "as-built" set of construction plans; and
  - 4) A maintenance bond as outlined herein covering 100% of the contract cost;
- G. Conveyance. Owner will convey any public improvement lot and/or easement to the City, at no cost to the City, prior to the City's acceptance of the Improvements. The conveyance of the lot must be by warranty deed, free of all liens and encumbrances save for restrictions noted in the deed. The conveyance of any easement to the City must be on an approved form of easement agreement, free of all liens and encumbrances save for restrictions noted in the easements. The warranty deed and/or easement agreement must be accompanied by a title commitment having only those standard pre-printed exceptions that are part of the promulgated form of Texas title insurance policies. Developer will pay the cost of a title insurance policy consistent with such a title commitment reflecting the then-current fair market value for the public improvement lot and/or easement, as applicable. Developer will submit payment to the City for the costs of recording and preparation of the conveyance documents.
- H. Warranty for Maintenance Period. Owner warrants that the Improvements will be free from defects for a period of one (1) year from the date the City approves and accepts the construction of the Improvements ("Maintenance period"). Owner shall correct and repair, or cause to be corrected and repaired, any defects in materials or workmanship of the Improvements that occur before and during the maintenance period due to any cause.
- I. Maintenance Bond. As a condition of the City's acceptance of dedication of any of the Improvements, and to secure the Owner's warranty obligations during the maintenance period, the Owner shall provide a maintenance bond in the amount covering 100% of the construction contract costs. Costs estimates shall be approved by the City Engineer and shall be based on current costs plus 10% for such work. The maintenance bond must be issued by a reliable surety company authorized to do business in Texas, and in a form approved for use by the City Attorney. Said bond is to remain in effect during the maintenance period. The Improvements must meet the standards and plans for the City to release the maintenance bond at the end of the maintenance period.
- J. Extension for Street Maintenance. In the event of the maintenance or repair of a defect in a roadway or street improvement during the initial guarantee period, the Owner shall provide a one-year extended maintenance guarantee in favor of the City for the entire station(s) of the defect area. Such one-year extension period shall commence upon completion of the subject maintenance or repair. Such extended maintenance guarantee procedure shall be repeated until the defect with the affected station(s) has been remedied.

### Section III. City's Obligations

- A. Inspection. The City shall inspect the Improvements during and at the completion of construction. The City shall notify Owner if an inspection reveals that any portion of the Improvements is not constructed in accordance with the plans or the standards or is otherwise defective. The Parties agree that the City has no privity with or responsibility for the construction contractor or any subcontractors.
- B. Notice of Default and Intent to Draw. If construction does not pass an inspection, the City shall issue notice of default and intent to draw on the security to the Owner, with a copy of the notice to the Surety. The notice will identify the defect and provide an opportunity for Owner to cure the defect. If Owner fails to cure, the City shall be entitled to draw the amount necessary to perform the Owner's obligations under this Agreement up to the total amount of the security.
- C. Draw of Security.
- 1) The City may draw upon the security for the purpose of completing the Improvements in accordance with the standards and plans, to acquire the real estate interests necessary to accept the Improvements, or to correct, repair or reconstruct the Improvements to achieve compliance with the standards and plans.
  - 2) Security proceeds obtained by the City pursuant to one or more draws shall be maintained by the City in an account or accounts until such funds, together with accrued interest thereon, if any, ("Escrowed funds") are disbursed by the City.
  - 3) The City shall disburse the escrowed funds for payment as Improvements are completed, corrected, repaired, or reconstructed by the City. Remaining excess escrowed funds shall be released within thirty (30) days after the City's Engineer's recommendation for release and after a maintenance bond has been provided to the City by Owner.
  - 4) The Owner has no claim or rights under this Agreement to security proceeds or escrowed funds, to the extent used by the City.
  - 5) The Parties understand and agree that the City's draw on the security bond is not an acceptance of the dedication of the Improvements to the City.
- D. Approval and Acceptance of Improvements. Upon completion of construction, the City Engineer shall issue to the City Council and to Owner a written certification stating that all improvements have been satisfactorily completed in accordance with the plans and the standards. Upon receipt, the Owner shall submit the maintenance bond to the City in the form outlined herein. The City Council shall review the Engineer's certification and the maintenance bond for acceptance of the Improvements upon motion and approval.
- E. Release. Upon acceptance of the Improvements by the City, the City shall provide a recordable release to the Owner and the Issuer releasing the Owner and the Property from this Agreement.

### Section III. General Provisions

- A. Termination; Default.
- 1) This Agreement shall terminate upon the occurrence of an act of default.
  - 2) Acts of Default. Acts of default shall include but are not limited to, the following:
    - i) Owner's failure to design and construct the Improvements as required to comply with the standards and plans;

- ii) Owner's failure to timely convey the public Infrastructure lot(s) and/or easement(s) to the City via approved conveyance documents and free of all liens and encumbrances except for City Attorney-approved exceptions.
  - iii) Owner's failure to provide the City with a complete set of construction plans for the Improvements, certified "as built" by the engineer responsible for preparing the approved plans;
  - iv) Owner's failure to comply with the warranty that the Improvements will comply with the standards and plans during the maintenance period;
  - v) Owner's failure to maintain the surety bond or renew the bond at least 45 days prior to expiration;
  - vi) Owner's failure to provide additional security within thirty (30) days after notice and demand;
  - vii) The acquisition of the Property or a portion of the Property by the issuer of the security or other creditor through foreclosure or an assignment or conveyance in lieu of foreclosure; or
  - viii) Owner's failure to comply with any other material provision of this Agreement.
- 3) **Notice.** The City shall provide written notice of default to Owner upon the occurrence of an event. The Owner shall be provided an opportunity to cure the default within 30 days of receiving notice. Owner's timely failure to cure shall terminate this Agreement.
- B. **Covenants Run with the Land: Binding Effect.** The covenants, restrictions, and conditions included in this Agreement will operate as covenants running with the land. The Parties represent that each has the full legal authority to execute this Agreement and to bind themselves to the terms, conditions, provisions, and obligations contained herein.
- C. **No Third-Party Beneficiaries; No Relationship.** This Agreement shall not be construed as affording any rights or benefits to anyone other than City and Owner. No third-party, including without limitation a trustee in bankruptcy, shall have any interest in or claim to posted security and/or security proceeds. This Agreement does not, nor is it intended to, create any partnership or joint venture between the Parties.
- D. **Indemnification.** The Owner shall indemnify and hold the City harmless from and against all claims, demands, costs, and liability of every kind and nature, including reasonable attorney's fees, for the defense of such claims and demands, arising from any breach on the part of Owner of any provision in this Agreement, or from any act or negligence of Owner or Owner's agents, contractors, employees, tenants, or licensees in the construction of the Improvements. The Owner further agrees to indemnify and defend the City, if the City is named as a defendant in an action arising from any breach on the part of Owner of any provision in this Agreement or from any act or negligence of Owner or Owner's agents, contractors, employees, tenants, or licensees in the construction of the Improvements. Nothing contained in this Agreement shall be construed as a waiver of or relinquishment of governmental or sovereign immunity by the City. The indemnity provided herein shall survive termination and/or expiration of this Agreement.
- E. **Remedies: No Waiver.** The remedies available to the City and the Owner under this Agreement and Texas law are cumulative in nature. The waiver of any provision of this Agreement will not constitute a waiver of any other provision, nor will it constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement. The City's failure to enforce any provision of this Agreement will not constitute a waiver or estoppel of the right to do so.

- F. Successors and Assigns; Assignment. This Agreement is binding on the Owner and the heirs, successors, and permitted assigns of the Owner and on any person acquiring an ownership interest in the Property through the Owner. The Owner's obligations under this Agreement may not be assigned or assumed to another without the written approval of the City; provided the City's approval shall not be unreasonably withheld if the Owner's assignee expressly assumes all obligations of the Owner under this Agreement. An assignment shall not be construed as releasing the Owner from Owner's obligations under this Agreement and Owner's obligations hereunder shall continue notwithstanding any assignment approved pursuant to this Paragraph unless and until the City executes and delivers to the Owner a written release. The City agrees to release the Owner, if the Owner's assignee expressly assumes the Owner's obligations under this Agreement and has posted the Security and/or Maintenance Bond required by this Agreement. The City may assign some or all its rights under this Agreement and any such assignment shall be effective upon notice to the Owner.
- G. Notices. All notices, authorizations, and requests in connection with this Agreement shall be in writing and deemed given (i) three days after being deposited in the U.S. mail, postage prepaid, certified or registered, return receipt requested; or (ii) one day after being sent by overnight courier, charges prepaid; and addressed to the other Party as set forth herein or to such other address as the party to receive the notice or request so designates by written notice to the other.
- H. Severability. If any provision of this Agreement is held by a court to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability shall not affect the validity of any other provision and the rights of the Parties will be construed as if such provision was never part of this Agreement.
- I. Governing Law; Venue; Litigation. This Agreement concerns real property located in Blanco County, Texas, and shall be governed and construed under Texas law. Venue for any action arising under this Agreement shall be exclusively in Blanco County, Texas. In the event of litigation, each Party shall be responsible for his own legal costs and fees. Further, no party shall be liable to the other under this Agreement for consequential damages, including lost profits or exemplary damages.
- J. Captions Immaterial. The captions or headings of the paragraphs of this Agreement are for convenience only and shall not be considered in construing this Agreement.
- K. Entire Agreement; Amendment. This Agreement, together with its exhibits, constitutes the final and entire Agreement between the Parties with respect to the subject matter hereof. This Agreement may be modified, amended, or terminated only in writing executed by both Parties, approved by the City Council, and filed of record at Blanco County records. NO OFFICIAL, EMPLOYEE, OR AGENT OF THE CITY HAS ANY AUTHORITY, EITHER EXPRESS OR IMPLIED, TO AMEND, MODIFY, OR OTHERWISE CHANGE THIS AGREEMENT, EXCEPT PURSUANT TO SUCH EXPRESS AUTHORITY AS MAY BE GRANTED BY THE CITY COUNCIL.
- L. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument. This Agreement will become effective only when one or more counterparts, individually or taken together, bear the signatures of all the Parties.
- M. Recording. Upon execution, this Agreement shall be recorded by the Developer at Developer's expense in the Official Public Records of Blanco County, Texas. A copy of the recorded instrument shall be provided to the City at the address provided herein.

IN WITNESS WHEREOF, the Parties hereto by and through their authorized representative execute this Agreement on the dates set forth below, and this Agreement is effective upon the date of the last signature.

**THE CITY OF JOHNSON CITY, TEXAS -- CITY**

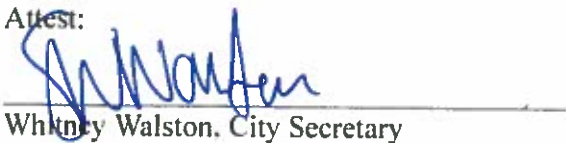
P.O. Box 369  
303 E. Pecan Drive  
Johnson City, Texas 78636



Rick Schroder, Chief Administrative Officer

Date: 8/22/23

Attest:



Whitney Walston, City Secretary

Date: 8/22/2023

**LEGACY CAPITAL FUNDING, LLC -- OWNER/DEVELOPER**

10008 Loxley Lane  
Austin, Texas 78717



Mehul Patel, Managing Partner

Date: 07/14/2023

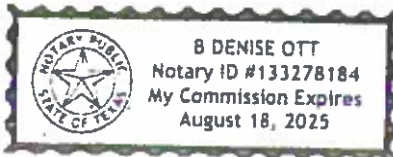
**ACKNOWLEDGEMENT**

STATE OF TEXAS

COUNTY OF Williamson

This instrument was acknowledged before me on the 14<sup>th</sup> day of July, 2023 by

Mehul Patel, in the capacity stated herein.



Notary Public – State of Texas

**EXHIBIT A**  
**SUBDIVISION PLAT**  
**HOMESTEAD AT DEER CREEK PHASE 1**



## **EXHIBIT B**

### **SUBDIVISION IMPROVEMENTS AND COSTS**

Owner and City agree that the following improvements attached hereto are required in connection with the approval and development of the Subdivision. Owner agrees to deliver a financial guarantee acceptable in form and substance to the City of Johnson City in an amount equal to the estimated cost to construct and install the Improvements in the amounts listed therein.

PRELIMINARY OPINION OF PROBABLE COST ESTIMATE FOR  
JOHNSON CITY, TEXAS



PROJECT NO: 100457501 AT DEER CREEK PHASE I      Total Average      AC  
 DATE: 5/20/23      Street      SF  
 SPECIFICATIONS: PRELIMINARY      Total No. Lots: 11      EA  
 COMPLETED BY: \_\_\_\_\_

SPCL ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	COST
<b>EARTHWORK</b>					
101.00	REMOVE 10' HIGH OF EXISTING FENCE	1	LS		
102.00	EXISTING EXCAVATION	1400	CY	\$ 33.00	\$ 46,200.00
103.00	EMBANKMENT		CY		
	<b>EARTHWORK SUBTOTAL</b>				<b>\$ 46,200.00</b>
<b>STREETS</b>					
201.00	FLASHPAVEMENT	12000	SF	7.50	\$ 90,000.00
202.00	BASE COURSE	12000	SF	1.50	\$ 18,000.00
203.00	PAVEMENT	12000	SF	1.50	\$ 18,000.00
204.00	CONCRETE CURB	1000	LF	2.00	\$ 2,000.00
205.00	CONCRETE SIDEWALK	1000	SF	5.00	\$ 5,000.00
	<b>STREETS SUBTOTAL</b>				<b>\$ 133,000.00</b>
<b>DRAINAGE</b>					
301.00	DRAINAGE	2	LS	2500.00	\$ 5,000.00
	<b>DRAINAGE SUBTOTAL</b>				<b>\$ 5,000.00</b>
<b>WATER</b>					
401.00	IRON PIPE 12" DIA. 40' LENGTH	40	LF	3.00	\$ 120.00
402.00	8" PVC WATERLINE	400	LF	5.00	\$ 2,000.00
403.00	2" GALV. SHEET PILING	50	EA	200.00	\$ 10,000.00
404.00	1" GALV. SHEET PILING	10	EA	100.00	\$ 1,000.00
405.00	1" GATE VALVE	1	EA	1,500.00	\$ 1,500.00
406.00	2" GATE VALVE	1	EA	2,000.00	\$ 2,000.00
407.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
408.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
409.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
410.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
411.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
412.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
413.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
414.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
415.00	1" GATE VALVE	1	EA	1,000.00	\$ 1,000.00
	<b>WATER SUBTOTAL</b>				<b>\$ 38,500.00</b>
<b>SANITARY SEWER</b>					
501.00	EXISTING EXCAVATION AND SANITARY PROTECTION	400	LF	4.00	\$ 1,600.00
502.00	8" PVC SANITARY SEWER	400	LF	5.00	\$ 2,000.00
503.00	1" SANITARY SEWER MANHOLE	17	EA	6.00	\$ 102.00
504.00	2" SANITARY SEWER MANHOLE	1	EA	144.00	\$ 144.00
505.00	1" SANITARY SEWER MANHOLE	4	EA	36.00	\$ 144.00
	<b>SANITARY SEWER SUBTOTAL</b>				<b>\$ 3,890.00</b>
<b>MISCELLANEOUS</b>					
601.00	EMERGENCY RESPONSE KIT	1	LS	200.00	\$ 200.00
602.00	CONCRETE CURB (10' X 12")	10	EA	100.00	\$ 1,000.00
603.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
604.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
605.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
606.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
607.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
608.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
609.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
610.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
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613.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
614.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
615.00	CONCRETE SIDEWALK (10' X 12")	10	EA	100.00	\$ 1,000.00
	<b>MISCELLANEOUS SUBTOTAL</b>				<b>\$ 10,000.00</b>
<b>TOTAL</b>					<b>\$ 1,824,844.00</b>

**EXHIBIT C**  
**SURETY BOND**

SURETY BOND  
FOR PERFORMANCE OF SUBDIVISION IMPROVEMENTS

REQUIRED FORMAT

BOND # 100037939

THE STATE OF TEXAS

COUNTY OF BLANCO

KNOW ALL MEN BY THESE PRESENTS, that

Legacy Capital Funding, LLC, having its principal place of business located at 100008 Loxley Lane, Austin, TX 78717 (address, city, state, zip code) as Principal (the "Principal"), and, Merchants National Bonding, Inc. having its principal place of business located at 8700 Westown Parkway, West Des Moines, IA 50266 (address, city, state, zip code), being an entity authorized under the laws of the State of Texas to act as Surety on bonds for principals (the "Surety"), are held and firmly bound unto the City of Johnson City, a Texas Type A General Law Municipality, acting through its duly authorized Chief Administrative Officer, or designee, (the "CITY"), in the sum of One Million Eight Hundred Twenty Four Thousand Eight Hundred Forty Four 00/100 dollars (\$ 1,824,844.00) (the "Fiscal Deposit Amount") for the payment, which, well and truly to be made. Principal and Surety by and through the respective signature(s) of an authorized representative below, warrant and guarantee on behalf of the Principal and Surety, and their respective executors, administrators, heirs, successors, and assigns, jointly and severally, by these presents to realize all obligations as set forth herein:

WHEREAS, the Principal has filed with the CITY that certain subdivision plat commonly known as Homestead at Deer Creek Phase Subdivision, City Case No. \_\_\_\_\_ (the "Subdivision"); and

WHEREAS, the CITY requires the Principal, as a condition of approval and acceptance of the Subdivision, to provide a fiscal deposit as a condition that the Principal will complete those certain required improvements as itemized on Exhibit B of the Improvement Performance Agreement, a copy of which is attached hereto as Exhibit 1 and by this reference incorporated herein (the "Subdivision Improvements").

NOW, THEREFORE, in consideration of value received, Principal and Surety agree as follows:

1. Incorporation by Reference. The foregoing Recitals paragraphs are contractual and not merely recitals and are incorporated by this reference.
2. Release of Fiscal Deposit Amount. In the event the Principal shall furnish, install and complete, under the inspection and to the satisfaction of the CITY and in accordance with the above described Subdivision Improvements, then this obligation shall be void; otherwise, to remain in full force and effect.

3. Payment on Written Demand. In the event the CITY, in its sole discretion, at the direction of Chief Administrative Officer, or designee, in writing, in a form acceptable to the CITY, demand upon the Surety, delivered by US Mail, facsimile, or email, the Surety shall immediately pay and deliver all sums directed by the CITY, up and to the full Fiscal Deposit Amount, payable to the CITY, without presentment of evidence or description in support of the CITY's written demand for payment.

IN WITNESS WHEREOF, Principal and Surety have signed and sealed this instrument this 22nd day of June, 2023.

**PRINCIPAL:**

By: [Signature]  
Authorized Signature  
Printed Name: Jay Patel  
Title: Manastay Pastor  
Address: 10008 Loxley Lane, Austin TX 78717

Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

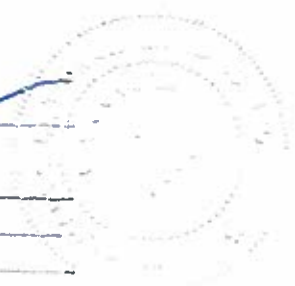
**SURETY:**

By: [Signature]  
Authorized Signature  
Printed Name: Brad Ballew  
Title: Attorney-In-Fact  
Address: P.O. Box 14498, Des Moines, IA 50306

Phone: 512-454-9500  
Email: bballew@ballewsurety.com  
Facsimile: 512-454-9502

**Resident Agent of Surety (If applicable):**

By: [Signature]  
Authorized Signature  
Printed Name: Brad Ballew  
Title: Attorney-In-Fact  
Address: 3802 Manchaca Rd, Austin TX 78704



**MERCHANTS**  
**BONDING COMPANY**  
**POWER OF ATTORNEY**

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, d/b/a Merchants National Indemnity Company (in California only) (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Brad Ballew, David S Ballew

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Authority is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner of Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 8th day of December, 2022.



MERCHANTS BONDING COMPANY (MUTUAL)  
MERCHANTS NATIONAL BONDING, INC.  
d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY

By

*Larry Taylor*  
President

STATE OF IOWA  
COUNTY OF DALLAS ss.

On this 8th day of December, 2022, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC. and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors



*Kim Lee*

Notary Public

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 22nd day of June, 2023.



*William Warner Jr.*  
Secretary

# MERCHANTS BONDING COMPANY

MERCHANTS BONDING COMPANY (MUTUAL) • MERCHANTS NATIONAL BONDING, INC.  
P.O. Box 14498 • Des Moines, Iowa 50306-3498 • (515) 281-8551 FAX

## IMPORTANT NOTICE

### Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

Merchants National Bonding, Inc.

To get information or file a complaint with your insurance company:

Call: Compliance Officer at 800-678-8171

Toll-free: 1-800-678-8171

Email: [regulatory@merchantsbonding.com](mailto:regulatory@merchantsbonding.com)

Mail: P.O. Box 14498, Des Moines, IA 50306 3498

To get insurance information you may also contact your agent:

Surety Agent: Bailew Surety Agency, Inc.

Call: 512-454-9500

Mail: 3802 Menchaca Road, Austin, TX 78704-6734

### The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

**MERCHANTS**  
**BONDING COMPANY**

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P.O. BOX 14498 • DES MOINES, IOWA 50306-3498 • (800) 678-8171 • (515) 243-3854 FAX

**ENDORSEMENT**

It is hereby understood and agreed that Bond No.: 100037939

Principal: Legacy Capital Funding, LLC

Obligee: City of Johnson City

in the Merchants National Bonding, Inc. is changing this bond effective June 22, 2023

FROM:

Surety Bond for Performance of Subdivision Improvements

Incorrect Address for Principal: 100008 Loxley Lane, Austin, TX 78717 (shown on first page of bond)

TO:

Surety Bond for Performance of Subdivision Improvements

Correct Address for Principal: 10008 Loxley Lane, Austin, TX 78717 (amending first page of bond)

All terms and conditions of said bond, except as above changed, to remain the same.

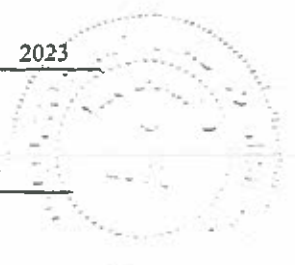
Signed, sealed and dated this 5th day of July, 2023

Merchants National Bonding, Inc.

By Brad Ballew

Brad Ballew  
Attorney-In-Fact

SUP 0018 (2/15)





**MERCHANTS**  
**BONDING COMPANY™**  
**POWER OF ATTORNEY**

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, d/b/a Merchants National Indemnity Company (in California only) (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Brad Ballew; David S Ballew

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 8th day of December, 2022



MERCHANTS BONDING COMPANY (MUTUAL)  
MERCHANTS NATIONAL BONDING, INC.  
d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY

By

*Larry Taylor*  
President

STATE OF IOWA  
COUNTY OF DALLAS ss.

On this 8th day of December 2022, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



*Kim Lee*  
Notary Public

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 5th day of July, 2023.



*William Warner Jr.*  
Secretary

**MERCHANTS**  
**BONDING COMPANY**

MERCHANTS BONDING COMPANY (MUTUAL) • MERCHANTS NATIONAL BONDING INC.  
P.O. Box 11498 • DES MOINES, IOWA 50306-3498 • (800) 678-8171 • (515) 244-3554 FAX

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Merchants National Bonding, Inc.

To get information or file a complaint with your insurance company:

Call: Compliance Officer at 800-678-8171

Toll-free: 1-800-678-8171

Email: [regulatory@merchantsbonding.com](mailto:regulatory@merchantsbonding.com)

Mail: P.O. Box 14498, Des Moines, IA 50306 3498

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Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

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**ENDORSEMENT**

It is hereby understood and agreed that Bond No.: 100037939

Principal: Legacy Capital Funding, LLC

Obligee: City of Johnson City

in the Merchants National Bonding, Inc., is changing this bond effective June 22, 2023

FROM:

The Surety Bond for Performance of Subdivision Improvements original amount of \$1,824,844.00

TO:

The Surety Bond for Performance of Subdivision Improvements amended amount is \$2,007,328.40

All terms and conditions of said bond, except as above changed, to remain the same.

Signed, sealed and dated this 7th day of July, 2023

Merchants National Bonding, Inc.

By Brad Ballew

Brad Ballew,  
Attorney-In-Fact

SUP 0018 (2/15)

# MERCHANTS BONDING COMPANY™

## POWER OF ATTORNEY

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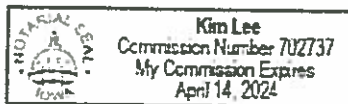
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*William Warner Jr.*  
Secretary

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**BONDING COMPANY**

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Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091



\*VG-20-2024-241131\*

Blanco County  
Laura Walla  
Blanco County Clerk

Instrument Number: 241131

Real Property Recordings

Recorded On: April 09, 2024 01:50 PM

Number of Pages: 22

" Examined and Charged as Follows: "

Total Recording: \$100.00

\*\*\*\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 241131  
Receipt Number: 20240409000014  
Recorded Date/Time: April 09, 2024 01:50 PM  
User: Melody E  
Station: cclerk01

Record and Return To:

RICK SCHRODER



STATE OF TEXAS  
Blanco County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Blanco County, Texas

Laura Walla  
Blanco County Clerk  
Blanco County, TX