

NEW ISSUE – BOOK-ENTRY-ONLY FORM

NOT RATED

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE “TAX MATTERS” FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The District will designate the Bonds as “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”

\$3,824,000*

**KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Karis Municipal Management District of Tarrant County Assessment Revenue Bonds, Series 2024 (the “Bonds”) are being issued by the Karis Municipal Management District of Tarrant County (the “District”). The Bonds will be issued in fully-registered form, without coupons, in authorized principal denominations of \$5,000 and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest from the date of their delivery to the underwriter listed below (the “Date of Delivery”) at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each June 1 and December 1, commencing June 1, 2025, until the earlier of their stated maturity or prior redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, Dallas, Texas, as trustee (the “Trustee”) and paying agent/registrar for the Bonds, to DTC as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The Bonds are being issued by the District pursuant to Chapter 375, Texas Local Government Code, as amended (the “MMD Act”), an order to be adopted by the Board of Directors of the District (the “Board”) on October 22, 2024 (the “Bond Order”), and a trust indenture dated as of November 1, 2024 (the “Indenture”), expected to be entered into by and between the District and the Trustee. See “APPENDIX D—FORM OF TRUST INDENTURE.”

Proceeds of the sale of the Bonds will be used for (i) payment or reimbursement of a portion of the costs of the Authorized Improvements (herein defined) for Improvement Area #1 (herein defined), (ii) funding the Bond Reserve Fund, and (iii) paying the costs of issuance of the Bonds.

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. See “APPENDIX D—FORM OF TRUST INDENTURE.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the District payable from the Pledged Revenues, consisting primarily of certain monies collected from assessments (the “Assessments”) levied against the Assessed Parcels (herein defined) within Improvement Area #1 in accordance with the Service and Assessment Plan (herein defined) and secured solely by the Pledged Revenues and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the caption “THE BONDS—Redemption Provisions.”

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE DISTRICT SECURED ONLY BY THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST ASSESSMENTS UPON REAL PROPERTY WITHIN THE DISTRICT OTHER THAN WITHIN IMPROVEMENT AREA #1, OR THE GENERAL CREDIT OR TAXING POWERS OF THE DISTRICT, TARRANT COUNTY, TEXAS (THE “COUNTY”), THE CITY OF CROWLEY, TEXAS (THE “CITY”), OR THE STATE OF TEXAS (“THE STATE”) AND ARE NOT PAYABLE EXCEPT AS PROVIDED IN THE INDENTURE. THE REGISTERED OWNERS SHALL HAVE NO RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE DISTRICT OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE DISTRICT SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OTHER THAN THE TRUST ESTATE. THE REGISTERED OWNERS SHALL HAVE NO RIGHT TO DEMAND PAYMENT OF THE BONDS OUT OF ANY FUNDS OF THE COUNTY, THE CITY OR THE STATE.

Investment in the Bonds involves a degree of risk and is not suitable for all investors. See “RISK FACTORS.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing and able to bear the risk of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Bonds.

The Bonds are offered for delivery when, as, and if issued by the District and accepted by the Underwriter (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Allen Boone Humphries Robinson LLP, Dallas, Texas, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the Trustee by its counsel, Naman, Howell, Smith & Lee, PLLC, and for the Underwriter by its counsel, McCall, Parkhurst & Horton L.L.P. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about November 20, 2024.

FMSBONDS, INC.

* Preliminary, subject to change.

Financial Advisor:



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time this Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIP NUMBERS

\$3,824,000*
KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)

\$ _____ * **Serial Bonds**

Maturity (12/1)	Principal Amount*	Interest Rate	Initial Reoffering Yield (a)	CUSIP Nos. (b)	Maturity (12/1)	Principal Amount*	Interest Rate	Initial Reoffering Yield (a)	CUSIP Nos. (b)
2025	\$ 64,000	_____	_____	_____	2040 (c)(e)	\$ 127,000	_____	_____	_____
2026	72,000	_____	_____	_____	2041 (c)(e)	133,000	_____	_____	_____
2027	75,000	_____	_____	_____	2042 (c)(e)	139,000	_____	_____	_____
2028	77,000	_____	_____	_____	2043 (c)(e)	145,000	_____	_____	_____
2029	80,000	_____	_____	_____	2044 (c)(e)	152,000	_____	_____	_____
2030	84,000	_____	_____	_____	2045 (c)(e)	159,000	_____	_____	_____
2031 (c)(e)	87,000	_____	_____	_____	2046 (c)(e)	167,000	_____	_____	_____
2032 (c)(e)	90,000	_____	_____	_____	2047 (c)(e)	175,000	_____	_____	_____
2033 (c)(e)	94,000	_____	_____	_____	2048 (c)(e)	184,000	_____	_____	_____
2034 (c)(e)	98,000	_____	_____	_____	2049 (c)(e)	193,000	_____	_____	_____
2035 (c)(e)	102,000	_____	_____	_____	2050 (c)(e)	203,000	_____	_____	_____
2036 (c)(e)	106,000	_____	_____	_____	2051 (c)(e)	213,000	_____	_____	_____
2037 (c)(e)	111,000	_____	_____	_____	2052 (c)(e)	223,000	_____	_____	_____
2038 (c)(e)	116,000	_____	_____	_____	2053 (c)(e)	234,000	_____	_____	_____
2039 (c)(e)	121,000	_____	_____	_____					

\$ _____ * **Term Bonds**

\$ _____ * Term Bonds due December 1, 20__ (c)(d)(e), Interest Rate ___% (Price: \$_____) (a), CUSIP No. _____ (b)
 \$ _____ * Term Bonds due December 1, 20__ (c)(d)(e), Interest Rate ___% (Price: \$_____) (a), CUSIP No. _____ (b)

- (a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriter. Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lesser of the yield resulting when priced to maturity or the first optional redemption date.
- (b) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the District, the Underwriter or their agents or counsel shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (c)* The Bonds maturing on December 1, 2031, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or in part from time to time, on November 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See “THE BONDS—Redemption Provisions—*Optional Redemption*.”
- (d)* Subject to mandatory sinking fund redemption by lot or other customary method of random selection on December 1 in the years and in the amounts set forth herein under the caption “THE BONDS—Redemption Provisions—*Mandatory Sinking Fund Redemption*.”
- (e) The Bonds are also subject to extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS—Redemption Provisions—*Extraordinary Optional Redemption*.”

* Preliminary, subject to change.



USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as amended and in effect on the date of this Preliminary Official Statement, this document constitutes an Official Statement of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by the Rule.

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in the Rule.

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such laws. The registration or qualification of the Bonds under the securities laws of any jurisdiction in which they may have been registered or qualified, if any, shall not be regarded as a recommendation thereof. None of such jurisdictions, or any of their agencies, have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

None of the District, the Underwriter, or the Financial Advisor make any representation or warranty with respect to the information contained in this Official Statement regarding DTC or its Book-Entry-Only System or the information regarding the Developer (herein defined), the development status of the District, or homebuilders in the District.

THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE DISTRICT AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED TO BE RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS AND IS NOT TO BE CONSTRUED AS THE PROMISE, GUARANTEE OR REPRESENTATION OF THE DISTRICT OR THE UNDERWRITER. THE DISTRICT WILL NOT COVENANT NOR BE OBLIGATED TO PAY THE DEBT SERVICE ON THE BONDS FROM ANY FUNDS RAISED FROM ASSESSMENTS UPON REAL PROPERTY WITHIN AREAS OF THE DISTRICT OTHER THAN IMPROVEMENT AREA #1 OR FROM TAXATION OR FROM ANY OTHER REVENUES AVAILABLE TO THE DISTRICT OTHER THAN THOSE DESCRIBED HEREIN. NO REPRESENTATION IS MADE THAT THE PAST EXPERIENCE SHOWN BY SUCH INFORMATION WILL NECESSARILY CONTINUE OR BE REPEATED IN THE FUTURE. THIS OFFICIAL STATEMENT CONTAINS, IN PART, ESTIMATES AND MATTERS OF OPINION WHICH ARE NOT INTENDED AS STATEMENTS OF FACT, AND NO REPRESENTATION IS MADE AS TO THE CORRECTNESS OF SUCH ESTIMATES AND OPINIONS, OR THAT THEY WILL BE REALIZED. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE DISTRICT OR THE UNDERWRITER AND THE PURCHASERS OR HOLDERS OF ANY OF THE BONDS. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR IN THE INFORMATION OR OPINIONS SET FORTH HEREIN, SINCE THE DATE OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined, in the Rule.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL

RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SALE AND DISTRIBUTION OF THE BONDS

The Underwriter

The Bonds are being purchased, subject to certain conditions, pursuant to a bond purchase agreement (the "Bond Purchase Agreement") between the District and FMSbonds, Inc. (the "Underwriter") at a purchase price of \$_____ (being the par amount of the Bonds, plus/less a net original issue premium/discount on the Bonds of \$_____, and less an Underwriter's discount of \$_____).

The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds, the Underwriter will be obligated to purchase all of the Bonds. Subject to certain conditions contained in the Bond Purchase Agreement, Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriter in its sole discretion. See "—Prices and Marketability" below.

Prices and Marketability

The District has no control over the reoffering yields or prices of the Bonds or over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. Otherwise, the District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the United States Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdictions. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds should not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND INSURANCE AND RATINGS

The District has not made an application for either a commitment for municipal bond guaranty insurance or a municipal bond credit rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving either a commitment for municipal bond insurance or an investment grade municipal bond credit rating on the Bonds.

\$3,824,000*
KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)

SUMMARY

The following is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with the more complete information contained herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein.

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture (herein defined). See "APPENDIX D—FORM OF TRUST INDENTURE."

The following introductory information is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

Issuer The Karis Municipal Management District of Tarrant County (the "District") is a conservation and reclamation district of the State of Texas, created pursuant to an order (the "Order") of the Texas Commission on Environmental Quality (the "TCEQ") issued February 19, 2019, operating pursuant to Article III, Section 52 and Article XVI, Section 59, Texas Constitution; the general laws of the State of Texas, including Chapter 375, Texas Local Government Code (the "MMD Act") and Chapter 49, Texas Water Code; and Chapter 8026A, Texas Special District Local Laws Code (the "District Act"). The District has powers conferred by the MMD Act, including those under Chapter 54, Texas Water Code, and is empowered, among other things, to acquire, construct, complete, develop, own, operate and maintain permanent improvements and provide services that directly benefit property in the District, regardless of whether the improvements or services are located inside or outside its boundaries, including water, sanitary sewer, drainage and road improvements. Furthermore, the District may undertake an improvement project or service that confers a special benefit on all or a definable area in the District and levy and collect a special assessment on such benefited property therein in accordance with the MMD Act to fund or secure the financing of the construction, acquisition, improvement, relocation, operation, maintenance or provision of various improvement projects, including parks, landscaping and recreational areas. The District is located wholly within the corporate limits of the City of Crowley, Texas (the "City"), within Tarrant County, Texas, and contains approximately 569.8 gross acres of land. The phases of the District benefitting from the Authorized Improvements (as defined herein) ("Improvement Area #1") funded by the Bonds (as defined herein) consist of approximately 83.77 acres developed as 324 single-family residential lots. Improvement Area #1 consists of Karis, Phases 1A, 1B and 1C (the "Assessed Parcels"), which are all part of a larger master-planned community known as "Karis" as described herein. See "THE DISTRICT."

Issue The District's \$3,824,000* Assessment Revenue Bonds, Series 2024 (the "Bonds") are being issued by the District pursuant to the MMD Act, an order to be adopted by the Board on October 22, 2024 (the "Bond Order"), and a trust indenture dated as of November 1, 2024 (the "Indenture"), entered into by and between the District and BOKF, NA, Dallas, Texas, as trustee (the "Trustee") and paying agent/registrant for the Bonds. Interest accrues on the Bonds from the date of delivery of the Bonds, at the rates set forth on the inside cover, and is payable June 1, 2025, and each December 1 and June 1 thereafter until the earlier of their stated maturity or prior redemption. The Bonds maturing on and after December 1, 2031*, are subject to redemption, in whole or from time to time in part, at the option of the District, at any time

* Preliminary, subject to change.

on or after November 1, 2030*, at the par value thereof plus accrued interest to the date fixed for redemption. The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption. See “THE BONDS—Redemption Provisions.”

Sources of Payment..... The Bonds are special, limited obligations of the District secured by a pledge of and lien on the Pledged Revenues, consisting of certain monies collected from assessments (the “Assessments”) levied against the Assessed Parcels within Improvement Area #1 in accordance with the Service and Assessment Plan (herein defined) and other funds comprising the Trust Estate pledged under the Indenture, all to the extent and upon the conditions described therein. The Bonds are payable from the Pledged Revenues. Assessments on properties in the District outside of Improvement Area #1 and taxes levied on property in the District do not constitute security for the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Authority of Issuance The Bonds are being issued pursuant to the MMD Act, the Bond Order, and the Indenture. See “THE BONDS—Authorization and Purpose” and “APPENDIX D—FORM OF TRUST INDENTURE.”

Additional Bonds The District shall not issue additional bonds secured by the Trust Estate on parity with or superior to the Bonds, other than refunding bonds, the proceeds of which would be used to refund all or a portion of the Bonds and to pay all costs incident to the issuance of such refunding bonds.

Use of Principal Proceeds Proceeds from the sale of the Bonds will be used for (i) payment or reimbursement of a portion of the costs of project improvements benefiting Improvement Area #1 (the “Authorized Improvements”), (ii) funding the Bond Reserve Fund, and (iii) paying the costs of issuance of the Bonds. See “SOURCES AND USES OF FUNDS” and “APPENDIX D—FORM OF TRUST INDENTURE.”

Tax Exemption..... In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for the purpose of determining the alternative minimum tax imposed on corporations. See “TAX MATTERS” herein for a discussion of the opinion of Bond Counsel.

Qualified Tax Exemption Obligations..... The District will designate the Bonds as “Qualified Tax-Exemption Obligations” for financial institutions.

Municipal Bond Rating and Insurance The District has not applied for, nor would it expect to receive or qualify for, an investment grade municipal bond rating or municipal bond guaranty insurance on the Bonds. THE BONDS ARE NOT RATED BY ANY RATING SERVICE.

Bond Counsel & General Counsel..... Allen Boone Humphries Robinson LLP, Dallas, Texas. See “LEGAL MATTERS” and “TAX MATTERS.”

Financial Advisor..... Robert W. Baird & Co. Incorporated, Dallas, Texas.

Underwriter’s Counsel..... McCall, Parkhurst & Horton, L.L.P., Dallas, Texas.

Assessment Administrator 30 Three Sixty Public Finance, Inc., Carlsbad, California.

IMPROVEMENT AREA #1

Description The land within the District is being developed in phases. Improvement Area #1 to be served by the Authorized Improvements funded by the Bonds encompasses approximately 83.77 acres developed as the Assessed Parcels. See “THE DISTRICT.”

Development Within Improvement

Area #1 Improvement Area #1 consists of approximately 83.77 acres developed as 324 single-family residential lots. As of August 31, 2024, there were 69 completed homes (55 occupied homes, 8 unoccupied homes, and 6 model homes), 41 homes under construction, and 214 vacant developed lots (finished lots ready for homebuilding) within Improvement Area #1. Offsite water supply and wastewater treatment capacities and retail water and wastewater service for the District are provided by the City. Streets and utilities have been completed to serve the Assessed Parcels within Improvement Area #1.

Summary of the Service and Assessment

Plan..... The Service and Assessment Plan was prepared at the direction of the Board and identifies the Authorized Improvements to be financed, the estimated costs of the Authorized Improvements, the indebtedness to be incurred to finance the Authorized Improvements, and the manner of assessing the Assessed Parcels within Improvement Area #1 for the cost of the Authorized Improvements. A Service and Assessment Plan was adopted for Karis, Phases 1A, 1B, and 1C on October 31, 2023 (the “Service and Assessment Plan”). The Service and Assessment Plan requires annual updates, including updates to the service plans, updates to the assessment plans, and updates to the corresponding assessment rolls identifying the assessments on each parcel, based on the method set forth in the Service and Assessment Plan. The Bonds shall finance a portion of the Authorized Improvements benefiting Improvement Area #1 with an estimated total project cost of \$3,740,397. The amount of the Assessments is based on the estimated buildout value for each lot type. See “SUMMARY OF THE SERVICE AND ASSESSMENT PLAN—Assessment Amounts of the Estimated Improvement Area #1 Project Costs.”

The Karis Development..... Improvement Area #1 is part of a larger residential master-planned community known as “Karis.” Karis consists of approximately 569.8 acres and is located in the City, bounded generally by the Burlington Northern and Santa Fe Railroad on the east and the residential subdivision additions of Country Creek Estates, Holy Place, and Quail Creek on the south. Development within the Karis, including the District, is planned for single-family residential, two amenity centers, and an elementary school. To-date, all development within Karis, including the District, has occurred within Improvement Area #1. As of August 31, 2024, there were approximately 69 completed homes, 41 homes under construction, and 214 vacant developed lots within Karis, including the District. Additionally, the first amenity center is currently under construction within Karis, Phase 1A and an elementary school is currently under construction within Karis, Phase 1C. The remaining land within Karis, including the District, is comprised of approximately 421.19 acres for future development and approximately 64.84 acres of undevelopable land. See “THE KARIS DEVELOPMENT—The Karis Development and the Development Plan.”

The Developer and Principal Landowner..... CH TNC Karis Owner, LLC (the “Developer”) is a limited liability corporation managed by The Nehemiah, LLC (“Nehemiah”). Nehemiah is in the business of managing and developing real property, including residential communities. As of August 31, 2024, the Developer owned approximately 177 of the 324 Assessed Parcels within Improvement Area #1 and is responsible for payment of Assessments on such Assessed Parcels. The remaining 147 Assessed Parcels are owned by homeowners and homebuilders. See “THE DEVELOPER AND PRINCIPAL LANDOWNER.”

Homebuilders The Developer has entered into contracts for the purchase of developed lots within Improvement Area #1 with Cadence Homes, Village Homes, Highland Homes, David Weekley Homes and Chesmar Homes. The contracts require each such homebuilder to deposit earnest money in amounts ranging from 3% to 8% of the contracted lot price with a title company. According to the Developer, each of the homebuilders is in compliance, in all material

respects, with their respective lot-sales contracts. Homes being built within Improvement Area #1 range in price from approximately \$279,000 to \$571,000 and in square footage from approximately 1,553 to 3,575. See "IMPROVEMENT AREA #1—Homebuilders Within Improvement Area #1."

RISK FACTORS

THE ASSESSMENTS SECURING THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS ARE LEVIED ONLY ON ASSESSED PARCELS WITHIN IMPROVEMENT AREA #1. ANY ASSESSMENTS ON REAL PROPERTY WITHIN THE DISTRICT OTHER THAN THE ASSESSED PARCELS WITHIN IMPROVEMENT AREA #1 ARE NOT PLEDGED TO SECURE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS. THEREFORE, THE INVESTMENT SECURITY AND QUALITY OF THE BONDS ARE DEPENDENT UPON THE PAYMENT AND COLLECTION OF THE ASSESSMENTS ON ASSESSED PARCELS WITHIN IMPROVEMENT AREA #1.

INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN RISK FACTORS. PROSPECTIVE PURCHASERS SHOULD REVIEW THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING AN INVESTMENT DECISION, INCLUDING PARTICULARLY THE SECTION OF THE OFFICIAL STATEMENT ENTITLED "RISK FACTORS."

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\$3,824,000*
KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)

INTRODUCTION

The purpose of this Official Statement is to provide certain information in connection with the issuance and sale by the Karis Municipal Management District of Tarrant County (the "District") of its \$3,824,000* Assessment Revenue Bonds, Series 2024 (the "Bonds").

Reference is made to the Indenture (herein defined) for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings set forth in the Indenture. See "APPENDIX D—FORM OF TRUST INDENTURE."

This Official Statement also includes information about the District and certain reports and other statistical data. The presentation of information, including tables of receipts from assessments and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

Set forth herein are brief descriptions of the District, the Assessment Order (herein defined), the Bond Order (herein defined), the Indenture, Karis (herein defined), and the Developer (herein defined). All references herein to such documents and to Chapter 375, Texas Local Government Code, as amended (the "MMD Act"), and Chapter 8026A, Texas Special District Local Laws Code, as amended (the "District Act"), are qualified in their entirety by reference to such documents, the MMD Act, or the District Act, and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture.

RISK FACTORS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or the Bonds may not be paid at maturity or otherwise as scheduled. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

General

The ability of the District to pay debt service on the Bonds as due is subject to various factors that are beyond the District's control. These factors include, among others, (a) the ability or willingness of the owners of Assessed Parcels (herein defined) within Improvement Area #1 (herein defined) to pay Assessments (herein defined) levied by the District, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against the Assessed Parcels within Improvement Area #1, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the Assessed Parcels within Improvement Area #1, it being understood that poor economic conditions within the District, Tarrant County, Texas (the "County"), the City of Crowley, Texas (the "City"), the State of Texas (the "State"), and the region may slow the assumed pace of sales of such Assessed Parcels.

The rate of construction of homes on the Assessed Parcels within Improvement Area #1 is directly related to the vitality of the residential housing industry. In the event that improvement of the Assessed Parcels within Improvement Area #1 with homes and their subsequent sale should proceed more slowly than expected and the owner is unable to pay the Assessments, only the value of the lot and any improvements will be available for payment of the debt service on the Bonds,

* Preliminary, subject to change.

and such value can only be realized through the foreclosure or expeditious liquidation of the Assessed Parcels. There can be and there is no assurance that the value of the Assessed Parcels within Improvement Area #1 will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Bonds, which are limited, special revenue obligations of the District and are not the obligation of the County, the City, the State, or any other political subdivision thereof, are secured solely by the Pledged Revenues and other funds comprising the Trust Estate. The owners of the Bonds ("Registered Owners") shall never have the right to demand payment thereof out of any funds of the District, the County, the City, or the State other than the Pledged Revenues as and to the extent provided in the Indenture. The District shall have no legal or moral obligation to pay the Bonds out of any funds other than the Pledged Revenues and other funds comprising the Trust Estate. The Pledged Revenues are derived from the Assessments levied by the District against the Assessed Parcels within Improvement Area #1. The ultimate security for payment of the principal of and interest on the Bonds depends on the ability of the owners of Assessed Parcels within Improvement Area #1 to pay the Assessments and the ability of the District to collect Assessments on the Assessed Parcels or, in the event Assessments are not collected and foreclosure proceedings are instituted on the Assessed Parcels on behalf of the District, upon the value of the Assessed Parcel which is subject to such Assessments. The District does not make any representations that over the life of the Bonds that the Assessed Parcels within Improvement Area #1 will maintain values sufficient to justify continued payment of Assessments by the owners of Assessed Parcels.

The Underwriter is not obligated to repurchase any of the Bonds, and no representation is made by the Underwriter or the District that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The District has not applied for or received a municipal bond credit rating on the Bonds. The absence of a municipal bond credit rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Risks Related to the Current Real Estate Market

The rate of construction of homes on the Assessed Parcels within Improvement Area #1 is directly related to the vitality of the single-family housing in the northern metropolitan area of the State, particularly in the price range of approximately \$279,000 to \$571,000 for homes on the Assessed Parcels. New single-family residential construction can be significantly affected by factors such as interest rates, construction costs, job creation in the vicinity and consumer demand. Decreased levels of single-family residential construction would restrict home construction on the Assessed Parcels within Improvement Area #1. The District cannot predict the pace or magnitude of any future home construction in Improvement Area #1. See "IMPROVEMENT AREA #1—Homebuilders Within Improvement Area #1."

Competition

The housing industry in the Dallas-Fort Worth metropolitan area of Texas is very competitive, and neither CH TNC Karis Owner, LLC (the "Developer"), nor the District can give any assurance that the building programs on the Assessed Parcels within Improvement Area #1 which are underway will continue. The competitive position of the Developer in the sale of developed lots or of any homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section and such competitive position is directly related to maintenance of market values in the District. A sample of competitive projects near the District is below:

<u>Project Name</u>	<u>Proximity to District</u>	<u>Developer/Builders</u>	<u>Expected Home Sales Prices</u>	<u>Expected Total # of Units</u>
Ventana	15 miles	PMB Developer	\$300,000s - \$600,000s	1,800
M3 Ranch	17 miles	Hanover Property Company	\$400,000s - \$700,000s	1,868
South Pointe	20 miles	North Rock Real Estate	\$500,000s - \$1,000,000+	1,400
Walsh	23 miles	Republic Property Group	\$300,000s - \$1,000,000+	15,000
Morningstar	24 miles	Lackland Holdings	\$300,000s - \$600,000s	2,350
Somerset	21 miles	Hanover/Bloomfield	\$400,000s - \$700,000s	1,008
Goodland	23 miles	Provident Realty Advisors	\$300,000s - \$800,000+	4,500
Silo Mills	16 miles	Silo Mills Development	\$300,000s - \$500,000s	2,272
Llano Springs	6 miles	Wilbow	\$300,000s - \$400,000s	700

There can be no assurances that other similar projects will not be developed in the future or that the existing projects will not be updated or otherwise able to compete with the District.

Completion of Homes

The cost and time for completion of homes by the homebuilders is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market

and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Absorption Rates

There can be no assurance that the Developer will be able to achieve its anticipated lot absorption rates. Failure to achieve the estimated lot absorption rates may adversely affect the estimated value of Improvement Area #1 of the District, could impair the economic viability of Improvement Area #1 of the District, and could reduce the ability or desire of property owners to pay the Assessments.

Dependence on Major Assessment Payers and the Developer

The ability of any principal assessment payer to make full and timely payment of Assessments levied against the Assessed Property in Improvement Area #1 of the District will directly affect the District's ability to meet its debt service obligations regarding the Bonds. As illustrated in this Official Statement under the caption "Table 5—Principal Assessment Payers", as shown in the appraisal roll certified on July 25, 2024, the Developer owned 60.36% of the land within Improvement Area #1 and is responsible for 60.36% of Improvement Area #1 Assessments. If the Developer were to default in or substantially delay full and timely payment of the Assessments in an amount which exceeds funds otherwise available for debt service, the ability of the District to timely meet its debt service obligations on the Bonds would be impacted. There is no commitment by or legal requirement of the Developer, or any other landowner, to the District to proceed at any particular rate with development or sale of land within Improvement Area #1, or of any homebuilder to proceed at any particular pace of construction of homes in Improvement Area #1. In the event of delinquency in the payment of any Assessments by the Developer or home builder, the District is empowered to institute an action in state district court to foreclose on its lien of such delinquent installment of Assessment. In the event a foreclosure is necessary, there could be a delay in payments of debt service on the Bonds pending prosecution of the foreclosure proceedings and receipt by the District of the proceeds of the foreclosure sale. See "—Judicial Foreclosures," "—Priority of an Assessment Lien in Foreclosure," "SUMMARY OF THE SERVICE AND ASSESSMENT PLAN—Table 5—Principal Assessment Payers," and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Foreclosure Proceedings."

Risks Related to Current Increase in Costs of Building Materials

If the construction costs associated with completing homes in Improvement Area #1 are substantially higher than the estimated costs or if the homebuilders within Improvement Area #1 are unable to access building materials in a timely manner, it may affect the ability of such homebuilders in Improvement Area #1 to complete the construction of homes or pay the Assessments when due. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of Improvement Area #1.

Bankruptcy

The payment of Assessments and the ability of the District to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

Although bankruptcy proceedings would not cause the lien to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full. See "—Priority of an Assessment Lien in Foreclosure" below.

Assessment Limitations

Under the provisions of the Service and Assessment Plan (hereinafter defined), the Assessments, or any installments thereof, from which funds for the payment of installments of principal of and interest on the Bonds are derived, will be billed, to the extent possible, to properties against which Assessments have been levied, on the property tax bills sent to owners of such properties by the Tax Assessor/Collector (hereinafter defined). Under the Service and Assessment Plan, such assessment installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem property taxes. Additionally, Assessments are payable in annual installments established by the Service and Assessment Plan (herein defined) to correspond approximately to debt service on the Bonds in each year. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "APPENDIX E—THE SERVICE AND ASSESSMENT PLAN." It should be noted that the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and annual installment of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that annual installments of Assessments on the Assessed Parcels within Improvement Area #1 are paid in a timely manner. Should the annual installments of Assessments not be paid on time, the District has established a Bond Reserve Fund and a Delinquency and Prepayment Reserve Account within its Bond Fund to cover delinquent or slow payment of Assessments. The Assessments are secured by a lien on the Assessed Parcels within Improvement Area #1 and the District will make its best lawful efforts to institute foreclosure proceedings as soon as practicable to sell Assessed Parcels with delinquent assessment installments for amounts sufficient to cover such delinquent installments of Assessments in order to obtain funds to pay debt service on the Bonds. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Bond Reserve Fund and Delinquency and Prepayment Reserve Account and to avoid delayed payments of debt service on the Bonds, and there can be no assurance that in a lien foreclosure prior accrued assessment installments will not be extinguished. See “—Bankruptcy” and “—Priority of an Assessment Lien in Foreclosure” herein.

Failure by owners of the Assessed Parcels within Improvement Area #1 to pay Assessments when due, depletion of the Delinquency and Prepayment Reserve Account and the Bond Reserve Fund, delay in foreclosure proceedings, or the inability of the District to sell Assessed Parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such Assessed Parcels may result in the inability of the District to make full or punctual payments of debt service on the Bonds.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the District has covenanted in the Indenture to prosecute such actions diligently in the event of nonpayment of Assessments. In the event a foreclosure is necessary, there could be a delay in payments to Registered Owners pending prosecution of the foreclosure proceedings and receipt by the District of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the District assessment lien would stand subordinate to any liens that attached to the property prior to the Assessment lien and any claims for delinquent taxes against all or part of the same property. As such, the proceeds of any sale of the Assessed Parcels within Improvement Area #1 available to pay debt service on the Bonds may be limited by the existence of other liens on the property, including, but not limited to, the existing mortgage lien on the Developer's property within Improvement Area #1, the HOA (hereinafter defined) assessment, any mortgage liens securing homebuilder financing, and any mortgage financing liens in connections with home sales, any of which attached prior to the Assessment lien would be considered superior to the Assessment lien, as more particularly described under “—Priority of an Assessment Lien in Foreclosure” below, “OVERLAPPING TAXES,” “OVERLAPPING TAX AND DEBT INFORMATION APPLICABLE TO THE ASSESSED PARCELS” and “THE DEVELOPER AND PRINCIPAL LANDOWNER—Developer Financing.” Collection of delinquent taxes and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

Priority of an Assessment Lien in Foreclosure

Assessments constitute a lien against an Assessed Parcel. The owner of any Assessed Parcel within Improvement Area #1 may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

With respect to the Assessments' priority as to other encumbrances, the Assessment would be superior to a mortgage lien on an Assessed Parcel within Improvement Area #1 and would survive the foreclosure of such a lien only if the Assessment lien attached prior to that of the mortgage. Further, pursuant to a Texas Attorney General Opinion (GA-0237), the Assessment can be enforceable by foreclosure against a homestead only if the Assessment lien attached to such property before it became a homestead and the amounts to be collected fall within the Assessment lien's scope.

The existing mortgage lien on the Developer's property within Improvement Area #1, which lien attached prior to the Assessment lien, would be considered superior to and would have priority over the Assessment lien on any Assessed Parcel within such property. See “—Dependence on Major Assessment Payers and the Developer” and “—Judicial Foreclosure” above and “THE DEVELOPER AND PRINCIPAL LANDOWNER—Developer Financing.”

In addition, the Developer has indicated that 16 developed lots owned by homebuilders within Improvement Area #1 were purchased prior to recording of the Assessment Order and resulting attachment of the Assessment lien; thus any mortgage lien securing homebuilder financing on any such Assessed Parcel likewise would be considered superior to and have priority over the Assessment lien.

According to the Developer, the Karis Homeowners' Association (“HOA”) assessment was established prior to attachment of the Assessment lien; therefore, such HOA lien would be considered superior to and would have priority over the Assessment lien as to any Assessed Parcel.

Additionally, the Developer has indicated that two home sales to end-user homeowners were closed within Improvement Area #1 prior to attachment of the Assessment lien. To the extent that the purchase of either home was financed with mortgage security or such homebuilders otherwise obtained financing for their homebuilding activities secured by a mortgage on such lots, and if any such liens attached prior to the Assessment lien, the mortgage lien on such home would be considered superior to and would have priority over the Assessment lien. Further, to the extent that these two homes were homesteads at the time of assessment, the Assessment would not be enforceable by foreclosure against such homes (see above discussion of Texas Attorney General Opinion GA-0237).

Direct and Overlapping Indebtedness and Taxes

The ability of an owner of an Assessed Parcel within Improvement Area #1 to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. The District and other public entities whose boundaries overlap the Assessed Parcels within Improvement Area #1 impose additional ad valorem taxes on the Assessed Parcels. See "OVERLAPPING TAXES" and "OVERLAPPING TAX AND DEBT INFORMATION APPLICABLE TO THE ASSESSED PARCELS." Any lien created on the Assessed Parcels within Improvement Area #1 through the levy of ad valorem taxes is superior and paramount to that of the Assessments securing the Bonds. The imposition of additional superior and paramount liens, or for that matter subordinate liens for private financing, may reduce the ability or willingness of the landowners to pay the Assessment. In that event, there could be a default in the payment of the Bonds.

In Karis, the competitive position of the Developer in the sale of Assessed Parcels within Improvement Area #1 to homebuilders or of any homebuilder in the construction and sale of homes on the Assessed Parcels may be negatively affected by the total amount of direct and overlapping taxes and assessments on the Assessed Parcels. In addition to the ad valorem taxes levied by the County, the City, Crowley Independent School District, Tarrant County Hospital District, and Tarrant County College District, the Assessed Parcels within Improvement Area #1 are also subject to the District's ad valorem taxes (the District levied a total tax rate of \$0.46 per \$100 of taxable assessed valuation for the 2024 tax year), the Annual Installments of approximately \$0.220998 per \$100 of assessed valuation (the weighted average annual installment equivalent based on current estimated annual installments and the estimated completed home values present in the Service and Assessment Plan), and the HOA annual assessment of \$1,140. For example, in addition to taxes levied by the County, the City, Crowley Independent School District, Tarrant County Hospital District, and Tarrant County College District, the purchaser of a home within Improvement Area #1 valued at \$289,725 (the 2024 average homestead value within the District) and built upon an Assessed Parcel with a 50' minimum pad width (50' lot) would pay on average an estimated additional \$3,575 annually in District taxes, Assessments, and HOA assessments to live in Karis. See "OVERLAPPING TAXES" and "OVERLAPPING TAX AND DEBT INFORMATION APPLICABLE TO THE ASSESSED PARCELS."

Risk from Weather Events

All of the State, including the District, is subject to extreme weather events that can cause loss of life and damage to property through droughts, strong winds, hurricanes, tropical storms, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on land within the District and Improvement Area #1.

Certain events described above may become more extreme or frequent due to climate change caused by human activities. The effects of climate change could include more variable weather patterns, which can lead to longer and more severe droughts as well as increased risk of flooding.

In the event of a severe natural disaster, there may be significant damage to both property and infrastructure in the District, including Improvement Area #1. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Assessments when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Assessments.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The District has not independently verified, and

is not aware, that the owner (or operator) of any of the parcels within Improvement Area #1 has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #1 resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel that is realizable upon a foreclosure.

Depletion of Bond Reserve Fund

Failure of the owners of Assessed Parcels within Improvement Area #1 to pay the Assessments when due could result in the rapid, total depletion of the Bond Reserve Fund prior to replenishment from the resale of Assessed Parcels upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of, and interest on, the Bonds if sufficient amounts are not available in the Bond Reserve Fund.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Trustee (herein defined) may proceed, and upon the written request of the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then outstanding shall proceed to protect and enforce its rights and the rights of the Registered Owners under the Bond Order and the Indenture by such suits, actions or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific performance or injunctive relief. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of specific performance has to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property, including the District's General Fund. Further, the Registered Owners cannot themselves foreclose on the Assessed Parcels within Improvement Area #1 or sell the Assessed Parcels in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its assessment lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "—Bankruptcy Limitation to Registered Owners' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within Improvement Area #1 pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes or Assessments against such taxpayer. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition taxes and assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court. In addition to the automatic stay against collection of delinquent taxes and assessments afforded a taxpayer during the pendency of bankruptcy, a bankruptcy could affect payment of taxes and Assessments in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes and Assessments for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce the amount of any taxes or Assessments assessed against the debtor, including taxes and Assessments that have already been paid.

The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3rd 325 (Tex. 2006), that a waiver of governmental immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the State legislature has effectively waived the District's governmental immunity from a suit for money damages, Registered Owners may not be able to bring such a suit against the District for breach of the Bonds or covenants in the Indenture. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the assessment lien on taxable property to pay the principal of and interest on the Bonds.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 59 Tex. Sup. Ct. J. 524 (Tex. 2016) that governmental immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. State jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in considering municipal breach of contract cases, it is incumbent on the courts to determine whether a function is proprietary or governmental based upon the common law and statutory guidance. Issues related to the applicability of governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based

on the facts and circumstances surrounding the contract in question. Chapter 1371, Texas Government Code (“Chapter 1371”), which pertains to the issuance of public securities by issuers such as the District, permits the District to waive sovereign immunity in the proceedings authorizing its bonds. In connection with the issuance of the Bonds, the District is not using the authority provided by Chapter 1371 and has not waived sovereign immunity in the proceedings authorizing the Bonds.

Bankruptcy Limitation to Registered Owners’ Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of State law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946, if the District (1) is generally authorized to file for federal bankruptcy protection by State law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. The Bond Order and the Indenture do not provide for the appointment of a bankruptcy trustee to represent the interest of the holders of the Bonds upon any failure of the District to perform in accordance with the terms of the Bond Order or the Indenture, or upon any other condition.

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the District is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, and (5) the plan is in the best interests of creditors and is feasible. The rights and remedies of the Registered Owners would be adjusted in accordance with the confirmed plan of adjustment of the District’s debt.

Continuing Compliance with Certain Covenants

The Indenture contains covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure by the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds become taxable retroactively to the date of original issuance. See “TAX MATTERS.”

Dependence Upon Developer and Related Entities

As of August 31, 2024, the Developer owned approximately 177 of the 324 Assessed Parcels within Improvement Area #1 subject to Assessments securing the payment of the Bonds, and currently has the largest percentage obligation of any entity for payment of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the District to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the District to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds. The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds.

Developer’s Obligation to the District

There is no commitment by or legal requirement of the Developer, or any other landowner to the District, to proceed at any particular rate or according to any specified plan with the development of land in the District. Moreover, there is no restriction on any landowner’s right to sell its land. The Developer is under no obligation to purchase such land. Therefore, the District can make no representation about the probability of future development, if any, in the District. Failure to construct taxable improvements on developed land would restrict the rate of growth of taxable values in the District and may result in higher ad valorem tax rates. In 2023 and prior years, the Developer provided funding for up to 100% of the operating budget of the District and the District was heavily dependent, if not entirely dependent, on contributions from the Developer for its operating budget. With the levy of an annual ad valorem tax for maintenance and operations purposes, the District expects to eliminate the need for Developer advances in the future but can make no assurances as to the timing of such elimination. There can be no assurances given as to the financial ability of the Developer to advance any funds to the District to supplement ad valorem tax or as to whether the Developer actually will advance such funds if and to the extent necessary to maintain a “competitive” District tax rate. See “THE KARIS DEVELOPMENT” and “THE DEVELOPER AND PRINCIPAL LANDOWNER.”

No Acceleration

The Indenture provides that the Bonds will not be subject to acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture, or in fact under any circumstances.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a Registered Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than

that paid by the current Registered Owners of the Bonds, depending on the progress of development of the Assessed Parcels within Improvement Area #1, existing real estate and financial market conditions, and other factors.

No Credit Rating

The District has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Potential Early Redemption of Bonds from Prepayments or Other Sources

The owner of any property assessed in Improvement Area #1 of the District may voluntarily prepay the Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Such prepayments may result in a redemption of Bonds, at the option of the District, for which timely notice may be given under the Indenture following receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See “THE BONDS—Redemption Provisions—*Extraordinary Optional Redemption*.”

THE BONDS

Authorization and Purpose

The Bonds are being issued by the District pursuant to the MMD Act, an order to be adopted by the Board of Directors of the District (the “Board”) on October 22, 2024 (the “Bond Order”), and a trust indenture dated as of November 1, 2024 (the “Indenture”), expected to be entered into by and between the District and BOKF, NA, Dallas, Texas, as trustee (the “Trustee”) and paying agent/registrant for the Bonds (the “Paying Agent/Registrar”). See “APPENDIX D—FORM OF TRUST INDENTURE.” Proceeds from the sale of the Bonds will be used for (i) payment or reimbursement of a portion of the costs of the Authorized Improvements (herein defined) for Improvement Area #1, (ii) funding the Bond Reserve Fund, and (iii) paying the costs of issuance of the Bonds. See “SOURCES AND USES OF FUNDS.”

General Description

The Bonds will be dated as of the date of delivery of the Bonds to the Underwriter (the “Date of Delivery”) and will bear interest from the Date of Delivery at the rates and will mature on the dates and in the amounts, all as set forth on the inside cover.

Interest on the Bonds will be paid semiannually on June 1 and December 1 of each year (each an “Interest Payment Date”), commencing June 1, 2025. The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from their Date of Delivery, calculated on the basis of a 360-day year of twelve 30-day months. The principal of and interest on the Bonds are payable in lawful money of the United States. Amounts due on the Bonds will be paid by check mailed to the Owner thereof at such Owner’s address as it appears on the bond registration books at the close of business on the fifteenth day of the calendar month next preceding an interest payment date, regardless of whether such day is a business day (the “Record Date”).

Beneficial ownership interests may be purchased through the facilities of The Depository Trust Company, New York, New York (“DTC”), in book-entry-only form initially in amounts of \$5,000 of principal due on a specified maturity date or integral multiples of \$1,000 in excess thereof (an “Authorized Denomination”).

Redemption Provisions

*Optional Redemption**: The Bonds maturing on or after December 1, 2031, will be subject to optional redemption, at the option of the District, in whole or in part on November 1, 2030, or on any date thereafter, at the Redemption Price of 100% of the principal amount of the Bonds so redeemed plus accrued and unpaid interest, if any, to the date fixed for redemption.

* Preliminary, subject to change.

Extraordinary Optional Redemption: The Bonds will be subject to extraordinary redemption at the option of the District, in principal denominations of \$1,000, on any date, at the Redemption Price of 100% of the unpaid principal amount thereof, without premium, together with accrued and unpaid interest to the date of redemption, from amounts on deposit in the Redemption Account as a result of the Prepayments (herein defined); and from transfers of Foreclosure Proceeds and from other transfers to the Redemption Account authorized by the Indenture. The District shall determine the maturity or maturities and the amounts thereof to be redeemed.

See "RISK FACTORS—Potential Early Redemption of Bonds from Prepayments or Other Sources" for a discussion of the potential for a lower than expected yield on the Bonds as a result of an extraordinary optional redemption.

Mandatory Sinking Fund Redemption*: The Bonds maturing on December 1 in the years ___ and ___ are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the District in part at a price of 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective principal amounts as set forth in the following schedules.

<u>Year (December 1)</u>	<u>Sinking Fund Installment Amount</u>
20__	\$ _____
20__	_____
20__	_____
20__*	_____
<hr/>	
* Final maturity	

<u>Year (December 1)</u>	<u>Sinking Fund Installment Amount</u>
20__	\$ _____
20__	_____
20__	_____
20__*	_____
<hr/>	
* Final maturity	

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds of such maturity equal to the sinking fund installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in the Indenture. The principal amount of Bonds required to be redeemed on any redemption date shall be reduced, at the option of the District, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the District at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation. The principal amount of Bonds required to be redeemed on any redemption date shall be reduced on a pro rata basis among sinking fund installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary mandatory redemption provisions hereof and not previously credited to a sinking fund redemption.

Notice of Redemption: The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. ANY SUCH NOTICE WILL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

In the Indenture, the District reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the District to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Effect of Redemption: If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in minimum principal amounts of \$1,000 and increments of \$1,000 thereafter. Such redemption shall be effected by redeeming Bonds in such manner as may be specified by the District in writing; provided, however that in the absence of such written instruction from the District by the date required for the sending of notice of redemption pursuant, the Bonds shall be redeemed by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose. The District shall determine the maturity or maturities and the amounts thereof to be redeemed. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond. A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed, but only in a principal amount equal to \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time. Upon surrender of any Bond for redemption in part, the Trustee shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued and unpaid interest thereon are held by the Trustee on the redemption date.

Events of Default

The Indenture defines each of the following to be an "Event of Default:"

- (i) The failure of the District to deposit the Pledged Revenues to the Revenue Fund;
- (ii) The failure of the District to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the District under the Indenture and the continuation thereof for a period of 60 days after written notice to the District and Trustee specifying such default by the Owners of at least 25% of the Bonds at the time Outstanding to the District requesting that the failure be remedied; and
- (iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days.

Remedies Upon Event of Default

Upon the happening and continuance of any of the Events of Default described above, the Owners of at least 25% of the Bonds then Outstanding, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by applicable laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the District may be sought or shall be permitted.

THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

THE BONDS WILL BE PAYABLE FROM THE PLEDGED REVENUES AND ARE SECURED SOLELY BY THE TRUST ESTATE UNDER THE INDENTURE AND THE REGISTERED OWNERS WILL NEVER HAVE THE RIGHT TO DEMAND PAYMENT FROM ANY OTHER SOURCE.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are being issued by the District pursuant to the Texas Constitution, the general laws of the State (including particularly the MMD Act), the Bond Order, and the Indenture and will constitute valid and binding special, limited obligations of the District, payable from the Pledged Revenues and secured solely by the Pledged Revenues and other funds comprising the Trust Estate. **THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE DISTRICT SECURED SOLELY BY THE TRUST ESTATE DESCRIBED IN THE INDENTURE. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. THE BONDS ARE NOT PAYABLE FROM OR SECURED BY ANY MONEY RAISED OR TO BE RAISED FROM AD VALOREM TAXES OR ANY OTHER SOURCE OTHER THAN THE AMOUNTS PLEDGED THERETO IN THE INDENTURE. THE REGISTERED OWNERS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE DISTRICT OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE DISTRICT SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OTHER THAN THE TRUST ESTATE. THE REGISTERED OWNERS SHALL HAVE NO RIGHT TO DEMAND PAYMENT OF THE BONDS OUT OF ANY FUNDS OF THE COUNTY, THE CITY OR THE STATE.**

Pursuant to the Indenture, Pledged Revenues consist of (i) the Assessments, less the Annual Collection Costs, (ii) any Prepayments of Assessments received by the District, and (iii) any Foreclosure Proceeds received by the District. In the Indenture, the District covenants to take and pursue all actions permissible under applicable laws to cause the Assessments to be collected and the liens thereof enforced continuously.

The District is authorized by the MMD Act and an order adopted by the Board on October 31, 2023 (the "Assessment Order"), and other provision of law to finance certain authorized improvements benefiting Improvement Area #1 (the "Authorized Improvements") by levying Assessments upon the Assessed Parcels within Improvement Area #1. The MMD Act provides that the Assessments (including any reassessment, interest and penalties) are a lien (the "Assessment Lien") against the property assessed. See "ASSESSMENT PROCEDURES."

Collection and Deposit of Assessments

Amounts equal to the principal and interest portion of the Annual Installment shall be deposited into the Revenue Fund for the payment of the principal of and interest on the Bonds as and to the extent provided in the Indenture. Additional Interest (herein defined) shall be deposited first to the Delinquency and Prepayment Reserve Account (up to the amount required to be on deposit therein), second to the Bond Reserve Fund (up to the amount required to be on deposit therein) and third to the Administrative Fund.

The Assessments that are currently being assessed to pay the costs of the Authorized Improvements, together with interest thereon, Additional Interest, and Annual Collection Costs are payable in Annual Installments that were established by the Assessment Order and the Service and Assessment Plan. Upon the issuance of the Bonds, the District will adopt an Annual Service and Assessment Plan Update (herein defined) that adjust the amounts of the Assessments to correspond, as nearly as practicable, to the debt service requirements for the Bonds plus the Additional Interest and Annual Collection Costs. An Annual Installment of an Assessment in Improvement Area #1 has been made payable in the Service and Assessment Plan in each fiscal year preceding the date of final maturity of the Bonds which, if collected, the principal and interest of the Assessments will be sufficient to first pay debt service requirements attributable to Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan, the Assessment Order and the Annual Service and Assessment Plan Update.

A record of the Assessments on each parcel, tract, or lot, which are to be collected in each year during the term of the Bonds, is shown on the Assessment Rolls (herein defined). The District has contracted with a private tax assessor/collector for billing and collection of Assessments. Sums received from the collection of the Assessments to pay the debt service requirements shall be deposited into the Revenue Fund, except that amounts received as Prepayments shall be deposited into the Redemption Account and amounts received as Delinquent Penalties and Interest shall be deposited to the Delinquency and Prepayment Reserve Account. In addition, the Trustee shall deposit Pledged Revenues consisting of Foreclosure Proceeds first, to the Bond Reserve Fund to restore any transfers from the Bond Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels within Improvement Area #1 to which the Foreclosure Proceeds relate; and second, to the Redemption Account in order to redeem Bonds. Foreclosure Proceeds that are attributable to Annual Collection Costs shall be deposited to the Administrative Fund. Any portion of Foreclosure Proceeds attributable to Delinquent Penalties and Interest shall be deposited to the Delinquency and Prepayment Reserve Account (up to the required deposit amount), and then to the Administrative Fund. Amounts equal to Additional interest shall be deposited first to the Delinquency and Prepayment Reserve Account (up to the amount required to be on deposit therein), second to the Bond Reserve Fund (up to the amount required to be on deposit therein) and third to the Administrative Fund.

Annual Collection Costs and Delinquent Collection Costs shall be deposited as received to the Administrative Fund and shall not constitute Pledged Revenues.

Levy of Assessments

The District has imposed Assessments on the property within Improvement Area #1 to finance the Authorized Improvements. Upon the sale of the Bonds, the Assessments levied against the property within Improvement Area #1 shall pay the principal of and interest on the Bonds scheduled for payment as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments became effective on the date of, and strictly in accordance with the terms of, the Assessment Order. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Service and Assessment Plan, upon the issuance of the Bonds, interest on the Assessments is calculated at the rate of interest on the Bonds, plus the Additional Interest. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be due each year when billed. Each Annual Installment together with interest thereon shall be considered delinquent if not paid prior to February 1 of the following year.

The District will calculate and collect each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, Annual Collection Costs. The portion of each Annual Installment of an Assessment used to pay such Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the District adjusts the amount of the levy after an annual review in any year. The portion of the Annual Installment assessed to pay Annual Collection Costs does not secure repayment of the Bonds.

There will be no discount for the early payment of Assessments.

Assessments, together with interest and penalties, shall be a lien against the property assessed. The lien for Assessments and penalties and interest attached on the recording date of the Assessment Order (November 6, 2023) and continues until the Assessments are paid or until all Bonds are paid in full.

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such failure had not occurred.

Perfected Security Interest

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues; and such pledge is valid, effective, and perfected upon execution of the Indenture. In the Indenture, the District covenants that should such State law be amended at any time while the Bonds are outstanding and unpaid, the District will take all actions necessary to preserve a perfected security interest in the Pledged Revenues.

Revenue Fund

The District has created under the Indenture a Revenue Fund to be held by the Trustee. No less frequently than monthly, the District shall deposit or cause to be deposited the Annual Installment into the Revenue Fund commencing in the first year following the issuance of the Bonds in which the Assessments are collected. Funds in the Revenue Fund shall be transferred as follows: (i) first, amounts equal to the principal and interest portion of the Assessments shall be deposited to the Bond Fund in an amount sufficient to pay debt service on the Bonds for the current fiscal year; (ii) second, amounts equal to the Additional Interest shall be deposited first to the Delinquency and Prepayment Reserve Account if and to the extent the amount on deposit therein is less than the Delinquency and Prepayment Reserve Account Requirement, second to the Bond Reserve Fund if the amount on deposit therein is less than the Bond Reserve Requirement, and third to the Administrative Fund, (iii) third, amounts equal to the Annual Collection Costs portion of the Assessments shall be deposited to the Administrative Fund, and (iv) fourth, any remaining amounts of the Annual Installment shall be deposited to the Administrative Fund unless otherwise directed by a District Order.

If, after the foregoing transfers and any transfer from the Bond Reserve Fund, there are insufficient funds to make the payments described in the immediately preceding paragraph, the Trustee shall apply the available funds in the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

Other Transfers and Deposits

Assessments representing Prepayments shall be transferred to the Redemption Account promptly after the receipt thereof and used to redeem Bonds. Assessments representing Foreclosure Proceeds shall be deposited first to the Bond Reserve Fund to restore any transfers from the Bond Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate, and second to the Redemption Account in order to redeem Bonds by extraordinary optional redemption. Notwithstanding the foregoing, any portion of Foreclosure Proceeds that are attributable to Collection Costs shall be deposited to the Administrative Fund, and any portion of Foreclosure Proceeds attributable to Delinquent Penalties and Interest shall be deposited to the Delinquency and Prepayment Reserve Account of the Bond Fund until the Delinquency and Prepayment Reserve Account Requirement is met, and then to the Administrative Fund. Assessments representing Delinquent Penalties and Interest shall be deposited first to the Delinquency and Prepayment Reserve Account of the Bond Fund until the Delinquency and Prepayment Reserve Account Reserve Requirement is met and then to the Administrative Fund. Delinquent Collection Costs shall be deposited to the Administrative Fund.

Bond Fund

No later than the Business Day prior to each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund, and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due on and payable on the Bonds.

If after such transfers there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee shall withdraw first from the Delinquency and Prepayment Reserve Account and second from the Bond Reserve Fund, amounts to cover the amount of such insufficiency and transfer such amounts to the Paying Agent/Registrar.

Bond Reserve Fund

Pursuant to the Indenture, the Bond Reserve Fund will be established and held by the Trustee. Pursuant to the Indenture, the Bond Reserve Fund Requirement shall be an amount equal to 25% of the Maximum Annual Debt Service on the Bonds as of their date of issuance; provided, however, that such amount shall be reduced as a result of an extraordinary, optional or mandatory sinking fund redemption of the Bonds, such that the Bond Reserve Fund Requirement is equal to an amount that is 25% of the Maximum Annual Debt Service on the Bonds subsequent to such redemptions. As of the date of delivery

of the Bonds, the Bond Reserve Fund Requirement equals approximately \$62,868*, which is an amount equal to 25% of the Maximum Annual Debt Service on the Bonds, and such amount will be fully funded with bond proceeds.

If, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall withdraw first from the Delinquency and Prepayment Reserve Account and second from the Bond Reserve Fund, amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Delinquency and Prepayment Reserve Account or the Bond Reserve Fund shall be transferred to the Paying Agent/Registrar.

Delinquency and Prepayment Reserve Account

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Bond Fund and held by the Trustee. Additional Interest shall be deposited to the Delinquency and Prepayment Reserve Account in amounts necessary to meet the Delinquency and Prepayment Reserve Requirement. The District shall direct the Trustee to transfer the amounts of any excess in this account to (i) the Bond Reserve Fund to restore any deficiency therein; (ii) the Administrative Fund for payment of Annual Collection Costs, or (iii) the Redemption Account to be used for optional redemption of bonds.

The Delinquency and Prepayment Reserve Account Requirement is an amount equal to 25% of Maximum Annual Debt Service on the Bonds as of the date of issuance of the Bonds.

Money deposited in the Delinquency and Prepayment Reserve Account will be used and withdrawn by the Trustee for the purpose of making transfers to the Paying Agent/Registrar pursuant to the Indenture to pay debt service on the Bonds in the event of insufficiency in the Bond Fund.

Whenever Bonds are to be redeemed pursuant to extraordinary optional redemption with the proceeds of Prepayments, if there are insufficient funds in the Redemption Account from such Prepayments to redeem the Bonds on their redemption date, the Trustee shall transfer funds from the Delinquency and Prepayment Reserve Account to the Redemption Account in the amount of the deficiency and such funds shall be used to redeem Bonds.

Administrative Fund

The District has created under the Indenture the Administrative Fund held by the Trustee. The District shall deposit or cause to be deposited to the Administrative Fund the annual portion of the Assessments collected for Annual Collection Costs and Delinquent Collection Costs. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a District order for (i) the payment of Annual Collection Costs and Delinquent Collection Costs, (ii) transfer to the Bond Fund for the payment of Debt Service on the Bonds or (iii) transfer to the Redemption Account to redeem the Bonds. Funds in the Administrative Fund are not pledged to the payment of the Bonds.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the District is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at a judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent unpaid installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to Registered Owners pending prosecution of the foreclosure proceedings and receipt by the District of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. The District is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Assessed Parcel within Improvement Area #1.

In the Indenture, the District covenants to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption of the Assessments, provided that the District is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs and amounts collected as Delinquent Collection Costs) constitute Pledged Revenues to be deposited first into the Bond Reserve Fund to restore any transfers from the Bond Reserve Fund made with respect to the Assessed Parcels or Assessed Parcels

* Preliminary, subject to change.

within Improvement Area #1 to which the Foreclosure Proceeds relate, and second to the Redemption Account. Foreclosure Proceeds attributable to Delinquent Penalties and Interest shall be deposited to the Delinquency and Prepayment Reserve Account (up to such account's required amount), and then to the Administrative Fund. See "APPENDIX D—FORM OF TRUST INDENTURE." Also see "APPENDIX G-1—FORM OF DISTRICT DISCLOSURE AGREEMENT" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The District will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If the amount on deposit in the Administrative Fund is insufficient to pay foreclosure costs, the Registered Owners may be required to pay amounts necessary to continue foreclosure proceedings. See "RISK FACTORS – Judicial Foreclosures."

Additional Obligations

The District is not authorized to issue additional bonds secured by the Pledged Revenues on parity with or superior to the Bonds other than refunding bonds, the proceeds of which would be utilized to refund all or any portion of Outstanding Bonds and to pay all costs incident to the issuance of such refunding bonds.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to Participants (herein defined), (2) Participants or others will distribute debt service payments paid to DTC or its nominee (as the Owner of the Bonds), or redemption or other notices, to the Beneficial Owners (herein defined), or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants," and together with the Direct Participants, the "Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, District or the Paying Agent/Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

NONE OF THE DISTRICT, THE TRUSTEE OR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS, OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SEC, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH PARTICIPANTS ARE ON FILE WITH DTC.

SOURCES AND USES OF FUNDS

Proceeds from the sale of the Bonds will be used for (i) payment or reimbursement of a portion of the costs of the Authorized Improvements for Improvement Area #1, (ii) funding the Bond Reserve Fund, and (iii) paying the costs of issuance of the Bonds.

The sources and application of funds with respect to the Bonds is as follows*:

Sources:

Par Amount of Bonds	\$ _____
Reoffering Premium/Discount	_____
Total Sources	\$ _____

Uses:

Deposit to Improvement Account of the Project Fund	\$ _____
Deposit to the Bond Reserve Fund	_____
Deposit to the Costs of Issuance Account of the Project Fund	_____
Underwriter's Discount	_____
Total Uses:	\$ _____

PRO FORMA DEBT SERVICE FOR THE BONDS

The below table sets forth the estimated debt service requirements for the Bonds. Totals may not sum due to rounding.

<u>Year Ending</u> <u>(12/31)</u>	<u>Principal*</u>	<u>Interest*</u>	<u>Total Annual</u> <u>Debt Service</u> <u>Requirements*</u>
2025	\$ 64,000	\$ 187,471	\$ 251,471
2026	72,000	179,193	251,193
2027	75,000	176,133	251,133
2028	77,000	172,945	249,945
2029	80,000	169,673	249,673
2030	84,000	166,273	250,273
2031	87,000	162,703	249,703
2032	90,000	159,005	249,005
2033	94,000	155,180	249,180
2034	98,000	151,185	249,185
2035	102,000	147,020	249,020
2036	106,000	142,175	248,175
2037	111,000	137,140	248,140
2038	116,000	131,868	247,868
2039	121,000	126,358	247,358
2040	127,000	120,610	247,610
2041	133,000	114,578	247,578
2042	139,000	108,260	247,260
2043	145,000	101,658	246,658
2044	152,000	94,770	246,770
2045	159,000	87,550	246,550
2046	167,000	79,600	246,600
2047	175,000	71,250	246,250
2048	184,000	62,500	246,500
2049	193,000	53,300	246,300
2050	203,000	43,650	246,650
2051	213,000	33,500	246,500
2052	223,000	22,850	245,850
2053	234,000	11,700	245,700
	<u>\$ 3,824,000</u>	<u>\$ 3,370,093</u>	<u>\$ 7,194,093</u>

* Preliminary; subject to change.

* Preliminary, subject to change.

THE DISTRICT

General

The District is a conservation and reclamation district of the State, created pursuant to an order (the “Order”) of the Texas Commission on Environmental Quality (the “TCEQ”) issued February 19, 2019, operating pursuant to Article III, Section 52 and Article XVI, Section 59, Texas Constitution, the general laws of the State of Texas, including the MMD Act and Chapter 49, Texas Water Code, and the District Act.

Authority

The District has powers conferred by the MMD Act, including those under Chapter 54, Texas Water Code, and is empowered, among other things, to acquire, construct, complete, develop, own, operate and maintain permanent improvements and provide services that directly benefit property in the District, regardless of whether the improvements or services are located inside or outside its boundaries, including water, sanitary sewer, drainage and road improvements. Furthermore, the District may undertake an improvement project or service that confers a special benefit on all or a definable area in the District and levy and collect a special assessment on such benefited property therein in accordance with the MMD Act to fund or secure the financing of the construction, acquisition, improvement, relocation, operation, maintenance or provision of various improvement projects, including parks, landscaping and recreational areas. The MMD Act provides that the District has the power to issue bonds to pay costs of improvements authorized under the MMD Act and to secure such bonds with ad valorem taxes, assessments, impact fees or other revenue sources of the District. The MMD Act further provides that the District may impose impact fees and collect a continuing, direct annual ad valorem tax, without limit as to rate or amount, against all property located within the District to secure bonds of the District.

Description

The District encompasses approximately 569.8 acres of land located entirely within the corporate limits of the City and is located approximately 13 miles south of downtown Fort Worth, Texas and within the County. The District is comprised of four (4) tracts: the eastern tracts are bound by the Burlington Northern and Santa Fe Railroad on the east and the western tract is bound on the north by Deer Creek and on the west by McCart Avenue. The District lies entirely within the boundaries of Tax Increment Reinvestment Zone No. 1, Crowley, Texas and Crowley Independent School District.

Management of the District

The District is governed by a Board of Directors (the “Board”), consisting of five directors, who have control over and management supervision of all affairs of the District (the “Directors”). The Directors serve four-year staggered terms and are elected by the duly qualified voters of the District in May of each even-numbered year. Currently, none of the Directors resides within the District and all Directors own land within the District. None of the Directors are employed by the Developer or any entity affiliated with the Developer. The current members and officers of the Board are listed below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u> <u>May</u>
Thomas O’Dwyer	President	2028
Ron Smith	Vice President	2028
Cody Klipfel	Secretary	2026
Michael McFarland	Assistant Secretary	2026
Martin Spradley	Assistant Secretary	2026

Maintenance Tax Levy

Pursuant to an election held on November 5, 2019, voters within the District authorized the Board to levy an unlimited maintenance and operations tax. For the 2024 tax year, the District levied a total tax rate of \$0.46 entirely for maintenance and operations purposes.

In 2023 and prior years, the Developer provided funding for up to 100% of the operating budget of the District and the District was heavily dependent, if not entirely dependent, on contributions from the Developer for its operating budget. With the levy of an annual ad valorem tax for maintenance and operations purposes, the District expects to eliminate the need for Developer advances in the future. See “RISK FACTORS—Developer’s Obligation to the District” and “THE DEVELOPER AND PRINCIPAL LANDOWNER.”

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE DISTRICT SECURED SOLELY BY THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE DISTRICT AND ARE NOT PAYABLE EXCEPT AS PROVIDED IN THE INDENTURE. THE REGISTERED OWNERS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE DISTRICT OTHER THAN THOSE COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE.

Debt Service Tax Levy

To-date, the District has not levied a debt service tax rate. It is anticipated that the District will issue and is expected to continue issuing additional debt secured by ad valorem taxes, over time with the continued development and construction of additional road and utility improvements within the District, that will be secured by a pledge of its unlimited ad valorem taxes and tax increment payments. See “OVERLAPPING TAXES.”

Consultants to the District

Although the District does not have a general manager or any other full-time employees, it has contracted for bookkeeping, tax assessing and collecting, auditing, engineering, financial advisory and legal services as follows:

Tax Assessor/Collector: The District has engaged Utility Tax Services, LLC as the District’s “Tax Assessor/Collector.” The Tax Assessor/Collector applies the District’s tax and assessment levies to the tax roll prepared by the Tarrant Appraisal District (the “Appraisal District”) and assessment rolls prepared by the Assessment Administrator (herein defined) from information obtained from the Appraisal District and bills and collects such levies and assessments. The Tax Assessor/Collector also manages delinquency in the payment of any Annual Installment and/or taxes.

Bookkeeper: The District’s bookkeeper is Dye & Toverly, LLC.

Auditor: The District’s financial statements for the fiscal year ended April 30, 2024, were audited by McCall Gibson Swedlund Barfoot, PLLC, a copy of which is included as “APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT.”

Engineer: The consulting engineer for the District is Graham Associates, Inc. (the “Engineer”). The Engineer has also been engaged by the Developer in connection with certain planning activities and the design of certain streets and related improvements within the District.

General Counsel & Bond Counsel: The District has engaged Allen Boone Humphries Robinson LLP, Dallas, Texas, as “General Counsel” to the District and “Bond Counsel” in connection with the issuance of the Bonds. The legal fees to be paid to Bond Counsel relating to the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Financial Advisor: Robert W. Baird & Co. Incorporated, Dallas, Texas, has been engaged as “Financial Advisor” to the District in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

Assessment Administrator: The District has contracted with 30 Three Sixty Public Finance, Inc. (the “Assessment Administrator”) to provide services in connection with the preparation, updating, and administration of the service and assessment plan for the District, as well as preparation and filing of annual continuing disclosure reports for the District’s outstanding assessment bonds.

PLAN OF FINANCE

The District

The District was established for the principal purpose of financing the construction, acquisition, maintenance and operation of the public infrastructure and other improvements serving the District (the “Karis Public Improvements”), which are expected to support the “Karis” development, an approximate 569.8-acre mixed-use master-planned community, with commercial uses, located in the City. Such improvements are generally described in the Project Finance and Operating Agreement, dated January 21, 2021 (“Karis Development Agreement”), among the City, the Developer, the Board of Directors of Reinvestment Zone No. 1, City of Crowley, Texas, and the District. Certain Karis Public Improvements, including a portion of the Authorized Improvements (herein defined), have been funded directly by the Developer, subject to reimbursement pursuant to the Reimbursement Agreement (herein defined). Such Karis Public Improvements include, among other improvements, (i) water, sanitary sewer and drainage facilities, and floodplain reclamation projects (the “Utility Improvements”), (ii) roadway improvements inside and outside the boundaries of the District (the “Road Improvements”), and (iii) parks and greenspace improvements (see “—Authorized Improvements” below).

Utility Improvements and Road Improvements

At an election held within the District on November 5, 2019, the voters of the District approved the issuance of \$115,995,000 in principal amount of unlimited tax bonds for the purpose of financing the Utility Improvements to serve the District and an equal amount for the refunding of such bonds and \$112,665,000 in principal amount of unlimited tax bonds for the purpose of financing the Road Improvements to serve the District and an equal amount for the refunding of such bonds. The District anticipates the issuance of multiple series of unlimited tax bonds for purposes of financing the costs of the Utility Improvements and Road Improvements. To-date, the District has not issued any unlimited tax bonds; however, it is anticipated that the District will issue its initial unlimited tax bonds for purposes of financing a portion of the Utility Improvements in the 1st quarter of 2025. See “THE DISTRICT.” Any future unlimited tax utility and road bonds issued by

the District will be secured by an unlimited tax pledge of the District, and certain other revenues, and will not be secured by the Pledged Revenues securing the Bonds.

Authorized Improvements

Pursuant to the MMD Act, the District may also undertake certain improvements that confer a special benefit on all or a portion of the property located within the District and is authorized to issue revenue bonds secured by assessments to finance such improvements (“Assessment Revenue Bonds”). The Board may levy and collect assessments on property in the District to pay all or part of the cost of such improvements based on the benefit conferred by the Authorized Improvements, which assessments are payable in periodic installments with interest plus Annual Collection Costs. Assessments of the District are collected on behalf of the District by the Tax Assessor/Collector. When Assessment Revenue Bonds are issued (such as the Bonds), such bonds are solely secured by assessments levied on the respective phases served by the Authorized Improvements financed by such series. The Bonds are the District’s first series of Assessment Revenue Bonds and are being issued to finance certain project improvements within or serving the development of Karis, Phases 1A, 1B and 1C in Improvement Area #1. No additional phases of the Authorized Improvements shall be financed by the Bonds, nor will any assessments relating to such additional phases secure the Bonds; however, the District anticipates the issuance of additional bonds secured by assessments to be levied on future phases of Karis. Such future assessments will not be pledged as security for the Bonds.

Such improvements benefitting the property within the District consist of parks and greenspace improvements with a total estimated cost paid by assessments to be levied on all the area within the District not to exceed \$25,717,831 (the “Authorized Improvements”). The District intends to finance the Authorized Improvements in phases, or improvement areas. The Bonds represent the financing of the Authorized Improvements for the initial phases of development within the District. The District adopted the Assessment Order which included the Service and Assessment Plan and which levied the Assessments on the Assessed Parcels in Improvement Area #1 developed as 324 single-family residential lots, and further set forth the plan for apportioning the costs of the Authorized Improvements to the Assessed Parcels within Improvement Area #1 (the “Estimated Improvement Area #1 Project Costs”). According to the Service and Assessment Plan, the Estimated Improvement Area #1 Project Costs are approximately \$3,740,397. See “SUMMARY OF THE SERVICE AND ASSESSMENT PLAN—Summary of Authorized Improvements” and “—Assessment Amounts of the Estimated Improvement Area #1 Project Costs” for additional information about the Assessments and the Authorized Improvements.

The Assessments against each of the Assessed Parcels within Improvement Area #1 have been levied in accordance with the provisions of the Service and Assessment Plan. The Assessment Rolls approved in conjunction with the Service and Assessment Plan listing the Assessments levied on the specific Assessed Parcels within Improvement Area #1 have been filed with the District’s Secretary and are available for public inspection. See “SUMMARY OF THE SERVICE AND ASSESSMENT PLAN.”

IMPROVEMENT AREA #1

General

Improvement Area #1 is comprised of approximately 83.77 acres within the District developed as 324 single-family residential lots comprising Karis, Phases 1A, 1B and 1C. The Bonds shall only finance the Estimated Improvement Area #1 Project Costs.

Development within Improvement Area #1

As of August 31, 2024, there were 69 completed homes, 41 homes under construction, and 214 vacant developed lots (finished lots ready for homebuilding) within Improvement Area #1. Offsite water supply and wastewater treatment capacities and retail water and wastewater service for Karis are provided by the City. Streets and utilities have been completed to serve the Assessed Parcels within Improvement Area #1, as well as a substantial portion of the Authorized Improvements. Additionally, an elementary school and amenity center are currently being developed within Improvement Area #1.

The table below summarizes the development within Improvement Area #1 by phase as of August 31, 2024:

Improvement Area #1	Approximate Acreage	Assessed Parcels	Completed Homes	Homes Under Construction	Vacant Developed Lots
Karis, Phase 1A	38.55	174	69	35	70
Karis, Phase 1B	16.42	59	-	6	53
Karis, Phase 1C	28.80	91	-	-	91
	83.77	324	69	41	214

Table 1—Ownership of Assessed Parcels

The table below summarizes the ownership (and therefore the Assessment payment responsibility) of the Assessed Parcels within Improvement Area #1 by phase as of August 31, 2024:

Improvement Area #1	Total Assessed Parcels	Parcels Owned by the Developer	Assessed Parcels Owned by Builders	Assessed Parcel Owned by Homeowners
Karis, Phase 1A	174	56	63	55
Karis, Phase 1B	59	37	22	-
Karis, Phase 1C	91	84	7	-
	324	177	92	55

The table below further summarizes the number of Assessed Parcels owned by each homebuilder within Improvement Area #1 as of August 31, 2024:

Homebuilder	Completed Homes	Lots with Homes Under Construction	Vacant Developed Lots
Cadence Homes	17	19	59
Village Homes	7	-	-
Highland Homes	23	9	28
David Weekley Homes	17	9	82
Chesmar Homes	5	4	29
Future Homebuilder	-	-	16
	69	41	214

Lots in Improvement Area #1 have an estimated average lot price of \$1,461 per front foot.

Improvement Area #1 (Karis, Phases 1A, 1B and 1C):

Lot Type	Lots	Expected Lot Price (a)	Expected Home Price	Estimated Average Assessment per Lot (b)	Ratio of Expected Lot Price to Average Assessment per Lot
Townhomes 22' Lots	95	\$ 35,200	\$ 300,000	\$ 8,448	4.17
35' Lots	65	57,750	390,000	10,970	5.26
40' Lots	60	64,000	450,000	12,609	5.08
50' Lots	50	82,500	500,000	13,996	5.89
60' Lots	38	99,000	550,000	15,383	6.44
70' Lots	16	115,500	600,000	16,770	6.89

(a) Provided by the Developer as an estimate.

(b) Includes the Assessment and the Supplemental Services Assessment (as defined herein) for each product type.

Table 2—Property Owners 65 Years of Age or Older

The following information is as of August 19, 2024:

Assessed Parcels within Improvement Area #1	Assessed Parcels with Owners Claiming Over 65 Exemptions	Assessed Parcels with Owners Claiming Tax Deferral
324	-	9

Homebuilders Within Improvement Area #1

The Developer has entered into contracts for the purchase of developed lots within Improvement Area #1 with Cadence Homes, Village Homes, Highland Homes, David Weekley Homes and Chesmar Homes. The contracts require each such homebuilder to deposit earnest money in amounts ranging from 3% to 8% of the contracted lot price with a title company. The Developer’s sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit, currently, approximately \$734,448.

According to the Developer, each of the homebuilders is in compliance, in all material respects, with their respective lot-sales contracts. Homes being built within Improvement Area #1 range in price from approximately \$279,000 to \$571,000 and in square footage from approximately 1,553 to 3,575.

THE KARIS DEVELOPMENT

The information in this section has been provided by the Developer, and the District assumes no responsibility for the accuracy or completeness of the information contained herein.

The Karis Development and the Development Plan

Improvement Area #1 is part of a larger residential master-planned community known as “Karis.” Karis consists of approximately 569.8 acres and is located in the City, bounded generally by the Burlington Northern and Santa Fe Railroad on the east and the residential subdivision additions of Country Creek Estates, Holy Place and Quail Creek on the south. Development within Karis, including the District, is planned for single-family residential, two amenity centers and an elementary school. To-date, development in Karis, including the District, consisted of approximately 83.77 acres developed as 324 single-family residential lots as Karis, Phases 1A, 1B and 1C. As of August 31, 2024, there were approximately 69 completed homes (55 occupied homes, 8 unoccupied homes, and 6 model homes), 41 homes under construction, and 214 vacant developed lots within Karis, including the District. Additionally, the first amenity center is currently under construction within Karis, Phase 1A and an elementary school is currently under construction within Karis, Phase 1C. The remaining land within Karis, including the District, is comprised of approximately 421.19 acres for future development and approximately 64.84 acres of undevelopable land.

Amenities

The Developer (hereinafter defined) will construct certain amenities within the Karis development to serve the District, including parks, hike and bike trails, and two (2) amenity centers. Construction of the amenities applicable to each phase will be completed on a phase-by-phase basis as each phase is developed.

The first amenity center is being constructed in Improvement Area #1 and will be built in phases over time. Phase 1 of the amenity center is currently under construction and is estimated to be completed by Spring 2025 and will include a fitness center, parking, and two swimming pools. Phase 2 is expected to begin construction in Fall 2026 and will include a community building, pickleball courts, additional swimming pools, and additional parking. The first amenity center is expected to cost approximately \$9,648,680. As of August 31, 2024, the Developer has spent approximately \$1,070,642 on such amenity center which was funded by sales proceeds.

A conceptual rendering of the amenity center is shown below.



Education

Crowley Independent School District (“CISD”) serves the Karis development, including the District. CISD enrolls more than 16,000 students in two high schools (including two 9th grade campuses), four middle schools, 16 elementary schools (including a Montessori academy) and two alternative learning centers. Students in the Karis development desiring to attend public school will attend Crowley Montessori Academy (on-site elementary school within the Karis development), SH Crowley Elementary School, Richard J. Allie Middle School, Crowley Ninth Grade Campus, and Crowley High School. High school students in the Karis development also have the option to attend the Bill R. Johnson CTE Center. According to the Texas Education Agency (“TEA”), for 2021-2022 CISD, Crowley High School and SH Crowley Elementary School each received a “District Accountability Rating” of “B” and Richard J. Allie Middle School received a “District Accountability Rating” of “C” from the TEA. Crowley Montessori Academy opened in 2024 and has not yet been rated. Greatschools.org rates Crowley High School as below average (3/10) and each of Richard J. Allie Middle School and SH Crowley Elementary school as average (5/10). Greatratings.org does not provide a rating for other campuses expected to be attended by children in the Karis development.

SUMMARY OF THE SERVICE AND ASSESSMENT PLAN

Description

At the direction of the Board, a “Service and Assessment Plan” was prepared to identify the Estimated Projects Cost to be financed, the Estimated Improvement Area #1 Project Costs, the indebtedness to be incurred to finance the Estimated Improvement Area #1 Project Costs, and the manner of assessing the Assessed Parcels within Improvement Area #1 for the cost of the Estimated Improvement Area #1 Project Costs. Such Service and Assessment Plan was adopted by the Board on October 31, 2023. The Authorized Improvements benefiting the District consist of parks and greenspace public improvements with a total cost allocable to the entire District not to exceed \$25,717,831, of which \$3,740,397 of such costs have been allocated as the Estimated Improvement Area #1 Project Costs based on certain lot categories identified in the Service and Assessment Plan. The Service and Assessment Plan requires annual updates, including updates to the service plans, updates to the assessment plans, and updates to the corresponding assessment rolls identifying the assessments on each parcel, based on the method set forth in the Service and Assessment Plan. The Bonds shall finance only the Estimated Improvement Area #1 Project Costs. See “APPENDIX E—THE SERVICE AND ASSESSMENT PLAN.”

Summary of Authorized Improvements

The Authorized Improvements primarily benefit the residents of Improvement Area #1, but as public parks and greenspaces are accessible to other District residents and the public who wish to travel to the District, such improvements will also provide benefits to the public outside the boundaries of Improvement Area #1 and the District at large. Additionally, certain Authorized Improvements are adjacent to and will benefit the school property. As such, 95% of the costs of Authorized Improvements providing for parks and greenspace improvements have been allocated to the properties within the District and 5% of the cost of Authorized Improvements providing for parks and greenspace improvements have been allocated to properties outside the boundaries of the District.

The below table summarizes the total estimated costs of the Authorized Improvements for the District authorized by the Board, and the estimated costs thereof:

<u>Authorized Improvements</u>	<u>Estimated Total Cost</u>
Parks and Greenspace Costs	\$ 21,431,526
Soft Costs	2,143,153
Contingency	<u>2,143,153</u>
Total Authorized Improvements	\$ 25,717,831
Less: Public and School Share	<u>(1,285,892)</u>
Total Estimated Authorized Improvement Costs	<u>\$ 24,431,940</u>

The Bonds shall finance a portion of Authorized Improvements benefiting Improvement Area #1, which is estimated to be approximately \$3,740,397. Through August 31, 2024, approximately \$2,954,688 has been spent by the Developer for parks and greenspace improvements pursuant to the Service and Assessment Plan with respect to Improvement Area #1, most of which will be reimbursed to the Developer pursuant to the Reimbursement Agreement with the proceeds of the Bonds to the extent available.

Assessment Amounts of the Estimated Improvement Area #1 Project Costs

The Assessments have been established by the methodology established by the District in the Service and Assessment Plan. The Assessments will be levied against all of the Assessed Parcels within Improvement Area #1, and if not paid in full, are payable in 29 annual installments. Assessed Parcels within Improvement Area #1 are assessed by their category based on lot type in accordance with the table under “—Table 3—Allocation of Assessments of the Estimated Improvement Area #1 Project Costs.”

Interest Rate

Currently, the Assessments are estimated to bear interest at an estimated interest rate of 5.25% per annum. Following the issuance of the Bonds, the Assessments will accrue interest at the rate of interest borne by the Bonds, plus one-half percent (0.50%) for reserves (the “Additional Interest”), plus Annual Collection Costs.

Collection Cost

Each Assessment includes Annual Collection Costs as part of its Annual Installments. Such monies will be paid into the Administrative Fund. The Annual Collection Cost portion of the Assessment is a separate component from the principal and interest components of the Assessments and from the Additional Interest. Each Assessment shall terminate on any date the Assessment is paid in full. Delinquent Assessments also will incur penalty and interest. See “ASSESSMENT PROCEDURES.”

Revenues received from the Annual Collection Cost portion of the Assessment are not pledged to the payment of the Bonds.

Table 3—Allocation of Assessments of the Estimated Improvement Area #1 Project Costs

The Assessments are based on the Authorized Improvements being financed by the Bonds as apportioned to the Assessed Parcels within Improvement Area #1. The aggregate of all Assessments on the Assessed Parcels within Improvement Area #1 is pledged to the payment of the Bonds. However, in the Service and Assessment Plan, the Assessment due from each particular Assessed Parcel within Improvement Area #1 is based upon the Estimated Improvement Area #1 Project Costs that benefit that Assessed Parcel, plus bond related costs, as summarized in the below table. See “SUMMARY OF THE SERVICE AND ASSESSMENT PLAN—Assessment Amounts of the Estimated Improvement Area #1 Project Costs” for the Assessment allocation per Assessed Parcel category.

<u>Lot Type</u>	<u>Lots</u>	<u>Assessment Per Lot</u>
Townhomes 22' Lots	95	\$ 8,448
35' Lots	65	\$ 10,970
40' Lots	60	\$ 12,609
50 Lots	50	\$ 13,996
60' Lots	38	\$ 15,383
70' Lots	<u>16</u>	\$ 16,770
	324	
Total Estimated Assessments		\$ 3,824,824
First Billing of Annual Installment (a)		2024
Final Billing of Annual Installment (a)		2052

(a) Annual Installments are due on January 31 of the following year.

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Table 4—Pro Forma Assessment Annual Installments

The following table represents the estimated Annual Installments (inclusive of Additional Interest but exclusive of Annual Collection Costs) to be paid by the Assessment payers within Improvement Area #1. The estimated payments are calculated assuming a 100% collection rate. Supplemental Services Assessments (hereinafter defined) are not included in the table below. Totals may not sum due to rounding.

Year	Additional Interest	Administrative Collection Costs	P&I Assessment Collection	Total Assessment Charge
12/1/2025	\$ 19,120	\$ 30,780	\$ 263,705	\$ 313,605
12/1/2026	18,800	31,396	263,409	313,605
12/1/2027	18,440	32,024	263,141	313,605
12/1/2028	18,065	32,664	262,876	313,605
12/1/2029	17,680	33,317	262,608	313,605
12/1/2030	17,280	33,984	262,341	313,605
12/1/2031	16,860	34,663	262,082	313,605
12/1/2032	16,425	35,357	261,823	313,605
12/1/2033	15,975	36,064	261,566	313,605
12/1/2034	15,505	36,785	261,315	313,605
12/1/2035	15,015	37,521	261,069	313,605
12/1/2036	14,505	38,271	260,829	313,605
12/1/2037	13,975	39,036	260,594	313,605
12/1/2038	13,420	39,817	260,368	313,605
12/1/2039	12,840	40,614	260,151	313,605
12/1/2040	12,235	41,426	259,944	313,605
12/1/2041	11,600	42,254	259,751	313,605
12/1/2042	10,935	43,099	259,571	313,605
12/1/2043	10,240	43,961	259,404	313,605
12/1/2044	9,515	44,841	259,249	313,605
12/1/2045	8,755	45,737	259,113	313,605
12/1/2046	7,960	46,652	258,993	313,605
12/1/2047	7,125	47,585	258,895	313,605
12/1/2048	6,250	48,537	258,818	313,605
12/1/2049	5,330	49,508	258,767	313,605
12/1/2050	4,365	50,498	258,742	313,605
12/1/2051	3,350	51,508	258,747	313,605
12/1/2052	2,285	52,538	258,782	313,605
12/1/2053	1,170	53,589	258,846	313,605
	\$ 345,020	\$ 1,194,025	\$ 7,555,500	\$ 9,094,545

Additional Improvement Areas

The Bonds represent the financing of the Estimated Improvement Area #1 Project Costs within the District. No additional assessments levied or collected on additional future improvement areas in the District shall be pledged for payment of the Bonds. The District shall not issue additional bonds secured by the Pledged Revenues on parity with or superior to the Bonds, other than refunding bonds, the proceeds of which would be used to refund all or a portion of outstanding Bonds and to pay all costs incident to the issuance of such refunding bonds. The District reserves the right to issue refunding bonds.

Service and Assessment Plan Update

A service plan for each development of improvement areas within the District shall be adopted and approved by the District and assessments may be levied for each future improvement area of development in the District. Each year, the District approves an update to the Service and Assessment Plan (the "Annual Service and Assessment Plan Update") which calculates the Annual Installments, including Annual Collection Costs and updates to the Assessment Rolls to reflect subdivisions and consolidation of Assessed Parcels within Improvement Area #1 and any Prepayments of Assessments. The District has approved an Annual Service and Assessment Plan Update for all service and assessment plans to be adopted by the District each year subsequent to the adoption of each plan, of which the first update will be prepared in connection with the issuance of the Bonds.

Table 5—Principal Assessment Payers

The table below represents the principal Assessment payers within Improvement Area #1 for the 2024 tax year, as of July 25, 2024.

<u>Assessment Payer</u>	<u>Expected Number of Assessed Parcels</u>	<u>Assessment Levied</u>	<u>% of Total Assessments</u>
CH TNC Owner LLC (a)	198	\$ 2,308,591	60.36%
Cadence Homes - Karis LLC	27	228,096	5.96%
Weekley Homes LLC	18	251,928	6.59%
Highland Homes - Dallas LLC	20	252,180	6.59%
Chesmar Homes, LLC	16	246,128	6.44%
Village Homes LP	4	43,880	1.15%
Homeowners	<u>41</u>	<u>494,021</u>	<u>12.92%</u>
Total	324	\$ 3,824,824	100.00%

(a) See "THE DEVELOPER AND PRINCIPAL LANDOWNER."

Supplemental Services Assessments

In addition to the Assessments on the Assessed Parcels within Improvement Area #1, Supplemental Services Assessments on the Assessed Parcels within Improvement Area #1 could be assessed for costs associated with advertising, marketing and promotion of the property within the District, as authorized by the MMD Act. To-date, no Supplemental Service Assessments have been assessed. Supplemental Service Assessments are not pledged for payment of the Bonds and would be a separate obligation to be paid by the owners of the Assessed Parcels within Improvement Area #1.

THE DEVELOPER AND PRINCIPAL LANDOWNER

The information in this section has been provided by the Developer, and the District assumes no responsibility for the accuracy or completeness of the information contained herein.

Role of a Developer

In general, the activities of a developer in a district such as the District include purchasing the land within the District, designing the subdivisions, designing the utilities and streets to be constructed in the subdivisions, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities in development of property within a special assessment district may have a profound effect on the security of the assessment revenue bonds issued by such district. A developer is generally under no obligation to a district to develop the property which it owns. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is usually the major assessed parcel owner within a district during the initial development phase of the property.

Description of the Developer

CH TNC Karis Owner, LLC (the "Developer") is a limited liability corporation managed by The Nehemiah, LLC ("Nehemiah"). Nehemiah is in the business of managing and developing real property, including residential communities. As of August 31, 2024, the Developer owned approximately 177 of the 324 Assessed Parcels within Improvement Area #1 and is responsible for payment of Assessments on such Assessed Parcels.

Developer Financing

On March 26, 2021, the Developer obtained a development line of credit (the "Loan") from First United Bank to finance development within the District, including Improvement Area #1, in the amount of \$12,950,385. Such Loan bears interest at floating Prime plus 1.00% and is scheduled to mature on March 26, 2025. The Loan is secured by a first lien deed of trust on approximately 93.50 acres of land in the District, owned by the Developer. The outstanding balance on the Loan as of August 31, 2024, was approximately \$5,052,459. According to the Developer, it is in compliance with all material conditions of the Loan.

Because the deed of trust securing the Loan attached to Developer's land within Improvement Area #1 before the Assessment lien attached to the property within Improvement Area #1, the lien securing the Loan would be considered superior to and would have priority over the Assessment lien in any foreclosure or bankruptcy proceeding. Failure by the Developer to pay Assessments when due, and any foreclosure or bankruptcy proceedings relating thereto, may result in the

inability of the District to make full or punctual payments of debt service on the Bonds. See “RISK FACTORS—Priority of an Assessment Lien in Foreclosure,” “—Bankruptcy,” “—Assessment Limitations” and “—Judicial Foreclosure.”

REIMBURSEMENT AGREEMENT

Pursuant to a reimbursement agreement between the Developer and the District (the “Reimbursement Agreement”), the Developer agreed to provide and advance funds to or on behalf of the District to pay the costs relating the acquisition, design, construction, and installation of certain public improvements to serve all land within the District, and the costs relating to the creation, organization and administration of the District; and the District agreed that when funds became available from the issuance of bonds, it would reimburse the Developer for such costs and interest thereon. All of the Estimated Improvement Area #1 Project Costs are subject to the terms of the Reimbursement Agreement. As of August 31, 2024, approximately \$2,954,688 has been spent by the Developer for parks and greenspace improvements to the benefit of Improvement Area #1 pursuant to the Service and Assessment Plan, most of which will be reimbursed to the Developer pursuant the Reimbursement Agreement with the proceeds of the Bonds.

OVERLAPPING TAXES

Introduction

Jurisdictions overlapping the District are authorized by State law to levy and collect ad valorem property taxes for the purposes of operation, maintenance and/or general revenue purposes in addition to the collection of taxes for payment of debt service. (The District may incur indebtedness and raise taxes for debt service without legal limitation as to rate or amount, and the District expressly reserves the right to do so.) The District has no control over the amount of additional indebtedness or other amounts payable from taxes on all or a portion of the property within the District which may be issued or levied in the future by other jurisdictions, including but not limited to the City, the County, Tarrant County Hospital District, Tarrant County College District, the Crowley Independent School District, or any other special districts or other entities having jurisdiction over all or a portion of the land within the District. To the extent amounts are payable from general property taxes or taxes are levied for other purposes, such taxes will have a lien on the property within the District paramount and superior to the lien of the Assessments. See “RISK FACTORS—Direct and Overlapping Indebtedness and Taxes.”

Overlapping and Senior Taxes

Overlapping tax levies with respect to land in the District, the lien for which is paramount and superior to that of the Assessments, is shown below including a breakdown of each overlapping jurisdiction’s combined tax rate.

OVERLAPPING TAX AND DEBT INFORMATION APPLICABLE TO THE ASSESSED PARCELS

Table 6—Tax and Assessment Rate Calculation

<u>Taxing Jurisdictions</u>	<u>2024 Tax Rate</u>
The District	\$0.460000
City of Crowley	0.608300
Crowley Independent School District	1.255200
Tarrant County	0.187500
Tarrant County Hospital District (a)	0.182500
Tarrant County College District	<u>0.112280</u>
Total Tax Rate	\$2.805780
Estimated Average Annual Installment Equivalent (b)	<u>\$0.220998</u>
Estimated Total Effective Tax & Assessment Rate	\$3.026778

(a) Also known as “JPS Health Network.”

(b) The weighted average annual installment equivalent based on current estimated annual installments and the estimated completed home values presented in the Service and Assessment Plan. See “APPENDIX E—THE SERVICE AND ASSESSMENT PLAN.”

Table 7—Overlapping Debt

As noted under “OVERLAPPING TAXES,” the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collections of ad valorem taxes or special assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District as of September 30, 2024, and District debt to be secured by the Assessments:

<u>Txing Jurisdiction</u>	<u>Debt as of</u>		<u>Overlapping</u>	
	<u>9/30/2024</u>		<u>Percent</u>	<u>Amount</u>
City of Crowley	\$	43,505,000	1.39%	\$ 606,388
Crowley ISD		1,161,113,722	0.25%	2,860,842
Tarrant County		345,130,000	0.01%	34,866
Tarrant County Hospital District		440,020,000	0.01%	44,420
Tarrant County College District		569,915,000	0.01%	52,351
The District (a)		3,824,000	100.00%	<u>3,824,000</u>
Total Estimated Overlapping Debt	\$			7,422,867

(a) The Bonds.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Official Statement shall have the meanings given in the Service and Assessment Plan. When the District determined to defray a portion of the costs of the Authorized Improvements through Assessments, it adopted a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the cost therefor. The District caused assessment rolls to be prepared (the "Assessment Rolls"), which Assessment Rolls show the lots within Improvement Area #1 to be assessed, the amount of the benefit to and the Assessment against each lot in Improvement Area #1 and the number of Annual Installments into which each Assessment is divided. The Assessment Rolls were filed with the Secretary of the Board and are available for public inspection. Statutory notice was given to the owners in each phase of Improvement Area #1 of the property to be assessed and a public hearing was conducted on the Service and Assessment Plan to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding a portion of the same with Assessments. Following the hearing, the District determined to proceed to levy Assessments pursuant to the Assessment Order and thereafter the Assessments became legal, valid and binding liens upon the property against which the Assessments are made.

Under the MMD Act, the costs of Authorized Improvements may be assessed by the District against the assessable property in the District so long as the special benefit conferred upon the assessed property by the Improvement Projects equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of fair and equitable shares of costs on assessed property similarly benefited. The allocation of benefits and assessments to the benefited land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX E—THE SERVICE AND ASSESSMENT PLAN."

Assessment Methodology

The Service and Assessment Plan describes the special benefit received by each parcel of assessable property in Improvement Area #1 as a result of the Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the District allocates the special benefit of the Authorized Improvements to parcels in Improvement Area #1 in a manner that results in fair and equitable shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, the costs of the Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Pledged Revenues. Assessments are apportioned proportionately to each Assessed Parcel within Improvement Area #1. The District has determined that the Assessments shall be allocated to the Assessed Parcels in Improvement Area #1 based on the estimated buildout value for each lot type and that such method of allocation will result in the imposition of fair and equitable shares of the Assessments on parcels similarly situated. The Assessments and the interest thereon are expected to be paid in Annual Installments as described in the Service and Assessment Plan. The determination by the District of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Board of its legislative authority and governmental powers and is conclusive and binding on the Developer, all other current owners of property within Improvement Area #1 and all future owners and developers within Improvement Area #1. See "APPENDIX E—THE SERVICE AND ASSESSMENT PLAN."

Collection Procedures

In accordance with the Service and Assessment Plan, the Annual Installments will be collected in the same manner and at the same time as regular ad valorem taxes of the District and will incur interest and penalties in the same manner as delinquent ad valorem taxes. Under the MMD Act, the Assessment is a lien against the property assessed. See "RISK FACTORS—Assessment Limitations."

The District will covenant in the Indenture to collect, or cause to be collected, Assessments as provided in the Assessment Order. No less frequently than annually, the District's staff or the Assessment Administrator shall prepare, and the Board shall approve, an Annual Service and Assessment Plan Update to allow for the billing and collection of Annual Installments.

Each Annual Service and Assessment Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Parcel within Improvement Area #1. Annual Collection Costs shall be allocated among the Assessed Parcels within Improvement Area #1 in proportion to the amount of the Annual Installments for the Assessed Parcels.

Annual Installments will be paid to the Tax Collector/Assessor. Property within the District is generally appraised and Assessments on the Assessed Parcels within Improvement Area #1 are assessed as of January 1 of each year. Annual Installments are due on January 31 of the following year and become delinquent on February 1. Taxpayers 65 years of age or older are permitted by state law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1 of the same year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Received</u>	<u>Payment Penalty</u>	<u>Cumulative Interest</u>	<u>Cumulative Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition Assessments from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts: The maximum principal amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessments have been levied against the Assessed Parcels within Improvement Area #1 as indicated on the Assessment Rolls. Upon the issuance of the Bonds, the Assessments will bear interest at the rate of the Bonds plus the Additional Interest. The Assessment Rolls approved in conjunction with the Service and Assessment Plan listing Assessments levied on the specific Assessed Parcels within Improvement Area #1 has been filed with the District’s Secretary and are available for public inspection. See “APPENDIX E—THE SERVICE AND ASSESSMENT PLAN.”

Rate and Method of Apportionment of Assessments: For purposes of the Service and Assessment Plan, the Board has determined that the Assessments shall be allocated to each developed lot equally based upon the estimated buildout values for each lot type and that such method of allocation will result in the imposition of fair and equitable shares of Assessments on lots similarly situated. See “- Assessment Methodology above.” See “SUMMARY OF THE SERVICE AND ASSESSMENT PLAN—Assessment Amounts of the Estimated Improvement Area #1 Project Costs” for a description of Assessment amounts for any particular lot type.

Prepayment of Assessments

Pursuant to the MMD Act and the Indenture, the owner of any property assessed may voluntarily prepay (a “Prepayment”) any Assessment levied against any Assessed Parcel within Improvement Area #1, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayments, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments and shall be deposited pursuant to the provisions of the Indenture. See “THE BONDS—Redemption Provisions—*Extraordinary Optional Redemption.*”

No Assessments within Improvement Area #1 have been prepaid at this time.

Priority of Lien

The Assessments or any reassessment, and any interest and penalties thereon, constitute a lien against the property assessed. The Assessment lien is effective from the date of the recordation of the Assessment Order until the Assessment is paid; and the Assessment lien is subordinate to any tax lien and to any lien, including a mortgage lien, attaching prior to the Assessment lien. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment of the Assessment, at any time. See “RISK FACTORS—Priority of an Assessment Lien in Foreclosure,” “—Bankruptcy,” “—Assessment Limitations,” and “—Judicial Foreclosure.”

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the District is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Foreclosure Proceedings."

The Assessment Administrator

The District has engaged the Assessment Administrator to provide services in connection with the preparation, updating and administration of the service and assessment plans for the District. The Assessment Administrator is to provide: (i) administrative support services related to the assessments, (ii) administration of prepayment of Assessments, and (iii) continuing disclosure services.

NO CREDIT RATING

The District has not made, and does not contemplate making, application to any rating agency for the assignment of a municipal bond credit rating to the Bonds. Furthermore, it is not expected that the Bonds would have received an investment grade municipal bond credit rating had an application been made. See "RISK FACTORS."

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service. The District has covenanted in the Bond Order that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Order pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the District, the District's Financial Advisor and the Underwriter with respect to matters solely within the knowledge of the District, the District's Financial Advisor and the Underwriter, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Order or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax exempt interest, such as interest on the Bonds, received or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits, including tax exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Tax Accounting Treatment of Original Issue Discount

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") may be less than the stated redemption price at maturity. In such case, under existing law and based upon the assumptions hereinafter stated (a) The difference between (i) the stated amount payable at the maturity of each Original Issue Discount Bond and (ii) the issue price of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds; and (b) Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS" generally applies, except as otherwise provided below, to original issue discount on a Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds, and should be considered in connection with the discussion in this portion of the Preliminary Official Statement.)

The foregoing is based on the assumptions that (a) the Underwriter has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the cover page of this Preliminary Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership and redemption, sale or other disposition of such Bonds .

Qualified Tax-Exemption Obligations

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the issuer as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) to be issued during the calendar year is not expected to exceed \$10,000,000.

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2024 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2024.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds, and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Bond Counsel. See "TAX MATTERS." Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds. Certain legal matters will be passed upon for the Underwriter by its counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas.

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State, payable from the Pledged Revenues.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issue explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGAL OPINIONS

The District will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the District. The District will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the District under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes, subject to the matters described above under the caption "TAX MATTERS." A copy of the form of opinion of Bond Counsel is attached hereto as "APPENDIX F—FORM OF OPINION OF BOND COUNSEL."

Except as noted below, Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement under the captions and sub-captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology," "Assessment Amounts," and "The Assessment Administrator"), "THE DISTRICT" (except for the subcaptions "Description" and "Consultants to the District"), "TAX MATTERS," "LEGAL MATTERS," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and "APPENDIX D—FORM OF TRUST INDENTURE," and such firm is of the opinion that the information relating to the Bonds, the Bond Order and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information fairly conforms to the Bond Order and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Allen Boone Humphries Robinson LLP, Dallas, Texas, serves as General Counsel and Bond Counsel to the District. McCall, Parkhurst & Horton L.L.P., Dallas, Texas serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

LITIGATION

At the time of delivery and payment for the Bonds, the District will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, overtly threatened against the District affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Order or the Indenture, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting

or affecting the validity or enforceability of the Bonds, the Assessment Order, the Bond Order, the Indenture, any action of the District contemplated by any of the said documents, or the collection or application of the revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Government Code, as amended) provides that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Government Code, as amended, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO CREDIT RATING." In addition, the MMD Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard or prudent banking judgement standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the District has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The District made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

CONTINUING DISCLOSURE

The District

Pursuant to Rule 15c2-12 (the "Rule") promulgated by the United States Securities and Exchange Commission (the "SEC"), the District, the Assessment Administrator and 30 Three Sixty Public Finance, Inc., as dissemination agent (in such capacity, the "Dissemination Agent") entered into a Continuing Disclosure Agreement (the "District Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interest in the Bonds), to provide, by certain dates prescribed in the District Disclosure Agreement, certain financial information and operating data relating to the District (collectively, the "District Reports"). The specific nature of the information to be contained in the District Reports is set forth in "APPENDIX G-1—FORM OF DISTRICT DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the District Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

A default by the Developer or the Assessment Administrator with respect to its obligations under the Developer Disclosure Agreement (defined below) is not a default by the District. The District has no obligation to provide financial information, operating data or reports that the Developer or the Assessment Administrator is obligated to provide under the Developer Disclosure Agreement in the event the Developer or the Assessment Administrator fails to do so.

The District has agreed to update information and to provide notices of certain specified events only as provided in the District Disclosure Agreement. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Official Statement, except as provided in the District Disclosure Agreement. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the District Disclosure Agreement or from any statement made pursuant to the District Disclosure Agreement.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy,

insolvency, receivership or similar event of the District or other obligated person within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For the purposes of event (12) in the immediately preceding paragraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. For the purposes of events (15) and (16), the term “Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee (i) or (ii); provided that “Financial Obligation” shall not include municipal securities as to which a final official statement (as defined the Rule) has been provided to the MSRB consistent with the Rule.

The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with the Rule. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB at www.emma.msrb.org.

Availability of Information from MSRB

The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results, operations, conditions or prospects or to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered Owners and beneficial owners of the Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may amend or repeal the agreement in the Bond Order if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings—The District

The Bonds are the first issuance of bonded indebtedness by the District, and, as such, the District has not previously entered into a continuing disclosure agreement pursuant to Rule.

The Developer

The Developer, the Assessment Administrator, and 30 Three Sixty Public Finance, Inc (the “Dissemination Agent”) have entered into a Continuing Disclosure Agreement (the “Developer Disclosure Agreement”) for the benefit of the Registered Owners (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding Karis and the Authorized Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX G-2—FORM OF DEVELOPER DISCLOSURE AGREEMENT.” Under certain circumstances, the failure of the Developer or the Assessment Administrator to comply with its obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow Registered Owners (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to provide (i) certain updated information to the Assessment Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Developer Disclosure Agreement. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Official Statement, except as provided in the Developer Disclosure Agreement. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Developer Disclosure Agreement or from any statement made pursuant to the Developer Disclosure Agreement.

Compliance with Prior Undertakings—The Developer

The Developer has not previously entered into a continuing disclosure agreement pursuant to the Rule.

SOURCES OF INFORMATION

General

The information contained in this Official Statement has been obtained primarily from the District’s records, the Developer and its representatives and other sources believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the District described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Experts

The information contained in this Official Statement relating to the description of the Authorized Improvements generally and, in particular, the information included in the sections captioned “RISK FACTORS” (only as it pertains to the Developer, the Authorized Improvements, and Karis), “IMPROVEMENT AREA #1,” “HOMEBUILDERS WITHIN IMPROVEMENT AREA #1,” “THE KARIS DEVELOPMENT,” “THE DEVELOPER AND PRINCIPAL LANDOWNER,” “CONTINUING DISCLOSURE—The Developer,” “CONTINUING DISCLOSURE—Compliance with Prior Undertakings—The Developer,” and “APPENDIX C—FINANCIAL STATEMENTS OF THE DEVELOPER” have been provided by the Developer.

The information contained in the Official Statement relating to engineering, and, in particular, that engineering information included in the sections entitled “THE DISTRICT—Description,” “THE KARIS DEVELOPMENT,” and “APPENDIX A—MAP OF THE DISTRICT AND IMPROVEMENT AREA #1” have been provided by the Engineer and has been included herein in reliance upon the authority of said firms as experts in the field of civil engineering.

The information contained in the Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned “OVERLAPPING TAXES” and “OVERLAPPING TAX AND DEBT INFORMATION APPLICABLE TO THE ASSESSED PARCELS” was provided by the Tarrant County Tax Office and the Appraisal District. Such information has been included herein in reliance upon their authority as an expert in the field of tax collection and the Appraisal District’s authority as an expert in the field of tax assessing.

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate

amendment or supplement to the Official Statement satisfactory to the Underwriter; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Underwriter.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

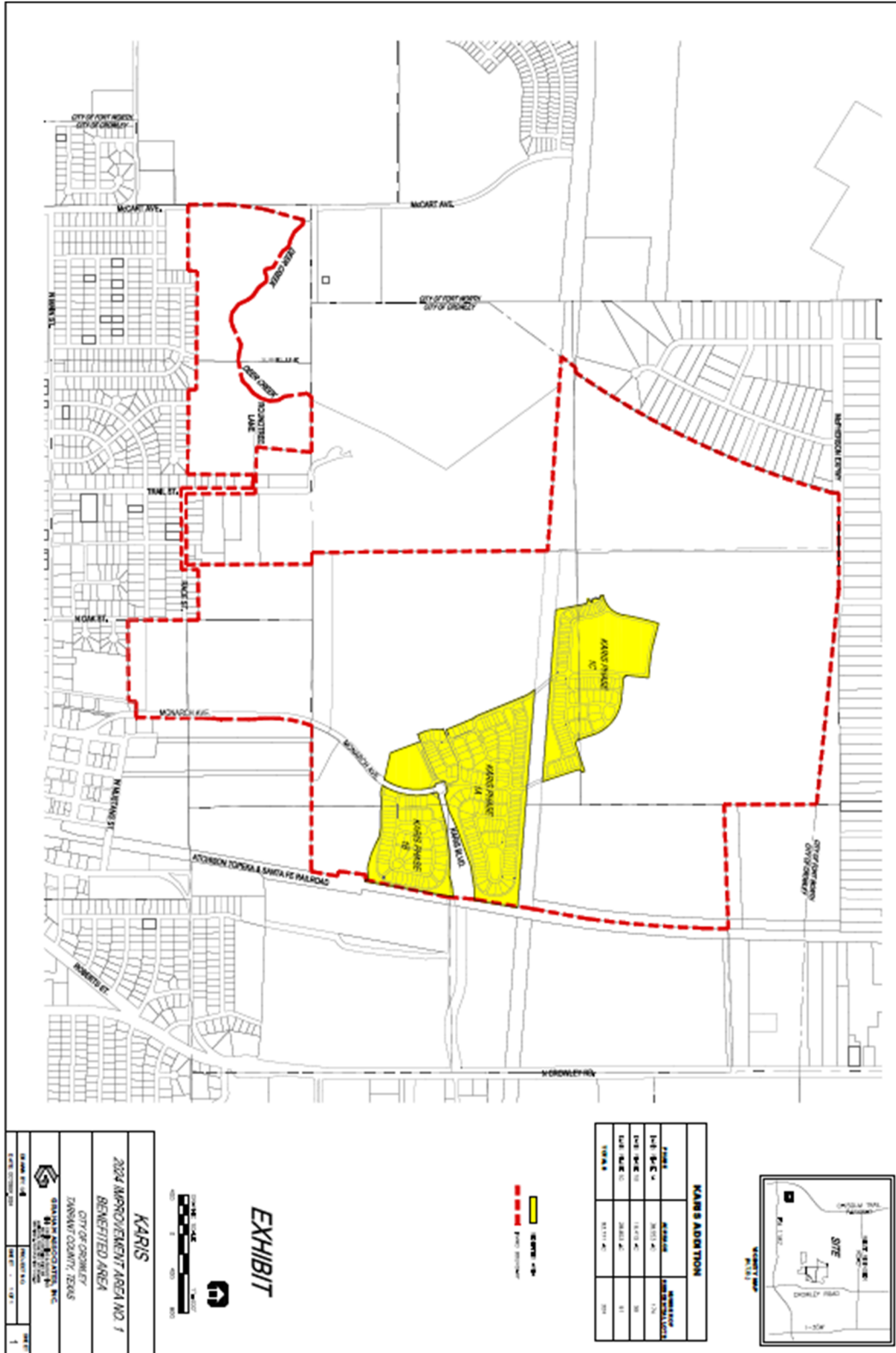
THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The Bond Order will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its use by the Underwriter in connection with the marketing and sale of the Bonds.

KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT
COUNTY

APPENDIX A MAP OF THE DISTRICT AND IMPROVEMENT AREA #1



APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY**

TARRANT COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

APRIL 30, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Karis Municipal Management
District of Tarrant County
Tarrant County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Karis Municipal Management District of Tarrant County (the "District"), as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of April 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Karis Municipal Management District of Tarrant County

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The signature is written in a cursive, flowing style.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

July 23, 2024

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2024**

Management’s discussion and analysis of the financial performance of Karis Municipal Management District of Tarrant County (the “District”) provides an overview of the District’s financial activities for the year ended April 30, 2024. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all the District’s assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for developer advances, property tax revenues, operating costs and general expenditures.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2024**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District’s governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”) and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District’s financial position. In the case of the District, liabilities exceeded assets by \$313,763 as of April 30, 2024.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a comparative analysis of government-wide changes in net position for the current and prior fiscal years.

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 95,182	\$ 2,176	\$ 93,006
Intangible Assets	<u>10,347,920</u>	<u></u>	<u>10,347,920</u>
Total Assets	<u>\$ 10,443,102</u>	<u>\$ 2,176</u>	<u>\$ 10,440,926</u>
Due to Developer	\$ 10,735,708	\$ 198,658	\$ (10,537,050)
Other Liabilities	<u>21,157</u>	<u>17,782</u>	<u>(3,375)</u>
Total Liabilities	<u>\$ 10,756,865</u>	<u>\$ 216,440</u>	<u>\$ (10,540,425)</u>
Net Position:			
Unrestricted	<u>\$ (313,763)</u>	<u>\$ (214,264)</u>	<u>\$ (99,499)</u>
Total Net Position	<u>\$ (313,763)</u>	<u>\$ (214,264)</u>	<u>\$ (99,499)</u>

The following table provides a summary of the District's operations for the years ended April 30, 2024 and April 30, 2023:

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 88,411	\$ 2,760	\$ 85,651
Other Revenues	<u>290</u>	<u>40</u>	<u>250</u>
Total Revenues	\$ 88,701	\$ 2,800	\$ 85,901
Total Expenses	<u>188,200</u>	<u>115,903</u>	<u>(72,297)</u>
Change in Net Position	\$ (99,499)	\$ (113,103)	\$ 13,604
Net Position, Beginning	<u>(214,264)</u>	<u>(101,161)</u>	<u>(113,103)</u>
Net Position, Ending	<u>\$ (313,763)</u>	<u>\$ (214,264)</u>	<u>\$ (99,499)</u>

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance increased by \$87,394, primarily due to operating costs exceeding property tax revenues and developer advances.

INTANGIBLE ASSETS

The District entered into an agreement (see Note 9) with the City of Crowley, Texas whereby various Public Improvements constructed within the District will be conveyed to the City for operation and maintenance for the benefit of District residents. As of April 30, 2024, intangible assets constructed and conveyed to the City of Crowley totaled \$10,347,920.

LONG-TERM DEBT

The District does not have any outstanding bonds.

As of April 30, 2024, the District recorded an amount due to Developer of \$10,735,708, which consists of operating advances and Phases 1A, 1B and 1C infrastructure costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a General Fund budget for the current fiscal year. The budget was amended to increase anticipated property tax revenues, professional fees, and administrative costs and decrease developer advances. Actual revenues were \$78 more than budgeted revenues, actual expenditures were \$38,190 less than budgeted expenditures, and actual developer advances were \$49,126 more than budgeted advances. This resulted in a positive budget variance of \$87,394. See the budget to actual comparison for more information.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Karis Municipal Management District of Tarrant County, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
APRIL 30, 2024**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 16,823	\$	\$ 16,823
Investments	56,082		56,082
Receivables:			
Property Taxes	2,425		2,425
Prepaid Costs	19,852		19,852
Intangible Assets		10,347,920	10,347,920
TOTAL ASSETS	\$ 95,182	\$ 10,347,920	\$ 10,443,102
LIABILITIES			
Accounts Payable	\$ 21,157	\$	\$ 21,157
Due to Developer		10,735,708	10,735,708
TOTAL LIABILITIES	\$ 21,157	\$ 10,735,708	\$ 10,756,865
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 2,425	\$ (2,425)	\$ -0-
FUND BALANCE			
Nonspendable:			
Prepaid Costs	\$ 19,852	\$ (19,852)	\$
Unassigned	51,748	(51,748)	
TOTAL FUND BALANCE	\$ 71,600	\$ (71,600)	\$ -0-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 95,182		
NET POSITION			
Unrestricted		\$ (313,763)	\$ (313,763)
TOTAL NET POSITION		\$ (313,763)	\$ (313,763)

The accompanying notes to the financial statements are an integral part of this report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
APRIL 30, 2024**

Total Fund Balance - Governmental Fund	\$	71,600
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Intangible assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		10,347,920
Deferred inflows of resources related to property tax revenues for the 2023 tax levy became part of recognized revenue in the governmental activities of the District.		2,425
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:</p>		
Due to Developer		<u>(10,735,708)</u>
Total Net Position - Governmental Activities	\$	<u>(313,763)</u>

The accompanying notes to the financial statements are an integral part of this report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2024**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 86,174	\$ 2,237	\$ 88,411
Penalty and Interest	53		53
Investment and Miscellaneous Revenues	<u>237</u>		<u>237</u>
TOTAL REVENUES	<u>\$ 86,464</u>	<u>\$ 2,237</u>	<u>\$ 88,701</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 148,410	\$	\$ 148,410
Contracted Services	24,156		24,156
Other	<u>15,634</u>		<u>15,634</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 188,200</u>	<u>\$ -0-</u>	<u>\$ 188,200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>\$ (101,736)</u>	<u>\$ 2,237</u>	<u>\$ (99,499)</u>
OTHER FINANCING SOURCES (USES)			
Developer Advances	<u>\$ 189,130</u>	<u>\$ (189,130)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ 87,394	\$ (87,394)	\$
CHANGE IN NET POSITION		(99,499)	(99,499)
FUND BALANCE (DEFICIT) NET POSITION - MAY 1, 2023	<u>(15,794)</u>	<u>(198,470)</u>	<u>(214,264)</u>
FUND BALANCE/NET POSITION - APRIL 30, 2024	<u>\$ 71,600</u>	<u>\$ (385,363)</u>	<u>\$ (313,763)</u>

The accompanying notes to the financial statements are an integral part of this report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024**

Net Change in Fund Balance - Governmental Fund	\$	87,394
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		2,237
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Governmental funds report developer advances as other financing sources. In the Statement of Net Position developer advances are recorded as a liability.		<u>(189,130)</u>
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Change in Net Position - Governmental Activities	\$	<u>(99,499)</u>
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The accompanying notes to the financial statements are an integral part of this report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 1. CREATION OF DISTRICT

Karis Municipal Management District of Tarrant County (the “District”) is a municipal management district and political subdivision of the State of Texas created pursuant to an order of the Texas Commission on Environmental Quality (the “Commission”) issued February 19, 2019, operating pursuant to Article III, Section 52, and Article XVI, Section 59, Texas Constitution, the general laws of the State of Texas, including particularly Chapter 375, Texas Local Government Code, Chapter 49, Texas Water Code, and Chapter 8026A, Texas Special District Local Laws Code. The District is located wholly within the corporate limits of the City of Crowley, Texas (the “City”).

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants, and contract rights therefore, necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such utility facilities or contract rights therefor. The District may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to the State, Tarrant County or the City for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads. The District also may levy and collect special assessments for certain improvement projects, including among others parks, landscaping, parking, utility and transportation facilities; and the District may finance such facilities through the issuance of debt secured by such assessments. The Board of Directors held its first meeting on August 14, 2019.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, and intangible assets net of accumulated depreciation and amortization reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it’s the District’s policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District’s Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Fund

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for developer advances, property tax revenues, operating costs and general expenditures.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the period and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent year to finance current expenditures.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets

Intangible assets include the costs of Public Improvements constructed within the District which are conveyed to the City for operation and maintenance for the benefit of District residents. (See Notes 6 and 9).

Budgeting

A budget is adopted each year for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered “employees” for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$16,823 and the bank balance was \$34,271. The District was not exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position as of April 30, 2024, as listed below:

GENERAL FUND	Cash \$ 16,823
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Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in LOGIC (Local Government Investment Cooperative), an external public fund investment pool that is not SEC-registered. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the participants. Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. serve as co-administrators of the pool. LOGIC measures all of its portfolio assets at amortized cost for financial reporting purposes. The District measures its investments in LOGIC at amortized cost. There are no limitations or restrictions on withdrawals from LOGIC.

At fiscal year end, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
LOGIC	<u>\$ 56,082</u>	<u>\$ 56,082</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District’s investment in LOGIC was rated AAAM by Standard and Poor’s. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in LOGIC to have a maturity of less than one year due since the share position can usually be redeemed each day at the discretion of the District unless there has been a significant change in value.

NOTE 4. MAINTENANCE TAX

On November 5, 2019, the voters of the District approved the levy and collection of a maintenance tax unlimited as to rate or amount on taxable property within the District. During the year ended April 30, 2024, the District levied an ad valorem maintenance tax rate of \$0.46 per \$100 of assessed valuation, which resulted in a tax levy of \$88,125 on the adjusted taxable valuation of \$19,157,536 for the 2023 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the last three years.

NOTE 6. INTANGIBLE ASSETS

Developers have financed the construction of utilities which serve District residents. Upon completion, these facilities are conveyed to the City in accordance with the Project Finance and Operating agreement (see Note 9). In exchange for conveyance of these assets, the City agrees to provide service to residents of the District. Intangible asset activity for the current fiscal year is summarized in the following table:

	May 1, 2023	Increases	Decreases	April 30, 2024
Intangible Assets				
Utility Infrastructure	<u>\$ -0-</u>	<u>\$ 10,347,920</u>	<u>\$ -0-</u>	<u>\$ 10,347,920</u>

NOTE 7. BOND AUTHORIZATION

At an election held November 5, 2019, the voters of the District authorized the issuance of bonds up to \$115,995,000 for the purposes of acquiring or constructing water, sewer and drainage facilities, \$112,665,000 for road facilities, \$115,995,000 for the purpose of refunding water, sewer and drainage facilities bonds, and \$112,665,000 for the purpose of refunding road bonds of which all remain authorized but unissued.

NOTE 8. UNREIMBURSED DEVELOPER COSTS

The District has entered into that certain “Operating Costs and Facilities Reimbursement Agreement” (the “Reimbursement Agreement”), dated February 10, 2021, with The Nehemiah, L.L.C. (the “Developer”) which calls for the Developer to fund operating advances as well as costs associated with the construction of roads, water, wastewater, and drainage infrastructure. Under the Reimbursement Agreement, reimbursement to the Developer would come from future bond sales.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 8. UNREIMBURSED DEVELOPER COSTS (Continued)

Subsequent to the Agreement, Developer sold approximately 88.57 acres of land within the District (the “TNC Tract”) to CH TNC Karis Owner, LLC (“Developer TNC”). As part of the sale, on March 26, 2021, Developer and Developer TNC entered into that certain “Assignment and Assumption of Operating Costs and Facilities Reimbursement Agreement” under which Developer assigned its rights and obligations under the Reimbursement Agreement to Developer TNC with respect to the TNC Tract.

On or about October 31, 2023, the District, Developer, and Developer TNC entered into that certain “First Amendment of Operating Costs and Facilities Reimbursement Agreement” to reflect an amendment to the proposed plan of finance to include reimbursement by assessments or bonds secured by assessments.

Under the Reimbursement Agreement, as amended, the District has an obligation to reimburse the Developer and Developer TNC costs from future bond issues or other lawfully available funds. The following table summarizes the current activity related to unreimbursed costs.

Due to Developers, May 1, 2023	\$ 198,658
Add: Current Year Additions	<u>10,537,050</u>
Due to Developers, April 30, 2024	<u>\$ 10,735,708</u>

NOTE 9. PROJECT FINANCE AND OPERATING AGREEMENT

The District entered into a Project Finance and Operating Agreement with the City, effective January 21, 2021, which sets forth the terms of the financing and operations of various Public Improvements. Per the Agreement, the District is responsible for constructing certain water, sanitary sewer, storm water, and drainage and road facilities as well as certain mobility and open space/public landscaping improvements. Upon completion, all of these facilities and improvements, with the exception of the open space/public landscaping improvements, will be conveyed to the City for operation and maintenance. The District is responsible for the maintenance of mobility and road improvements that it constructs for a period of 15 years after completion of each such facility; the City is responsible thereafter.

The City is responsible for various road and bridge improvements and the construction of certain Beverly Street sanitary sewer and water line improvements.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2024**

NOTE 10. SUBSEQUENT EVENT- PENDING BOND APPLICATION

On May 31, 2024, subsequent to year end, the District submitted an application to the TCEQ for approval to sell unlimited tax utility bonds in the amount of \$4,850,000. Per the application, proceeds from the bonds would be used to reimburse a Developer for construction and engineering costs for utility infrastructure within the District. Additional proceeds will be used to pay for capitalized interest, developer interest, and issuance costs of the bonds. Upon receipt of approval of the application from the TCEQ, delivery of the bonds is expected in the fourth quarter of 2024.

NOTE 11. SUBSEQUENT EVENT – BOND ANTICIPATION NOTE SALE

On July 2, 2024, subsequent to year end, the District closed on the sale of its \$3,251,000 Series 2024 Bond Anticipation Note (“2024 BAN”). Proceeds from the 2024 BAN were used to reimburse a Developer for a portion of construction and engineering costs for water, wastewater and drainage facilities to serve the District, Phases 1A, 1B and 1C, operating advances, and to pay for 2024 BAN issuance costs. The 2024 BAN is expected to be redeemed from proceeds of the bond sale referenced in Note 10 above.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2024

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 2,760	\$ 86,362	\$ 86,174	\$ (188)
Penalty and Interest			53	53
Investment and Miscellaneous Revenues	<u>24</u>	<u>24</u>	<u>237</u>	<u>213</u>
TOTAL REVENUES	<u>\$ 2,784</u>	<u>\$ 86,386</u>	<u>\$ 86,464</u>	<u>\$ 78</u>
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 153,400	\$ 187,400	\$ 148,410	\$ 38,990
Contracted Services	16,859	24,325	24,156	169
Other	<u>4,562</u>	<u>14,665</u>	<u>15,634</u>	<u>(969)</u>
TOTAL EXPENDITURES	<u>\$ 174,821</u>	<u>\$ 226,390</u>	<u>\$ 188,200</u>	<u>\$ 38,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (172,037)</u>	<u>\$ (140,004)</u>	<u>\$ (101,736)</u>	<u>\$ 38,268</u>
OTHER FINANCING SOURCES (USES)				
Developer Advances	<u>\$ 172,037</u>	<u>\$ 140,004</u>	<u>\$ 189,130</u>	<u>\$ 49,126</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ -0-	\$ 87,394	\$ 87,394
FUND BALANCE (DEFICIT) - MAY 1, 2023	<u>(15,794)</u>	<u>(15,794)</u>	<u>(15,794)</u>	<u></u>
FUND BALANCE (DEFICIT) - APRIL 30, 2024	<u>\$ (15,794)</u>	<u>\$ (15,794)</u>	<u>\$ 71,600</u>	<u>\$ 87,394</u>

See accompanying independent auditor's report.

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**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

APRIL 30, 2024

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2024**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

<u>N/A</u>	Retail Water	<u>N/A</u>	Wholesale Water	<u>N/A</u>	Drainage
<u>N/A</u>	Retail Wastewater	<u>N/A</u>	Wholesale Wastewater	<u>N/A</u>	Irrigation
<u>N/A</u>	Parks/Recreation	<u>N/A</u>	Fire Protection	<u>N/A</u>	Security
<u>N/A</u>	Solid Waste/Garbage	<u>N/A</u>	Flood Control	<u>N/A</u>	Roads
<u>N/A</u>	Participates in joint venture, regional system and/or wastewater service				
<u>X</u>	Other (specify): Storm Water Detention				

Note: The District is located within the City of Crowley’s utility service area (see Note 9).

2. RETAIL SERVICE PROVIDERS: (NOT APPLICABLE)

3. TOTAL WATER CONSUMPTION: (NOT APPLICABLE)

4. STANDBY FEES: (NOT APPLICABLE)

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No

County in which District is located:

Tarrant County, Texas

Is the District located within a city?

Entirely X Partly Not at all

City in which District is located:

City of Crowley, Texas.

Are Board Members appointed by an office outside the District?

Yes No X

See accompanying independent auditor’s report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2024**

PROFESSIONAL FEES:	
Auditing	\$ 10,000
Engineering	22,135
Legal	<u>116,275</u>
TOTAL PROFESSIONAL FEES	<u>\$ 148,410</u>
CONTRACTED SERVICES:	
Tax Assessment and Collection Costs	\$ 13,266
Bookkeeping	<u>10,890</u>
TOTAL CONTRACTED SERVICES	<u>\$ 24,156</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 8,090
Insurance	3,074
Office Supplies and Delivery	3,618
Travel and Meetings	<u>852</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 15,634</u>
TOTAL EXPENDITURES	<u><u>\$ 188,200</u></u>

See accompanying independent auditor's report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
INVESTMENTS
APRIL 30, 2024**

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u> LOGIC	XXXX6001	Varies	Daily	<u>\$ 56,082</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2024**

	Maintenance Taxes	
TAXES RECEIVABLE -		
MAY 1, 2023	\$ 188	
Adjustments to Beginning		
Balance	286	\$ 474
Original 2023 Tax Levy	\$ 88,125	
Adjustment to 2023 Tax Levy		88,125
TOTAL TO BE		
ACCOUNTED FOR		\$ 88,599
 TAX COLLECTIONS:		
Prior Years	\$ 474	
Current Year	85,700	86,174
 TAXES RECEIVABLE -		
APRIL 30, 2024		\$ 2,425
 TAXES RECEIVABLE BY		
YEAR:		
2023		\$ 2,425

See accompanying independent auditor's report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2024**

	2023	2022
PROPERTY VALUATIONS:		
Land	\$ 19,110,111	\$ 735,576
Improvements	47,425	40,297
Personal Property		12,566
TOTAL PROPERTY VALUATIONS	\$ 19,157,536	\$ 788,439
 TAX RATES PER \$100 VALUATION:		
Maintenance	\$ 0.46	\$ 0.35
ADJUSTED TAX LEVY*	\$ 88,125	\$ 2,760
 PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED		
	97.25 %	100.00 %

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – An unlimited rate or amount per \$100 of assessed valuation approved by voters on November 5, 2019.

See accompanying independent auditor’s report.

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**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – TWO YEARS**

	Amounts		Percentage of Total Revenues	
	2024	2023	2024	2023
REVENUES				
Property Taxes	\$ 86,174	\$ 2,572	99.6 %	98.5 %
Penalty and Interest	53	24	0.1	0.9
Investment and Miscellaneous Revenues	237	16	0.3	0.6
TOTAL REVENUES	<u>\$ 86,464</u>	<u>\$ 2,612</u>	<u>100.0 %</u>	<u>100.0 %</u>
EXPENDITURES				
Professional Fees	\$ 148,410	\$ 99,241	171.6 %	3,799.4 %
Contracted Services	24,156	12,619	27.9	483.1
Other	15,634	4,043	18.1	154.8
TOTAL EXPENDITURES	<u>\$ 188,200</u>	<u>\$ 115,903</u>	<u>217.6 %</u>	<u>4,437.3 %</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (101,736)</u>	<u>\$ (113,291)</u>	<u>(117.6) %</u>	<u>(4,337.3) %</u>
OTHER FINANCING SOURCES (USES)				
Developer Advances	<u>\$ 189,130</u>	<u>93,115</u>		
NET CHANGE IN FUND BALANCE	\$ 87,394	\$ (20,176)		
BEGINNING FUND BALANCE (DEFICIT)	<u>(15,794)</u>	<u>4,382</u>		
ENDING FUND BALANCE (DEFICIT)	<u>\$ 71,600</u>	<u>\$ (15,794)</u>		
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>**</u>	<u>**</u>		
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>**</u>	<u>**</u>		

** Utility services are provided by the City of Crowley, Texas (see Note 9).

See accompanying independent auditor's report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2024**

District Mailing Address - Karis Municipal Management District of Tarrant County
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

District Telephone Number - (713) 860-6400

Board Members	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended April 30, 2024</u>	<u>Expense Reimbursements for the year ended April 30, 2024</u>	<u>Title</u>
Thomas O'Dwyer	02/2021 - 02/2025 (Appointed)	\$ 1,547	\$ 65	President
Ron Smith	02/2021 - 02/2025 (Appointed)	\$ 1,989	\$ 251	Vice President
Cody Klipfel	02/2023 - 02/2027 (Appointed)	\$ 1,989	\$ 84	Secretary
Michael McFarland	02/2023 - 02/2027 (Appointed)	\$ 1,105	\$ 299	Assistant Secretary
Martin Spradley	02/2023 - 02/2027 (Appointed)	\$ 884	\$ 30	Assistant Secretary

Note: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developer or with any of the District's consultants.

See accompanying independent auditor's report.

**KARIS MUNICIPAL MANAGEMENT DISTRICT
OF TARRANT COUNTY
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2024**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended April 30, 2024</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	01/01/23	\$ 116,275	General Counsel
McCall Gibson Swedlund Barfoot PLLC	04/18/23	\$ 10,000	Auditor
Dye & Toverly, LLC	08/14/19	\$ 10,931	Bookkeeper
Robert W. Baird & Co. Incorporated	08/14/19	\$ -0-	Financial Advisor
Graham Associates, Inc.	08/14/19	\$ 22,135	Engineer
Kathi Dye	08/16/22	\$ -0-	Investment Officer
Ted A. Cox, P.C.	11/16/21	\$ -0-	Delinquent Tax Attorney
Utility Tax Service, LLC	08/17/21	\$ 12,176	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX C
FINANCIAL STATEMENTS OF THE DEVELOPER

CH TNC Karis Owner LLC
Balance Sheet
As of December 31, 2023

	Dec 31, 23	Dec 31, 22
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash - FUB Account	770,425.60	39,551.97
1001 · Restricted Funds	682,948.61	-
Total Checking/Savings	1,453,374.21	39,551.97
Other Current Assets		
1026 · Other Receivables	47,777.01	-
1030 · Due To/From TNC CH Investor	1,222,982.79	750,477.75
1032 · Due from The Nehemiah 2	-	3,715.22
1033 · Start-up Costs Advance		
CrossHarbor Capital	196,125.89	464,550.00
The Nehemiah 2	8,958.68	24,450.00
Total 1033 · Start-up Costs Advance	205,084.57	489,000.00
1050 · Prepaid Insurance	84,575.00	200,825.81
1551 · Capitalized Franchise Taxes	125.00	125.00
1552 · Capitalized Real Estate Taxes	471,719.14	62,793.82
1600 · Financing Costs	252,694.32	252,694.32
1601 · Financing Costs - Acc Amort	(238,655.79)	(154,424.31)
1602 · Capitalized Amort - Fin Costs	238,655.79	154,424.31
1650 · Capitalized Overhead Costs	1,431,250.09	875,000.07
1652 · Cap Developer Maintenance	110,404.84	7,815.46
1654 · Capitalized G&A	194,104.44	95,105.16
1656 · Capitalized Owners Rep	392,399.71	188,050.00
1660 · Capital District & HOA Subsidy	422,092.84	146,466.98
1700 · Organizational Costs	137,224.98	137,224.98
1701 · Organizational Costs-Acc Amort	(25,920.26)	(16,771.94)
1702 · Capitalized Amort - Org Costs	25,920.26	16,771.94
1750 · Capitalized Legal Costs	87,084.50	20,533.95
1800 · Capitalized Interest	980,202.25	223,613.24
1801 · CIP - Insurance	413,356.92	248,239.76
Total Other Current Assets	6,453,078.40	3,701,681.52
Total Current Assets	7,906,452.61	3,741,233.49
Fixed Assets		
1100 · Land		
1101 · Bauer Trust	1,618,015.15	1,618,015.15
1102 · Bauer Farms	203,604.00	203,604.00
1103 · MYWC	41,376.00	41,376.00
Total 1100 · Land	1,862,995.15	1,862,995.15
1110 · Pre-Development Costs	1,826,081.29	1,826,081.29
1200 · Dev. Costs - Non-Reimb		
1201 · Amenity 1 - Phase 1	529,775.41	81,189.08
Total 1200 · Dev. Costs - Non-Reimb	529,775.41	81,189.08
1300 · Dir. Dev. Costs - Reimb		

CH TNC Karis Owner LLC
Balance Sheet
As of December 31, 2023

	Dec 31, 23	Dec 31, 22
1310 · Phase 1 - Direct Road Infra.	5,271,514.01	4,607,424.97
1311 · Phase 1 - Direct Drainage	3,646,482.96	3,482,504.00
1312 · Phase 1 - Direct Water & Sewer	3,737,082.89	3,526,749.61
1313 · Phase 1 - Street Lights	659,125.09	161,768.36
1314 · Phase 1 - Direct Dry Utilities	347,474.90	148,655.50
1315 · Phase I - Engineering	1,520,179.08	1,301,988.98
1325 · Phase 2A - Engineering	22,520.00	-
Total 1300 · Dir. Dev. Costs - Reimb	15,204,378.93	13,229,091.42
1400 · Indir. Dev. Costs - Reimb		
1417 · Industrial Blvd. RR Bridge Imp.	5,000.00	-
1418 · Industrial Blvd. Street Trees	79,200.14	-
1419 · South Roundabout	689,253.44	620,987.14
1421 · North Offsite Storm Sewer 1	851,736.01	844,367.99
1423 · Industrial Blvd. - Segment 1	871,844.31	787,446.38
1426 · Beverly St. - Seg 4 (Phase 1)	1,185,747.90	1,071,865.92
1427 · Beverly St. - Seg 5A (Phase 1)	618,750.65	552,327.70
1428 · Beverly St. - Seg 5B (Phase 1)	620,940.77	554,515.99
1433 · Beverly St. - Water Line - A	507,583.22	494,937.78
1434 · Beverly St. - Water Line - B	399,096.53	386,451.09
1445 · Water Main Loop - Phase 1	284,822.25	280,766.64
1446 · N San Sewer Trunk Line - Ph1	316,947.64	316,425.66
1447 · N. San Sewer Trunk Line - Ph2	411,058.87	403,755.83
1450 · Phase 1 Deten. (A4 Partial)	27,625.00	27,625.00
1461 · In-Phase Park Phase 1	2,000,003.77	187,470.11
1476 · Planning & Entitlement	207,963.63	136,125.54
Total 1400 · Indir. Dev. Costs - Reimb	9,077,574.13	6,665,068.77
1850 · Cost of Sales - Contra Asset	(3,938,678.43)	-
Total Fixed Assets	24,562,126.48	23,664,425.71
TOTAL ASSETS	32,468,579.09	27,405,659.20
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	917,007.44	1,425,889.18
Total Accounts Payable	917,007.44	1,425,889.18
Other Current Liabilities		
2010 · Retainage Payable		
American Landscape Systems	174,814.93	-
Mario Sinacola & Sons	378,994.86	793,170.48
Mission Site Services	42,801.98	-
SYB Construction	500,670.61	540,336.12
Total 2010 · Retainage Payable	1,097,282.38	1,333,506.60
2050 · Builder Deposits	1,052,703.17	1,502,583.68
2060 · Accrued Interest -FUB Loan-Ph 1	57,500.60	60,825.99

CH TNC Karis Owner LLC
Balance Sheet
 As of December 31, 2023

	<u>Dec 31, 23</u>	<u>Dec 31, 22</u>
2061 · Accrued Property Taxes	403,581.35	-
Total Other Current Liabilities	<u>2,611,067.50</u>	<u>2,896,916.27</u>
Total Current Liabilities	3,528,074.94	4,322,805.45
Long Term Liabilities		
2025 · First United Loan - Phase 1	7,021,185.39	8,389,791.75
Total Long Term Liabilities	<u>7,021,185.39</u>	<u>8,389,791.75</u>
Total Liabilities	10,549,260.33	12,712,597.20
Equity		
3000 · TNC Equity Contributions	983,621.88	764,594.38
3010 · CrossHarbor Contributions	18,688,816.33	14,527,293.99
3200 · Retained Earnings	(598,826.37)	(254,258.65)
Net Income	2,845,706.92	(344,567.72)
Total Equity	<u>21,919,318.76</u>	<u>14,693,062.00</u>
TOTAL LIABILITIES & EQUITY	<u>32,468,579.09</u>	<u>27,405,659.20</u>

CH TNC Karis Owner LLC
Profit & Loss
December 2023

	<u>Dec 23</u>	<u>Jan - Dec 23</u>
Ordinary Income/Expense		
Income		
4000 · Residential Lot Sales	66,000.00	4,873,400.00
4002 · Resi Lot Sales - Esc/Int Inc.	3,020.62	70,767.88
4010 · Commercial Lot Sales Revenue	-	2,745,600.00
4500 · Other Revenue		
4501 · Amenity Fees - Lot Sales	(7,500.00)	100,000.00
4502 · Marketing Fees - Lot Sales	(12,424.90)	-
4503 · Gas Connection Fees	650.00	48,100.00
4505 · Porter Fee	150.00	8,100.00
4506 · Plan Review Fee	200.00	14,800.00
4507 · Amenity Fess - Home Sales	10,000.00	10,000.00
4508 · Marketing Fees - Home Sales	28,913.80	28,913.80
Total 4500 · Other Revenue	<u>19,988.90</u>	<u>209,913.80</u>
Total Income	<u>89,009.52</u>	<u>7,899,681.68</u>
Gross Profit	89,009.52	7,899,681.68
Expense		
5000 · Cost of Sales - Residential	33,281.75	2,394,384.71
5010 · Cost of Sales - Commercial	-	1,544,293.72
5110 · Developer Fees	3,105.92	283,915.44
5120 · Closing Costs Expense	480.20	25,686.89
7000 · General & Administrative	-	-
7050 · Overhead Costs Expense	-	-
7060 · Consultants	-	-
7110 · District Subsidy	-	-
7111 · HOA Subsidy	-	-
7300 · Taxes		
7302 · Real Estate Tax	(19,192.74)	56,542.90
Total 7300 · Taxes	<u>(19,192.74)</u>	<u>56,542.90</u>
7500 · Professional Fees		
7501 · Legal	-	-
7502 · Audit/Tax	-	5,323.00
Total 7500 · Professional Fees	<u>-</u>	<u>5,323.00</u>
7600 · Marketing		
7602 · Magazine	-	9,023.73
7603 · E Blasts	1,500.00	3,000.00
7604 · Digital Advertising	12,484.92	112,556.55
7606 · TV	11,000.00	66,000.00
7608 · Collateral/Production	1,214.67	19,094.04
7609 · Outdoor/Billboard	19,981.22	117,849.57
7610 · Signage	-	72,131.91
7612 · Realtor Events	227.00	7,687.30
7616 · Photography	519.92	18,407.44
7617 · Public Relations	400.00	500.00

CH TNC Karis Owner LLC
Profit & Loss
 December 2023

	<u>Dec 23</u>	<u>Jan - Dec 23</u>
7619 · Mktg Supplies/Promo Items	759.92	10,429.24
7620 · Web Update/Maint	400.00	32,995.00
7622 · Community Promos	-	6,067.81
7623 · Sponsorships	2,280.00	7,480.00
7624 · Awards	-	3,500.00
7630 · Travel	488.24	807.89
7631 · Dues/Education	1,050.00	1,800.00
7632 · Market Research	12,792.00	12,792.00
7638 · Agency Retainer Fee	-	76,544.38
7640 · Miscellaneous	649.37	754.25
7641 · Overhead Reimbursement	10,416.67	118,750.02
7690 · Special Events - #1	2,691.49	43,560.97
7691 · Special Events - #2	176.00	2,096.00
Total 7600 · Marketing	<u>79,031.42</u>	<u>743,828.10</u>
Total Expense	<u>96,706.55</u>	<u>5,053,974.76</u>
Net Ordinary Income	(7,697.03)	2,845,706.92
Other Income/Expense		
Other Expense		
9000 · Ask My Accountant	-	-
Total Other Expense	<u>-</u>	<u>-</u>
Net Other Income	-	-
Net Income	<u><u>(7,697.03)</u></u>	<u><u>2,845,706.92</u></u>

APPENDIX D
FORM OF TRUST INDENTURE

FORM OF
INDENTURE OF TRUST

By and Between

KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY

And

BOKF, NA, a national banking association, as Trustee

DATED AS OF November 1, 2024

SECURING

\$ _____
KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of November 1, 2024, is by and between the KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY (the “District”), and BOKF, NA, a national banking association, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, Karis Municipal Management District of Tarrant County, located within the corporate limits of the City of Crowley, Tarrant County, Texas, was created under the authority of Article XVI, Section 59, and Article III, Section 52 and 52a of the Texas Constitution, by an Order of the Texas Commission on Environmental Quality, issued February 19, 2019, and operates pursuant to Chapter 375, Texas Local Government Code (the “MMD Act”), and Chapter 8026A, Texas Special District Local Laws Code, as amended (the “District Act,” and together with the MMD Act, the “Acts”); and

WHEREAS, pursuant to Subchapter F of the MMD Act, the District Board of Directors (the “Board”) may undertake improvement projects and services that confer a special benefit on all or a definable part of the District and levy and collect special assessments on property in that area based on benefit conferred by the improvement project or services to pay all or part of the cost of the project and services; and

WHEREAS, pursuant to the Acts, the Board may impose and collect an assessment for any purpose authorized by law in all or any part of the District, and Section 375.161 of the MMD Act does not apply to an assessment imposed by the District; and

WHEREAS, on July 18, 2023, the District received a petition meeting the requirements of Section 375.114 of the MMD Act requesting certain improvement projects and services (collectively, the “Authorized Improvements”) authorized by Section 375.112 of the MMD Act; and

WHEREAS, the petition contained the signatures of the owners of a majority of the assessed value of the property subject to assessment by the District, as determined by the then current and most recent certified ad valorem tax rolls of the Tarrant Central Appraisal District, and the signatures of the owners of a majority of the surface area of the real property that is liable for assessment by the District; and

WHEREAS, on August 27, 2023, the District published notice of a public hearing regarding advisability of Authorized Improvements and services and method of assessments in the Fort Worth Star-Telegram, a newspaper of general circulation in the District; and

WHEREAS, on September 26, 2023, after due notice, the Board held the public hearing in the manner required by law on the advisability of the Authorized Improvements and services described in the petition as required by Sec. 375.113 of the MMD Act and made the findings required by Sec. 375.116 of the MMD Act, as to the advisability of Authorized Improvements and services, the nature of the improvement projects or services, the estimated cost, the area

benefitted, the method of assessment, and the method and time for payment of the assessment; and

WHEREAS, the District is being developed in phases, and the Board has proposed to levy assessments in phases and has published notice of public hearing in a newspaper of general circulation in the District to consider the proposed “Assessment Roll” and the “Service and Assessment Plan” and the levy of the “Assessments” on Phases 1A, 1B and 1C of the District (the “Assessed Phases”); and

WHEREAS, the Board mailed notices of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on the Assessed Phases in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, on October 31, 2023 the Board convened a hearing for the Assessed Phases at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments for the Assessed Phases, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of costs of Authorized Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the Board found that there were no written objections or evidence submitted to the District in opposition to the Service and Assessment Plan, the allocation costs of Authorized Improvements, the Assessment Roll, and the levy of the Assessments in each Assessed Phases; and

WHEREAS, the Board found and determined that the Assessment Roll and the Service and Assessment Plan for the Assessed Phases should be approved and that the Assessments should be levied as provided in the Service and Assessment Plan and the Assessment Roll for the Assessed Phases; and

WHEREAS, the Board closed the hearings, and, after considering all written and documentary evidence presented at the hearings, including all written comments and statements filed with the District, approved and accepted the Service and Assessment Plan for the Assessed Phases and adopted an Assessment Order and therein levied the Assessments; and

WHEREAS, no owner of record of property within the District filed a notice of appeal regarding the Assessments levied against such owner’s property; and

WHEREAS, the Board is authorized by the MMD Act to issue its bonds payable from and secured by the Assessments for the purpose of paying the costs of the Authorized Improvements; and

WHEREAS, the Board now desires to issue its revenue bonds, in accordance with the Acts, such bonds to be entitled “Karis Municipal Management District of Tarrant County Assessment Revenue Bonds, Series 2024” (the “Bonds”), such Bonds being payable solely from the Trust Estate and for the purposes set forth in this preamble; and

WHEREAS, the Trustee has agreed to accept the trust herein created upon the terms set forth in this Indenture;

NOW, THEREFORE, the District, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds and any Refunding Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the “Trust Estate”):

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, and all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the District to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the District or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds and any Refunding Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds and any Refunding Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent the Assessments have been prepaid, the lien on real property associated with such Assessment Prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

PROVIDED, FURTHER, HOWEVER, if the District or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds and

any Refunding Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect.

IN ADDITION, the Bonds are special obligations of the District payable solely from the Pledged Revenues, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the District and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the District other than the Pledged Revenues. The District shall have no legal or moral obligation to pay for the Bonds out of any funds of the District other than the Pledged Revenues.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“Account” means any of the accounts established pursuant to Section 6.1 of this Indenture.

“Acts” means, together, the District Act and the MMD Act.

“Additional Interest” means an additional one-half of one percent (0.50%) interest charged on the Assessments in excess of the interest rate of the Bonds, as described in the Service and Assessment Plan, as may be limited by Section 375.121 of the MMD Act.

“Administrative Fund” means that fund established by Section 6.1 and administered pursuant to Section 6.10 hereof.

“Administrator” means the administrator of the Assessments and the Service and Assessment Plan.

“Annual Collection Costs” shall mean the following actual or budgeted costs, as applicable, related to the annual collection costs of outstanding Assessments paid in installments, including the costs or anticipated costs of: (i) issuing, refunding or refinancing Bonds, (ii) computing, levying, collecting and transmitting the Assessments (whether by the District, the

Administrator or otherwise), (iii) remitting the Assessments to a Trustee, if any, (iv) the costs of the District, the Administrator and Trustee (including legal counsel) in the discharge of their duties, (v) complying with arbitrage rebate requirements, if any, (vi) complying with securities disclosure requirements, if any, and (vii) the District in any way related to the collection of the Assessments in installments, including, without limitation, the costs of foreclosure proceedings, maintaining the record of installments, payments and reallocations and/or cancellations of Assessments, and the repayment of the Bonds, including, without limitation, any associated legal expenses, the reasonable costs of other consultants and advisors and contingencies and reserves for such costs as deemed appropriate by the Board of Directors of the District. Annual Collection Costs collected and not expended for actual Annual Collection Costs shall be carried forward and applied to reduce Annual Collection Costs in subsequent years to avoid the over-collection of Annual Collection Costs.

“Annual Debt Service” means, for each calendar year, the sum of (i) the interest due on the Outstanding Bonds in such year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such year (including any Sinking Fund Installments due in such year).

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Assessment, including Annual Collection Costs and Additional Interest, as shown on the Assessment Rolls attached as Appendix A to the Service and Assessment Plan or an Annual Service Plan Update.

“Annual Service Plan” means the annual review and update of the Service and Assessment Plan.

“Applicable Laws” means the Acts and all other laws or statutes, rules or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the District and its powers, securities, operations and procedures are, or may be, governed or from which its powers may be derived.

“Assessed Parcel” means each respective parcel of land located within the Assessed Phases within the District upon which an Assessment has been levied by an Assessment Order in accordance with the Service and Assessment Plan.

“Assessed Phases” means Phases 1A, 1B and 1C of the District, upon which Assessments have been levied.

“Assessment Order” means the order adopted by the Board that levied the Assessments on the Assessed Parcels in the Assessed Phases.

“Assessment Rolls” means collectively, the rolls attached to the Service and Assessment Plan for the Assessed Phases, showing the total amount of the Assessment against each Assessed Parcel in the Assessed Phases, as updated, modified or amended from time to time in accordance with the terms of the Service and Assessment Plan.

“Assessments” means the aggregate assessments shown on the Assessment Rolls for the Assessed Phases. The singular of such term means the assessment levied against an Assessed Parcel as shown on the Assessment Rolls.

“Authorized Denomination” means \$5,000 and any integral multiple of \$1,000 in excess thereof.

“Authorized Improvements” mean the public improvements and other related costs identified as such in the Service and Assessment Plan.

“Bond” means any of the Bonds.

“Bond Counsel” means any attorney or firm of attorneys designated by the District that is nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities. The firm of Allen Boone Humphries Robinson LLP is initially designated as Bond Counsel by the District.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

“Bond Fund” means the fund established pursuant to Section 6.1 and administered as provided in Section 6.4.

“Bond Order” means the order adopted by the Board on October 22, 2024, authorizing the issuance of the Bonds pursuant to this Indenture.

“Bond Reserve Fund” means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

“Bond Reserve Fund Obligations” means cash or Investment Securities.

“Bond Reserve Fund Requirement” means an amount equal to 25 percent of Maximum Annual Debt Service on the Bonds as of the date of issuance; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of redemptions pursuant to Article IV, the Bond Reserve Fund Requirement shall be reduced to an amount that is 25 percent of Maximum Annual Debt Service on the Bonds subsequent to the redemptions pursuant to Article IV and any transfers made pursuant to Section 6.7. As of the date of delivery of the Bonds, the Bond Reserve Fund Requirement is \$_____ which is an amount equal to 25 percent of Maximum Annual Debt Service on the Bonds as of the date of issuance.

“Bonds” means the District’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “Karis Municipal Management District of Tarrant County Assessment Revenue Bonds, Series 2024” and in the event the District issues Refunding Bonds pursuant to Section 15.1 hereof, the term “Bonds” shall include such Refunding Bonds.

“Business Day” means any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the District or the Trustee.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Closing Instructions” means the instruction letter prepared by the District’s financial advisor on the Closing Date that disburses the proceeds of the Bonds to the various Funds and Accounts set forth in this Indenture.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Costs of Issuance” means the costs incurred by the District with respect to the issuance, approval, sale and delivery of the Bonds, including the fees and costs of consultants, financial advisors, attorneys, assessment consultants and others, as set forth in the Closing Instructions.

“Costs of Issuance Account” means the account established pursuant to Section 6.1 within the Project Fund and administered pursuant to Section 6.5 (a)(ii).

“Defeasance Securities” means Investment Securities then authorized by Applicable Laws for the investment of funds to defease public securities.

“Delinquency and Prepayment Reserve Account” means the reserve account established pursuant to Section 6.1 within the Bond Fund and administered pursuant to Section 6.4(b) and 6.8.

“Delinquency and Prepayment Reserve Account Requirement” means an amount equal to 25 percent of Maximum Annual Debt Service as of the date of issuance of the Bonds.

“Delinquent Collection Costs” mean the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Assessment, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“Delinquent Penalties and Interest” means any delinquent interest and penalty interest on a delinquent Assessment.

“Designated Payment/Transfer Office” means (1) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Houston, Texas, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the District and such successor.

“Developer” means the developer of the Authorized Improvements, CH TNC Karis Owner, LLC.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“District Act” means Chapter 8026A, Texas Special District Local Laws Code, as amended.

“District Certificate” means a certificate signed by the District Representative and delivered to the Trustee.

“District Order” means written instructions by the District, executed by a District Representative.

“District Representative” means the District’s general counsel, bookkeeper or Board President or other such official or agent of the District authorized by the Board from time to time to undertake the action referenced herein.

“Federal Tax Certificate” means the Federal Tax Certificate delivered on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes.

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest, received by the District from the enforcement of the Assessments against any Assessed Parcel or Assessed Parcels, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs as determined by the District pursuant to the Service and Assessment Plans.

“Fund” means any of the funds established pursuant to Section 6.1 of this Indenture.

“Indenture” means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

“Initial Bond” means the Initial Bond set forth in Section 5.2 of this Indenture

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on June 1 and December 1 of each year, commencing June 1, 2025.

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended; and provided further investments are, at the time made, included in and authorized by the District’s official investment policy as approved by the Board of Directors from time to time.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any calendar year after the calculation is made through the final maturity date of any Outstanding Bonds.

“MMD Act” means Chapter 375, Texas Local Government Code, as amended.

“Outstanding” means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 herein.

“Owner” means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry-only form and held by DTC as securities depository in accordance with Section 3.11 herein.

“Paying Agent/Registrar” means initially the Trustee, or any successor thereto as provided in this Indenture.

“Person” or “Persons” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Pledged Funds” means the Revenue Fund, the Bond Fund and the Bond Reserve Fund.

“Pledged Revenues” means the sum of (i) the Assessments, less the amounts thereof representing amounts collected for Annual Collection Costs, (ii) any Prepayments received by the District, and (iii) any Foreclosure Proceeds received by the District.

“Prepayment” means the payment of the Assessment before the due date thereof, with accrued interest to the date of such payment.

“Project Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.

“Rebatable Arbitrage” means rebatable arbitrage as defined in Section 1.148-3 of the Regulations.

“Rebate Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.9 herein.

“Record Date” means the close of business on the 15th calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

“Redemption Account” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.

“Redemption Price” means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption, payable upon redemption thereof pursuant to the Indenture.

“Refunding Bonds” means any bonds issued pursuant to Section 15.1 hereof to refund all or any portion of the Outstanding Bonds and secured by a parity lien on the Trust Estate, as more specifically described in the Indenture or order authorizing the Refunding Bonds.

“Register” means the register specified in Article III of this Indenture.

“Revenue Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.

“Service and Assessment Plan” means the document, including the Assessment Rolls, as amended, which is attached as Exhibit A to the Assessment Order.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the principal of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

“Stated Maturity” means the date the Bonds, or any portion of the Bonds, as applicable are scheduled to mature without regard to any redemption or Prepayment.

“Supplemental Indenture” means an indenture, the execution of which has been duly executed by the District Representative pursuant to an order adopted by the Board and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“Trust Estate” means the Trust Estate described in the granting clauses of this Indenture.

“Trustee” means BOKF, NA, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

“Underwriter” means FMSbonds, Inc.

Section 1.2 Finding.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3 Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4 Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1 Security for the Bonds.

The Bonds and any Refunding Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

Section 2.2 Security Interest.

The District represents that, under Chapter 1208.002, Texas Government Code, a security interest in property, other than real property, that is created by the District is valid and effective according to the terms of the security agreement and is perfected from the time the security agreement is entered into or adopted continuously through the termination of the security interest, without physical delivery or transfer of control of the property, filing of a document, or another act. The District covenants that, if Chapter 1208.002 is amended at any time while the Bonds or any Refunding Bonds are outstanding and unpaid, the District shall take all actions required in order to preserve for the Owners of the Bonds a perfected security interest in the property in which such security interest is granted pursuant to Section 2.1 hereof.

Section 2.3 Limited Obligations.

The Bonds are special and limited obligations of the District, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds and any other obligations incurred by the District under the terms of this Indenture, shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the District.

Section 2.4 Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the District to the Trustee have been duly authorized by official action of the Board of Directors of the District. The District has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.5 Contract with Owners and Trustee.

The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the District and the Trustee.

ARTICLE III.

AUTHORIZATION; GENERAL TERMS AND
PROVISIONS REGARDING THE BONDS

Section 3.1 Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the MMD Act, and initially designated “Karis Municipal Management District of Tarrant County Assessment Revenue Bonds, Series 2024.” The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying or reimbursing the costs of the Authorized Improvements, (ii) funding the Bond Reserve Fund and (iii) paying the Costs of Issuance.

Section 3.2 Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the date of the initial delivery thereof (the “Bond Date”) and shall be initially issued in the denominations of \$5,000 and any integral multiple of \$1,000 in excess thereof. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond respectively from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on December 1 in the years in the principal amounts and shall bear interest as set forth in the following table:

Serial Bonds

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__		
20__		
20__		
20__		
20__		
\$ _____ <u>Term Bonds Due December 1, 20</u>		

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20__	\$
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__*	
*maturity	
\$ _____ <u>Term Bonds Due December 1, 20</u>	

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__*	
*maturity	

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Bond set forth in Section 5.2 herein.

Section 3.3 Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the District and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the District, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Order;
- (b) a certified copy of the Bond Order;
- (c) a copy of this Indenture executed by the Trustee and the District;
- (d) the opinion of Bond Counsel substantially in the form set forth in Appendix F to the Official Statement.

Section 3.4 Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of

the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the District to be used for any lawful purpose. Thereafter, none of the District, the Paying Agent/Registrar or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5 Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the District by the President of the Board and Secretary of the Board, by their manual or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the District whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the District, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Underwriter, or its designee, executed with the manual or facsimile signatures of the President of the Board and the Secretary of the Board, approved by the Attorney General of the State of Texas, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6 Ownership.

(a) The District, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Trustee, nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the District, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7 Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the District shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the District and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the District and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(g) Neither the District nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.8 Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.9 Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the District may execute and, upon the District's request, the Trustee shall authenticate and deliver one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any Authorized Denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the District executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The District, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10 Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement

Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to Applicable Laws and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save it and the District harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and the Trustee and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the District and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the District and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11 Book-Entry Only System.

The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the District to DTC. On the Closing Date the definitive Bonds

shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the District and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12 Successor Securities Depository Transfer Outside Book-Entry-Only

In the event that the District determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the District to DTC, the District shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13 Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the District to DTC and the policies and procedures of DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1 Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2 Mandatory Sinking Fund Redemption.

(a) The Term Bonds set forth below are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the District in part at a price of par plus interest accrued to the date of redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

\$ _____ Term Bonds Due December 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__*	

*maturity

\$ _____ Term Bonds Due December 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__*	

*maturity

(b) At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a

random selection, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the District, by the principal amount of any Term Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the District at a price not exceeding the principal amount of Term Bonds of such maturity plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation,

(d) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a sinking fund redemption.

Section 4.3 Optional Redemption.

(a) The District reserves the right and option to redeem Bonds maturing on or after December 1, 2031, before their respective scheduled maturity dates, in whole or in part, on November 1, 2030, or any date thereafter, such redemption date or dates to be fixed by the District, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption (the "Redemption Price").

(b) If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the District shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot, or by any other customary method that results in a random selection, such Bonds, or portion thereof, within such maturity or maturities and in such principal amounts for redemption.

Section 4.4 Extraordinary Optional Redemption.

(a) The District reserves the right and option to redeem Bonds prior to maturity, in whole or in part, on any Business Day, at par plus accrued interest to the date of redemption from amounts on deposit in the Redemption Account as a result of the Prepayments (including related transfers to the Redemption Account as provided in Section 6.7(d)) and from transfers of Foreclosure Proceeds, or from any other transfers to the Redemption Account under the terms of this Indenture. The District's direction for such redemption shall include details with regard to a corresponding reduction in the Bond Reserve Fund.

Section 4.5 Partial Redemption.

(a) If less than all of the Bonds within a maturity are to be redeemed, the District shall determine the maturities and amounts to be redeemed and such Bonds shall be called by random selection unless otherwise specified by the District. Each Bond shall be treated

as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

(b) If less than all of the Bonds are to be redeemed pursuant to optional or extraordinary optional redemption, such redemption shall be effected by redeeming Bonds in such manner as may be specified by the District in writing; provided, however that in the absence of such written instruction from the District by the date required for the sending of notice of redemption pursuant to Section 4.6, the Bonds shall be redeemed by any method selected by the Trustee that results in a pro rata reduction of the Outstanding maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose

(c) A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed, but only in a principal amount equal to \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such Bond (as applicable) as though it were a single bond for purposes of selection for redemption.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6 Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, an identification of the Bonds or portions thereof to be redeemed; any conditions to such redemption as set forth in (d) below; and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The District reserves the right, in the case of an optional or extraordinary optional redemption pursuant to Sections 4.3 or 4.4 herein, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the District retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of

any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the District to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section 4.7 Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Account or otherwise received by the Trustee from the District and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8 Effect of Redemption.

Notice of redemption having been given as provided in and not otherwise rescinded as provided by Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus accrued unpaid interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1 Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, the Assignment, and municipal bond insurance legend, if any, to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the District or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2 Form of the Bonds.

(a) Form of Bond.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE STATE OF TEXAS, THE KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY, THE CITY OF CROWLEY, TARRANT COUNTY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BOND, SERIES 2024

INTEREST RATE: MATURITY DATE: DELIVERY DATE: CUSIP NUMBER:
_____ % December 1, ____ November 20, 2024 _____

Karis Municipal Management District of Tarrant County (the "District"), for value received, hereby promises to pay, solely from the Trust Estate described in the Indenture pursuant to which the Bonds are authorized, to

_____ or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay

interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on June 1 and December 1 of each year, commencing June 1, 2025.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the “Designated Payment/Transfer Office”), of BOKF, NA, a national banking association, as trustee and paying agent/registrars (the “Trustee”), or, with respect to a successor trustee and paying agent/registrars, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the 15th calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the District or in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is dated the Delivery Date and is one of a duly authorized issue of assessment revenue bonds of the District having the designation specified in its title (herein referred to as the “Bonds”), dated as of the date of delivery and issued in the aggregate principal amount of \$-_____ and issued in one series, with the limitations described herein, pursuant to an Indenture of Trust, dated as of November 1, 2024 (the “Indenture”), from the District to the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the District, and the terms upon which the Bonds are, and

are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying or reimbursing the costs of the Authorized Improvements, (ii) funding the Bond Reserve Fund under the Indenture and (iii) paying the Costs of Issuance.

The Bonds are limited obligations of the District payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the District, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the District to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$5,000 and any integral multiple of \$1,000 in excess thereof, subject to the provisions of the Indenture authorizing redemption.

The Term Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the District in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Redemption Account pursuant to Article VI of the Indenture, on the dates and in the principal amounts set forth below:

\$ _____ Term Bonds Due December 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20__	\$
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__*	

*maturity

\$ _____ Term Bonds Due December 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20__	
12/01/20__	
12/01/20__	
12/01/20__	

12/01/20 __ *
*maturity

\$ _____ Term Bonds Due December 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20 __	
12/01/20 __	
12/01/20 __	
12/01/20 __	
12/01/20 __ *	

*maturity

\$ _____ Term Bonds Due December 1, 20

<u>Redemption Date</u>	<u>Principal Amount</u>
12/01/20 __	
12/01/20 __	
12/01/20 __	
12/01/20 __	
12/01/20 __	
12/01/20 __	
12/01/20 __ *	

*maturity

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the sinking fund installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the District, by the principal amount of any Term Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation. The principal amount of Term Bonds subject to sinking fund redemption shall be reduced on a pro rata basis among sinking installments by the principal amount of any Term Bonds of such maturity which at least 45 days prior to the sinking fund redemption date, shall have been reduced pursuant to optional redemption or extraordinary mandatory redemption and not previously credited to a sinking fund redemption.

The District reserves the right and option to redeem Bonds maturing on or after December 1, 2031, before their respective scheduled maturity dates, in whole or in part, on November 1, 2030, or any date thereafter, such redemption date or dates to be fixed by the

District, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption (the "Redemption Price").

Bonds are subject to extraordinary optional redemption thereof prior to maturity in whole or in part in denominations of \$1,000 or any integral multiple thereof, on any Business Day at a price equal to the principal amount of the Bonds called for redemption, plus the applicable premium, if any, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Account as a result of the Prepayments or from Foreclosure Proceeds or any other transfers to the Redemption Account.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The District reserves the right, in the case of an optional or extraordinary optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the District retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the District to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the District and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the District with certain past defaults under the Bond Order or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the District nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The District, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the District nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE STATE OF TEXAS, THE KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY, THE CITY OF CROWLEY, TEXAS, TARRANT COUNTY, TEXAS, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the District, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the District has caused this Bond to be executed in its name by the manual or facsimile signature of the President of the Board and countersigned by the manual or facsimile signature of the Secretary of the Board, and the official seal of the District has been duly imprinted or placed in facsimile on this Bond.

Secretary, Board of Directors
Karis Municipal Management District
of Tarrant County
[Seal]

President, Board of Directors
Karis Municipal Management District
of Tarrant County

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate of the Comptroller of Public Accounts shall appear on each Initial Bond in lieu of the Certificate of Trustee:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

The following Certificate of Trustee may be deleted from the Initial Bond if the Comptroller's Registration Certificate is attached thereto:

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned indenture.

DATED: _____ as Trustee

Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By: _____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

Authorized Signatory

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading “INTEREST RATE” and “MATURITY DATE” shall both be completed with the expression “As Shown Below,” and the reference to the “CUSIP NUMBER” shall be deleted;

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “on December 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates”</u>
(Information to be inserted from Section 3.2(c) hereof). and		

(iii) the Initial Bond shall be numbered T-1.

Section 5.3 CUSIP Registration.

The District may secure identification numbers through the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the District nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.4 Legal Opinion.

The approving legal opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, may be printed on or attached to each Bond over the certification of the Secretary of the Board of the District, which may be executed in facsimile.

Section 5.5 Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1 Establishment of Funds and Accounts.

(a) Creation of Funds.

(i) The following Funds are hereby created and established under this Indenture:

- (A) Revenue Fund;
- (B) Bond Fund;
- (C) Project Fund;
- (D) Bond Reserve Fund;
- (E) Rebate Fund; and
- (F) Administrative Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Project Fund:

- (A) Improvement Account; and
- (B) Costs of Issuance Account.

(ii) The following Accounts are hereby created and established under the Bond Fund:

- (A) Principal and Interest Account;
- (B) Redemption Account;
- (C) Delinquency and Prepayment Reserve Account; and

(c) Each Fund and Account created within such Fund shall be maintained by the Trustee separate and apart from all other Funds and Accounts of the District. The Pledged

Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds and any Refunding Bonds.

(d) Interest earnings and profits on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2 Initial Deposits to Funds and Accounts.

Upon the delivery of the Bonds, the District shall make the following deposits from the proceeds of the Bonds and other lawful available funds of the District as follows:

(a) Bond proceeds in the amount of \$_____ shall be deposited to the Bond Reserve Fund in an amount equal to Bond Reserve Fund Requirement;

(b) Bond proceeds in the amount of \$_____ shall be deposited to the Improvement Account of the Project Fund; and

(c) Bond Proceeds in the amount of \$_____ shall be deposited to the Cost of Issuance Account of the Project Fund; and

Section 6.3 Revenue Fund.

(a) The District shall deposit or cause each Annual Installment to be deposited monthly to the Revenue Fund commencing in the first year in which Annual Installments are collected subsequent to the issuance of the Bonds. Pursuant to a District Order, moneys in the Revenue Fund shall be transferred to the following Funds and Accounts:

(i) Amounts equal to the principal and interest portion of the Annual Installments shall be deposited to the Principal and Interest Account to pay debt service on the Bonds for the current year;

(ii) Amounts equal to the Additional Interest portion of the Annual Installments shall be deposited in the following order of priority: first, to the Delinquency and Prepayment Reserve Account, if and to the extent, the amount on deposit therein is less than the Delinquency and Prepayment Reserve Account Requirement; second, to the Bond Reserve Fund, if and to the extent, the amount on deposit therein is less than the Bond Reserve Fund Requirement; third, to the Administrative Fund; and

(iii) Amounts equal to the Annual Collection Costs portion of the Assessments shall be deposited to the Administrative Fund; and

(iv) Any remaining amounts of the Annual Installment shall be deposited to the Administrative Fund unless otherwise directed by a District Order.

(b) If, after the foregoing transfers and any transfer from the Bond Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments

provided in paragraph (a) above, the Trustee shall apply the available funds in the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments).

(c) Assessments representing Prepayments shall be transferred to the Redemption Account promptly after the receipt thereof and used to redeem Bonds pursuant to Section 4.4.

(d) Assessments representing Foreclosure Proceeds shall be deposited first, to the Bond Reserve Fund to restore any transfers from the Bond Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Account in order to redeem Bonds pursuant to the extraordinary optional redemption provisions of Section 4.4. Notwithstanding the foregoing, any portion of Foreclosure Proceeds that are attributable to Collection Costs shall be deposited to the Administrative Fund, and any portion of Foreclosure Proceeds attributable to Delinquent Penalties and Interest shall be deposited to the Delinquency and Prepayment Reserve Account of the Bond Fund until the Delinquency and Prepayment Reserve Account Requirement is met and then to the Administrative Fund.

(e) Assessments representing Delinquent Penalties and Interest shall be deposited first to the Delinquency and Prepayment Reserve Account of the Bond Fund until the Delinquency and Prepayment Reserve Account Requirement is met and then to the Administrative Fund.

(f) Delinquent Collection Costs shall be deposited to the Administrative Fund.

Section 6.4 Bond Fund.

(a) No later than the Business Day prior to each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw first from the Delinquency and Prepayment Reserve Account of the Bond Fund and second from the Bond Reserve Fund, amounts to cover the amount of such insufficiency and transfer such amounts to the Paying Agent/Registrar.

Section 6.5 Project Fund.

(a) Bond proceeds deposited to the Improvement Account and the Costs of Issuance Account pursuant to Sections 6.2(b) and (c), respectively, shall be used as follows:

(i) Moneys in the Improvement Account shall be used to pay or reimburse the Developer for Authorized Improvements upon receipt by the Trustee of a properly executed and completed District Order; and

(ii) Moneys in the Costs of Issuance Account shall be used to pay the Costs of Issuance upon receipt by the Trustee of executed Closing Instructions or a District Order.

(b) If the District Representative determines in his sole discretion that amounts then on deposit in the Improvement Account are not expected to be expended for Authorized Improvements due to either (i) the abandonment, or constructive abandonment, of the Authorized Improvements or (ii) the costs of the Authorized Improvements being lower than originally estimated such that, in the opinion of the District Representative, it is unlikely that all or a portion of the amounts remaining in the Improvement Account will ever be expended, the District Representative shall file a District Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account that are not expected to be used for the costs of the Authorized Improvements and such amounts shall be transferred to the Redemption Account to redeem Bonds at the earliest practicable date under the Indenture.

(c) Upon the filing of a District Certificate stating that all Authorized Improvements have been completed and that all costs of the Authorized Improvements have been paid, or that any such costs are not required to be paid from the Project Fund, the Trustee shall transfer the amount, if any, remaining within the Project Fund to the Redemption Account to redeem Bonds at the earliest practicable date under the Indenture.

(d) Upon the filing of a District Certificate stating that all Costs of Issuance of the Bonds have been paid, or that any such costs are not required to be paid from the Cost of Issuance Account, the Trustee shall transfer the amount, if any, remaining within the Cost of Issuance Account to the Bond Fund and the Cost of Issuance Account shall be closed.

Section 6.6 Redemption Account.

(a) Amounts on deposit in the Redemption Account shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

(b) The Trustee shall cause to be deposited to the Redemption Account from Prepayments and Foreclosure Proceeds an amount sufficient to redeem Bonds as provided in Section 4.4 on the dates specified for redemption as provided in Section 4.4. If after such transfer, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Account to be applied to the redemption of the Bonds. .

(c) The Trustee shall cause to be deposited to the Redemption Account from Pledged Revenues and pursuant to any transfers made pursuant to Section 6.7, an amount sufficient to redeem Bonds as provided in Section 4.2, Section 4.3 and Section 4.4 at the direction of the District.

Section 6.7 Bond Reserve Fund.

(a) Subject to subsection (c) below, all amounts deposited in the Bond Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund in the event of any deficiency in such Principal and Interest Account on any Interest Payment Date or any date on which principal of the Bonds is due.

(b) Whenever a transfer is made from the Bond Reserve Fund to the Principal and Interest Account of the Bond Fund due to a deficiency in the Principal and Interest Account, the Trustee shall provide written notice thereof to the District, specifying the amount withdrawn.

(c) Whenever, on any Interest Payment Date, or on any other date at the request of a District Representative, the amount in the Bond Reserve Fund exceeds the Bond Reserve Fund Requirement, the Trustee shall provide written notice to the District Representative and the Administrator of the amount of the excess. Upon receipt of a District Order, the Trustee shall transfer such excess to any other Fund or Account as directed and set forth in a District Order; provided however, that such transfer shall be in compliance with Section 6.13(d) herein, and in the event excess amounts are transferred to the Administrative Fund, the excess amounts transferred from the Bond Reserve Fund to the Administrative Fund will be presumed to have been transferred, first, from sources other than Bond proceeds (including investment earnings on such proceeds) and second, from amounts that are Bond proceeds (including investment earnings on such proceeds).

(d) At the final maturity of the Bonds, the amount on deposit in the Bond Reserve Fund shall be transferred to the Redemption Account and applied to the payment of the principal of the Bonds.

(e) If, after a Bond Reserve Fund withdrawal, the amount on deposit in the Bond Reserve Fund is less than the Bond Reserve Fund Requirement, the Trustee shall transfer from the Revenue Fund to the Bond Reserve Fund the amount of such deficiency, in accordance with Section 6.3, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(f) If the amount held in the Bond Reserve Fund, together with the amounts held in the Revenue Fund, the Principal and Interest Account and the Redemption Account, are sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account and thereafter used to redeem all Bonds as of such Interest Payment Date.

Section 6.8 Delinquency and Prepayment Reserve Account.

(a) Additional Interest shall be deposited to the Delinquency and Prepayment Account pursuant to Section 6.3 herein at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than the Delinquency and Prepayment Reserve Account Requirement, and the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve

Account Requirement has accumulated in the Delinquency and Prepayment Reserve Account. Whenever the amount in the Delinquency and Prepayment Reserve Account exceeds the Delinquency and Prepayment Reserve Account Requirement, or the deposit of Additional Interest pursuant to Section 6.3 would cause the amount in the Delinquency and Prepayment Reserve Account to exceed the Delinquency and Prepayment Reserve Account Requirement, the Trustee shall provide written notice to the District of the amount of the excess. The District shall direct the Trustee to transfer the amounts of such excess to (i) the Bond Reserve Fund to restore any deficiency in the Bond Reserve Fund until such time as it contains the Bond Reserve Fund Requirement; (ii) the Administrative Fund for payment of Annual Collection Costs, or (iii) the Redemption Account to be used to redeem Bonds pursuant to Section 4.3; provided however, that such transfer shall be in compliance with Section 6.13(d) herein, and in the event excess amounts are transferred to the Administrative Fund, the excess amounts transferred from the Delinquency and Prepayment Reserve Account to the Administrative Fund will be presumed to have been transferred, first, from sources other than Bond proceeds (including investment earnings on such proceeds) and, second, from amounts that are Bond proceeds (including investment earnings on such proceeds). In the event that the Trustee does not receive a District Certificate directing the transfer of the excess Delinquency and Prepayment Reserve Account funds within 45 days of providing notice to the District of such excess Delinquency and Prepayment Reserve Account amount, the Trustee shall transfer the excess Delinquency and Prepayment Reserve Account amount to the Administrative Fund and shall notify the District of such transfer; provided, that such transfer shall be in compliance with Section 6.13(d) hereof.

(b) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, if there are insufficient funds in the Redemption Account from such Prepayments to redeem the Bonds on their redemption date, the Trustee shall transfer funds from the Delinquency and Prepayment Reserve Account to the Redemption Account in the amount of the deficiency and such funds shall be used to redeem Bonds pursuant to Section 4.4.

(c) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Bond Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Account to be applied to the redemption of the Bonds as detailed in a District Order. The amount so transferred from the Bond Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Bond Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Bond Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) At the final maturity of the Bonds, the amount on deposit in the Delinquency and Prepayment Reserve Account shall be transferred to the Redemption Account.

Section 6.9 Rebate Fund: Rebatable Arbitrage.

(a) There is hereby established a special fund of the District to be designated “Karis Municipal Management District Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code.

(b) The District hereby certifies and covenants that it will not, and will not direct the Trustee to use, or permit the use of any proceeds of the Bonds, directly or indirectly, in any manner, and shall not take or omit to take any action, if such use, action or omission would cause the Bonds to be treated as an obligation not described in Section 103(a) of the Code. In furtherance of the foregoing, the District specifically covenants to comply with the provisions and procedures of the Federal Tax Certificate delivered concurrently with the delivery of the Bonds, which is incorporated herein by reference as if set forth in full herein. In the case of any inconsistency between this Section 6.9 and the Federal Tax Certificate, the provisions of the Federal Tax Certificate shall control. The covenants herein made and the certifications herein authorized are for the benefit of the Owners with respect to the Bonds and may be relied upon by such Owners and by Bond Counsel rendering opinions on the same. Within the limitations of this Article VI, the District shall be permitted to transfer money from one Fund or Account to another, adjust interest rates on Investment Securities or take such other actions as may be required in order to prevent the Bonds from becoming “arbitrage bonds.”

(c) The District hereby covenants to cause to be calculated, at the times and in the manner set forth in the Federal Tax Certificate and in compliance with the Code, the amount of Rebatable Arbitrage determined with respect to the Bonds and shall, within ten (10) Business Days of such calculation, pursuant to a District Order, direct the Trustee to transfer to the Rebate Fund from the accounts designated in such District Order, an amount equal to the amount of the Rebatable Arbitrage, if any, determined on such date of calculation. The District hereby covenants to direct the Trustee to deposit to the Rebate Fund such amounts as will cause the amount on deposit therein to equal the Rebatable Arbitrage determined on the applicable calculation date.

(d) The District hereby covenants to direct the Trustee to pay Rebatable Arbitrage to the United States in installments as required under the Code. In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Federal Tax Certificate.

(e) The District shall keep and retain for a period of six (6) years following retirement of the Bonds, records of the determinations made pursuant to this Section 6.9 and the Federal Tax Certificate.

(f) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the instructions of the District and shall not be required to take any action under this Section in the absence of instructions from the District.

(g) If, on the date of each calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the District may direct the Trustee, pursuant to a District Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.10 Administrative Fund.

(a) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a District Order for (i) the payment of Annual Collection Costs and Delinquent Collection Costs, (ii) transfer to the Bond Fund for the payment of debt service on the Bonds pursuant to a District Order, or (iii) transfer to the Redemption Account to redeem Bonds. The Administrative Fund shall not be part of the Trust Estate and it is not security for the Bonds.

(b) In accordance with Section 9.6 hereof, the Trustee shall transfer its authorized fees and expenses from the Administrative Fund to pay the same unless the Trustee receives written objection from the District within 10 Business Days of its delivery of notice of such costs to the District. No District Certificate is necessary for the Trustee to receive compensation for the services rendered hereunder.

Section 6.11 Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the District pursuant to a District Order filed with the Trustee at least two (2) Business Days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "Investment Act"), or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements to the extent authorized by the Investment Act) that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued each year in terms of current market value as of December 31.

(b) For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default. In the absence of investment instructions from the District, the Trustee shall hold monies held by it uninvested.

(c) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the District to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(d) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment and may receive compensation in connection therewith if approved by the District in writing. The Trustee may rely conclusively on the direction of the District regarding investments as to the suitability thereof and the compliance thereof with the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

(e) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or hold by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(f) The Trustee will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. The Trustee is not required to provide brokerage confirmations so long as it provides for the periodic statements. No monthly cash transaction statement will be provided if no activity occurred during such month, as long as the Trustee is providing online access.

Section 6.12 Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

Section 6.13 Investment Income.

(a) Unless otherwise provided in this Indenture, interest and income derived from investment of the Project Fund shall be deposited to the credit of the Project Fund.

(b) Unless otherwise provided in this Indenture, interest and income derived from investment of the Bond Fund shall be credited to the Principal and Interest Account of the Bond Fund.

(c) Unless otherwise provided in this Indenture, interest and income derived from investment of the Bond Reserve Fund and Delinquency and Prepayment Reserve Account shall be credited to such Fund and Account, respectively.

(d) The cumulative amount of any Bond proceeds (including investment earnings on such proceeds) that are transferred to the Administrative Fund pursuant to the provisions of this Indenture and subsequently used for the payment of operating costs directly relating to the Authorized Improvements will not exceed 5% of sale proceeds of the Bonds.

ARTICLE VII

COVENANTS

Section 7.1 Confirmation of Assessments.

The District hereby confirms, covenants, and agrees that, in the Assessment Order, it has levied the Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2 Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding and subject to available funds, the District covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

(b) The District will determine or cause to be determined, no later than April 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, subject to available funds, the District will order and cause to be commenced as soon as practicable in accordance with Applicable Laws and the Service and Assessment Plan, any and all appropriate and legally permissible actions to obtain such Annual Installment and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the District shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel.

Section 7.3 Against Encumbrances.

(a) Other than Bonds issued to refund all or a portion of the Bonds, the District shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the District shall not issue any bonds, notes or other evidences of indebtedness other than any Refunding Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4 Records, Accounts, Accounting Reports.

The District hereby covenants and agrees that so long as any of the Bonds or Refunding Bonds or any interest thereon remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent or agents of such holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto, upon written request to the District by the Trustee or duly authorized representative, as applicable. The District shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records during the District's regular business hours and on a mutually agreeable date not later than thirty days after the District receives such request.

Section 7.5 Provisions Concerning Federal Income Tax Exclusion.

The District intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Treasury Regulations (the "Regulations"). The District covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or a failure to satisfy any provision of Section 103 or 141 through 150 of the Code and the applicable Regulations. In particular, the District covenants and agrees to comply with each requirement of this Section 7.5 and Sections 7.6 through 7.14 of this Article VII; provided, however, that the District shall not be required to comply with any particular requirement of Sections 7.6 through 7.14 of this Article VII if the District has received an opinion of Bond Counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement set forth in Sections 7.6 through 7.14 of this Article VII will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in Sections 7.6 through 7.14 of this Article VII.

Section 7.6 No Private Use or Payment and No Private Loan Financing.

The District covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder. The District shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder. The District covenants and agrees that the levied Assessments will meet the requirements for the "tax assessment loan exception" within the meaning of Section 1.141-5(d)

of the Regulations on the date the Bonds are delivered and will ensure that the Assessments continue to meet such requirements for so long as the Bonds are Outstanding hereunder.

Section 7.7 No Federal Guaranty.

The District covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b)(2) of the Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Code and such Regulations.

Section 7.8 No Hedge Bonds.

The District covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of Section 149(g) of the Code and the applicable Regulations thereunder.

Section 7.9 No-Arbitrage.

The District covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code and the Regulations promulgated thereunder. Moreover, the District shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder.

Section 7.10 Arbitrage Rebate.

If the District does not qualify for an exception to the requirements of Section 148(f) of the Code, the District will take all necessary steps to comply with the requirement that certain amounts earned by the District on the investment of the “gross proceeds” of the Bonds (within the meaning of Section 148(f)(6)(B) of the Code) be rebated to the federal government. Specifically, the District will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the District allocable to other bond issues of the District or moneys that do not represent gross proceeds of any bonds of the District, (ii) determine at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the District will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any Person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a

reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

Section 7.11 Information Reporting.

The District covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with Section 149(e) of the Code and the applicable Regulations promulgated thereunder.

Section 7.12 Record Retention.

The District will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Bonds until three years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the District to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

Section 7.13 Registration.

The Bonds will be issued in registered form.

Section 7.14 Deliberate Actions.

The District will not take a deliberate action (as defined in Section 1.141-2(d)(3) of the Regulations) that causes the Bonds to fail to meet any requirement of Section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is permitted by Section 1.141-12 of the Regulations and an opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements of Section 141 of the Code.

Section 7.15 Continuing Obligation.

Notwithstanding any other provision of this Indenture, the District's obligations under the covenants and provisions of Sections 7.5 through 7.14 of this Article VII shall survive the defeasance and discharge of the Bonds for so long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE VIII

LIABILITY OF DISTRICT

The District shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Indenture. The District shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the Assessment Order or any agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale, delivery of administration of the Bonds (the "Bond Documents") shall require the District to expend or risk its own general funds or revenues or other funds or otherwise incur any financial liability (other than with respect to the Assessments collected) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the District there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. The source of payment of obligations incurred by the District with respect to the Bonds and this Indenture is limited to Pledged Revenues, as described herein.

Neither the Owners nor any other Person shall have any claim against the District or any of its officers, officials, agents, or employees for damages suffered as a result of the District's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation or covenant of the District, in accordance with the Bond Documents and the Acts. Any such claim shall be payable only from Assessments collected by the District. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the District or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, with regard to legal questions, and the

opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture the District shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Trustee, an independent financial consultant, an independent inspector or the Administrator or other person designed by the Board to act on behalf of the District, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the District may employ such persons or entities as it deems necessary or advisable. The District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1 Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds.

Section 9.2 Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified pursuant to a written instrument by the Owners of the Bonds to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise and such rights and powers as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund to pay all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3 Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the District and the Trustee assumes no responsibility for the correctness of the same. The

Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the District or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee or (iv) any calculation of arbitrage or rebate under the Code.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct.

Section 9.4 Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5 Trustee Protected in Relying on Certain Documents; Other Rights of the Trustee.

The Trustee may rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond opinion or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee in its sole discretion to be qualified in relation to the subject matter or selected by the District in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, counsel to the District, and the opinion of each counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a District Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such District Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished

pursuant to any provision hereof by the District to the Trustee shall be sufficiently executed if executed in the name of the District by the District Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or any other document or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

The Trustee shall not be deemed to have notice of any Event of Default, except an Event of Default under Section 11.1(i) unless the officer of the Trustee having responsibility for the administration of this Indenture shall have received notice thereof from the District or the Owners of at least 25% of the aggregate principal amount of the Outstanding Bonds.

The Trustee may, at any time, request that the District or the District's financial advisor confirm to the Trustee the current amount of the Bond Reserve Fund Requirement or the interest rate component (including Additional Interest) of the Annual Installments.

Section 9.6 Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee, pursuant to an invoice delivered to the District, shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Registrar and Paying Agent, together with all its reasonable expenses, charges and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. The Trustee shall transfer such funds unless written objection to the invoice is received from the District by the Trustee within ten (10) days of its delivery. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the District shall fail to make any payment required by this Section, the Trustee may make such payment from any lawfully available funds under the Indenture other than funds designated by the District for arbitrage rebate purposes and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.7 Permitted Acts.

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the District or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the

enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8 Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the District and each Owner of any Outstanding Bond. Such resignation shall take effect upon the earlier of the appointment of a successor as provided in Section 9.10 or the appointment of a successor trustee by a court of competent jurisdiction pursuant to Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9 Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate principal amount of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the District, or (ii) so long as the District is not in default under this Indenture, the District. Copies of each such instrument shall be delivered by the District to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the District or the Owners of not less than 10% of the aggregate outstanding principal amount of the Outstanding Bonds.

Section 9.10 Successor Trustee.

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the District.

Until such successor Trustee shall have been appointed by the Owners of the Bonds, the District shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the District providing for any such appointment shall be delivered by the District to the Trustee so appointed. The District shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the District immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.11 Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge and deliver to its predecessor and the District an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the District or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the tight, title and interest of such Trustee in and to the Trust Estate, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the District be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the District.

Section 9.12 Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13 Trustee To File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed such continuation statements as may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14 Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

Section 9.15 Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the District, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1 Amendments Permitted.

This Indenture and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of the Bonds of at least sixty-six and two-thirds percent (66-2/3%) of the aggregate outstanding principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the District of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the District and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds; and

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

The Trustee shall have the right to obtain and rely upon an opinion of outside counsel to the effect that any modification or amendment to this Indenture satisfies the provisions of this Section 10.1.

Section 10.2 Owners' Meetings.

The District may at any time call a meeting of the Owners of the Bonds. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3 Procedure for Amendment with Written Consent of Owners.

The District and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4 Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Indenture of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5 Endorsement or Replacement of Bonds Issued After Amendments.

The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6 Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 10.7 Waiver of Default.

With the written consent of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the District with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1 Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an “Event of Default,” to wit:

- (i) The failure of the District to deposit the Pledged Revenues to the Revenue Fund;
- (ii) The failure of the District to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and
- (iv) Default in the performance or observance of any covenant, agreement or obligation of the District under this Indenture and the continuation thereof for a period of 60 days after written notice to the District and Trustee specifying such default by the Owners of at least 25% of the aggregate outstanding principal amount of the Bonds at the time Outstanding to the District requesting that the failure be remedied.

Section 11.2 Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Owners of at least 25% of the aggregate outstanding principal amount Bonds then Outstanding, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the District may be sought or shall be permitted.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the District shall determine, in its absolute discretion, and shall instruct the Trustee by District Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the District shall fail to deliver to the Trustee such District Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the District by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by Applicable Laws and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the District, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency or regularity of any such sale. Nevertheless, if so requested by the Trustee, the District shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or proper for the purpose which may be designated in such request.

Section 11.3 Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds

then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the District to pay each Bond issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4 Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its, counsel), liabilities and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, the Trustee, on behalf of the District, notwithstanding Section 11.2 hereof, be applied by the Trustee to the payment of interest and principal or Redemption Price then due on Bonds, as follows and in the following order:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference;

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to pay principal and interest due on Outstanding Bonds on a pro rata basis.

(c) The restoration of the District to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5 Effect of Waiver.

No delay or omission of the Trustee, or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6 Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution by any Owner of Bonds or his duly appointed attorney authorized to act on behalf of such instruments may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the District or the Trustee in accordance therewith.

Section 11.7 Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the District with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 11.8 No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.9 Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.10 Exclusion of Bonds.

Bonds owned or held by or for the account of the District will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the District shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1 Representations as to Pledged Revenues.

(a) The District represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The District shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to available funds, the District will take all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the Acts and other Applicable Laws.

(d) To the extent permitted by Applicable Laws and to the extent possible, notice of the Annual Installments shall be sent by or on behalf of the District to the affected property owners on the same statement or such other mechanism that is used by the District for the collection of ad valorem taxes, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the District. Notwithstanding the foregoing, if the District is unable in every year to send notice of the Annual Installments on the same statement as ad valorem taxes, the District shall send or shall cause to be sent, a separate notice of the Annual Installments in a timely fashion such that the Annual Installments can be collected in the same time frame as ad valorem taxes.

Section 12.2 Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the District, and the Owner or Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3 General.

The District shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the District under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1 Further Assurances Due Performance.

(a) At any and all times the District will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The District will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2 Other Obligations or Other Liens.

(a) The District reserves the right to issue obligations under other indentures, assessment orders or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the District will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands against the District which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds; provided, however, that nothing in this Section shall require the District to apply, discharge or make provision for any such lien, charge, claim or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds or adversely affect the ability of the District to timely pay the debt service due and owing on the Bonds.

Section 13.3 Books of Record.

(a) The District shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the District, which relate to the Pledged Revenues, the Pledged Funds and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS
AND SATISFACTION OF THE INDENTURE

Section 14.1 Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2 Satisfaction of Indenture.

If the District shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements and other obligations of the District to the Owners of such Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the District copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds have been paid so that the District may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and

Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the District.

Section 14.3 Bonds Deemed Paid.

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the District verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the District maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be, only upon receipt by the Trustee of (i) a report by an independent certified public accountant selected by the District, after giving effect to such request, verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (ii) an opinion of Bond Counsel stating that that no adverse federal tax consequences will result from reinvesting such cash. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV

MISCELLANEOUS

Section 15.1 Refunding Bonds.

The District shall not issue additional bonds secured by the Pledged Revenues on parity with or superior to the Bonds, other than Refunding Bonds, the proceeds of which would be used to refund all or a portion of the Outstanding Bonds and to pay all costs incident to the issuance of such refunding bonds.

Section 15.2 Benefits of Indenture Limited to Parties.

Nothing in this Indenture, express or implied, is intended to give to any Person other than the District, the Trustee and the Owners any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.3 Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.4 Execution of Documents and Proof of Ownership by Owners.

Any request, declaration or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Trustee in good faith and in accordance therewith.

Section 15.5 Waiver of Personal Liability.

No member of the Board of Directors of the District, or any officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any duty provided by law.

Section 15.6 Notices to and Demands on District and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be

faxed, delivered by hand, overnight courier or mailed by first class mail, postage prepaid, and addressed as follows:

If to the District: Karis Municipal Management District of
Tarrant County
c/o: Allen Boone Humphries Robinson LLP
4514 Cole Avenue, Suite 1450
Dallas, Texas 75205

If to the Trustee or the Registrar: BOKF, NA
BOK Financial
Attn: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Any such notice, demand or request may also be transmitted to the appropriate party by electronic mail and shall be deemed to be properly given or made at the time of such transmission upon electronic confirmation of such receipt.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The successor Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

Section 15.7 Partial Invalidity.

If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The District hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 15.8 Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.9 Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal

(and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.10 Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.11 Anti-boycott Verification.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.12 Iran, Sudan and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.13 Petroleum.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas

Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit

Section 15.14 Firearms.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Indenture against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) ‘firearm entity’ means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm

that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) ‘firearm trade association’ means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit.

Section 15.15 *[Form 1295 Exemption. The Trustee represents that it is a wholly owned subsidiary of _____ a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended.]*

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the District and the Trustee have caused this Indenture of Trust to be executed as of November 1, 2024.

KARIS MUNICIPAL MANAGEMENT
DISTRICT OF TARRANT COUNTY

By: _____
President, Board of Directors

Attest:

Secretary, Board of Directors

[SEAL]

BOKF, NA, a national banking association

By: _____

Name: _____

Title: _____

APPENDIX E
THE SERVICE AND ASSESSMENT PLAN

KARIS MUNICIPAL MANAGEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN (IMPROVEMENT AREA #1 PROJECT)

OCTOBER 31, 2023

PREPARED FOR:

Karis Municipal Management District
c/o Allen Boone Humphries Robinson LLP
3100 McKinnon Street, Suite 1100
Dallas, TX 75201

PREPARED BY:

30 Three Sixty Public Finance, Inc.
5860 Owens Avenue, Suite 210
Carlsbad, CA 92008

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A. Karis Municipal Management District

The Karis Municipal Management District (the "District") is a special district created under Article XVI, Section 59, and Article III, Sections 52 and 52-a of the Texas Constitution, and Chapter 375, Texas Local Government Code (the "MMD Act"). The District was created pursuant to an Order (the "Order") passed by the Texas Commission on Environmental Quality (the "Commission") on February 19, 2019. The District has the powers conferred by the MMD Act, as well as Chapter 54, Texas Water Code. Among its powers, the District may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service, including water, wastewater, drainage, road, and park projects or services, using any money available to the District, or contract with a governmental or private entity and reimburse that entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project, service, or cost, for the provision of credit enhancement, or for any cost of operating or maintaining the District or the issuance of District obligations authorized under the MMD Act. Improvement projects may be located or provide service inside or outside the District. Furthermore, the District may undertake an improvement project or service that confers a special benefit on a definable area in the District and levy and collect a special assessment on benefited property therein in accordance with the MMD Act.

B. Service and Assessment Plan

All or a portion of the costs of the Improvement Projects are anticipated to be to be undertaken by and reimbursed to the Developer from (i) special assessments levied on benefited property and/or (ii) special assessment bonds issued pursuant to the provisions of " Subchapter F "Assessments," Sections 375.111 through 375.124 and Subchapter J "Bonds," Sections 375.201 through 375.209 of the MMD Act. This Service and Assessment Plan ("SAP") of the District contains an Improvement Plan, Service Plan, Assessment Plan, and Assessment Rolls. The Administrator will prepare at least annually an update to the Service and Assessment Plan (the "Annual Service Plan Update") and submit it to the Board of Directors of the District for approval along with updated Assessment Rolls.

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in Section II unless otherwise defined herein.

II. Defined Terms



"Actual Costs" means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements, including all costs incurred in connection with Assessment Bonds issued to pay, reimburse, or finance the costs of the Authorized Improvements, and all other costs authorized by the MMD Act and related to the Authorized Improvements.

"Actual Projects Cost" means the Actual Costs of the Improvement Projects, exclusive of costs incurred in connection with Assessment Bonds issued to pay, reimburse, or finance such costs, and all other costs authorized by the MMD Act and related to the Improvement Projects.

"Additional Interest" means the amount of additional interest resulting from the application of the Additional Interest Rate to the outstanding Assessment principal.

"Additional Interest Rate" means the incremental interest rate charged on the Assessments, in excess of the interest rate charged on the Assessment Bonds or Refunding Assessment Bonds, if any, not to exceed one-half of one percent (0.50%) as authorized pursuant to the MMD Act.

"Administrative Expenses" means the administrative, maintenance and operation costs associated with, or incident to, the administration, maintenance and operation of the District, including, but not limited to, the District's direct and contracted costs and expenses of (i) conducting hearings, preparing notices and petitions, and all costs incident thereto; (ii) the annual administrative, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration and operation of the District; (iii) computing, levying, billing, and collecting Assessments or the Annual Installments thereof and transmitting such Assessment and/or Annual Installments collections to the District, Trustee, or other applicable financial institution; (iv) maintaining the record of the Assessments and Annual Installments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof; (v) paying agent, registrar, and Trustee for the Assessment Bonds, including legal counsel to the foregoing to the extent related to the Assessment Bonds; (vi) investing or depositing of Assessments or Annual Installments thereof or other monies; (vii) complying with the MMD Act, and codes with respect to the Assessment Bonds, including but not limited to arbitrage/rebate requirements and/or securities disclosure requirements; (viii) the Trustee fees and expenses relating to the Assessment Bonds, including reasonable fees; (x) administering the construction of the Improvement Projects; and (xi) Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Assessment Bonds. Administrative Expenses collected and not encumbered or expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

"Administrator" means an employee or designee of the District who shall have the responsibilities provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the Board of Directors related to the duties and responsibilities for the administration of the District, the Assessments and Annual Installments thereof, and the Assessment Bonds.

"Annual Installment" means with respect to each Parcel subject to Assessments, each annual payment of the Assessments, including any applicable interest, principal and interest on any Assessment Bonds, and Administrative Expenses, all as calculated pursuant to this SAP and as set forth on the Assessment

II. Defined Terms



Roll attached hereto as Appendix A, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in Section VI of this SAP.

"Annual Service Plan Update" means an update to the SAP prepared no less frequently than annually by the Administrator and approved by the Board of Directors.

"Assessed Property" means the benefited Parcels within the District on which Assessments are levied.

- **Improvement Area #1 Assessed Property** means the Phase 1 property on which Assessments are levied.

"Assessments" means the special assessments levied on the benefited Parcels within the District on an Improvement Area-by-Improvement Area basis, under one or more Assessment Orders adopted on an Improvement Area-by-Improvement Area basis, that may be used to reimburse the Developer for a portion of the Actual Costs benefitting the applicable Improvement Area or Improvement Areas, as well as repayment of the Assessment Bonds and the Administrative Expenses attributable to the creation and operation of the District, all as set forth in the Service and Assessment Plan.

- **Improvement Area #1 Assessments** means the special assessments levied on the Improvement Area #1 Assessed Property to pay for its share of the Improvement Projects.
- **Future Improvement Area Assessments** means any future special assessments levied against Future Phases for the Authorized Improvements.

"Assessment Bond Order" means an order adopted by the Board of Directors that authorizes and approves the issuance and sale of the Assessment Bonds.

"Assessment Bond Proceeds" means proceeds of the Assessment Bonds, net of costs of issuance, capitalized interest, reserve funds and other financing costs, that are deposited to an Improvement Account of the Project Fund.

"Assessment Bonds" means assessment revenue bonds, in one or more series, issued by the District pursuant to the MMD Act for the payment of Authorized Improvements Costs and Administrative Expenses; Assessment Bonds includes Refunding Assessment Bonds.

- **Improvement Area #1 Assessment Bonds** means the Karis Municipal Management District, Special Assessment Revenue Bonds (Improvement Areas #1 Project) anticipated to be issued in the future.

"Assessment Order" means each assessment order of the Board of Directors approving a service and assessment plan and levying Assessments on the benefited Parcels within the District, as may be amended or supplemented.

- **Improvement Area #1 Assessment Order** means the Assessment Order levying Assessments on the benefited Parcels within Improvement Area #1.

"Assessment Roll" means, individually or collectively as the context requires, the Assessment Roll attached hereto as Appendix A, as may be updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the MMD Act, including updates prepared in

II. Defined Terms



connection with the issuance of any Assessment Bonds or in connection with any Annual Service Plan Update and any future assessment rolls for Future Phases.

"Authorized Improvements" means the Improvement Projects depicted in Appendix D attached hereto, as may be amended.

"Board of Directors" means the duly approved board of directors of the District.

"City of Crowley" means the City of Crowley, Texas, a home-rule municipality in Tarrant County, Texas.

"County" means Tarrant County, Texas.

"Delinquent Collection Costs" means interest, penalties and fees and expenses incurred or imposed with respect to any delinquent Assessment, or an Annual Installment thereof, in accordance with the MMD Act and the costs related to pursuing collection of a delinquent Assessment and/or Annual Installment and foreclosing the lien against the Parcel for which an Assessment and/or Annual Installment is delinquent, including attorneys' fees to the extent permitted under Texas law.

"Developer" means CH TNC KARIS OWNER LLC, a Delaware limited liability company and CH KARIS INVESTOR LLC, a Delaware limited liability company, collectively, and their successors and permitted assigns.

"District Property" means the approximately five-hundred sixty-nine and eight-hundred eleven thousandth (569.811) acres of land within the District.

"Estimated Costs" means (i) the estimated costs of construction and acquisition of the Authorized Improvements, (ii) the estimated soft costs associated with the Authorized Improvements including but not limited to design and engineering, construction staking, inspection, testing, SWPPP, bonds, legal and consulting, and (iii) the estimated costs to be incurred in connection with Assessment Bonds issued to pay, reimburse, or finance the costs of the Authorized Improvements, and all other estimated costs authorized by the MMD Act and related to the Authorized Improvements as set forth herein and as may be amended from time to time.

"Estimated Projects Cost" means the Estimated Costs of the Improvement Projects, exclusive of costs incurred in connection with Assessment Bonds issued to pay, reimburse, or finance such costs, and all other costs authorized by the MMD Act and related to the Improvement Projects.

- **Estimated Improvement Area #1 Projects Cost** means Improvement Area #1's share of the Estimated Projects Cost.

"Final Plat(s)" means the final plat(s) of each Phase of the Project.

- **Karis Addition, Phase 1A** is attached hereto as Appendix C-1.
- **Karis Addition, Phase 1B** is attached hereto as Appendix C-2.
- **Karis Addition, Phase 1C** is attached hereto as Appendix C-3.

"Improvement Account of the Project Fund" means a construction or project fund created under an Indenture, funded by Assessment Bond Proceeds, and used to pay or reimburse for certain portions of the construction or acquisition of the Authorized Improvements.

"Improvement Area" means one or more Phases of the Project upon which Assessments are to be levied by the Board of Directors for the reimbursement of an allocable share of the costs of the Improvement Projects benefiting that Improvement Area.

- **Improvement Area #1** means the property within Phase 1A, Phase 1B, and Phase 1C of the District which is described by the metes and bounds in Appendix B.

"Improvement Projects" means all parks and green spaces, including street rights-of-way and public easements, together with any ancillary structures, features or amenities such as playgrounds, athletic facilities, pavilions, amphitheaters, community facilities, bridges, walkways, lighting, benches, trash receptacles and similar items located therein along with all necessary grading, drainage and similar infrastructure involved in the construction of such parks and green spaces; water features such as lakes, ponds and fountains; distinctive lighting improvements, public landscaping improvements including, landscaping, hardscaping and irrigation; pedestrian malls, passages or pathways including pedestrian bridges; specialty signage and monumentation; and acquisition and installation of public art and other public improvements allowable under the MMD Act and benefiting and necessary to serve all or a portion of the Project.

"Indenture" means the applicable trust indenture, ordinance, or other agreement by and between the District and a trustee bank under which Assessment Bonds are issued and funds are held and disbursed.

"Lot" means for any portion of the Project for which a subdivision plat has been recorded in the official real property records of the County, a tract of land described as a "lot" in such subdivision plat.

"Lot Type" means the classification applicable to each prospective or actual single-family Parcel or townhome Parcel as determined by the Administrator and confirmed by the District. The District is anticipated to be comprised of townhome Lots (Townhomes 22' Lots), Lots with 35' minimum pad widths (35' Lots), Lots with 40' minimum pad widths (40' Lots), Lots with 50' minimum pad widths (50' Lots), Lots with 60' minimum pad widths (60' Lots), and Lots with 70' minimum pad widths (70' Lots). The projected Lot Type for each Lot within Phase 1A, Phase 1B, and Phase 1C is shown in Appendix A attached hereto.

"Mandatory Prepayment" means a mandatory prepayment of an Assessment or Assessments pursuant to Section VI herein.

- **Future Phases Property** means the future Phases within the District (i. e., Phase 2, Phase 3, Phase 4, Phase 5, and Phase 6).

"Non-Assessable Property" means Parcels or Lots that are benefited by the Authorized Improvements but are not assessed (e.g., the School Property).

II. Defined Terms



"Non-Benefited Property" means Parcels or Lots that accrue no special benefit from the Authorized Improvements, including but not limited to property encumbered with a public utility easement that restricts the use of such property to such easement.

"Parcel" means a lot, parcel, and/or other interest in real property within the boundaries of the Property to which an account number is assigned by the Tarrant Central Appraisal District.

"Phase" means a phase of the Project upon which Assessments are to be levied by the District for the reimbursement of the costs of the Improvement Projects benefiting that Phase.

- **Future Phases** means the property within the future Phases of the Project.
- **Phase 1A** means the property within the Karis Addition, Phase 1A.
- **Phase 1B** means the property within the Karis Addition, Phase 1B.
- **Phase 1C** means the property within the Karis Addition, Phase 1C.

"Preliminary Plat(s)" means the current preliminary plat(s) of each Phase of the Project.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a prepayment which represents a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"Prepayment Costs" means interest, Administrative Expenses, and any applicable Delinquent Collection Costs to the date of Prepayment, plus any additional expenses related to the Prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the District as a result of any Prepayment of all or part of an Assessment.

"Project" means the development depicted on the phasing plan attached hereto as Appendix E and referred to as Karis.

"Refunding Assessment Bonds" means Assessment Bonds issued pursuant to Section 375.204 of the MMD Act or other applicable law.

"School Property" means the approximately ten (10) acres of the elementary school site depicted in Appendix E.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan of the District, including the Assessment Roll, as may be updated in an Annual Service Plan Update or amended and supplemented from time to time.

"Trustee" means a trustee under an Indenture, and any successor thereto permitted under such Indenture.

III. Project and Phase Descriptions



The Project consists of approximately 569.811 acres of real property and is anticipated to include six (6) residential Phases along with School Property, and the amenity center. Development projections for the Project are shown by Phase in Table III-1 below.

TABLE III-1								
KARIS								
DEVELOPMENT PROJECTIONS								
PHASE	LAND USE	TOWNHOMES 22' LOTS	35' LOTS	40' LOTS	50' LOTS	60' LOTS	70' LOTS	TOTAL
PHASE 1	RESIDENTIAL	95	65	60	50	38	16	324
PHASE 1	SCHOOL	N/A	N/A	N/A	N/A	N/A	N/A	0
PHASE 2	RESIDENTIAL	93	66	72	57	45	28	361
PHASE 3	RESIDENTIAL	130	121	120	93	63	41	568
PHASE 3	AMENITY CENTER	N/A	N/A	N/A	N/A	N/A	N/A	0
PHASE 4	RESIDENTIAL	83	72	72	57	40	24	348
PHASE 5	RESIDENTIAL	89	69	69	56	44	25	352
PHASE 6	RESIDENTIAL	29	22	22	18	17	8	116
GRAND TOTAL		519	415	415	331	247	142	2,069

IV. Improvement Plan



The Estimated Projects Cost is shown in Table IV-1 below. The Estimated Projects Cost may be revised and savings from one line item may be applied to a cost increase in another line item. These transfers, however, are limited to the portion of the savings related to the District's share of the Estimated Projects Cost, and these savings may be applied only to the District's share of the increase in the costs of another line item.

TABLE IV-1 KARIS MUNICIPAL MANAGEMENT DISTRICT ESTIMATED PROJECTS COST	
DESCRIPTION	AMOUNT
SOFT COSTS	\$2,143,153
PARKS AND GREENSPACE COSTS	\$21,431,526
CONTINGENCY	\$2,143,153
TOTAL ESTIMATED PROJECTS COST	\$25,717,831

The Estimated Improvement Area #1 Projects Cost and the anticipated indebtedness for the Improvement Area #1 Assessment Bonds are summarized in Table V-1 on the following page. Upon the issuance of each series of Assessment Bonds, an updated SAP shall be adopted by the Board of Directors to reflect the sources and uses of funds, the interest rate(s), and the annual debt service payments for such series of Assessment Bonds. If the District issues Refunding Assessment Bonds, the amount of the Assessments necessary to pay such Refunding Assessment Bonds shall not exceed the amount of the Assessments necessary to pay the Assessment Bonds that are being refunded.

TABLE V-1	
KARIS MUNICIPAL MANAGEMENT DISTRICT IMPROVEMENT AREA #1 ASSESSMENT BONDS	
ESTIMATED SOURCES AND USES OF FUNDS	
DESCRIPTION	AMOUNT
SOURCES OF FUNDS	
BOND PROCEEDS	\$3,824,824
DEVELOPER CONTRIBUTION	\$676,850
TOTAL SOURCES OF FUNDS	\$4,501,674
USES OF FUNDS	
ESTIMATED PROJECT COSTS	\$3,740,397
FINANCING COSTS	
DEBT SERVICE RESERVE	\$131,186
CAPITALIZED INTEREST	\$200,803
COSTS OF ISSUANCE	\$283,763
UNDERWRITER'S DISCOUNT	\$114,745
ADMINISTRATIVE EXPENSES	\$30,780
TOTAL USES	\$4,501,674

Pursuant to Section 375.119 of the MMD Act, the cost of an improvement to be assessed against property in the District shall be apportioned based on the special benefits accruing to the property because of the improvement. The costs of an improvement may be assessed (i) equally per front foot or square foot, (ii) according to the value of the property as determined by the Board of Directors, with or without regard to improvements on the property, or (iii) in any other reasonable assessment plan that results in imposing fair and equitable shares of the cost on properties similarly benefited. The Service and Assessment Plan describes the special benefit received by each classification of property from the Authorized Improvements, provides the basis and justification for the determination that the special benefit is equal to or greater than the amount of the Assessments, and establishes the methodology by which the Board of Directors apportions costs in a manner that results in fair and equitable shares allocated to Parcels similarly benefited. The determination by the Board of Directors of the assessment methodology set forth herein is the result of the discretionary exercise by the Board of Directors of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future Parcel owners. Notwithstanding any applicable impact fee, the District shall not be liable for payment of any costs of the Authorized Improvements from general funds or other revenues or resources of the District. the District assumes no financial obligation whatsoever in the event of default or foreclosure of any Parcel, portion or Phase of the property within the District.

A. Allocation of Estimated Projects Cost

The Improvement Projects are designed specifically for the Project and therefore primarily benefit the residents within the District. However, the public parks and green spaces are accessible to the public and certain Improvement Projects are adjacent to and will benefit the School Property. Therefore, the Board has determined to allocate only ninety-five percent (95.00%) of the Estimated Projects Costs, or \$24,431,940, to the residential Lots within the District, and that in accordance with the MMD Act such portion of the Estimated Projects Cost be allocated to the Lot Types within the District in proportion to the estimated buildout value of each Lot Type. Average buildout values and the anticipated number of Lots for each Lot Type are shown for the District in Table VI-1 on the following page. The relationship of the average buildout values among the Lot Types is expressed on an equivalent dwelling unit ("EDU") basis. An EDU value of one (1.00) is assigned to 40' Lots, and the EDU values for the other Lot Types reflect the relative difference in the average buildout value for those Lot Types as compared to a 40' Lot. For example, the EDU value for 50' Lots is 1.11 which is equal to the ration of the average buildout value for a 50' Lot to the average buildout value for a 40' Lot ($\$500,000 / \$450,000$). The allocation of the Estimated Projects Cost by Lot Type and the allocation of Estimated Projects Cost to Improvement Area #1 are shown in Tables VI-2 and VI-3, respectively, on the following page.

TABLE VI-1					
KARIS MUNICIPAL MANAGEMENT DISTRICT					
ESTIMATED AVERAGE BUILDOUT VALUES					
LOT TYPE	LOTS	ESTIMATED AVERAGE COMPLETED HOME VALUE	EQUIVALENT DWELLING UNIT	EQUIVALENT DWELLING UNITS	% OF TOTAL
TOWNHOMES					
22' LOTS	519	\$300,000	0.67	347.73	17.55%
35' LOTS	415	\$390,000	0.87	361.05	18.22%
40' LOTS	415	\$450,000	1.00	415.00	20.94%
50' LOTS	331	\$500,000	1.11	367.41	18.54%
60' LOTS	247	\$550,000	1.22	301.34	15.21%
70' LOTS	142	\$600,000	1.33	188.86	9.53%
TOTAL	2,069	N/A	N/A	1,981.39	100.00%

TABLE VI-2				
KARIS MUNICIPAL MANAGEMENT DISTRICT				
ALLOCATION OF ESTIMATED PROJECTS COST				
LOT TYPE	LOTS	EQUIVALENT DWELLING UNITS	% OF TOTAL	ESTIMATED PROJECTS COST
TOWNHOMES				
22' LOTS	519	347.73	17.55%	\$4,287,757
35' LOTS	415	361.05	18.22%	\$4,452,002
40' LOTS	415	415.00	20.94%	\$5,117,243
50' LOTS	331	367.41	18.54%	\$4,530,425
60' LOTS	247	301.34	15.21%	\$3,715,735
70' LOTS	142	188.86	9.53%	\$2,328,777
	2,069	1,981.39	100.00%	\$24,431,940

TABLE VI-3				
KARIS MUNICIPAL MANAGEMENT DISTRICT IMPROVEMENT AREA #1				
ALLOCATION OF ESTIMATED PROJECTS COST				
LOT TYPE	LOTS	EQUIVALENT DWELLING UNITS	% OF DISTRICT TOTAL	ESTIMATED PROJECTS COST
TOWNHOMES				
22' LOTS	95	63.65	3.21%	\$784,850
35' LOTS	65	56.55	2.85%	\$697,301
40' LOTS	60	60.00	3.03%	\$739,842
50' LOTS	50	55.50	2.80%	\$684,354
60' LOTS	38	46.36	2.34%	\$571,652
70' LOTS	16	21.28	1.07%	\$262,397
	324	303.34	15.31%	\$3,740,397

B. Calculation of Assessments

The Board of Directors has determined that creating assessment classifications based on the anticipated Lot Types within Improvement Area #1 will result in imposing fair and equitable shares of cost on properties similarly benefited. Therefore, the Parcels on which Improvement Area #1 Assessments are levied receive a direct and special benefit, respectively, from the Improvement Projects, and this benefit is equal to or greater than the amount assessed. The Improvement Area #1 Assessments and estimated Annual Installments for each Lot Type are shown in Table VI-4 below.

TABLE VI-4								
KARIS MUNICIPAL MANAGEMENT DISTRICT								
IMPROVEMENT AREA #1								
ASSESSMENTS AND ANNUAL INSTALLMENTS								
LOT TYPE	LOTS	ESTIMATED COSTS			TOTAL ASSESSMENT	ASSESSMENT PER LOT ^c	ESTIMATED AVERAGE ANNUAL INSTALLMENT PER LOT ^c	ESTIMATED BUILDOUT TAX EQUIVALENT RATE ^c
		ESTIMATED IMPROVEMENT AREA #1 PROJECTS COST ^a	ESTIMATED IMPROVEMENT AREA #1 PROJECTS COST FINANCED/REIMBURSED BY ASSESSMENT BONDS ^a	ASSESSMENT BOND RELATED COSTS ^b				
TOWNHOMES								
22' LOTS	95	\$784,850	\$642,822	\$159,738	\$802,560	\$8,448	\$689.73	\$0.2299
35' LOTS	65	\$697,301	\$571,127	\$141,923	\$713,050	\$10,970	\$895.64	\$0.2297
40' LOTS	60	\$739,842	\$605,961	\$150,579	\$756,540	\$12,609	\$1,029.46	\$0.2288
50' LOTS	50	\$684,354	\$560,515	\$139,285	\$699,800	\$13,996	\$1,142.70	\$0.2285
60' LOTS	38	\$571,652	\$468,207	\$116,347	\$584,554	\$15,383	\$1,255.94	\$0.2284
70' LOTS	16	\$262,397	\$214,915	\$53,405	\$268,320	\$16,770	\$1,369.18	\$0.2282
TOTAL	324	\$3,740,397	\$3,063,547	\$761,277	\$3,824,824	N/A	N/A	N/A

^a Excluding costs estimated to be incurred in connection with the issuance of Assessment Bonds.
^b Including, but not limited to, issuance costs, underwriting fees, capitalized interest, and bond reserve fund.
^c Based on an Assessment Bond average coupon rate of 5.25%.

C. Assessment Terms

A lien will be established against the Assessed Property effective as of the date of the Assessment Order levying the Assessment, privileged above all other liens, except for liens for State, county, school district or municipal ad valorem taxes, including prior mortgage liens, to the extent allowed by Section 375.121 of the MMD Act. Assessments shall be imposed and may be collected in Annual Installments from the Assessed Property, through the application of the procedures described below. Notwithstanding the above, the Assessment lien shall be perfected immediately as to the entire Assessment on each Assessed Property but is executed only with respect to the amounts then due or past due for current or prior Annual Installments or final payment. Each Assessment shall terminate on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any.

1. Assessment Roll

The Improvement Area #1 Assessment for each Parcel of Improvement Area #1 Assessed Property is as shown in the Assessment Roll attached hereto as Appendix A. As shown in Table VI-5 below, the Improvement Area #1 Assessments levied are less than the respective benefit conferred by the Estimated Costs of the Improvement Projects benefiting the Improvement Area #1 Assessed Property.

TABLE VI-5 KARIS MUNICIPAL MANAGEMENT DISTRICT IMPROVEMENT AREA #1 SPECIAL BENEFIT SUMMARY	
DESCRIPTION OF SPECIAL BENEFIT	AMOUNT
ESTIMATED COSTS	
IMPROVEMENT AREA #1 PROJECTS COST	\$3,740,397
BOND RELATED COSTS	
DEBT SERVICE RESERVE FUND	\$131,186
CAPITALIZED INTEREST	\$200,803
COSTS OF ISSUANCE	\$283,763
UNDERWRITER'S DISCOUNT	\$114,745
ADMINISTRATIVE EXPENSES	\$30,780
TOTAL SPECIAL BENEFIT	\$4,501,674
ASSESSMENT	\$3,824,824
EXCESS BENEFIT	\$676,850

No Improvement Area #1 Assessment shall be changed hereafter except pursuant to the provisions provided for herein or as permitted under the MMD Act. Each Assessment Roll shall be updated to reflect the actual interest rate on the Assessment Bonds following their pricing, and the Administrator shall prepare for Board of Directors approval updates to the Assessment Roll each year to reflect (i) the payment of any Assessment in lump sum, (ii) any subdivision and/or consolidation of Parcels, (iii) the identification of each Assessed Property, (iv) the Assessments and/or any supplemental Assessments pursuant to the MMD Act, including any adjustments as provided in this Service and Assessment Plan, (v) the Administrative Expenses allocable to each Parcel, and (vi) any other changes permitted by law.

2. Apportionment of Assessment Upon Subdivision

Upon the duly approved subdivision of Assessed Property, including a replat of a previously recorded subdivision plat, the Assessment for the subdivided Parcel shall be reallocated to the new Parcels created by the subdivision as described below.

$$A = S \times (L / T)$$

"A" means the allocated Assessment for a new Parcel.

"S" means the Assessment for the subdivided Parcel.

"L" means the Assessment for the Lot Type or sum of the Assessments for the Lot Types, as applicable, for the new Parcel created by the subdivision.

"T" means the total or sum of the Assessments for all new Parcels created by the subdivision based on the Lot Type or number of prospective Lots and Lot Types applicable to such new Parcels.

For Improvement Area #1, the determination of the Lot Type or Lot Types applicable to each new Parcel created by a subdivision shall be determined by reference to Appendix A. The number of single-family lots and townhomes applicable to each new Parcel created by a subdivision shall be determined by the recorded final plat(s) for the applicable Phase, the replat of such recorded final plats, if applicable, and prior to the recordation of each such final plat the current preliminary plat for the applicable Phase. The Assessment applicable to each Lot Type shall be determined by reference to Table VI-4.

Any reallocation of Assessments pursuant to this section shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the Board of Directors. The reallocation of any Assessments as described herein shall be considered an administrative action and will not require any notice or public hearing, as defined in the MMD Act, by the Board of Directors. The District shall not approve a final subdivision plat or other document subdividing a Parcel without a letter from the Administrator either (i) confirming that the Assessment for any new Parcel created by the subdivision plat will not exceed the Assessment for the Lot Type or Lot Types applicable to such Parcels or (ii) confirming the payment of the applicable Mandatory Prepayment as provided for herein.

3. Apportionment of Assessment Upon Consolidation

Upon the consolidation of one or more Parcels, the Assessment for the resulting new Parcel shall be equal to the sum of the Assessments for the Parcels which were consolidated.

4. Reduction in Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Projects Cost for an Improvement Area is less than the applicable Assessments, (i) in the event Assessment Bonds are not issued, the Board of Directors shall reduce each applicable Assessment to which such cost savings applies on a pro-rata basis such that the sum of the resulting reduced Assessments for all applicable Assessed Property equals the Actual Projects Cost, or (ii) in the event that Assessment Bonds are issued, the Trustee shall apply amounts on deposit in the applicable Improvement Account of the Project Fund that are not expected to be used for purposes of such

Improvement Account of the Project Fund, to redeem applicable outstanding Assessment Bonds, in accordance with each Indenture. Assessments shall not, however, be reduced to an amount less than the applicable outstanding Assessment Bonds.

The District reserves and shall have the right and option to issue Refunding Assessment Bonds to refund the Assessment Bonds. In the event of issuance of Refunding Assessment Bonds, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust the amount of the Annual Installment, or extend the maturity dates of the Annual Installments, so that total Annual Installments of Assessments will be produced in annual amounts sufficient to pay the debt service on the Refunding Assessment Bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the Refunding Assessment Bonds. In no event shall any Assessment be increased above the maximum amount set forth in the applicable Assessment Roll attached hereto in Appendix A.

5. Payment and Collection of Assessments

The MMD Act and Assessment Order provides that an assessment may be paid in part or in full at any time without penalty. Any such payment is referred to herein as a Prepayment. In certain circumstances, Mandatory Prepayments shall become due as specified in Section VI.C.6 below. If not paid in full, the MMD Act and Assessment Order authorizes the Board of Directors to collect interest and Administrative Expenses on the outstanding Assessments. An Assessment that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which include interest on the outstanding balance of such Assessment and Administrative Expenses.

Pursuant to the MMD Act, the Board of Directors may provide that the Assessments be paid in periodic installments and may bear interest at the rate specified by and beginning at the time or times or on the occurrence of one or more events specified by the Board of Directors in an Assessment Order. Such installments must (i) be in amounts necessary to retire the indebtedness on the improvements and (ii) continue for the period approved by the Board of Directors for the payment of the installments.

The Board of Directors has determined that the Improvement Area #1 Assessments shall be paid in Annual Installments over a thirty (30) year period commencing with the 2024 Annual Installment payable no later than January 31, 2025, and bear interest commencing on January 1, 2024 at a rate not to exceed two hundred basis points above the bond index rate described above and shall continue until the Improvement Area #1 Assessments are paid in full. The index approved by the Board of Directors is the 25-Bond Revenue Index. The highest average rate for September 2023 is four and thirty-seven hundredths percent (4.37%). Until Assessment Bonds are issued with a pledge of the Improvement Area #1 Assessments, the Board of Directors has determined that such Improvement Area #1 Assessments shall bear interest at two hundred basis points over the actual highest average rate for the 25-Bond Revenue Index for September 2023, the month preceding the levying of the Improvement Area #1 Assessments, which is currently six and thirty-seven hundredths percent (6.37%). Following the issuance of the Improvement Area #1 Assessment Bonds, the Improvement Area #1 Assessments shall be collected in annual installments corresponding in number to the annual installments of principal, including mandatory sinking fund

payments, on such Assessment Bonds and bear interest at the actual interest rate on such Assessment Bonds plus an amount not to exceed the Additional Interest Rate.

The District, the County Appraisal District, or the County Tax Assessor/Collector will invoice each owner of an Assessed Property at the same time as the annual property tax bill, and the Annual Installment shall be due and payable, and incur penalty and interest for unpaid Annual Installments in the same manner as provided for property taxes. Thereafter, subsequent Annual Installments shall be due in the same manner in each succeeding calendar year until the Assessment together with interest, including the Additional Interest, and Administrative Expenses as provided herein has been paid in full. Failure of an owner to receive an Annual Installment on the property tax bill shall not relieve the owner of the responsibility for payment of the Assessment or the Annual Installment. Assessments and/or Annual Installments that are delinquent shall incur Delinquent Collection Costs. The Board of Directors may provide for other means of collecting the Annual Installments to the extent permitted under the MMD Act and Assessment Order. In the event of default or foreclosure of any lien for Assessments, the District is only obligated to enforce the collection of the Assessments.

The Assessments are personal obligations of the person owning a Parcel on which an Assessment is levied in the year an Annual Installment or Mandatory Assessment Prepayment becomes due, and only to the extent of such Annual Installment(s) and/or Mandatory Prepayment(s). Delinquent Annual Installments and Mandatory Assessment Prepayments shall be subject to the procedures specified by the MMD Act, and any sale of property for nonpayment of the Annual Installment(s) and/or Mandatory Prepayment(s) shall be subject to the lien established for the remaining unpaid Annual Installment(s) against such Parcel and such Parcel may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Parcel as they become due and payable.

6. Prepayment of Assessments

a. Optional Prepayment

The Assessment for any Parcel may be paid at any time in part or in full without penalty by paying to the District up to the remaining unpaid principal balance of the applicable Assessment along with Prepayment Costs. In the event of a full Prepayment, credit shall be given for Annual Installment payments received by the District prior to the date of prepayment.

Upon a full or partial Prepayment, along with Prepayment Costs, the Assessment for the Parcel shall be reduced by the amount of the prepayment, the applicable Assessment Roll shall be updated to reflect the prepayment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent of the prepayment made. If the Assessment is paid in full, the Board President is hereby authorized to sign a release of the Improvements Assessment lien for the corresponding Parcel. The form of such release shall be as determined by the District to comply with State law.

b. Mandatory Prepayment

A Mandatory Prepayment(s) shall become due in the following circumstances:

- (1) A Parcel or portion thereof on which an Assessment is levied is transferred to or acquired by, whether through eminent domain or other action, a party that is exempt from the payment of the Assessment under applicable law;
- (2) A Parcel or portion thereof on which an Assessment is levied will become or becomes Non-Benefited Property;
- (3) If the reallocation of the Assessment for a subdivided Parcel results in an Assessment that exceeds the Assessment or sum of Assessments for the applicable Lot Type; and
- (4) If the reallocation of an Assessment for a Parcel that is a homestead under Texas law exceeds the Assessment prior to the reallocation.

The Developer or any subsequent owner of Assessed Property shall provide notice to the District and the Administrator of (1) or (2) above. In the case of (1) and (2) such notice shall be provided at least thirty (30) days prior to the date of such transfer, acquisition, or other applicable act or action. Any such Mandatory Prepayment shall be treated the same as any Assessment that is due and owing under the MMD Act, the applicable Assessment Order, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the MMD Act and Assessment Order. Under b.1, the obligation and liability to make any Mandatory Prepayment shall be the owner of the Assessed Property prior to the transfer to or acquisition by the party that is exempt from the payment of the Assessment. Under b.2, the obligation and liability to make any Mandatory Prepayment shall be the owner of the Assessed Property prior to its classification as Non-Benefited Property. Under b.3, the obligation and liability to make any Mandatory Improvements Assessment Prepayment shall be the owner of the Assessed Property prior to its subdivision. Upon determination that a Mandatory Prepayment is required, the Administrator shall calculate the amount of the Assessment to be prepaid, including Prepayment Costs (together the "Mandatory Prepayment"), and provide such Mandatory Prepayment calculation to the Board of Directors and to the owner of the property to which it applies. The property owner shall pay such Mandatory Prepayment to the Board of Directors before recordation of an approved plat and no later than thirty (30) days after provision of the Mandatory Prepayment amount to the property owner.

Amendments to this Service and Assessment Plan can be made as permitted by the MMD Act.

A. Administrative Review

To the extent consistent with the MMD Act and Assessment Order, an owner of Assessed Property may, prior to seeking any other remedy, submit a claim that a calculation error has been made in the Assessment Roll, including the calculation of an Annual Installment, by sending a written notice describing the error to the Board of Directors not later than thirty (30) days after the date any amount which is alleged to be incorrect is due. The Administrator shall promptly review the notice, and if necessary, meet with the owner of the Assessed Property, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll(s) should be modified or changed in favor of the owner of the Assessed Property, such change or modification shall be presented to the Board of Directors for approval, to the extent permitted by the MMD Act and Assessment Order. A cash refund shall not be made for any amount previously paid by the owner of the Assessed Property (except for the final year during which the Annual Installment shall be collected, but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll(s) may be appealed to the Board of Directors. Any amendments made to the Assessment Roll pursuant to calculations errors shall be made pursuant to the MMD Act and Assessment Order.

B. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan, or the application of same to a Parcel on which an Assessment is levied or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board of Directors in adopting this Service and Assessment Plan that no part hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Board of Directors.

APPENDIX A

ASSESSMENT ROLL

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42575620	KARIS ADDITION PHASE 1A	1	1	TH22	\$8,448.00
42880309	KARIS ADDITION PHASE 1A	1	2	TH22	\$8,448.00
42880317	KARIS ADDITION PHASE 1A	1	3	TH22	\$8,448.00
42880325	KARIS ADDITION PHASE 1A	1	4	TH22	\$8,448.00
42880333	KARIS ADDITION PHASE 1A	1	5	TH22	\$8,448.00
42880341	KARIS ADDITION PHASE 1A	1	6	TH22	\$8,448.00
42880350	KARIS ADDITION PHASE 1A	1	7	TH22	\$8,448.00
42880368	KARIS ADDITION PHASE 1A	1	8	TH22	\$8,448.00
42880376	KARIS ADDITION PHASE 1A	1	9	TH22	\$8,448.00
42880384	KARIS ADDITION PHASE 1A	1	10	TH22	\$8,448.00
42880392	KARIS ADDITION PHASE 1A	1	11	TH22	\$8,448.00
42880406	KARIS ADDITION PHASE 1A	1	12	TH22	\$8,448.00
42880414	KARIS ADDITION PHASE 1A	1	13	TH22	\$8,448.00
42880422	KARIS ADDITION PHASE 1A	1	14	TH22	\$8,448.00
42880431	KARIS ADDITION PHASE 1A	1	15	TH22	\$8,448.00
42880449	KARIS ADDITION PHASE 1A	1	16	TH22	\$8,448.00
42880457	KARIS ADDITION PHASE 1A	1	17	TH22	\$8,448.00
42880465	KARIS ADDITION PHASE 1A	1	18	TH22	\$8,448.00
42880473	KARIS ADDITION PHASE 1A	1	19	TH22	\$8,448.00
42880481	KARIS ADDITION PHASE 1A	1	20	TH22	\$8,448.00
42880490	KARIS ADDITION PHASE 1A	1	21	TH22	\$8,448.00
42880503	KARIS ADDITION PHASE 1A	1	22	TH22	\$8,448.00
42880511	KARIS ADDITION PHASE 1A	1	23	TH22	\$8,448.00
42880520	KARIS ADDITION PHASE 1A	1	24	TH22	\$8,448.00
42880538	KARIS ADDITION PHASE 1A	1	25	35	\$10,970.00
42880546	KARIS ADDITION PHASE 1A	1	26	35	\$10,970.00
42880554	KARIS ADDITION PHASE 1A	1	27	35	\$10,970.00
42880562	KARIS ADDITION PHASE 1A	1	28	35	\$10,970.00
42880571	KARIS ADDITION PHASE 1A	1	29	40	\$12,609.00
42880589	KARIS ADDITION PHASE 1A	1	30	35	\$10,970.00
42880597	KARIS ADDITION PHASE 1A	1	31	40	\$12,609.00
42880601	KARIS ADDITION PHASE 1A	1	32	35	\$10,970.00
42880619	KARIS ADDITION PHASE 1A	1	33	40	\$12,609.00
42880627	KARIS ADDITION PHASE 1A	1	34	35	\$10,970.00
42880635	KARIS ADDITION PHASE 1A	1	35	40	\$12,609.00
42880643	KARIS ADDITION PHASE 1A	1	36	40	\$12,609.00
42880651	KARIS ADDITION PHASE 1A	1	37	40	\$12,609.00
42880660	KARIS ADDITION PHASE 1A	1	38	35	\$10,970.00
42880678	KARIS ADDITION PHASE 1A	1	39	35	\$10,970.00
42880686	KARIS ADDITION PHASE 1A	1	40	35	\$10,970.00
42880694	KARIS ADDITION PHASE 1A	1	41	40	\$12,609.00
42880708	KARIS ADDITION PHASE 1A	1	42	40	\$12,609.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42880716	KARIS ADDITION PHASE 1A	1	43	50	\$13,996.00
42880724	KARIS ADDITION PHASE 1A	1	44	50	\$13,996.00
42880732	KARIS ADDITION PHASE 1A	1	45	35	\$10,970.00
42880741	KARIS ADDITION PHASE 1A	1	46	50	\$13,996.00
42880759	KARIS ADDITION PHASE 1A	1	47	35	\$10,970.00
42880767	KARIS ADDITION PHASE 1A	1	48	35	\$10,970.00
42880775	KARIS ADDITION PHASE 1A	1	49	50	\$13,996.00
42880783	KARIS ADDITION PHASE 1A	1	50	40	\$12,609.00
42880791	KARIS ADDITION PHASE 1A	1	51	35	\$10,970.00
42880805	KARIS ADDITION PHASE 1A	1	52	35	\$10,970.00
42880813	KARIS ADDITION PHASE 1A	1	53	70	\$16,770.00
42880821	KARIS ADDITION PHASE 1A	1	54	40	\$12,609.00
42880830	KARIS ADDITION PHASE 1A	1	55	50	\$13,996.00
42880848	KARIS ADDITION PHASE 1A	1	56	50	\$13,996.00
42880856	KARIS ADDITION PHASE 1A	1	57	50	\$13,996.00
42880864	KARIS ADDITION PHASE 1A	1	58	35	\$10,970.00
42880872	KARIS ADDITION PHASE 1A	1	59	35	\$10,970.00
42880881	KARIS ADDITION PHASE 1A	1	60	35	\$10,970.00
42880899	KARIS ADDITION PHASE 1A	1	61X	NON-BENEFITED	\$0.00
42880902	KARIS ADDITION PHASE 1A	1	62	40	\$12,609.00
42880911	KARIS ADDITION PHASE 1A	1	63	35	\$10,970.00
42880929	KARIS ADDITION PHASE 1A	1	64	35	\$10,970.00
42880937	KARIS ADDITION PHASE 1A	1	65	40	\$12,609.00
42880945	KARIS ADDITION PHASE 1A	1	66	40	\$12,609.00
42880953	KARIS ADDITION PHASE 1A	1	67	50	\$13,996.00
42880961	KARIS ADDITION PHASE 1A	1	68	60	\$15,383.00
42880970	KARIS ADDITION PHASE 1A	1	69	50	\$13,996.00
42880988	KARIS ADDITION PHASE 1A	1	70	50	\$13,996.00
42880996	KARIS ADDITION PHASE 1A	1	71	50	\$13,996.00
42881003	KARIS ADDITION PHASE 1A	1	72	60	\$15,383.00
42881011	KARIS ADDITION PHASE 1A	1	73X	NON-BENEFITED	\$0.00
42881020	KARIS ADDITION PHASE 1A	2	1X	NON-BENEFITED	\$0.00
42881038	KARIS ADDITION PHASE 1A	3	1	35	\$10,970.00
42881046	KARIS ADDITION PHASE 1A	3	2	35	\$10,970.00
42881054	KARIS ADDITION PHASE 1A	3	3	35	\$10,970.00
42881062	KARIS ADDITION PHASE 1A	3	4	50	\$13,996.00
42881071	KARIS ADDITION PHASE 1A	3	5X	NON-BENEFITED	\$0.00
42881089	KARIS ADDITION PHASE 1A	3	6	35	\$10,970.00
42881097	KARIS ADDITION PHASE 1A	3	7	35	\$10,970.00
42881101	KARIS ADDITION PHASE 1A	3	8	40	\$12,609.00
42881119	KARIS ADDITION PHASE 1A	3	9	35	\$10,970.00
42881127	KARIS ADDITION PHASE 1A	3	10	35	\$10,970.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42881135	KARIS ADDITION PHASE 1A	3	11	40	\$12,609.00
42881143	KARIS ADDITION PHASE 1A	4	1X	NON-BENEFITED	\$0.00
42881151	KARIS ADDITION PHASE 1A	5	1X	NON-BENEFITED	\$0.00
42881160	KARIS ADDITION PHASE 1A	6	1	TH22	\$8,448.00
42881178	KARIS ADDITION PHASE 1A	6	2	TH22	\$8,448.00
42881186	KARIS ADDITION PHASE 1A	6	3	TH22	\$8,448.00
42881194	KARIS ADDITION PHASE 1A	6	4	TH22	\$8,448.00
42881208	KARIS ADDITION PHASE 1A	6	5	TH22	\$8,448.00
42881216	KARIS ADDITION PHASE 1A	6	6	TH22	\$8,448.00
42881224	KARIS ADDITION PHASE 1A	6	7	TH22	\$8,448.00
42881232	KARIS ADDITION PHASE 1A	6	8	TH22	\$8,448.00
42881241	KARIS ADDITION PHASE 1A	6	9	TH22	\$8,448.00
42881259	KARIS ADDITION PHASE 1A	6	10	TH22	\$8,448.00
42881267	KARIS ADDITION PHASE 1A	6	11	TH22	\$8,448.00
42881275	KARIS ADDITION PHASE 1A	6	12	TH22	\$8,448.00
42881283	KARIS ADDITION PHASE 1A	6	13	TH22	\$8,448.00
42881291	KARIS ADDITION PHASE 1A	6	14	TH22	\$8,448.00
42881305	KARIS ADDITION PHASE 1A	6	15	TH22	\$8,448.00
42881313	KARIS ADDITION PHASE 1A	6	16	TH22	\$8,448.00
42881321	KARIS ADDITION PHASE 1A	6	17	TH22	\$8,448.00
42881330	KARIS ADDITION PHASE 1A	6	18	TH22	\$8,448.00
42881348	KARIS ADDITION PHASE 1A	6	19	TH22	\$8,448.00
42881356	KARIS ADDITION PHASE 1A	6	20	TH22	\$8,448.00
42881364	KARIS ADDITION PHASE 1A	6	21	TH22	\$8,448.00
42881372	KARIS ADDITION PHASE 1A	6	22	TH22	\$8,448.00
42881381	KARIS ADDITION PHASE 1A	6	23	TH22	\$8,448.00
42881399	KARIS ADDITION PHASE 1A	6	24	TH22	\$8,448.00
42881402	KARIS ADDITION PHASE 1A	6	25	TH22	\$8,448.00
42881411	KARIS ADDITION PHASE 1A	6	26	TH22	\$8,448.00
42881429	KARIS ADDITION PHASE 1A	6	27	TH22	\$8,448.00
42881437	KARIS ADDITION PHASE 1A	6	28	TH22	\$8,448.00
42881445	KARIS ADDITION PHASE 1A	6	29	TH22	\$8,448.00
42881453	KARIS ADDITION PHASE 1A	6	30	TH22	\$8,448.00
42881461	KARIS ADDITION PHASE 1A	6	31	TH22	\$8,448.00
42881470	KARIS ADDITION PHASE 1A	6	32	TH22	\$8,448.00
42881488	KARIS ADDITION PHASE 1A	6	33X	NON-BENEFITED	\$0.00
42881496	KARIS ADDITION PHASE 1A	6	34X	NON-BENEFITED	\$0.00
42881500	KARIS ADDITION PHASE 1A	7	1X	NON-BENEFITED	\$0.00
42881518	KARIS ADDITION PHASE 1A	8	1X	NON-BENEFITED	\$0.00
42881526	KARIS ADDITION PHASE 1A	9	1X	NON-BENEFITED	\$0.00
42881534	KARIS ADDITION PHASE 1A	10	1	60	\$15,383.00
42881542	KARIS ADDITION PHASE 1A	10	2	40	\$12,609.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42881551	KARIS ADDITION PHASE 1A	10	3	50	\$13,996.00
42881569	KARIS ADDITION PHASE 1A	10	4	40	\$12,609.00
42881577	KARIS ADDITION PHASE 1A	10	5	40	\$12,609.00
42881585	KARIS ADDITION PHASE 1A	10	6	35	\$10,970.00
42881593	KARIS ADDITION PHASE 1A	10	7	35	\$10,970.00
42881607	KARIS ADDITION PHASE 1A	10	8X	NON-BENEFITED	\$0.00
42881615	KARIS ADDITION PHASE 1A	10	9X	NON-BENEFITED	\$0.00
42881623	KARIS ADDITION PHASE 1A	10	10	35	\$10,970.00
42881631	KARIS ADDITION PHASE 1A	10	11	50	\$13,996.00
42881640	KARIS ADDITION PHASE 1A	10	12	60	\$15,383.00
42881658	KARIS ADDITION PHASE 1A	10	13	50	\$13,996.00
42881666	KARIS ADDITION PHASE 1A	10	14	50	\$13,996.00
42881674	KARIS ADDITION PHASE 1A	10	15	35	\$10,970.00
42881682	KARIS ADDITION PHASE 1A	10	16	35	\$10,970.00
42881691	KARIS ADDITION PHASE 1A	10	17	50	\$13,996.00
42881704	KARIS ADDITION PHASE 1A	10	18	40	\$12,609.00
42881712	KARIS ADDITION PHASE 1A	10	19	40	\$12,609.00
42881721	KARIS ADDITION PHASE 1A	11	1X	NON-BENEFITED	\$0.00
42881739	KARIS ADDITION PHASE 1A	12	1	50	\$13,996.00
42881747	KARIS ADDITION PHASE 1A	12	2	35	\$10,970.00
42881755	KARIS ADDITION PHASE 1A	12	3	40	\$12,609.00
42881763	KARIS ADDITION PHASE 1A	12	4	40	\$12,609.00
42881771	KARIS ADDITION PHASE 1A	12	5	40	\$12,609.00
42881780	KARIS ADDITION PHASE 1A	12	6X	NON-BENEFITED	\$0.00
42881798	KARIS ADDITION PHASE 1A	12	7	50	\$13,996.00
42881801	KARIS ADDITION PHASE 1A	12	8	60	\$15,383.00
42881810	KARIS ADDITION PHASE 1A	12	9	50	\$13,996.00
42881828	KARIS ADDITION PHASE 1A	12	10	60	\$15,383.00
42881836	KARIS ADDITION PHASE 1A	12	11	40	\$12,609.00
42881844	KARIS ADDITION PHASE 1A	12	12	40	\$12,609.00
42881852	KARIS ADDITION PHASE 1A	12	13	70	\$16,770.00
42881861	KARIS ADDITION PHASE 1A	12	14	70	\$16,770.00
42881879	KARIS ADDITION PHASE 1A	12	15	60	\$15,383.00
42881887	KARIS ADDITION PHASE 1A	12	16	70	\$16,770.00
42881895	KARIS ADDITION PHASE 1A	12	17	40	\$12,609.00
42881909	KARIS ADDITION PHASE 1A	12	18	60	\$15,383.00
42881917	KARIS ADDITION PHASE 1A	12	19	40	\$12,609.00
42881925	KARIS ADDITION PHASE 1A	12	20	35	\$10,970.00
42881933	KARIS ADDITION PHASE 1A	12	21	60	\$15,383.00
42881941	KARIS ADDITION PHASE 1A	12	22X	NON-BENEFITED	\$0.00
42881950	KARIS ADDITION PHASE 1A	12	23	60	\$15,383.00
42881968	KARIS ADDITION PHASE 1A	12	24	70	\$16,770.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42881976	KARIS ADDITION PHASE 1A	12	25	60	\$15,383.00
42881984	KARIS ADDITION PHASE 1A	12	26	70	\$16,770.00
42881992	KARIS ADDITION PHASE 1A	12	27	70	\$16,770.00
42882000	KARIS ADDITION PHASE 1A	12	28	60	\$15,383.00
42882018	KARIS ADDITION PHASE 1A	13	1	60	\$15,383.00
42882026	KARIS ADDITION PHASE 1A	13	2	40	\$12,609.00
42882034	KARIS ADDITION PHASE 1A	13	3	40	\$12,609.00
42882042	KARIS ADDITION PHASE 1A	13	4	60	\$15,383.00
42882051	KARIS ADDITION PHASE 1A	13	5X	NON-BENEFITED	\$0.00
42882069	KARIS ADDITION PHASE 1A	13	6	50	\$13,996.00
42882077	KARIS ADDITION PHASE 1A	13	7	40	\$12,609.00
42882085	KARIS ADDITION PHASE 1A	13	8X	NON-BENEFITED	\$0.00
42882093	KARIS ADDITION PHASE 1A	13	9	70	\$16,770.00
42882107	KARIS ADDITION PHASE 1A	13	10	60	\$15,383.00
42882115	KARIS ADDITION PHASE 1A	13	11	50	\$13,996.00
42882123	KARIS ADDITION PHASE 1A	13	12	40	\$12,609.00
42882131	KARIS ADDITION PHASE 1A	13	13	35	\$10,970.00
42882140	KARIS ADDITION PHASE 1A	13	14	TH22	\$8,448.00
42882158	KARIS ADDITION PHASE 1A	13	15	TH22	\$8,448.00
42882166	KARIS ADDITION PHASE 1A	13	16X	NON-BENEFITED	\$0.00
42882174	KARIS ADDITION PHASE 1A	13	17	35	\$10,970.00
42882182	KARIS ADDITION PHASE 1A	13	18	40	\$12,609.00
42882191	KARIS ADDITION PHASE 1A	13	19	35	\$10,970.00
42882204	KARIS ADDITION PHASE 1A	13	20	50	\$13,996.00
42882212	KARIS ADDITION PHASE 1A	13	21	35	\$10,970.00
42882221	KARIS ADDITION PHASE 1A	14	1X	NON-BENEFITED	\$0.00
42882239	KARIS ADDITION PHASE 1A	15	1X	NON-BENEFITED	\$0.00
42882247	KARIS ADDITION PHASE 1C	21	1	NON-ASSESSABLE	\$0.00
42963999	KARIS ADDITION PHASE 1C	22	1X	NON-BENEFITED	\$0.00
42964006	KARIS ADDITION PHASE 1C	22	2	TH22	\$8,448.00
42964014	KARIS ADDITION PHASE 1C	22	3	TH22	\$8,448.00
42964022	KARIS ADDITION PHASE 1C	22	4	TH22	\$8,448.00
42964031	KARIS ADDITION PHASE 1C	22	5	TH22	\$8,448.00
42964049	KARIS ADDITION PHASE 1C	22	6	TH22	\$8,448.00
42964057	KARIS ADDITION PHASE 1C	22	7	TH22	\$8,448.00
42964065	KARIS ADDITION PHASE 1C	22	8	TH22	\$8,448.00
42964073	KARIS ADDITION PHASE 1C	22	9	TH22	\$8,448.00
42964081	KARIS ADDITION PHASE 1C	22	10	TH22	\$8,448.00
42964090	KARIS ADDITION PHASE 1C	22	11	TH22	\$8,448.00
42964103	KARIS ADDITION PHASE 1C	22	12	TH22	\$8,448.00
42964111	KARIS ADDITION PHASE 1C	22	13	TH22	\$8,448.00
42964120	KARIS ADDITION PHASE 1C	22	14	TH22	\$8,448.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42964138	KARIS ADDITION PHASE 1C	22	15X	NON-BENEFITED	\$0.00
42964146	KARIS ADDITION PHASE 1C	22	16	TH22	\$8,448.00
42964154	KARIS ADDITION PHASE 1C	22	17	TH22	\$8,448.00
42964162	KARIS ADDITION PHASE 1C	22	18	TH22	\$8,448.00
42964171	KARIS ADDITION PHASE 1C	22	19	TH22	\$8,448.00
42964189	KARIS ADDITION PHASE 1C	22	20	TH22	\$8,448.00
42964197	KARIS ADDITION PHASE 1C	22	21	TH22	\$8,448.00
42964201	KARIS ADDITION PHASE 1C	22	22	TH22	\$8,448.00
42964219	KARIS ADDITION PHASE 1C	22	23	TH22	\$8,448.00
42964227	KARIS ADDITION PHASE 1C	22	24	TH22	\$8,448.00
42964235	KARIS ADDITION PHASE 1C	22	25	TH22	\$8,448.00
42964243	KARIS ADDITION PHASE 1C	22	26	TH22	\$8,448.00
42964251	KARIS ADDITION PHASE 1C	22	27	TH22	\$8,448.00
42964260	KARIS ADDITION PHASE 1C	22	28	TH22	\$8,448.00
42964278	KARIS ADDITION PHASE 1C	22	29	TH22	\$8,448.00
42964286	KARIS ADDITION PHASE 1C	22	30	TH22	\$8,448.00
42964294	KARIS ADDITION PHASE 1C	22	31	TH22	\$8,448.00
42964308	KARIS ADDITION PHASE 1C	22	32	TH22	\$8,448.00
42964316	KARIS ADDITION PHASE 1C	22	33	TH22	\$8,448.00
42964324	KARIS ADDITION PHASE 1C	22	34	TH22	\$8,448.00
42964332	KARIS ADDITION PHASE 1C	22	35	TH22	\$8,448.00
42964341	KARIS ADDITION PHASE 1C	22	36X	NON-BENEFITED	\$0.00
42964359	KARIS ADDITION PHASE 1C	23	1	50	\$13,996.00
42964367	KARIS ADDITION PHASE 1C	23	2	60	\$15,383.00
42964375	KARIS ADDITION PHASE 1C	23	3	50	\$13,996.00
42964383	KARIS ADDITION PHASE 1C	23	4	60	\$15,383.00
42964391	KARIS ADDITION PHASE 1C	23	5	60	\$15,383.00
42964405	KARIS ADDITION PHASE 1C	23	6	70	\$16,770.00
42964413	KARIS ADDITION PHASE 1C	23	7	60	\$15,383.00
42964421	KARIS ADDITION PHASE 1C	23	8	40	\$12,609.00
42964430	KARIS ADDITION PHASE 1C	23	9X	NON-BENEFITED	\$0.00
42964448	KARIS ADDITION PHASE 1C	23	10	50	\$13,996.00
42964456	KARIS ADDITION PHASE 1C	23	11	40	\$12,609.00
42964464	KARIS ADDITION PHASE 1C	23	12	35	\$10,970.00
42964472	KARIS ADDITION PHASE 1C	23	13	40	\$12,609.00
42964481	KARIS ADDITION PHASE 1C	23	14	35	\$10,970.00
42964499	KARIS ADDITION PHASE 1C	23	15	35	\$10,970.00
42964502	KARIS ADDITION PHASE 1C	23	16	50	\$13,996.00
42964511	KARIS ADDITION PHASE 1C	23	17	35	\$10,970.00
42964529	KARIS ADDITION PHASE 1C	23	18	35	\$10,970.00
42964537	KARIS ADDITION PHASE 1C	23	19	40	\$12,609.00
42964545	KARIS ADDITION PHASE 1C	23	20	35	\$10,970.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42964553	KARIS ADDITION PHASE 1C	23	21	50	\$13,996.00
42964561	KARIS ADDITION PHASE 1C	23	22X	NON-BENEFITED	\$0.00
42964570	KARIS ADDITION PHASE 1C	24	1X	NON-BENEFITED	\$0.00
42964588	KARIS ADDITION PHASE 1C	25	1	60	\$15,383.00
42964596	KARIS ADDITION PHASE 1C	25	2	60	\$15,383.00
42964600	KARIS ADDITION PHASE 1C	25	3	60	\$15,383.00
42964618	KARIS ADDITION PHASE 1C	25	4X	NON-BENEFITED	\$0.00
42964626	KARIS ADDITION PHASE 1C	25	5	35	\$10,970.00
42964634	KARIS ADDITION PHASE 1C	25	6	40	\$12,609.00
42964642	KARIS ADDITION PHASE 1C	25	7	50	\$13,996.00
42964651	KARIS ADDITION PHASE 1C	25	8	40	\$12,609.00
42964669	KARIS ADDITION PHASE 1C	25	9	50	\$13,996.00
42964677	KARIS ADDITION PHASE 1C	25	10	60	\$15,383.00
42964685	KARIS ADDITION PHASE 1C	25	11	60	\$15,383.00
42964693	KARIS ADDITION PHASE 1C	26	1X	NON-BENEFITED	\$0.00
42964707	KARIS ADDITION PHASE 1C	27	1	TH22	\$8,448.00
42964715	KARIS ADDITION PHASE 1C	27	2	TH22	\$8,448.00
42964723	KARIS ADDITION PHASE 1C	27	3	TH22	\$8,448.00
42964731	KARIS ADDITION PHASE 1C	27	4	TH22	\$8,448.00
42964740	KARIS ADDITION PHASE 1C	27	5	50	\$13,996.00
42964758	KARIS ADDITION PHASE 1C	27	6	40	\$12,609.00
42964766	KARIS ADDITION PHASE 1C	27	7	50	\$13,996.00
42964774	KARIS ADDITION PHASE 1C	27	8	40	\$12,609.00
42964782	KARIS ADDITION PHASE 1C	27	9	50	\$13,996.00
42964791	KARIS ADDITION PHASE 1C	27	10	40	\$12,609.00
42964804	KARIS ADDITION PHASE 1C	27	11	35	\$10,970.00
42964812	KARIS ADDITION PHASE 1C	27	12	35	\$10,970.00
42964821	KARIS ADDITION PHASE 1C	27	13	40	\$12,609.00
42964839	KARIS ADDITION PHASE 1C	27	14	35	\$10,970.00
42964847	KARIS ADDITION PHASE 1C	27	15	35	\$10,970.00
42964855	KARIS ADDITION PHASE 1C	27	16	40	\$12,609.00
42964863	KARIS ADDITION PHASE 1C	27	17	35	\$10,970.00
42964871	KARIS ADDITION PHASE 1C	27	18	35	\$10,970.00
42964880	KARIS ADDITION PHASE 1C	27	19	40	\$12,609.00
42964898	KARIS ADDITION PHASE 1C	27	20	35	\$10,970.00
42964901	KARIS ADDITION PHASE 1C	27	21	40	\$12,609.00
42964910	KARIS ADDITION PHASE 1C	27	22X	NON-BENEFITED	\$0.00
42964928	KARIS ADDITION PHASE 1C	27	23	35	\$10,970.00
42964936	KARIS ADDITION PHASE 1C	27	24	35	\$10,970.00
42964944	KARIS ADDITION PHASE 1C	27	25	40	\$12,609.00
42964952	KARIS ADDITION PHASE 1C	27	26	50	\$13,996.00
42964961	KARIS ADDITION PHASE 1C	27	27	35	\$10,970.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
42964979	KARIS ADDITION PHASE 1C	27	28	35	\$10,970.00
42964987	KARIS ADDITION PHASE 1C	27	29	50	\$13,996.00
42964995	KARIS ADDITION PHASE 1C	27	30X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	16	1	50	\$13,996.00
	KARIS ADDITION PHASE 1B	16	2	35	\$10,970.00
	KARIS ADDITION PHASE 1B	16	3	40	\$12,609.00
	KARIS ADDITION PHASE 1B	16	4	35	\$10,970.00
	KARIS ADDITION PHASE 1B	16	5	50	\$13,996.00
	KARIS ADDITION PHASE 1B	16	6	60	\$15,383.00
	KARIS ADDITION PHASE 1B	16	7X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	16	8X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	16	9	70	\$16,770.00
	KARIS ADDITION PHASE 1B	16	10	50	\$13,996.00
	KARIS ADDITION PHASE 1B	16	11	60	\$15,383.00
	KARIS ADDITION PHASE 1B	16	12	50	\$13,996.00
	KARIS ADDITION PHASE 1B	16	13	60	\$15,383.00
	KARIS ADDITION PHASE 1B	17	1	70	\$16,770.00
	KARIS ADDITION PHASE 1B	17	2	60	\$15,383.00
	KARIS ADDITION PHASE 1B	17	3	70	\$16,770.00
	KARIS ADDITION PHASE 1B	17	4	70	\$16,770.00
	KARIS ADDITION PHASE 1B	17	5	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	6	70	\$16,770.00
	KARIS ADDITION PHASE 1B	17	7	60	\$15,383.00
	KARIS ADDITION PHASE 1B	17	8	70	\$16,770.00
	KARIS ADDITION PHASE 1B	17	9	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	10	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	11	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	12	35	\$10,970.00
	KARIS ADDITION PHASE 1B	17	13	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	14	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	15	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	16	60	\$15,383.00

KARIS MUNICIPAL MANAGEMENT DISTRICT

IMPROVEMENT AREA #1

ASSESSMENT ROLL

ACCOUNT NUMBER	PLAT PHASE	BLOCK	LOT	LOT TYPE	ASSESSMENT
	KARIS ADDITION PHASE 1B	17	17	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	18	35	\$10,970.00
	KARIS ADDITION PHASE 1B	17	19	60	\$15,383.00
	KARIS ADDITION PHASE 1B	17	20	35	\$10,970.00
	KARIS ADDITION PHASE 1B	17	21	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	22	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	23	60	\$15,383.00
	KARIS ADDITION PHASE 1B	17	24	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	25	35	\$10,970.00
	KARIS ADDITION PHASE 1B	17	26	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	27	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	28	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	29	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	30	40	\$12,609.00
	KARIS ADDITION PHASE 1B	17	31	35	\$10,970.00
	KARIS ADDITION PHASE 1B	17	32	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	33	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	34	35	\$10,970.00
	KARIS ADDITION PHASE 1B	17	35	50	\$13,996.00
	KARIS ADDITION PHASE 1B	17	36X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	17	37X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	18	1X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	19	1	70	\$16,770.00
	KARIS ADDITION PHASE 1B	19	2	60	\$15,383.00
	KARIS ADDITION PHASE 1B	19	3	60	\$15,383.00
	KARIS ADDITION PHASE 1B	19	4X	NON-BENEFITED	\$0.00
	KARIS ADDITION PHASE 1B	19	5	40	\$12,609.00
	KARIS ADDITION PHASE 1B	19	6	35	\$10,970.00
	KARIS ADDITION PHASE 1B	19	7	40	\$12,609.00
	KARIS ADDITION PHASE 1B	19	8	50	\$13,996.00
	KARIS ADDITION PHASE 1B	19	9	40	\$12,609.00
	KARIS ADDITION PHASE 1B	19	10	60	\$15,383.00
	KARIS ADDITION PHASE 1B	19	11	60	\$15,383.00
	KARIS ADDITION PHASE 1B	19	12	50	\$13,996.00
	KARIS ADDITION PHASE 1B	19	13	60	\$15,383.00
	KARIS ADDITION PHASE 1B	19	14	60	\$15,383.00
	KARIS ADDITION PHASE 1B	20	1X	NON-BENEFITED	\$0.00
	TOTAL				\$3,824,824.00

APPENDIX B

METES AND BOUNDS DESCRIPTION OF IMPROVEMENT AREA #1 BOUNDARIES

Meets and Bounds Description For Karis Addition, Phase 1A

Being a 38.553 acre tract of land situated in the S.T. Wells Survey, Abstract No. 1684, and the T. Toler Survey, Abstract No. 1536, Tarrant County, Texas, and being portion of Tract 2, as described by deed to CH TNC Karis Owner, LLC., and recorded in Document No. D221110835, County Clerk Records, Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at a found 1 /2 inch iron rod, said point being the northeast corner of said CH TNC Karis Owner, LLC tract and being in the intersection of the existing west right-of-way line of the Atchison Topeka & Santa Fe Rail Road (having a 100' R.O.W.), and the south right-of-way line of Texas Electric Service Company, as recorded in Volume 3602, Page 156, Deed Records, Tarrant County, Texas;

THENCE South 09°40'04" West, leaving said south right-of-way line, and along the existing west right-of-way line, a distance of 446.47 feet to a set 1 /2 inch iron rod with a "Graham Assoc. Inc."(GAI) cap, said point being in the existing north right-of-way line of Industrial Boulevard (having a variable width right-of-way), and recorded in Volume 15135, Page 291, Deed Records, Tarrant County, Texas;

THENCE South 89°14'59" West, leaving said existing west right-of-way line, and along the existing north right-of-way line, a distance of 133.59 feet to a set 1 /2 inch iron rod with (GAI) cap;

THENCE South 81°06'28" West, continuing along said existing north right-of-way line, a distance of 217.33 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South 69°48'15" West, a distance of 424.85 feet to a set 1 /2 inch iron rod with (GAI) cap;

THENCE South 65°33'44" West, leaving said existing north right-of-way line, a distance of 199.40 feet to a set 1 /2 inch iron rod with (GAI) cap;

THENCE South 75°52'27" West, a distance of 144.16 feet to a set 1 /2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the right having a radius of 80 feet and a central angle of 12°29'24" and a long chord which bears North 56°15'52" West, 17.40 feet

THENCE along said non-tangent curve to the right an arc distance of 17.44 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a reverse curve to the left having a radius of 91.00 feet and a central angle of 20°54'02" and a long chord which bears North 60°28'11" West, 33.01 feet;

THENCE along said reverse curve to the left an arc distance of 33.20 feet to a set 1 /2 inch iron rod with (GAI) cap, said point being in the existing north right-of-way line of said Industrial Boulevard;

THENCE South 75°52'27" West, along said existing north right-of-way line, a distance of 104.04 feet to a set 1 /2 inch iron rod with (GAI) cap;

THENCE South $14^{\circ}50'20''$ East, leaving said existing north right-of-way line, a distance of 100.01 feet to a set 1/2 inch iron rod with (GAI) cap, said point being in the existing south right-of-way line of said Industrial Boulevard;

THENCE North $75^{\circ}52'27''$ East, along said existing south right-of-way line, a distance of 16.61 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South $59^{\circ}07'33''$ East, leaving said existing south right-of-way line, a distance of 14.85 feet to a set 1/2 inch iron rod with (GAI) cap, said point being in the existing west right-of-way line of Beverly Street (having a variable width right-of-way);

THENCE South $14^{\circ}07'33''$ East, along said existing west right-of-way line, a distance of 42.04 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the right having a radius of 595.00 feet, a central angle of $47^{\circ}54'57''$, and a long chord which bears South $09^{\circ}49'56''$ West, 483.22 feet;

THENCE continuing along said existing west right-of-way line, and along said tangent curve to the right, an arc distance of 497.59 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North $73^{\circ}44'39''$ West, leaving said existing west right-of-way line, a distance of 10.65 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North $76^{\circ}52'38''$ West, a distance of 266.65 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North $20^{\circ}40'09''$ West, a distance of 268.48 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North $21^{\circ}52'00''$ West, a distance of 59.00 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the right, having a radius of 776.00 feet and a central angle of $5^{\circ}46'46''$, and a long chord which bears South $71^{\circ}D1'23''$ West, 78.24 feet;

THENCE along said non-tangent curve to the right an arc distance of 78.28 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North $23^{\circ}51'07''$ West, a distance of 38.11 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the right having a radius of 369.00 feet, a central angle of $24^{\circ}15'59''$, and a long chord which bears North $11^{\circ}43'07''$ West, 155.12 feet;

THENCE along said tangent curve to the right, an arc distance of 156.28 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North $00^{\circ}24'53''$ East, a distance of 45.96 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 50.00 feet, a central angle of $24^{\circ}15'59''$, and a long chord which bears North $11^{\circ}43'07''$ West, 21.02 feet;

THENCE along said tangent curve to the left, an arc distance of 21.18 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 23°51'07" West, a distance of 5.01 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the left having a radius of 514.00 feet and a central angle of 5°27'47", and a long chord which bears North 68°52'47" East, 48.99 feet;

THENCE along said non-tangent curve to the left an arc distance of 49.01 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 66°08'53" East, a distance of 23.75 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 23°51'07" West, a distance of 28.00 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South 66°08'53" West, a distance of 23.75 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the right having a radius of 486.00 feet, a central angle of 3°35'20", and a long chord which bears South 67°56'33" West, 30.44 feet

THENCE along said tangent curve to the right, an arc distance of 30.44 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 22°27'41" West, a distance of 292.06 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the right having a radius of 75.00 feet and a central angle of 31°25'26" and a long chord which bears North 38°10'24" West, 40.62 feet;

THENCE along said non-tangent curve to the right an arc distance of 41.13 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 22°27' 41" West, a distance of 508.91 feet to a set 1 /2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 475.00 feet, a central angle of 16°29'40", and a long chord which bears North 30°42'31" West, 136.27 feet;

THENCE along said tangent curve to the left, an arc distance of 136.74 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 39°35'28" West, a distance of 10.53 feet to a set 1/2 inch iron rod with (GAI) cap, said point being in the south right-of-way line of said Texas Electric Service Company;

THENCE South 85°29'58" East, along said south right-of-way line, distance of 2226.87 feet to the POINT OF BEGINNING and CONTAINING 1,679,388 square feet, 38.553 acres of land, more or less.

**Meets and Bounds Description
For
Karis Addition, Phase 1B**

Being a 16⁴/₁₅ acre tract of land situated in the S.T. Wells Survey, Abstract No. 1684, T. Toler Survey, Abstract No. 1536, and the J.C. Hunton Survey, Abstract No. 728, Tarrant County, Texas, and being all of a tract of land described by deed to CH TNC Karis Owner, LLC., and recorded in Document No. D221088915, County Clerk Records, Tarrant County, Texas, and being a portion of Tract 2, as described by deed to CH TNC Karis Owner, LLC.. and recorded in Document No. D221110835, County Clerk Records, Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at a found 1 /2 inch iron rod, said point being the southeast corner of said CH TNC Karis Owner, LLC., tract and being in the existing west right-of-way line of the Atchison Topeka & Santa Fe Rail Road (having a 100' R.O.W.);

THENCE North 80°20'10" West, leaving said existing west right-of-way line, and along the south line of said CH TNC Karis Owner, LLC tract, a distance of 19.32 feet to a found 1/2 inch iron rod with a "Graham Assoc. Inc. (GAI) cap;

THENCE North 08°44'21 East, continuing along said south line, a distance of 25.10 feet to a found 1/2 inch iron rod with (GAI) cap;

THENCE North 81°44'51" West, a distance of 7.76 feet to a found ½ inch iron rod with (GAI) cap;

THENCE South 89°54'22" West, a distance of 128.48 feet to a found ½ inch iron rod with (GAI) cap;

THENCE North 75°02'12" West, a distance of 134.20 feet to a found ½ inch iron rod with (GAI) cap;

THENCE North 65°36'07" West, a distance of 11 6.56 feet to found ½ inch iron rod with (GAI) cap;

THENCE North 63°21'31" West, a distance of 71 .33 feet to a found ½ inch iron rod with (GAI) cap;

THENCE North 80°10'06" West, a distance of 107.35 feet to a found ½ inch iron rod with (GAI) cap;

THENCE South 89°59'56" West, a distance of 151 .69 feet to a found ½ inch iron rod with (GAI) cap;

THENCE North 89°23'55" West, a distance of 119.71 feet to a found ½ inch iron rod with (GAI) cap;

THENCE South 87°26'18" West, a distance of 84.59 feet to a found ½ inch iron rod with (GAI) cap;

THENCE North 73°44'39" West, a distance of 68.70 feet to a set ½ inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the left having a radius of 655.00 feet and a central angle of 46°15'54", and a long chord which bears North 09°00'24" East, 514.64 feet, said point being in the south line of said CH TNC Karis Owner, LLC. Tract, and being in the existing east right-of-way line of North Beverly Street (having a variable width right-of-way);

THENCE leaving said south line, along said existing east right-of-way line, and along said non-tangent curve to the left an arc distance of 528.90 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 14°07'33" West, along said existing east right-of-way, a distance of 42.04 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 30°52'27" East, leaving said existing east right-of-way line a distance of 14.85 feet to a set 1/2 inch iron rod with (GAI) cap, said point being in the existing south right-of-way line of Industrial Boulevard (having a variable width right-of-way);

THENCE North 75°52'27" East, along said existing south right-of-way line, a distance of .342.59 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 82°43'01" East, a distance of 306.56 feet to a set ½ inch iron rod with (GAI) cap;

THENCE South 88°39'00" East, a distance of 208.13 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the right having a radius of 602.89 feet and a central angle of 20°24'36" and a long chord which bears North 80°18'15" East, 213.63 feet;

THENCE along said non-tangent curve to the right an arc distance of 214.76 feet to a set 1/2 inch iron rod with (GAI) cap, said point being in the existing west right-of-way line of said Atchison Topeka & Santa Fe Rail Road;

THENCE South 09°40'04" West, a distance of 60.86 feet to a set ½ inch iron rod with (GAI) cap;

THENCE South 09°48'10" West, a distance of 846.50 feet to the POINT OF BEGINNING and CONTAINING 715,047 square feet, 16.415 acres of land, more or less.

Meets and Bounds Description For Karis Addition, Phase 1C

Being a 28.803 acre tract of land situated in the S.T. Wells Survey, Abstract No. 1684, and the F.M. Wells Survey, Abstract No. 1683, Tarrant County, Texas, and being a portion of Tract 1, as described by deed to CH TNC Karis Owner, LLC., and recorded in Document No. D221110835, County Clerk Records, Tarrant County, Texas, and a portion of Tract 1, as described by deed to CH TNC Karis Investments, LLC., and recorded in Document No. D221088914, County Clerk Records, Tarrant County, Texas, and being more particularly described as follows:

COMMENCING to a found 1 /2 inch iron rod, said point being the southwest corner of said CH TNC Karis Investments, LLC., tract, and being in the north right-of-way line of Texas Electric Service Company, as recorded in Volume 3602, Page 156, Deed Records, Tarrant County, Texas;

THENCE South 85°29'59" East, along said north right-of-way line, a distance of 604.87 feet to a set 1/2 inch iron rod with "Graham Assoc. Inc." (GAI) cap, for the POINT OF BEGINNING;

THENCE North 11°17'34 West, leaving said north right-of-way line, a distance of 299.98 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 40.00 feet, a central angle of 90°00'00". and a long chord which bears North 50°17'34" West, 56.57 feet;

THENCE along said tangent curve to the left, an arc distance of 62.83 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 11°17'34" West, a distance of 16.00 feet to a set ½ inch iron rod with (GAI) cap;

THENCE North 78°42'26" East, a distance of 15.89 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 15.00 feet, a central angle of 95°46'21 " , and a long chord which bears North 30°49'15" East, 22.25 feet;

THENCE along said tangent curve to the left, an arc distance of 25.07 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a compound curve to the left having a radius of 234.46 feet and a central angle of 2°54'54" and a long chord which bears North 18°31'22" West, 11.93 feet;

THENCE along said compound curve to the left an arc distance of 11.93 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 65°26'20" West, a distance of 3.53 feet to a set ½ inch iron rod with (GAI) cap;

THENCE South 69°24'31" West, a distance of 15.50 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the left, having a radius of 216.46 feet and a central angle of 11°29'10" , and a long chord which boors North 26°20'04" West, 43.32 feet;

THENCE along said non-tangent curve to the left an arc distance of 43.39 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 32°04'39" West, a distance of 1.61 feet to a set ½ inch iron rod with (GAI) cap;

THENCE North 57°55'21" East, a distance of 15.50 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 12°55'21" East, a distance of 3.54 feet to a set ½ inch iron rod with (GAI) cap;

THENCE North 32°04'39" West, a distance of 4.09 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the right having a radius of 66.00 feet, a central angle of 18°42'46", and a long chord which bears North 22°43'15" West, 21.46 feet;

THENCE along said tangent curve to the right, an arc distance of 21.56 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 13°21'53" West, a distance of 3.87 feet to a set ½ inch iron rod with (GAI) cap;

THENCE North 53°03'59" West, a distance of 15.38 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the right having a radius of 114.00 feet and a central angle of 7°45'48" and a long chord which bears North 86°23'20" West, 15.43 feet;

THENCE along said non-tangent curve to the right an arc distance of 15.45 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 07°29'34" East, a distance of 28.00 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a non-tangent curve to the left, having a radius of 86.00 feet and a central angle of 39°34'13", and a long chord which bears North 77°42'27" East, 58.22 feet;

THENCE along said non-tangent curve to the left an arc distance of 59.39 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 57°55'21" East, a distance of 37.37 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 236.00 feet, a central angle of 48°05'13", and a long chord which bears North 33°52'45" East. 192.31 feet;

THENCE along said tangent curve to the left an arc distance of 198.07 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a reverse curve to the right having a radius of 3139.46 feet, a central angle of 6°52'59", and a long chord which bears North 13°16'38" East, 376.93 feet;

THENCE along said reverse curve to the right an arc distance of 377.15 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South 75°12'51" East, a distance of 224.97 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 934.00 feet, a central angle of 8°41'35", and a long chord which bears South 79°33'38" East. 141.57 feet;

THENCE along said tangent curve to the left, an arc distance of 141.71 feet to a set 1/2 inch iron rod with (GAI) cap,

THENCE South 83°54'25" East, a distance of 198.29 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South 06°05'34" West, a distance of 221.20 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 30.00 feet, a central angle of 90°00'00", and a long chord which bears South 38°54'26" East, 42.43 feet;

THENCE along said tangent curve to the left, on arc distance of 47.12 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South 83°54'26" East, a distance of 219.01 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the right having a radius of 425.00 feet, a central angle of 65°25'18", and a long chord which bears South 51°11'47" East, 459.34 feet;

THENCE along said tangent curve to the right, an arc distance of 485.27 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE South 18°29'08 East, a distance of 167,60 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 30.00 feet, a central angle of 90°00'00", and a long chord which bears South 63'29'08" East, 42.43 feet;

THENCE along said tangent curve to the left, on arc distance of 47.12 feet to a set 1/2 inch iron rod with (GAI) cap;

THENCE North 71°30'52" East, a distance of 295.19 feet to a set 1 /2 inch iron rod with (GAI) cap;

THENCE South 18°29'08 East, a distance of 28.00 feet to a set ½ inch iron rod with (GAI) cap;

THENCE South 71°30'52" West, a distance of 5.19 feet to a set 1/2 inch iron rod with (GAI) cap, for the beginning of a tangent curve to the left having a radius of 30.00 feet, a central angle of 90°00'00", and a long chord which bears South 26°30'52" West, 42.43 feet;

THENCE along said tangent curve to the left, an arc distance of 47.12 feet to a set 1 /2 inch iron rod with (GAI) cap;

THENCE South 18°29'08" East, a distance of 385.28 feet to a set 1/2 inch iron rod with (GAI) cap, said point being in the north right-of-way line of said Texas Electric Service Company;

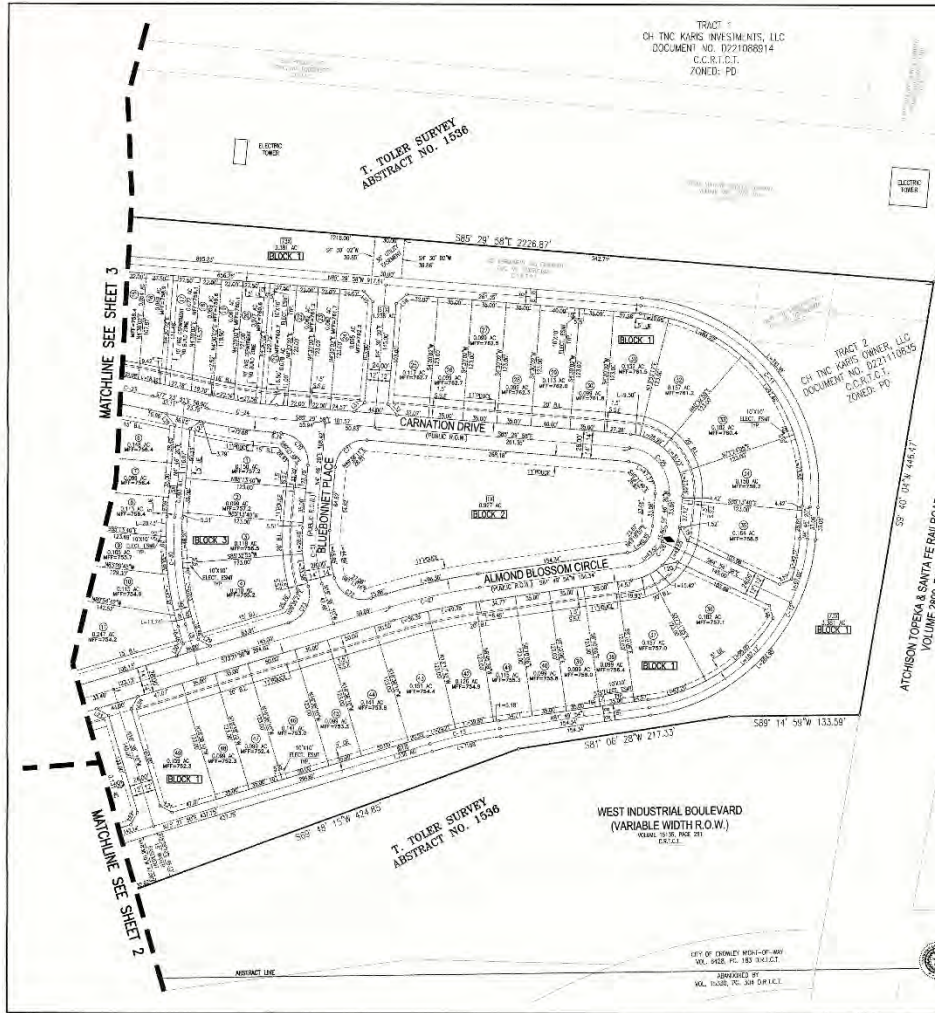
THENCE North 85°29'58" West, along said north right-of-way line, a distance of 1753.78 feet to the POINT OF BEGINNING and CONTAINING 1,254,668 square feet, 28.803 acres of land, more or less.

APPENDIX C

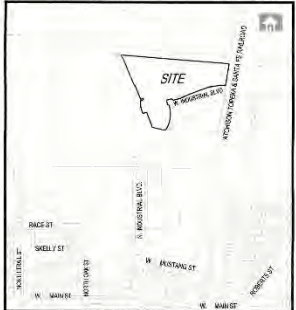
PLATS

APPENDIX C-1

KARIS ADDITION, PHASE 1A



- LEGEND:**
- PSIDE: PUBLIC SIDEWALK, DRAINAGE, UTILITY, & CITY CONSTRUCTION FACILITY
 - FR: FOUND 1/2" HIGH RIBBON
 - SE: SANITARY SEWER ALIGNMENT
 - PSE: PRIVATE SEWER ALIGNMENT
 - PWC: PRIVATE WATER ALIGNMENT
 - WF: WETLAND FACILITY
 - ELECT: ELECTRIC
 - ESEM: EROSION CONTROL
 - R/W: RIGHT-OF-WAY
 - MFL: MINIMUM FINISH FLOOR
 - C.O.D.I.C.T.: COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
 - D.I.C.T.: DEED RECORDS, TARRANT COUNTY, TEXAS
 - P.L.C.T.: PLAT RECORDS, TARRANT COUNTY, TEXAS
 - ◆: STREET NAME CHANGE
 - : PORTION OF RIGHT-OF-WAY TO BE ABANDONED



- NOTES:**
1. ALL PROPERTY CORNERS ARE SET 1/2" FROM RIBBON WITH "ORHAM ASSOC INC" CAP UNLESS SHOWN OTHERWISE.
 2. A PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE 100-YEAR FLOODPLAIN (ZONE X) AS PER FEMA MAP NO. 484230401A, WITH AN EFFECTIVE DATE OF MARCH 21, 2019.
 3. BIDS OF REBIDDING IS THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE 4222, NORTH AMERICAN UNION OF 1983 ADJUSTMENT REALIZATION 2011.
 4. SELLING A PORTION OR ANY LOTS WITHIN THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF STATE LAW AND CITY ORDINANCE, AND IS SUBJECT TO THE AND WITHHELDING OF UTILITIES SERVICES AND BUILDING PERMITS.
 5. ZONING PD ORDINANCE - 06-2019-332
 6. NUMBER OF CLAIMS REQUIRED BY SECTION 08-1002(2), OF THE SUBORDINATION PROMISSORY SHALL APPLY.
 7. KARRIS ADDITION PHASE 1A LIES ENTIRELY WITHIN THE KARRIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY.
 8. ALL ALLEYS AND COMMON AREAS (I) LOTS WITHIN KARRIS ADDITION PHASE 1A TO BE MAINTAINED BY THE HOA OF KARRIS MUNICIPAL MANAGEMENT DISTRICT.

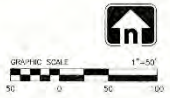
PLAN SUMMARY TABLE

TOTAL ACRES:	38.553
TOTAL NUMBER OF RESIDENTIAL LOTS:	174
ZONED: PD M-2019-332	
MINIMUM LOT SIZE:	2,500 SF
MINIMUM LOT SET BACK:	800 SF
DENSITY:	4.31 UNITS/AC
MINIMUM DRILLING SIZE:	1200' DIA FT.

THE FOLLOWING VARIANCES HAVE BEEN APPROVED AND GRANTED:
1. BLOCK LENGTH TO EXCEED 600 FEET, APPROVED BY CITY COUNCIL MARCH 22, 2021.
ALL VARIANCES FROM THE GENERAL DEVELOPMENT ORDINANCE APPROVED BY CITY COUNCIL.

DATE: 2-28-22
CITY SECRETARY

APPROVED AND ACCEPTED
[Signature] 3/13/2022
Date
City Secretary, City of Crowley, Texas



THE UNDERSIGNED, THE CITY SECRETARY OF THE CITY OF CROWLEY, TEXAS, HEREBY CERTIFIES THAT THE FOREGOING FINAL PLAT OF THE KARRIS ADDITION PHASE 1A, IN ADDITION TO THE CITY OF CROWLEY HAS BEEN SUBMITTED TO THE APPROPRIATE PLANNING AND ZONING COMMISSION OR CITY COUNCIL AS REQUIRED BY THE ORDINANCES OF THE CITY OF CROWLEY ON THE DAY OF March 22, 2022 AND SUCH DOCUMENTS, PUBLIC RECORDS AND HEREIN ACCEPTED THE VALIDATION OF STREET, ALLEY, PARK, BOUNDARY, PUBLIC UTILITIES AND WATER AND SEWER LINES, AS SHOWN AND SET FORTH IN AND UPON SAID PLAT, HAS BEEN FULLY SATISFIED AND THE ACCEPTANCE THEREBY IS GRANTED AS HEREINAFTER SUBSCRIBED IN THE CAPACITY STATED.

WITNESSED BY ME THIS 3rd DAY OF February, 2022.

CITIZEN, MUNICIPAL CLERK
CITY SECRETARY, CITY OF CROWLEY, TEXAS



OWNER:
OH TNC KARRIS OWNER, LLC
2700 E. LANAM RD, SUITE 1115
ARGENTON, TEXAS 76010
PHONE: 817-250-4643
EMAIL: tnc@karris.com

DEVELOPER:
THE HEIDEMANN COMPANY
2000 E. LANAM RD, SUITE 1115
ARGENTON, TEXAS 76010
PHONE: 817-250-4643
EMAIL: theidemann@heidemann.com

ENGINEERS/SURVEYORS:
GRAHAM ASSOCIATES, INC.
PROMETHEUS & HARBOR
600 SIX FLAGS DR, SUITE 500
ARGENTON, TEXAS 76010
PHONE: 817-240-8025
FAX: 817-833-0280
EMAIL: mitchell@grahamassoc.com
MICHAEL G. WILSON, P.E., S.E.

REVISION DATES

JANUARY 25, 2022
DECEMBER 13, 2021
JULY 23, 2021

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF
TARRANT COUNTY, TEXAS
9:57 AM 02/28/22

2022060601
PLAT
Page 11
Page 18/20

FINAL PLAT
KARRIS ADDITION, PHASE 1A
38.553 ACRES

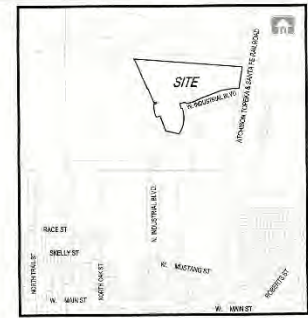
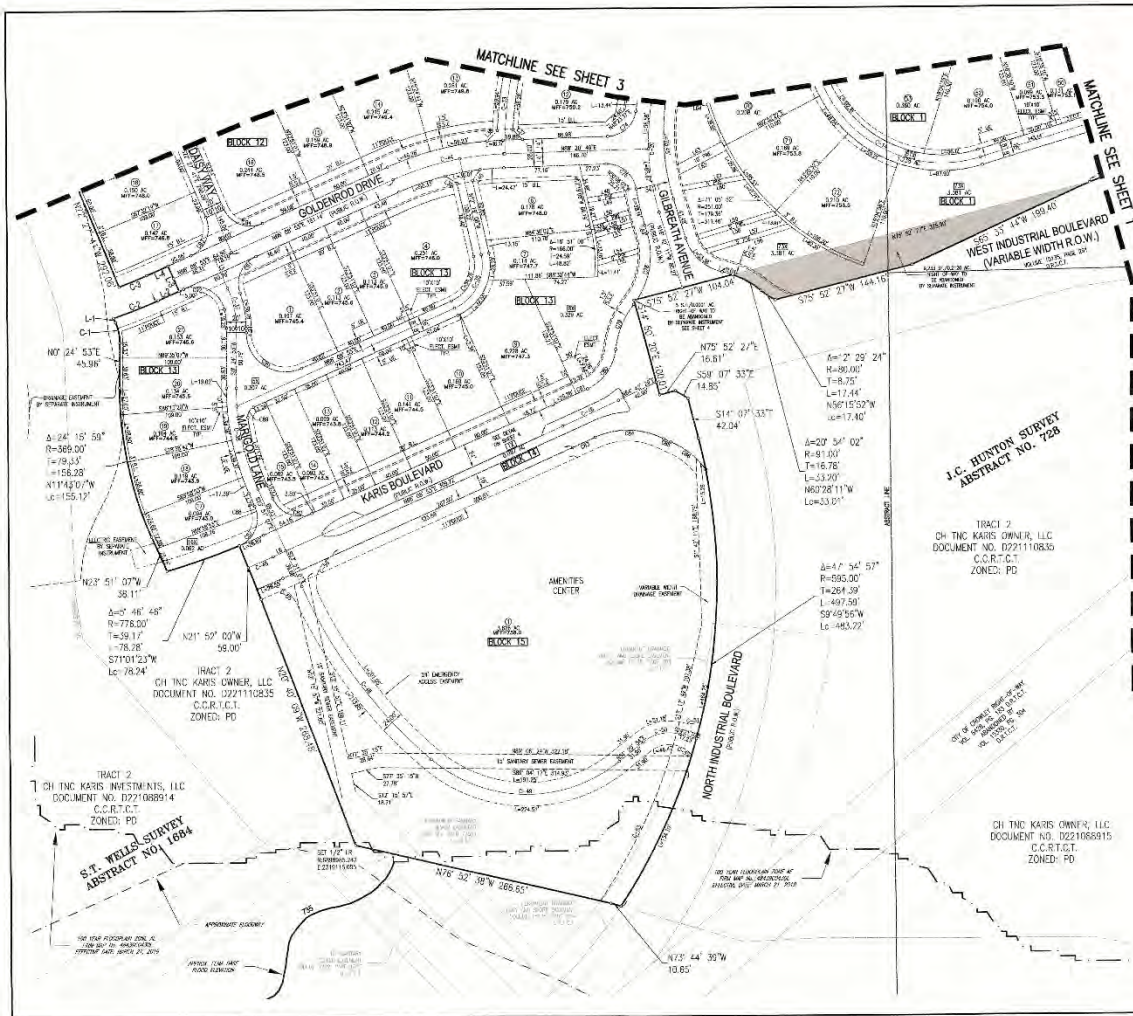
174 SINGLE FAMILY, 1 COMMERCIAL, & 20 NON-RESIDENTIAL LOTS
15 BLOCKS

CREATED BY THE
S.T. WELLS SURVEY, ABSTRACT NO. 1536
T. TOLTER SURVEY, ABSTRACT NO. 1536
CITY OF CROWLEY, TARRANT COUNTY, TEXAS

DATE: JANUARY 2022

Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS
1810 W. WINDYBROOK BLVD, SUITE 100
ARGENTON, TEXAS 76010
PHONE: 817-240-8025
FAX: 817-833-0280
EMAIL: graham@grahamassoc.com

SHEET 1-6



VICINITY MAP
(1"=1000')

- LEGEND:**
- PROCE: PUBLIC RECORD, DEDICATION, UTILITY, & CITY CONSTRUCTION EASEMENT
 - TR: FOUND 1/2" IRON ROD
 - SSE: SANITARY SEWER EASEMENT
 - PSE: PRIVATE SEWER EASEMENT
 - PWE: PRIVATE WATER EASEMENT
 - UE: UTILITY EASEMENT
 - ELEC: ELECTRIC
 - ESEM: EASEMENT
 - ROW: RIGHT-OF-WAY
 - MFT: MINIMUM FINISH FLOOR
 - C.C.R.T.C.T: COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
 - B.T.C.T: BIRTH RECORDS, TARRANT COUNTY, TEXAS
 - P.A.T.C.T: PLAT RECORDS, TARRANT COUNTY, TEXAS
 - ◆: STREET NAME CHANGE
 - : PORTION OF RIGHT-OF-WAY TO BE ABANDONED

- NOTES:**
1. ALL PROPERTY CORNERS ARE SET 1/2" IRON ROD WITH "GRAHAM ASSOC INC" CAP UNLESS SHOWN OTHERWISE.
 2. A PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE 100-150' FLOODPLAIN ZONE AS PER FIRM MAP NO. 48430A-03A, WITH AN EFFECTIVE DATE OF MARCH 21, 2016.
 3. BASIS OF BEARING IS THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE (2011), NORTH AMERICAN DATUM OF 1983, ADJUSTIVE REALIZATION 2011.
 4. SELLING A PORTION OF ANY LOT WITHIN THIS ADDITION BY NOTES AND BOUNDING IS A VIOLATION OF TITLE LAW AND CITY ORDINANCE AND IS SUBJECT TO FINE AND WITHDRAWAL OF UTILITY SERVICES AND BONDING POWERS.
 5. ZONING PD ORDINANCE - 08-2016-030
 6. NUMBER OF CHAINS REDUCED BY SECTION 98-80(2)(3), OF THE SUBSEQUENT PLANNING SHALL APPLY.
 7. KARIS ADDITION PHASE 1A LIES ENTIRELY WITHIN THE KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY.
 8. ALL ALIENS AND COMMON AREAS OF LOTS WITHIN KARIS ADDITION PHASE 1A TO BE MAINTAINED BY THE 404-08 KARIS MUNICIPAL MANAGEMENT DISTRICT.



FINAL PLAT
KARIS ADDITION, PHASE 1A

38.553 ACRES

LOTS 1-40, 816, 82-79, 73X, BLOCK 1; LOT 1X, BLOCK 2; LOT 11A, 20, 8-11, BLOCK 3; LOT 1X, BLOCK 4; LOT 1X, BLOCK 5; LOTS 1-32, 33X, 34X, BLOCK 6; LOT 1X, BLOCK 7; LOT 1X, BLOCK 8; LOT 1X, BLOCK 9; LOTS 1-7, 8X, 9X, 10-13, BLOCK 10; LOT 1X, BLOCK 11; LOTS 1-3, 8X, 7-21, 22X, 23-25, BLOCK 12; LOTS 1-4, 3X, 6-7, 8X, 8-15, 16X, 17-21, BLOCK 13; LOT 1X, BLOCK 14; LOT 1, BLOCK 15.

OWNER:
CH THE KARIS OWNER, LLC
2021 E. LAMAR BLVD, #100
APT #1000, TEXAS 76066
PHONE: 817-255-8543
FAX: 817-255-8543
HOWARD@KARIS.COM

DEVELOPER:
THE HELEMAN COMPANY
2021 E. LAMAR BLVD, #100
APT #1000, TEXAS 76066
PHONE: 817-425-1977
EMAIL: jpryor@heleman.com

JOHN JORDAN

ENGINEERING/SURVEYING:
GRAHAM ASSOCIATES, INC.
ENGINEERS & PLANNERS
10010 W. BRIDGEWAY, SUITE 500
DALLAS, TEXAS 75243
PHONE: 214-342-2232
FAX: 214-342-2242
EMAIL: mroberts@grahaminc.com

MICHAEL E. PETERSON, R.P.L.S.

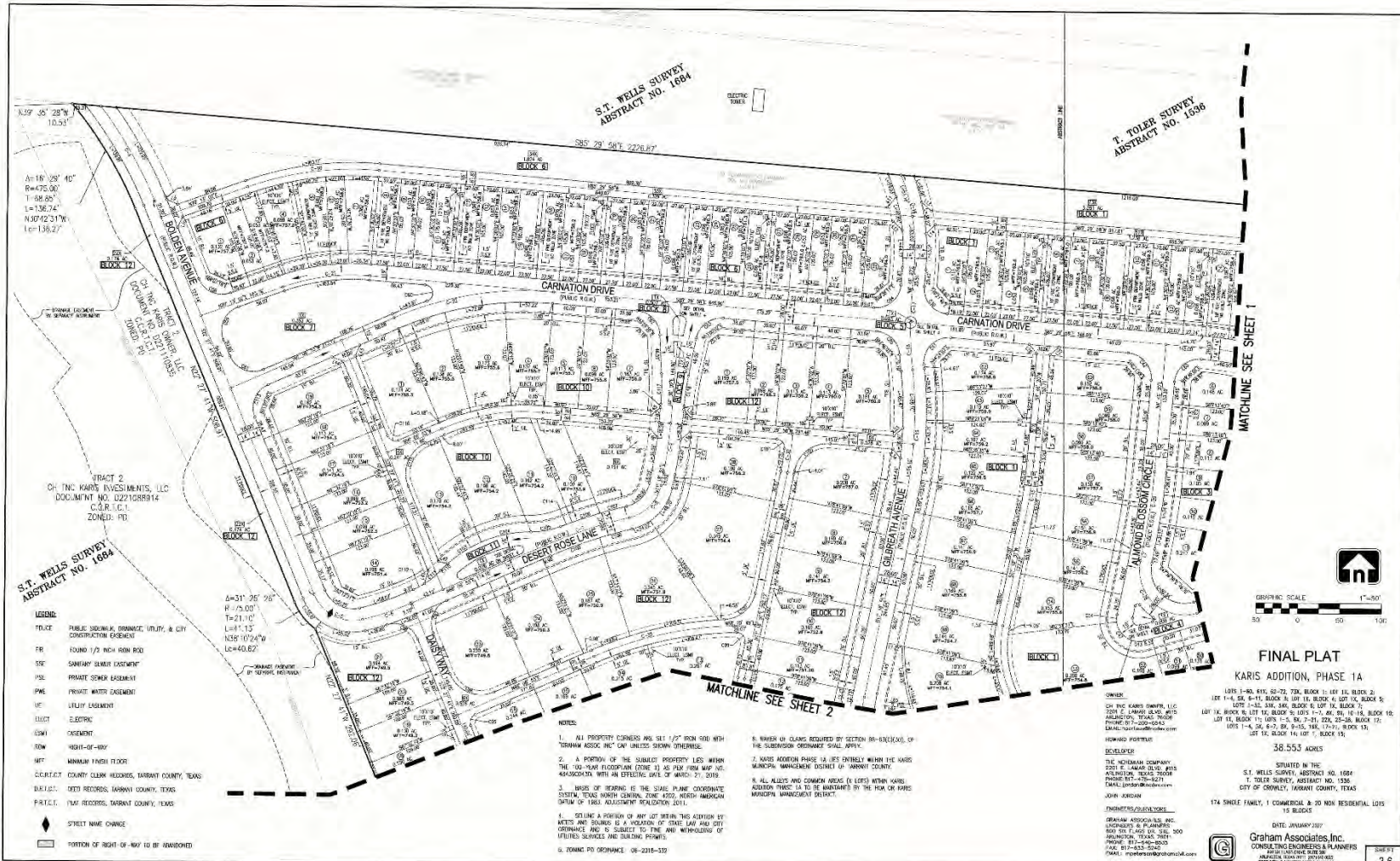
SITUATED IN THE
S.1. WELLS SURVEY, ABSTRACT NO. 1084
C.O.R.T.C.T. ABSTRACT NO. 1536
CITY OF CROWLEY, TARRANT COUNTY, TEXAS

174 SINGLE FAMILY, 1 COMMERCIAL & 20 NON RESIDENTIAL LOTS
15 BLOCKS

DATE: JANUARY 2022

Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS
10010 W. BRIDGEWAY, SUITE 500
DALLAS, TEXAS 75243





S. 89° 45' 28" W
10.53'

AP 18' 00" 40"
R=475.00'
T=69.89'
L=156.74'
N 37° 42' 31" W
10=136.27'

S.T. WELLS SURVEY
ABSTRACT NO. 1084

T. TOLTER SURVEY
ABSTRACT NO. 1096

TRACT 2
CH. INC. KARIS INVESTMENTS, LLC
DOCUMENT NO. 0221088914
C.O.R. C.C.T.
ZONED: PD

S.T. WELLS SURVEY
ABSTRACT NO. 1084

LEGEND:

PLCE PUBLIC SIDEWALK, DRAINAGE, UTILITY, & CITY CONSTRUCTION EASEMENT

FR FOUND 1/2" INCH IRON ROD

SSE SANITARY SEWER EASEMENT

PSE PRIVATE SEWER EASEMENT

PWE PRIVATE WATER EASEMENT

UE UTILITY EASEMENT

ELECT ELECTRIC

CEMNT CEMENT

SDW HIGH-OF-WAY

NET MINIMUM FINISH FLOOR

C.C.T.C.T. COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS

D.E.C.T.C.T. DEED RECORDS, TARRANT COUNTY, TEXAS

P.A.T.C.T. PLAT RECORDS, TARRANT COUNTY, TEXAS

◆ STREET NAME CHANGE

□ PORTION OF RIGHT-OF-WAY TO BE ABANDONED

$\Delta=31' 26" 28"$
 $P=75.00'$
 $T=21.10'$
 $L=81.13'$
 $N39°10'24" W$
 $Lc=40.62'$

NOTES:

1. ALL PROPERTY CORNERS ARE SET 1/2" IRON ROD WITH "DISHMAN ASSOC. INC." CAP UNLESS SHOWN OTHERWISE.
2. A PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE 100-FEET FLOODPLAIN (ZONE A) AS SHOWN FROM MAP AND INFORMATION WITH AN EFFECTIVE DATE OF MARCH 27, 2018.
3. BOUNDS OF BEARING IS THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE 4703, NORTH AMERICAN DATUM OF 1983 ADJUSTMENT HORIZONTAL ELLIPSOID.
4. SETTING A PORTION OF ANY LOT WITHIN THIS ADDITION BY METERS AND SQUARES IS A VIOLATION OF STATE LAW AND CITY ORDINANCE AND IS SUBJECT TO THE PENALTY IMPOSITION OF UTILITIES SERVICES AND BUILDING PERMITS.
5. ZONING PD ORDINANCE 08-2318-337
6. NOTES OR CLANS REQUIRED BY SECTION 160-03(6)(C) OF THE SUBDIVISION ORDINANCE SHALL APPLY.
7. KARIS ADDITION PHASE 1A LIES ENTIRELY WITHIN THE KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY.
8. ALL ALLEYS AND COMMON AREAS (C) LIES WITHIN KARIS ADDITION PHASE 1A IS TO BE MAINTAINED BY THE KARIS MUNICIPAL MANAGEMENT DISTRICT.

GRAPHIC SCALE 1"=50'

30 0 50 100



FINAL PLAT
KARIS ADDITION, PHASE 1A

38,553 ACRES

LOTS 1-40, 415, 62-72, 73K, BLOCK 1; LOT 11, BLOCK 2;
LOT 1-4, 5A, 6-11, BLOCK 3; LOT 15, BLOCK 4; LOT 1K, BLOCK 5;
LOT 27K, 3-32, 33K, 34K, BLOCK 6; LOT 1K, BLOCK 7;
LOT 1K, BLOCK 8; LOT 1K, BLOCK 9; LOTS 1-2, 3K, 4K, 10, 16-18, BLOCK 10;
LOT 1K, BLOCK 11; LOTS 1-5, 6K, 7-21, 22K, 23-28, BLOCK 12;
LOTS 1-4, 5A, 6-2, 3K, 8-11, 18K, 17-21, BLOCK 13;
LOT 1K, BLOCK 14, LOT 1, BLOCK 15.

OWNER:
CH. INC. KARIS INVESTMENTS, LLC
2021 E. JAMES BLVD., SUITE 200
ARLINGTON, TEXAS 76010
PHONE: 817-253-2000
EMAIL: karis@karisinvestments.com

RECORDED:
THE DISHMAN COMPANY
2021 E. JAMES BLVD., SUITE 200
ARLINGTON, TEXAS 76010
PHONE: 817-253-2000
EMAIL: jordan@dishman.com

ENGINEERS/PLANNERS:
GRAHAM ASSOCIATES, INC.
REGISTERED PROFESSIONAL ENGINEERS & PLANNERS
800 5TH FLOOR, SUITE 300
ARLINGTON, TEXAS 76010
PHONE: 817-253-2000
FAX: 817-253-2001
EMAIL: graham@grahamassociates.com
MICHAEL L. HILGREN, P.E., P.L.L.C.



DATE: JANUARY 2017

Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS
174 SINGLE FAMILY, 1 COMMERCIAL & 20 NON-RESIDENTIAL LOTS
15 BLOCKS

BOUNDARY CURVE TABLE						
CURVE #	Δ	BOUYS	TANGENT	LENGTH	CHORD	CHORD BEARING
C-1	24° 15' 54"	50.00	19.52	51.18	N11° 43' 27"W	23.62
C-2	8° 27' 47"	234.00	24.52	262.71	N88° 52' 47"E	48.69
C-3	8° 30' 28"	488.00	18.32	506.44	S67° 50' 33"W	30.44

LINE TABLE		
LINE #	LENGTH	DIRECTION
L-1	2.51'	N27° 51' 07"W
L-2	23.15'	N40° 06' 52"E
L-3	26.00'	N02° 31' 57"W
L-4	23.72'	S88° 38' 53"E

CENTERLINE

CURVE TABLE			CURVE TABLE			
CURVE #	Δ	BOUYS	TANGENT	LENGTH	CHORD	CHORD BEARING
C-4	14° 59' 44"	500.00	65.72	530.84		
C-5	8° 11' 39' 20"	50.00	43.67	71.11		
C-6	8° 54' 36"	350.00	35.22	361.49		
C-7	10° 10' 02"	500.00	55.01	505.33		
C-8	8° 38' 35"	50.00	38.62	58.81		
C-9	8° 40' 46"	302.00	29.75	314.61		
C-10	24° 17' 02"	277.00	61.11	286.78		
C-11	30° 10' 10"	189.00	106.82	207.16		
C-12	17° 32' 34"	166.00	100.90	224.19		
C-13	8° 38' 24"	493.00	35.69	528.60		
C-14	11° 37' 37"	151.00	29.15	223.80		
C-15	8° 22' 31"	645.00	36.80	724.64		
C-16	28° 10' 04"	250.00	58.91	261.18		
C-17	4° 29' 20"	500.00	16.90	503.42		
C-18	8° 41' 40"	500.00	38.51	505.87		
C-19	17° 33' 21"	500.00	72.11	553.20		
C-20	26° 31' 25"	250.00	62.77	272.25		
C-21	24° 17' 02"	230.00	53.70	268.96		
C-22	28° 21' 04"	395.00	98.78	435.49		
C-23	8° 30' 07"	302.00	26.41	310.70		
C-24	8° 06' 07"	100.00	35.41	70.70		
C-25	32° 18' 18"	44.00	44.31	69.32		
C-26	17° 32' 34"	44.00	33.54	59.18		
C-27	8° 28' 54"	638.00	47.23	645.99		
C-28	11° 37' 37"	54.00	38.78	111.17		
C-29	8° 32' 31"	730.00	45.12	802.20		
C-30	21° 04' 30"	280.00	57.79	311.23		
C-31	24° 24' 32"	150.00	28.35	161.25		
C-32	7° 33' 45"	355.00	33.27	458.88		
C-33	11° 47' 12"	390.00	41.78	422.08		

LINE TABLE		
LINE #	LENGTH	DIRECTION
L-5	33.81'	N27° 51' 07"W
L-6	14.41'	N40° 06' 52"E
L-7	17.44'	N11° 18' 21"E
L-8	42.66'	S15° 38' 10"W
L-9	148.86'	S87° 16' 52"W
L-10	36.80'	S83° 18' 52"W
L-11	200.38'	S12° 17' 47"W
L-12	121.28'	S12° 17' 47"W
L-13	159.40'	S17° 17' 49"W
L-14	125.61'	S17° 18' 03"W
L-15	428.53'	S17° 18' 03"W
L-16	87.48'	N12° 31' 20"E
L-17	87.48'	N12° 31' 20"E
L-18	85.02'	N07° 17' 49"E
L-19	82.46'	N07° 18' 44"E
L-20	63.45'	N80° 18' 20"E
L-21	61.41'	N67° 18' 52"E
L-22	58.41'	N62° 51' 22"E
L-23	51.67'	N62° 51' 22"E
L-24	35.32'	S89° 41' 25"E
L-25	26.00'	S89° 41' 25"E

LOTS

CURVE TABLE						CURVE TABLE							
CURVE #	Δ	BOUYS	TANGENT	LENGTH	CHORD	CHORD BEARING	CURVE #	Δ	BOUYS	TANGENT	LENGTH	CHORD	CHORD BEARING
C35	80° 16' 18"	30.00	30.14	47.27			C112	8° 38' 34"	30.00	7.52	35.63		
C41	100° 11' 58"	30.00	35.88	59.48			C113	88° 36' 34"	30.00	59.28	49.42		
C43	80° 16' 18"	30.00	30.14	47.27			C114	1° 22' 35"	800.00	7.25	14.51		
C45	54° 47' 02"	25.00	16.81	29.36			C115	88° 36' 34"	40.00	39.61	41.86		
C34	18° 27' 14"	28.00	4.80	8.34			C116	81° 22' 26"	10.00	10.25	15.93		
C36	87° 10' 17"	30.00	28.63	45.72			C117	7° 00' 00"	300.00	18.25	31.65		
C38	57° 40' 43"	30.00	31.44	48.53			C118	7° 00' 00"	300.00	18.35	36.65		
C61	91° 23' 28"	30.00	30.14	47.88									
C63	87° 00' 00"	30.00	24.54	43.46									
C61	87° 00' 00"	30.00	24.54	43.46									
C64	89° 42' 42"	30.00	29.85	49.38									
C66	81° 27' 51"	33.00	25.83	47.65									
C69	89° 28' 24"	30.00	29.99	47.12									
C70	80° 16' 18"	30.00	30.14	47.27									
C71	80° 43' 47"	30.00	29.69	46.38									
C72	90° 18' 18"	30.00	34.44	47.96									
C74	79° 34' 25"	30.00	22.15	41.89									
C75	85° 56' 17"	30.00	28.59	43.81									
C78	59° 02' 02"	30.00	11.87	28.94									
C79	59° 54' 31"	31.00	28.22	50.00									
C80	59° 49' 38"	30.00	28.10	51.34									
C81	5° 17' 27"	244.00	6.48	12.97									
C82	30° 30' 00"	30.00	30.00	41.12									
C83	0° 30' 41"	254.00	72.96	25.72									
C84	51° 48' 38"	63.00	36.83	73.54									
C85	5° 32' 47"	91.00	4.00	8.54									
C86	32° 48' 40"	80.00	33.92	45.81									
C87	87° 42' 30"	30.00	30.94	43.76									
C88	10° 16' 47"	30.00	7.70	5.38									
C89	72° 01' 43"	10.00	7.88	11.72									
C90	114° 15' 54"	60.00	61.81	79.77									
C91	86° 57' 37"	30.00	27.43	44.44									
C92	129° 02' 41"	33.00	37.08	53.41									
C93	88° 36' 34"	30.00	29.28	46.40									
C94	91° 23' 28"	30.00	30.14	47.88									
C95	88° 36' 34"	10.00	9.76	15.47									
C96	91° 23' 28"	41.00	40.88	63.82									
C97	88° 36' 34"	30.00	29.28	46.40									
C98	89° 43' 14"	30.00	27.84	44.88									
C99	129° 02' 41"	60.00	17.88	17.88									
C100	79° 37' 02"	40.00	21.94	52.75									
C101	92° 18' 15"	10.00	10.42	18.00									
C102	87° 49' 28"	40.00	35.91	58.35									
C103	18° 08' 20"	150.00	23.94	47.49									
C104	22° 27' 42"	150.00	31.10	61.42									
C105	30° 57' 38"	100.00	18.42	39.42									
C106	3° 18' 14"	604.00	17.55	39.99									
C107	3° 58' 50"	604.00	18.62	43.05									
C108	3° 50' 25"	598.00	20.28	40.17									
C109	8° 14' 48"	139.00	31.95	63.17									
C110	8° 27' 41"	180.00	8.98	13.17									
C111	14° 19' 08"	100.00	12.96	24.39									

LINE TABLE		
LINE #	LENGTH	DIRECTION
L-1	14.47'	S88° 07' 19"E
L-2	13.81'	S55° 22' 47"W
L-3	16.47'	N33° 14' 47"E
L-4	15.57'	N45° 24' 22"W
L-5	18.00'	N45° 30' 25"W
L-6	15.41'	N69° 28' 58"E
L-7	15.41'	N69° 28' 58"E
L-8	15.41'	N69° 28' 58"E
L-9	15.41'	N69° 28' 58"E
L-10	15.41'	N69° 28' 58"E
L-11	15.41'	N69° 28' 58"E
L-12	15.41'	N69° 28' 58"E
L-13	15.41'	N69° 28' 58"E
L-14	15.41'	N69° 28' 58"E
L-15	15.41'	N69° 28' 58"E
L-16	15.41'	N69° 28' 58"E
L-17	15.41'	N69° 28' 58"E
L-18	15.41'	N69° 28' 58"E
L-19	15.41'	N69° 28' 58"E
L-20	15.41'	N69° 28' 58"E
L-21	15.41'	N69° 28' 58"E
L-22	15.41'	N69° 28' 58"E
L-23	15.41'	N69° 28' 58"E
L-24	15.41'	N69° 28' 58"E
L-25	15.41'	N69° 28' 58"E
L-26	15.41'	N69° 28' 58"E
L-27	15.41'	N69° 28' 58"E
L-28	15.41'	N69° 28' 58"E
L-29	15.41'	N69° 28' 58"E
L-30	15.41'	N69° 28' 58"E
L-31	15.41'	N69° 28' 58"E
L-32	15.41'	N69° 28' 58"E
L-33	15.41'	N69° 28' 58"E
L-34	15.41'	N69° 28' 58"E
L-35	15.41'	N69° 28' 58"E
L-36	15.41'	N69° 28' 58"E
L-37	15.41'	N69° 28' 58"E
L-38	15.41'	N69° 28' 58"E
L-39	15.41'	N69° 28' 58"E
L-40	15.41'	N69° 28' 58"E
L-41	15.41'	N69° 28' 58"E
L-42	15.41'	N69° 28' 58"E
L-43	15.41'	N69° 28' 58"E
L-44	15.41'	N69° 28' 58"E
L-4		

Lot Area Table			
Block	Lot #	Area (Square Foot)	AREA (ACRES)
Block 1	1	4991.67	0.115
Block 1	2	2310.00	0.053
Block 1	3	2105.00	0.053
Block 1	4	3310.00	0.076
Block 1	5	2887.50	0.066
Block 1	6	2887.50	0.066
Block 1	7	2310.00	0.053
Block 1	8	2105.00	0.053
Block 1	9	2887.50	0.066
Block 1	10	2887.50	0.066
Block 1	11	2310.00	0.053
Block 1	12	2310.00	0.053
Block 1	13	2887.50	0.066
Block 1	14	2836.36	0.065
Block 1	15	2351.00	0.054
Block 1	16	3013.25	0.069
Block 1	17	3118.91	0.072
Block 1	18	2972.64	0.069
Block 1	19	2636.58	0.061
Block 1	20	3354.79	0.077
Block 1	21	3386.96	0.078
Block 1	22	2796.00	0.062
Block 1	23	2796.00	0.062
Block 1	24	4152.24	0.095
Block 1	25	3074.74	0.071
Block 1	26	4305.00	0.099
Block 1	27	4305.00	0.099
Block 1	28	4305.00	0.099
Block 1	29	4920.00	0.113
Block 1	30	4305.00	0.099
Block 1	31	5763.35	0.132
Block 1	32	6839.09	0.157
Block 1	33	7914.65	0.182
Block 1	34	6239.37	0.143
Block 1	35	7168.31	0.164
Block 1	36	7929.66	0.182
Block 1	37	6643.35	0.152
Block 1	38	4305.00	0.099
Block 1	39	4305.00	0.099
Block 1	40	4305.00	0.099

Lot Area Table			
Block	Lot #	Area (Square Foot)	AREA (ACRES)
Block 1	41	4991.66	0.115
Block 1	42	5475.06	0.126
Block 1	43	6351.60	0.151
Block 1	44	6150.00	0.141
Block 1	45	4305.00	0.099
Block 1	46	6150.00	0.141
Block 1	47	4305.00	0.099
Block 1	48	4305.00	0.099
Block 1	49	6919.74	0.159
Block 1	50	5699.74	0.131
Block 1	51	4305.00	0.099
Block 1	52	8289.99	0.190
Block 1	53	15070.37	0.360
Block 1	54	8659.79	0.195
Block 1	55	6150.00	0.141
Block 1	56	6057.06	0.151
Block 1	57	6545.87	0.150
Block 1	58	4305.00	0.099
Block 1	59	4305.00	0.099
Block 1	60	6029.34	0.150
Block 1	61X	53839.06	1.238
Block 1	62	7908.01	0.174
Block 1	63	4733.00	0.110
Block 1	64	4698.14	0.107
Block 1	65	5307.35	0.122
Block 1	66	5155.69	0.118
Block 1	67	6150.00	0.141
Block 1	68	7360.00	0.169
Block 1	69	6287.07	0.144
Block 1	70	6060.45	0.139
Block 1	71	7381.84	0.169
Block 1	72	9147.80	0.210
Block 1	73X	147776.36	3.381
Block 2	1X	40582.92	0.927
Block 3	1	6549.01	0.150
Block 3	2	4305.00	0.099
Block 3	3	3142.46	0.072
Block 3	4	9156.51	0.210
Block 3	5X	4249.14	0.097

Lot Area Table			
Block	Lot #	Area (Square Foot)	AREA (ACRES)
Block 3	6	6456.08	0.148
Block 3	7	4305.00	0.099
Block 3	8	4924.66	0.113
Block 3	9	4596.71	0.105
Block 3	10	5008.16	0.115
Block 3	11	10760.83	0.247
Block 4	1X	392.04	0.009
Block 5	1X	130.66	0.003
Block 6	1	5730.58	0.132
Block 6	2	2310.00	0.053
Block 6	3	2310.00	0.053
Block 6	4	3663.51	0.084
Block 6	5	3522.31	0.081
Block 6	6	2310.49	0.053
Block 6	7	5664.22	0.082
Block 6	8	2887.50	0.066
Block 6	9	2310.00	0.053
Block 6	10	2310.00	0.053
Block 6	11	2887.50	0.066
Block 6	12	2887.50	0.066
Block 6	13	2310.00	0.053
Block 6	14	2310.00	0.053
Block 6	15	2887.50	0.066
Block 6	16	2887.50	0.066
Block 6	17	2310.00	0.053
Block 6	18	2887.50	0.066
Block 6	19	2887.50	0.066
Block 6	20	2310.00	0.053
Block 6	21	2310.00	0.053
Block 6	22	2887.50	0.066
Block 6	23	2887.50	0.066
Block 6	24	2310.00	0.053
Block 6	25	2310.00	0.053
Block 6	26	2887.50	0.066
Block 6	27	2887.50	0.066
Block 6	28	2310.00	0.053
Block 6	29	2310.00	0.053
Block 6	30	2310.00	0.053
Block 6	31	2310.00	0.053
Block 6	32	4386.08	0.101

Lot Area Table			
Block	Lot #	Area (Square Foot)	AREA (ACRES)
Block 8	35X	14540.75	0.329
Block 8	34X	44602.35	1.024
Block 7	1X	15360.28	0.352
Block 8	1X	304.92	0.007
Block 9	1X	130.66	0.003
Block 10	1	7569.90	0.174
Block 10	2	6000.24	0.138
Block 10	3	7516.55	0.173
Block 10	4	5981.84	0.137
Block 10	5	4926.00	0.113
Block 10	6	4305.00	0.099
Block 10	7	7109.61	0.163
Block 10	8X	10483.85	0.241
Block 10	9X	8299.50	0.191
Block 10	10	4438.97	0.102
Block 10	11	7041.78	0.162
Block 10	12	6271.19	0.143
Block 10	13	7387.15	0.170
Block 10	14	8677.65	0.198
Block 10	15	4305.00	0.099
Block 10	16	4305.00	0.099
Block 10	17	6109.00	0.141
Block 10	18	4920.00	0.113
Block 10	19	7049.80	0.162
Block 11	1X	1132.56	0.026
Block 12	1	6678.57	0.153
Block 12	2	4305.00	0.099
Block 12	3	4920.00	0.113
Block 12	4	4920.00	0.113
Block 12	5	7885.89	0.181
Block 12	6X	22682.58	0.526
Block 12	7	3080.70	0.070
Block 12	8	7380.00	0.169
Block 12	9	6150.00	0.141
Block 12	10	7380.00	0.169
Block 12	11	4920.00	0.113
Block 12	12	7818.23	0.179
Block 12	13	11376.17	0.261
Block 12	14	9383.84	0.215
Block 12	15	1268.00	0.029

Lot Area Table			
Block	Lot #	Area (Square Foot)	AREA (ACRES)
Block 12	16	10630.70	0.244
Block 12	17	6194.43	0.142
Block 12	18	6540.00	0.150
Block 12	19	4305.00	0.099
Block 12	20	3813.00	0.088
Block 12	21	8448.09	0.194
Block 12	22X	7596.85	0.174
Block 12	23	10076.07	0.230
Block 12	24	8810.00	0.199
Block 12	25	6111.15	0.139
Block 12	26	10681.04	0.245
Block 12	27	15000.51	0.349
Block 12	28	6264.60	0.143
Block 13	1	8581.32	0.197
Block 13	2	4920.00	0.113
Block 13	3	4920.00	0.113
Block 13	4	10933.56	0.251
Block 13	5X	13372.82	0.307
Block 13	6	7752.69	0.176
Block 13	7	4960.84	0.114
Block 13	8X	14337.24	0.329
Block 13	9	9531.68	0.219
Block 13	10	7361.64	0.168
Block 13	11	6141.96	0.141
Block 13	12	4920.00	0.113
Block 13	13	4312.44	0.099
Block 13	14	4007.52	0.092
Block 13	15	5571.92	0.126
Block 13	16X	2700.72	0.062
Block 13	17	4084.64	0.094
Block 13	18	5183.04	0.119
Block 13	19	4530.21	0.104
Block 13	20	5837.04	0.134
Block 13	21	6664.68	0.153
Block 14	1X	3789.72	0.087
Block 15	1	157045.35	3.626

Block Length Table	
Block	Block Length
1	2111.44*
2	328.53
3	315.25
4	N/A
5	N/A
6	827.05*
7	283.31
8	N/A
9	N/A
10	518.40
11	N/A
12	712.12*
13	634.79
14	N/A
15	N/A

* VARIANCES REQUESTED FOR THIS SUBMISSION
BLOCK LENGTH TO EXCEED 650 FEET

FINAL PLAT

KARIS ADDITION, PHASE 1A

LOTS 1-48, 81X, 62-72, 75X, BLOCK 1, LOT 10, BLOCK 2,
LOT 1-34, 6-11, BLOCK 3, LOT 10, BLOCK 4, LOT 10, BLOCK 5,
LOTS 1-30, 33X, 34X, BLOCK 6, LOT 10, BLOCK 7,
LOT 1X, BLOCK 8, LOT 10, BLOCK 9, LOTS 1, 2, 26, 30, 31-35, BLOCK 10,
LOT 10, BLOCK 11, LOTS 1-3, 6X, 7-21, 22X, 23-26, BLOCK 12,
LOTS 1-4, 26, 30, 31-35, 36-40, 41-45, 46, 47-51, BLOCK 13,
LOT 1X, BLOCK 14, LOT 1, BLOCK 15.

OWNER:
DR. INC. KARIS OWNER, LLC
2200 E. KARIS BLVD., SUITE 400
DALLAS, TEXAS 75228
PHONE (972) 205-4000
EMAIL: info@karisowner.com

DEVELOPER:
THE MEMPHAM COMPANY
2200 E. KARIS BLVD., SUITE 400
DALLAS, TEXAS 75228
PHONE (972) 205-4000
EMAIL: info@mempham.com

CONTRACTOR:
JOHN JORDAN
3309 LINDEN BLVD., SUITE 100
DALLAS, TEXAS 75218
PHONE (972) 443-3447
EMAIL: info@jordanjr.com

DATE: JANUARY 2022

Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS
11000 WESTBURY BLVD., SUITE 100
DALLAS, TEXAS 75243
PHONE (972) 443-3447
FAX (972) 443-3447
EMAIL: info@grahamassoc.com

SITuated IN THE
CITY OF DALLAS, TEXAS
COUNTY OF DALLAS, TEXAS

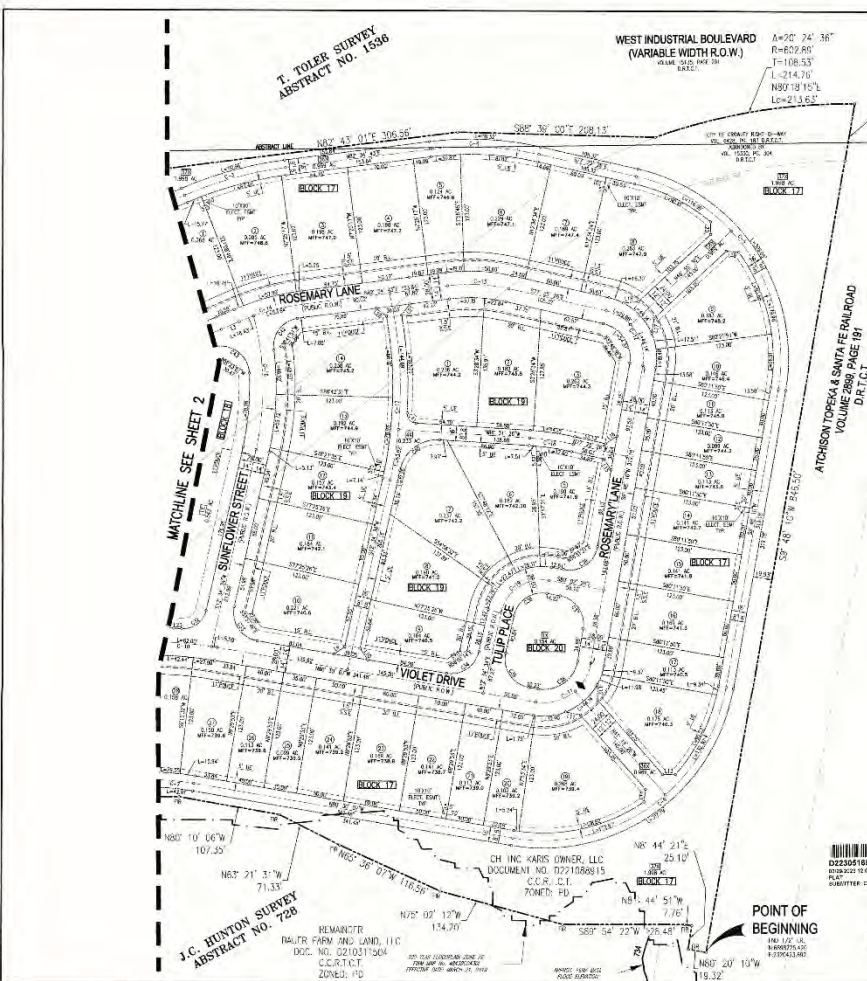
74 SINGLE FAMILY, 1 COMMERCIAL & 20 HOV RESIDENTIAL LOTS
15 BLOCKS



SHEET
5-6

APPENDIX C-2

KARIS ADDITION, PHASE 1B



- TRACT 2E**
HARRISON TROCKE
VOL. 7628, PG. 275
D.R.T.C.T.
70M2C V
- TRACT 1C**
HARRISON TROCKE
VOL. 4405, PG. 100
D.R.T.C.T.
ZONE 1
- LEGEND**
- PUBLIC PUBLIC-SERIAL, DRAINAGE, UTILITY, & CITY CONSTRUCTION EASEMENT
 - FR 7' HIGH SIDEWALK
 - UE UTILITY EASEMENT
 - ELECT ELECTRIC
 - ESENT EASEMENT
 - ROAD FRONT-OF-WAY
 - MINIMUM FRONT YARD
 - CORRECT COUNTY CLERK RECORDS, THIRTY COUNTY, TEXAS
 - PAI.C.C. CITIES RECORDS, HARRIS COUNTY, TEXAS
 - PAI.C.C. PLAT RECORDS, THIRTY COUNTY, TEXAS
 - STREET NAME CHANGE
 - STREET-OF-WAY TO BE DEDICATED BY THIS PLAT
 - PORTION OF EASEMENT TO BE ANNOUNCED BY THIS PLAT

- NOTES**
- ALL PROPERTY CORNERS ARE SET 1/2" FROM HIGH WITH "SERIAL" ASSOCIATED UNLESS SHOWN OTHERWISE.
 - A PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE 100-YEAR FLOODPLAIN (ZONE X) AS PER FEMA MAP NO. 18060C0140, WITH AN ELEVATION VALUE OF 10.00 FEET.
 - BASES OF BEARING IS THE STATE PLANE COORDINATE SYSTEM, STATE NORTH CENTRAL ZONE 4202, NORTH AMERICAN DATUM OF 1983 ADJUSTMENT (NAD83) (2011).
 - SELLING A PORTION OF ANY LOT WITHIN THIS ADDITION BY NOTES AND BOUNDARY IS A VIOLATION OF STATE LAW AND CITY ORDINANCES, WITH THE EXCEPTION OF THE SALE AND WITHDRAWAL OF VESTES SERVICES AND BUILDING PERMITS.
 - ZONING PER ORDINANCE 68-2918-332
 - NUMBER OF UNITS REQUIRED BY SECTION 68-06000(C) OF THE DEVELOPMENT ORDINANCE SHALL APPLY.
 - MADE ADDITION PHASE IS LESS DIRECTLY WITHIN THE HARRIS METROPOLITAN MANIPULATION DISTRICT OF HARRIS COUNTY.
 - ALL ALLEYS AND COMMON AREAS TO LOT(S) WITHIN HARRIS ADDITION PHASE IS TO BE MAINTAINED BY THE AREA OR HARRIS METROPOLITAN MANIPULATION DISTRICT.
 - A LINDER WILL BE SUBMITTED WITHIN TEN DAYS FOR LOTS TWO THROUGH SIX OF THE IMPROVED FROM PLAT.

THE FOLLOWING INFORMATION HAS BEEN APPROVED AND GRANTED:
 1. BEING LINDER HAS BEEN REVIEWED BY CITY COUNCIL, MARCH 25, 2021.
 ALL WARRANTIES FROM THE GENERAL DEVELOPMENT ORDINANCE APPROVED BY CITY COUNCIL.

David Dunham DATE: 1-18-2023
 DAVID DUNHAM
 CHAIRMAN, PLANNING AND ZONING COMMISSION
 CITY OF COWLEY, TEXAS

THE UNDERSIGNED, THE CITY SECRETARY OF THE CITY OF COWLEY, TEXAS, HEREBY CERTIFIES THAT THE FOREGOING FINAL PLAT OF THE HARRIS ADDITION PHASE IS, IN ADDITION TO THE CITY OF COWLEY, TEXAS, SUBMITTED TO THE APPROPRIATE PLANNING AND ZONING COMMISSION OF THE CITY OF COWLEY, TEXAS, BY THE HOMEOWNERS OF THE CITY OF COWLEY, TEXAS, AND THAT THE CITY OF COWLEY, TEXAS, HAS ACCEPTED BY BODY BY FORMAL ACTION THIS AND THEREBY ACCEPTED THE LOCATION OF STREETS, ALLEYS, TRENCHES AND EASEMENTS, PUBLIC UTILITIES AND RECORDS AND OTHER MATTERS SHOWN AND SET FORTH IN AND UPON SAID PLAT. SAID BODY FURTHER AUTHORIZED THE ACCEPTANCE THEREOF BY SIGNING AS HERETOFORE SUBSCRIBED IN THE CAPACITY STATED.

WITNESS MY HAND THIS 18th DAY OF February 2023

David Dunham

DVID. KOWALSKER
 CITY SECRETARY, CITY OF COWLEY, TEXAS

CH INC-KARIS OWNER, LLC
 DOCUMENT NO. 0221088915
 C.C.R. 01
 ZONE PD

POINT OF BEGINNING
 40' 17.25" S
 19' 32.50" W
 19.32'

REVISION DATES

SEAL

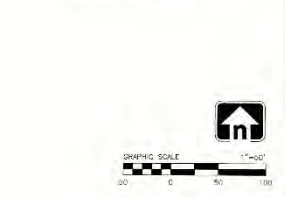
OWNER'S/PLANNERS:
 GRAHAM ASSOCIATES, INC.
 850 WEST F.A. 10, STE. 500
 HOUSTON, TEXAS 77057
 PHONE: 832-641-8037
 FAX: 832-653-2840
 EMAIL: info@grahaminc.com



VICINITY MAP
(1"=1000')

PLAN SUMMARY TABLE

TOTAL ACRES	16.415
TOTAL NUMBER OF RESIDENTIAL LOTS	58
ZONING PD 06-2018-332	
MINIMUM LOT SIZE	4,312 SF
MINIMUM LOT SIZE PERMITTED	862 SF
DENSITY	1.56 UNITS/AC
MINIMUM OPENING SIZE	5.00 FEET



FINAL PLAT
KARIS ADDITION, PHASE 1B

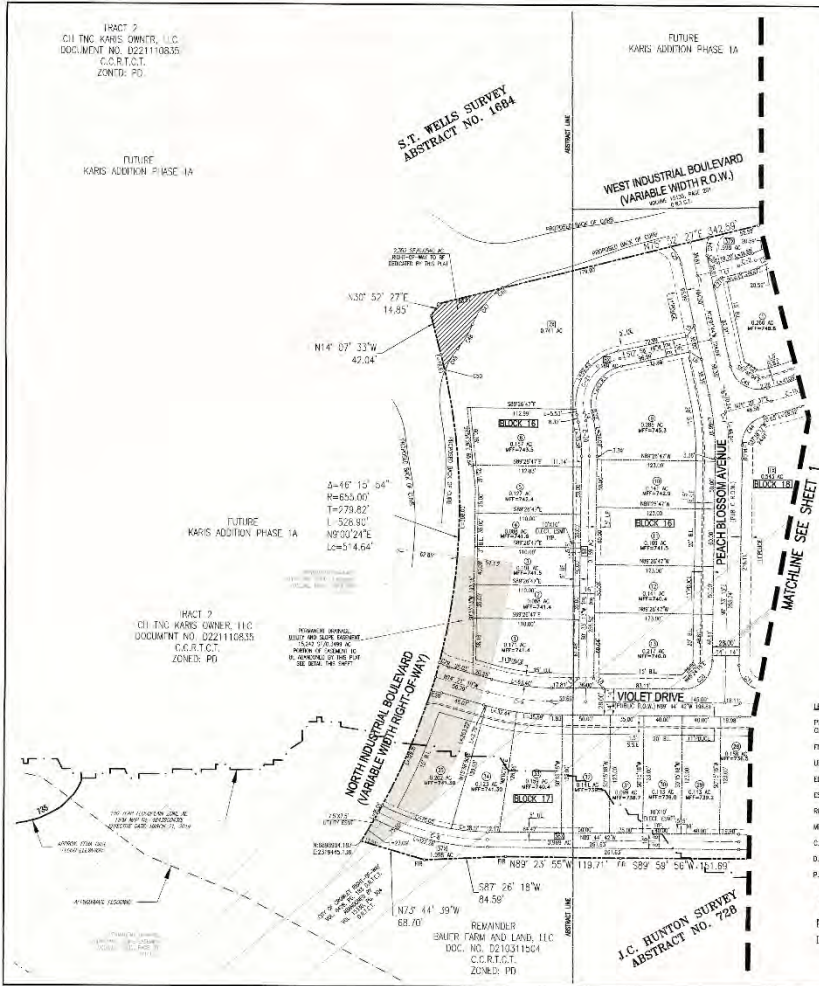
16.415 ACRES

SITUATED IN THE
 S.E. 1/4, SEC. 26, T. 15N, R. 12E, B. 11E
 1. THIRTY SURVEY, ABSTRACT NO. 1508
 2. THIRTY SURVEY, ABSTRACT NO. 1508
 3. THIRTY SURVEY, ABSTRACT NO. 778
 CITY OF COWLEY, HARRIS COUNTY, TEXAS

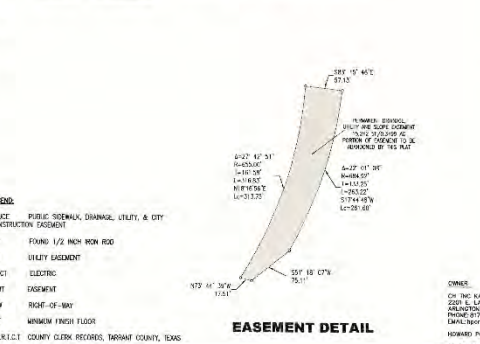
58 SINGLE FAMILY & 7 HIGH RESIDENTIAL LOTS
 5 BLOCKS

DATE: JANUARY 2023

Graham Associates, Inc.
 CONSULTING ENGINEERS & PLANNERS
 850 WEST F.A. 10, STE. 500
 HOUSTON, TEXAS 77057
 PHONE: 832-641-8037
 FAX: 832-653-2840
 EMAIL: info@grahaminc.com



CENTERLINE					LOTS				
CURVE #	A	BEGINN	ENDSIN	LENGTH	CURVE #	A	BEGINN	ENDSIN	LENGTH
C-1	12	24° 56'	335.00'	34.72'	08	30	26° 46'	30.00'	9.64'
C-2	8	54° 31'	190.00'	9.16'	09	42	37° 28'	40.00'	11.10'
C-3	16	52° 33'	345.00'	55.72'	10	6	26° 28'	12.00'	3.92'
C-4	10	50° 51'	334.00'	58.90'	11	80	31° 22'	12.00'	8.20'
C-5	8	13° 20'	150.00'	185.76'	12	2	22° 16'	36.00'	5.65'
C-6	8	8° 41° 43'	195.00'	193.57'	13	20	52° 40'	36.00'	5.62'
C-7	5	14° 35'	274.00'	29.15'	14	80	42° 05'	50.00'	29.84'
C-8	27	25° 12'	250.00'	85.22'	15	86	53° 50'	43.00'	32.82'
C-9	15	25° 42'	250.00'	32.78'	16	81	04° 44'	25.00'	21.38'
C-10	9	11° 55'	410.00'	33.87'	17	93	04° 41'	30.00'	21.85'
C-11	8	41° 43'	50.00'	19.73'	18	88	59° 19'	30.00'	28.47'
C-12	8	13° 55'	50.00'	47.64'	19	88	59° 19'	30.00'	28.47'
C-13	9	59° 51'	186.00'	32.78'	20	88	59° 19'	30.00'	28.47'
C-14	16	52° 33'	285.00'	35.27'	21	89	56° 38'	30.00'	28.92'
C-15	9	58° 31'	290.00'	21.87'	22	87	22° 58'	36.00'	28.66'
C-16	22	10° 54'	330.00'	72.50'	23	87	22° 58'	36.00'	28.66'
C-17	25	24° 10'	440.00'	102.80'	24	82	37° 04'	10.00'	6.97'
C-18	9	08° 50'	280.00'	33.74'	25	81	50° 56'	30.00'	28.68'
C-19	8	22° 58'	41.00'	42.07'	26	87	07° 56'	30.00'	43.24'
C-20	12	54° 38'	170.50'	18.14'	27	83	100° 35'	30.00'	43.24'
C-21	10	04° 00'	44.00'	48.00'	28	78	32° 40'	36.00'	24.46'
					29	87	32° 40'	36.00'	24.46'
					30	72	12° 47'	85.00'	3.64'
					31	87	32° 40'	36.00'	24.46'
					32	80	57° 14'	41.00'	15.11'
					33	100	30° 40'	30.00'	12.97'
					34	78	32° 40'	36.00'	24.46'
					35	87	32° 40'	36.00'	24.46'
					36	87	32° 40'	36.00'	24.46'
					37	87	32° 40'	36.00'	24.46'
					38	87	32° 40'	36.00'	24.46'
					39	87	32° 40'	36.00'	24.46'
					40	77	12° 50'	80.00'	6.77'



VICINITY MAP
 (1"=100')

NOTES:

1. ALL PROPERTY CORNERS ARE SET 1/2" IRON ROD WITH "GRAM ASSOC INC" CAP UNLESS SHOWN OTHERWISE
2. A PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE FUTURE FLOODPLAIN (ZONE A) AS PER FEMA MAP NO. 48483C0303 WITH AN EFFECTIVE DATE OF MARCH 21, 2015.
3. BASIS OF BEARING IS THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983 ADJUSTMENT (REVISION 2011).
4. SELLING A PORTION OF ANY LOT WITHIN THIS ADDITION BY RESIDUAL BECOMES A VIOLATION OF STATE LAW AND CITY ORDINANCE AND IS SUBJECT TO FINE AND WHOLESALE OF UTILITY SERVICES AND SELLING POWERS.
5. ZONING PD ORDINANCE - 06-2018-332
6. MAPPER OF ISLANDS REQUIRED BY SECTION 98-42(C)(2)(A) OF THE SUBDIVISION ORDINANCE SHALL APPLY.
7. KARIS ADDITION PHASE 1A LIES ENTIRELY WITHIN THE KARIS WATERSHED MANAGEMENT DISTRICT OF TARRANT COUNTY.
8. ALL ALLEYS AND COMMON AREAS (2) LOTS WITHIN KARIS ADDITION PHASE 1A TO BE MAINTAINED BY THE HOA OR KARIS WATERSHED MANAGEMENT DISTRICT.
9. A LOW-FILL WILL BE REQUESTED FROM FEMA FOR LOTS THAT OVERLAP ON THE MAPPED FLOODPLAIN.

FINAL PLAT
 KARIS ADDITION, PHASE 1B

LOTS 1-4, 7, 8, 9-13, BLOCK 16
 LOTS 15-20, 22, 27A, BLOCK 17
 LOT 14, BLOCK 18
 LOTS 1-3, 4-6, 8-14, BLOCK 19
 LOT 15, BLOCK 20

16.415 ACRES

SITUATED IN THE
 S.T. WELLS SURVEY, ABSTRACT NO. 1684
 T. WELLS SURVEY, ABSTRACT NO. 1528
 J.C. BUNTON SURVEY, ABSTRACT NO. 728
 CITY OF COMING, TARRANT COUNTY, TEXAS

39 SINGLE FAMILY & 7 HIGH RESIDENTIAL LOTS
 IN 5 BLOCKS

DATE: JANUARY 2023

Graham Associates, Inc.
 CONSULTING ENGINEERS & PLANNERS
 8000 CROSS CREEK ROAD
 SUITE 100
 DALLAS, TEXAS 75241
 PHONE: 972-442-8200
 FAX: 972-442-8200
 EMAIL: graham@grahamassoc.com
 Michael L. Peterson, P.E., P.L.S.

THE ENGINEER'S COMPANY
 2001 E. LAKEVIEW BLVD., 10TH
 FLOOR, DALLAS, TEXAS 75215
 PHONE: 972-476-7227
 FAX: 972-476-7227
 EMAIL: jordan@engineers.com

ENGINEERS/SURVEYORS
 GRAHAM ASSOCIATES, INC.
 CONSULTING ENGINEERS & PLANNERS
 8000 CROSS CREEK ROAD, SUITE 100
 DALLAS, TEXAS 75241
 PHONE: 972-442-8200
 FAX: 972-442-8200
 EMAIL: graham@grahamassoc.com
 Michael L. Peterson, P.E., P.L.S.

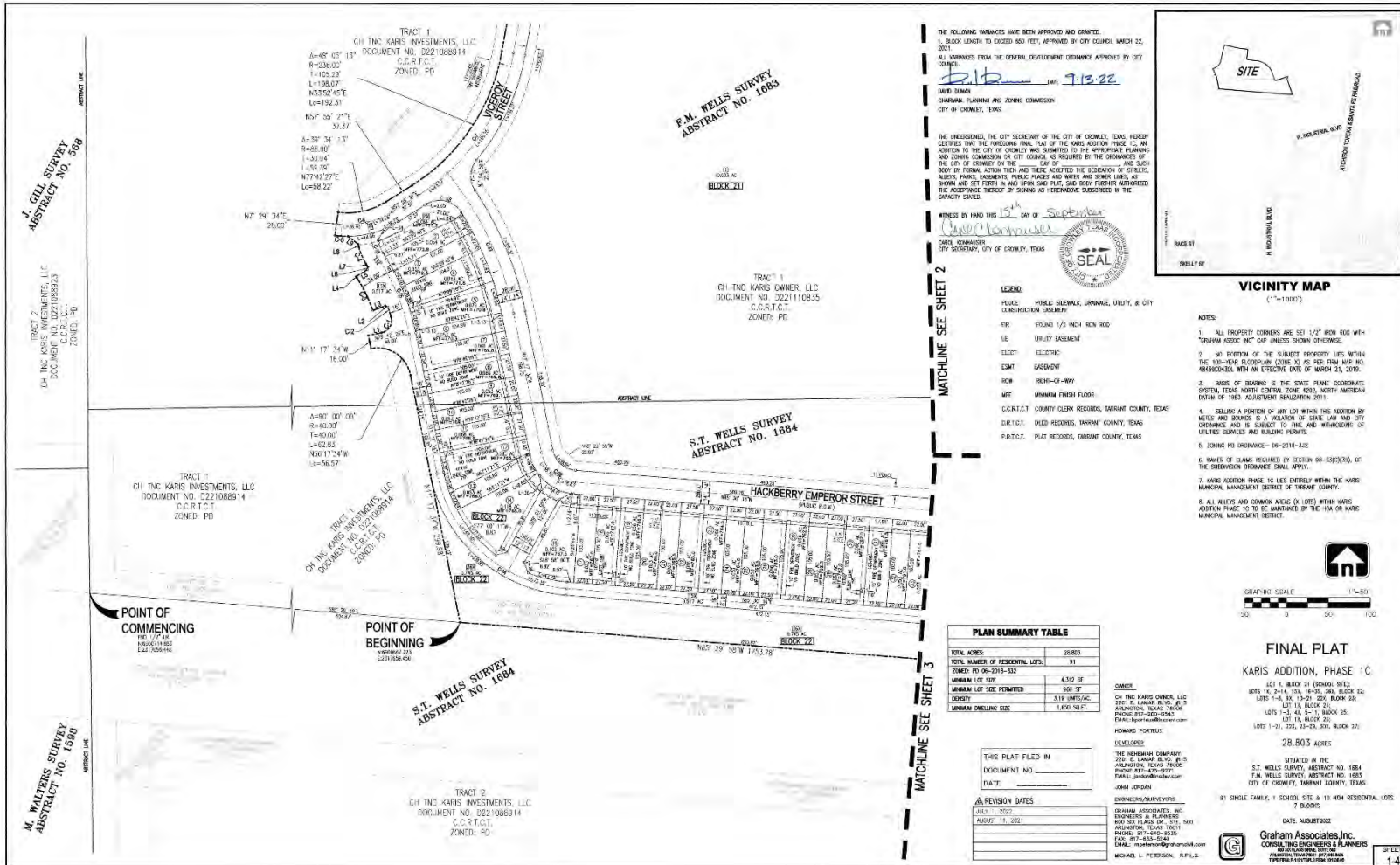
REVISION DATES

NO.	DATE	DESCRIPTION

SHEET
 2-3

APPENDIX C-3

KARIS ADDITION, PHASE 1C



THE FOLLOWING WARRANTIES HAVE BEEN APPROVED AND GRANTED:
 1. BLOCK LENGTHS TO EXCEED 600 FEET, APPROVED BY CITY COUNCIL, MARCH 22, 2011.
 ALL WARRANTIES FROM THE GENERAL DEVELOPMENT ORDINANCE APPROVED BY CITY COUNCIL.

D.B. DATE 7.13.22
 DAVID DUNAM
 CHAIRMAN PLANNING AND ZONING COMMISSION
 CITY OF DORNEY, TEXAS

THE UNDERSIGNED, THE CITY SECRETARY OF THE CITY OF DORNEY, TEXAS, HEREBY CERTIFIES THAT THE FOREGOING FINAL PART OF THE KARIS ADDITION PHASE 1C, IN ADDITION TO THE CITY OF DORNEY WAS SUBMITTED TO THE APPROPRIATE PLANNING AND ZONING COMMISSION OF CITY COUNCIL AS REQUIRED BY THE ORDINANCES OF THE CITY OF DORNEY ON THE DAY OF _____ AND SUCH BODY BY FORMAL ACTION THEN AND THEREAFTER HAS ACCEPTED THE DESCRIPTION OF LOTS, ALLEYS, PARKS, EASEMENTS, PUBLIC PLACES AND WATER AND SEWER LINES, AS SHOWN AND SET FORTH IN AND HEREIN SAID PLAN, SAID BODY FURTHER APPROVED THE ACCEPTANCE THEREOF BY SIGNING AS HEREINAFTER SUBSCRIBED IN THE CORNER THEREOF.

WITNESSED BY HAND THIS 15th DAY OF September 2022
 David Dunam
 CITY SECRETARY, CITY OF DORNEY, TEXAS



VICINITY MAP
 (1"=1000')

MATCHLINE SEE SHEET 2

MATCHLINE SEE SHEET 3

- LEGEND:**
- FOUR: PUBLIC SIDEWALK, DRAINAGE, UTILITY, & CITY CONSTRUCTION EASEMENT
 - FR: FRONT 1/2 INCH HIGH ROAD
 - LE: UTILITY EASEMENT
 - ELECT: ELECTRIC
 - EWT: EASEMENT
 - ROW: RIGHT-OF-WAY
 - WF: MINIMUM FINISH FLOOR
 - C.C.R.T.C.T: COUNTY CLERK RECORDS, DRENNAN COUNTY, TEXAS
 - D.R.L.C.T: DEED RECORDS, TARRANT COUNTY, TEXAS
 - P.A.R.T.C.T: PLAT RECORDS, DRENNAN COUNTY, TEXAS

- NOTES:**
1. ALL PROPERTY CORNERS ARE SET 1/2" FROM ROD WITH "TOPGUN" ASSOCIATED CAP UNLESS SHOWN OTHERWISE.
 2. NO PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE 100-YEAR FLOODPLAIN (ZONE X) AS PER FEMA MAP NO. 18090C0201, WITH AN EFFECTIVE DATE OF MARCH 21, 2019.
 3. BASE OF RECORD IS THE STATE PLUMBING CODEBOOK SYSTEM, TEXAS NORTH CENTRAL ZONE 4200, NORTH AMERICAN DATUM OF THIS ACQUISITION (NAVDATUM 2011).
 4. SELLING A PORTION OF ANY LOT WITHIN THE SECTION BY METES AND BOUNDS IS A VIOLATION OF STATE LAW AND CITY ORDINANCES AND IS SUBJECT TO THE AND WITHHOLDINGS OF UTILITY SERVICES AND BUILDING PERMITS.
 5. ZONING PD ORDINANCE - 06-2018-322
 6. NUMBER OF CLAIMS REQUIRED BY SECTION 88.43(C)(2)(A) OF THE SUBDIVISION ORDINANCE SHALL APPLY.
 7. KARIS ADDITION PHASE 1C LIES ENTIRELY WITHIN THE KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY.
 8. ALL ALLEYS AND COMMON AREAS (X LOTS) WITHIN KARIS ADDITION PHASE 1C TO BE MAINTAINED BY THE HOA OR KARIS MUNICIPAL MANAGEMENT DISTRICT.

PLAN SUMMARY TABLE

TOTAL ACRES	28.603
TOTAL NUMBER OF RESIDENTIAL LOTS	91
OWNER PD 06-2018-332	
MINIMUM LOT SIZE	4,312 SF
MINIMUM LOT AREA PERMITTED	560 SF
DENSITY	3.19 UNITS/AC
MINIMUM DWELLING SIZE	1,600 SQ.FT.

THIS PLAT FILED IN	
DOCUMENT NO.	
DATE	

REVISION DATES	
AUG. 1, 2022	
AUGUST 11, 2021	



FINAL PLAT
 KARIS ADDITION, PHASE 1C

LOT 1, BLOCK 21 (SCHOOL SITE)
 LOTS 2-4, 10, 11, 14-19, 20, BLOCK 22
 LOTS 1-6, 8, 9, 10-21, 22, BLOCK 23
 LOT 1, BLOCK 24
 LOTS 1-11, 21, 22-25, BLOCK 25
 LOT 1, BLOCK 26
 LOTS 1-21, 22, 23-28, 29, BLOCK 27

28.603 ACRES

STARTED IN THE
 S.T. WELLS SURVEY, ABSTRACT NO. 1684
 F.M. WELLS SURVEY, ABSTRACT NO. 1685
 CITY OF DORNEY, TARRANT COUNTY, TEXAS

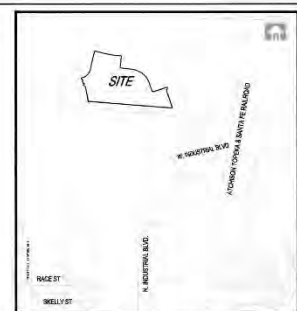
87 SINGLE FAMILY, 1 SCHOOL SITE & 10 HOA RESIDENTIAL LOTS
 7 BLOCKS

DATE AUGUST 2022

Graham Associates, Inc.
 CONSULTING ENGINEERS & PLANNERS
 1400 W. UNIVERSITY BLVD., SUITE 200
 AUSTIN, TEXAS 78758
 TEL: 512.452.8888
 FAX: 512.452.8889
 WWW.GRAMASSOCIATES.COM

TRACT 1
 CH TNC KARIS INVESTMENTS, LLC
 DOCUMENT NO. D02110835
 C.C.R.I.C.T.
 ZONED: PD

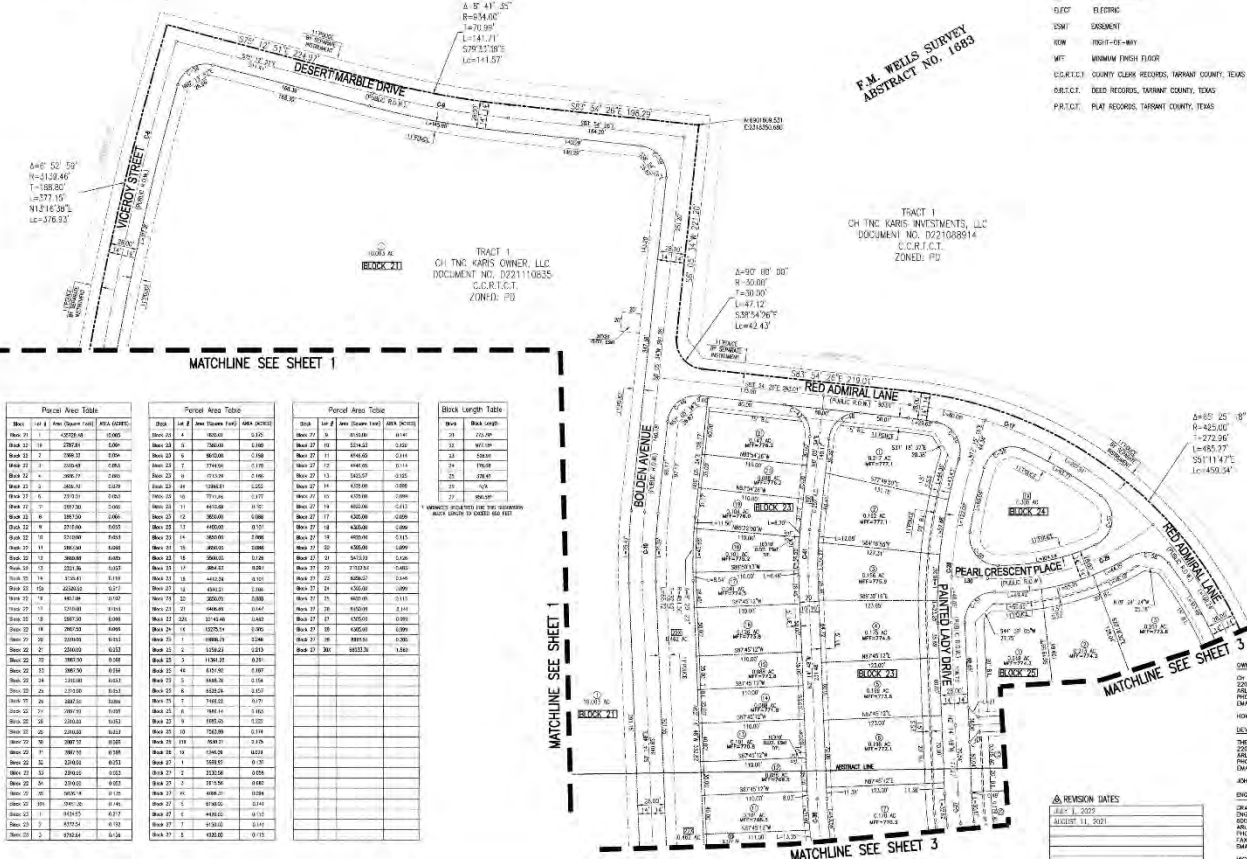
- LEGEND**
- PLUFE: PUBLIC SEWER/MA, DRAINAGE, UTILITY, & CITY CONSTRUCTION EXHIBIT
 - IR: FOUND 1/2 INCH RIB R/D
 - LE: DILITY EASEMENT
 - CL/CF: EGRESS
 - ESMT: EGRESSMENT
 - EDW: FRONT-DE-WAY
 - WTF: MINIMUM FRESH FLOOD
 - CS-C/F/L/C: COUNTY CLERK RECORDS, THARRANT COUNTY, TEXAS
 - CS-C/C/L/C: CDED RECORDS, TARRANT COUNTY, TEXAS
 - PL/C/G/T: PLAT RECORDS, TARRANT COUNTY, TEXAS



F.M. WELLS SURVEY
 ABSTRACT NO. 1683

TRACT 1
 CH TNC KARIS INVESTMENTS, LLC
 DOCUMENT NO. D02110835
 C.C.R.I.C.T.
 ZONED: PD

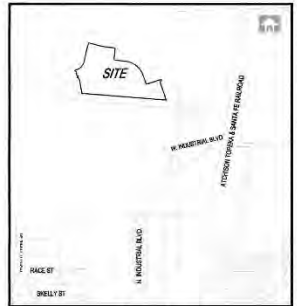
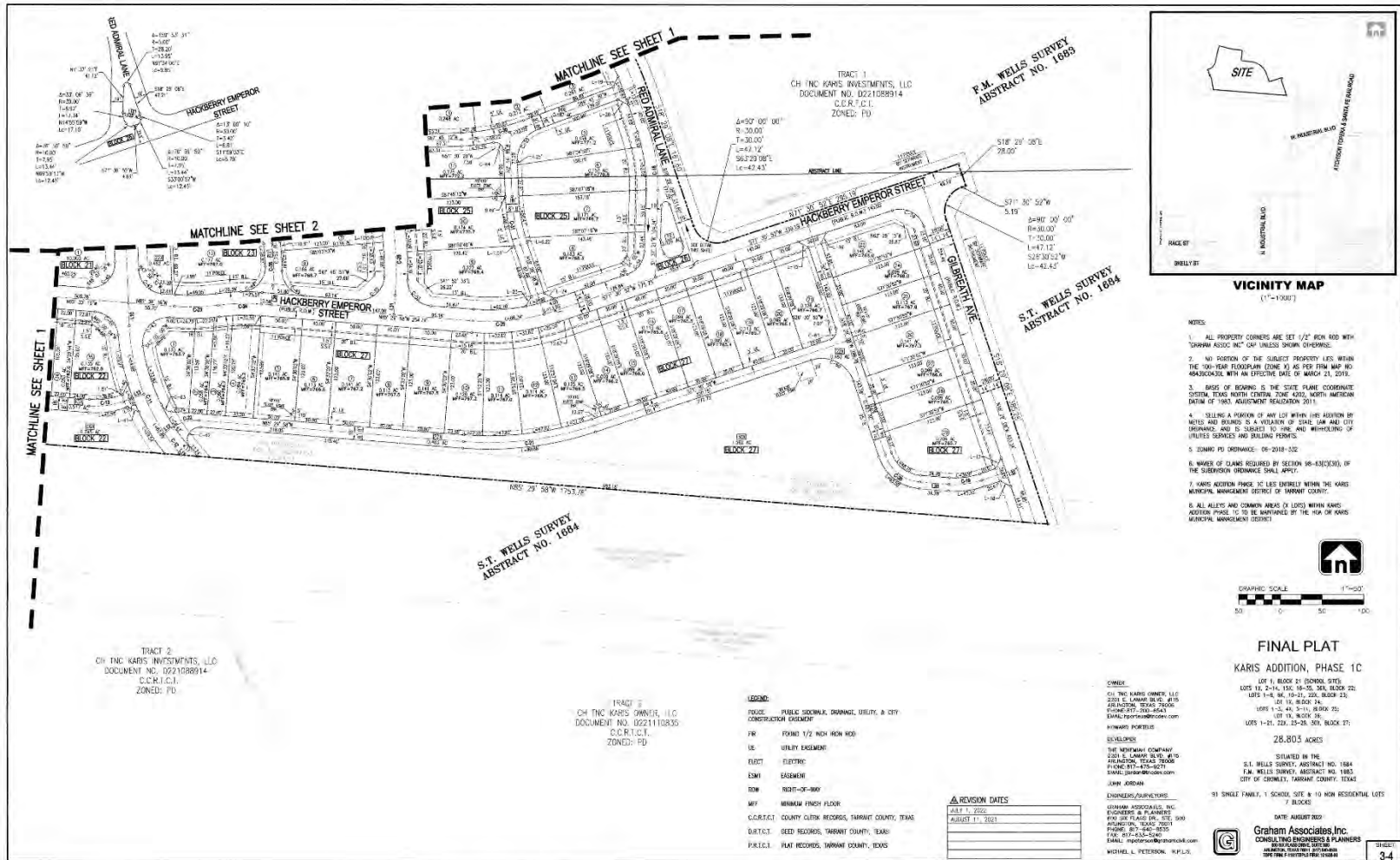
TRACT 1
 CH TNC KARIS OWNER, LLC
 DOCUMENT NO. D021110835
 C.C.R.I.C.T.
 ZONED: PD



MATCHLINE SEE SHEET 1

MATCHLINE SEE SHEET 3

Period Area Table				Period Area Table				Period Area Table				Block Length Table		
Block	Lot #	Area (Square Feet)	AREA (SQ.FT.)	Block	Lot #	Area (Square Feet)	AREA (SQ.FT.)	Block	Lot #	Area (Square Feet)	AREA (SQ.FT.)	Block	Block Length	
Block 20	1	42028.40	42028.40	Block 20	1	42028.40	42028.40	Block 20	1	42028.40	42028.40	Block 20	31	372.00'
Block 20	2	2997.00	2997.00	Block 20	2	2997.00	2997.00	Block 20	2	2997.00	2997.00	Block 20	32	467.25'
Block 20	3	3334.40	3334.40	Block 20	3	3334.40	3334.40	Block 20	3	3334.40	3334.40	Block 20	33	352.50'
Block 20	4	3663.70	3663.70	Block 20	4	3663.70	3663.70	Block 20	4	3663.70	3663.70	Block 20	34	407.50'
Block 20	5	4084.20	4084.20	Block 20	5	4084.20	4084.20	Block 20	5	4084.20	4084.20	Block 20	35	432.75'
Block 20	6	4504.70	4504.70	Block 20	6	4504.70	4504.70	Block 20	6	4504.70	4504.70	Block 20	36	458.00'
Block 20	7	4925.20	4925.20	Block 20	7	4925.20	4925.20	Block 20	7	4925.20	4925.20	Block 20	37	483.25'
Block 20	8	5345.70	5345.70	Block 20	8	5345.70	5345.70	Block 20	8	5345.70	5345.70	Block 20	38	508.50'
Block 20	9	5766.20	5766.20	Block 20	9	5766.20	5766.20	Block 20	9	5766.20	5766.20	Block 20	39	533.75'
Block 20	10	6186.70	6186.70	Block 20	10	6186.70	6186.70	Block 20	10	6186.70	6186.70	Block 20	40	559.00'
Block 20	11	6607.20	6607.20	Block 20	11	6607.20	6607.20	Block 20	11	6607.20	6607.20	Block 20	41	584.25'
Block 20	12	7027.70	7027.70	Block 20	12	7027.70	7027.70	Block 20	12	7027.70	7027.70	Block 20	42	609.50'
Block 20	13	7448.20	7448.20	Block 20	13	7448.20	7448.20	Block 20	13	7448.20	7448.20	Block 20	43	634.75'
Block 20	14	7868.70	7868.70	Block 20	14	7868.70	7868.70	Block 20	14	7868.70	7868.70	Block 20	44	660.00'
Block 20	15	8289.20	8289.20	Block 20	15	8289.20	8289.20	Block 20	15	8289.20	8289.20	Block 20	45	685.25'
Block 20	16	8709.70	8709.70	Block 20	16	8709.70	8709.70	Block 20	16	8709.70	8709.70	Block 20	46	710.50'
Block 20	17	9130.20	9130.20	Block 20	17	9130.20	9130.20	Block 20	17	9130.20	9130.20	Block 20	47	735.75'
Block 20	18	9550.70	9550.70	Block 20	18	9550.70	9550.70	Block 20	18	9550.70	9550.70	Block 20	48	761.00'
Block 20	19	9971.20	9971.20	Block 20	19	9971.20	9971.20	Block 20	19	9971.20	9971.20	Block 20	49	786.25'
Block 20	20	10391.70	10391.70	Block 20	20	10391.70	10391.70	Block 20	20	10391.70	10391.70	Block 20	50	811.50'
Block 20	21	10812.20	10812.20	Block 20	21	10812.20	10812.20	Block 20	21	10812.20	10812.20	Block 20	51	836.75'
Block 20	22	11232.70	11232.70	Block 20	22	11232.70	11232.70	Block 20	22	11232.70	11232.70	Block 20	52	862.00'
Block 20	23	11653.20	11653.20	Block 20	23	11653.20	11653.20	Block 20	23	11653.20	11653.20	Block 20	53	887.25'
Block 20	24	12073.70	12073.70	Block 20	24	12073.70	12073.70	Block 20	24	12073.70	12073.70	Block 20	54	912.50'
Block 20	25	12494.20	12494.20	Block 20	25	12494.20	12494.20	Block 20	25	12494.20	12494.20	Block 20	55	937.75'
Block 20	26	12914.70	12914.70	Block 20	26	12914.70	12914.70	Block 20	26	12914.70	12914.70	Block 20	56	963.00'
Block 20	27	13335.20	13335.20	Block 20	27	13335.20	13335.20	Block 20	27	13335.20	13335.20	Block 20	57	988.25'
Block 20	28	13755.70	13755.70	Block 20	28	13755.70	13755.70	Block 20	28	13755.70	13755.70	Block 20	58	1013.50'
Block 20	29	14176.20	14176.20	Block 20	29	14176.20	14176.20	Block 20	29	14176.20	14176.20	Block 20	59	1038.75'
Block 20	30	14596.70	14596.70	Block 20	30	14596.70	14596.70	Block 20	30	14596.70	14596.70	Block 20	60	1064.00'
Block 20	31	15017.20	15017.20	Block 20	31	15017.20	15017.20	Block 20	31	15017.20	15017.20	Block 20	61	1089.25'
Block 20	32	15437.70	15437.70	Block 20	32	15437.70	15437.70	Block 20	32	15437.70	15437.70	Block 20	62	1114.50'
Block 20	33	15858.20	15858.20	Block 20	33	15858.20	15858.20	Block 20	33	15858.20	15858.20	Block 20	63	1139.75'
Block 20	34	16278.70	16278.70	Block 20	34	16278.70	16278.70	Block 20	34	16278.70	16278.70	Block 20	64	1165.00'
Block 20	35	16699.20	16699.20	Block 20	35	16699.20	16699.20	Block 20	35	16699.20	16699.20	Block 20	65	1190.25'
Block 20	36	17119.70	17119.70	Block 20	36	17119.70	17119.70	Block 20	36	17119.70	17119.70	Block 20	66	1215.50'
Block 20	37	17540.20	17540.20	Block 20	37	17540.20	17540.20	Block 20	37	17540.20	17540.20	Block 20	67	1240.75'
Block 20	38	17960.70	17960.70	Block 20	38	17960.70	17960.70	Block 20	38	17960.70	17960.70	Block 20	68	1266.00'
Block 20	39	18381.20	18381.20	Block 20	39	18381.20	18381.20	Block 20	39	18381.20	18381.20	Block 20	69	1291.25'
Block 20	40	18801.70	18801.70	Block 20	40	18801.70	18801.70	Block 20	40	18801.70	18801.70	Block 20	70	1316.50'
Block 20	41	19222.20	19222.20	Block 20	41	19222.20	19222.20	Block 20	41	19222.20	19222.20	Block 20	71	1341.75'
Block 20	42	19642.70	19642.70	Block 20	42	19642.70	19642.70	Block 20	42	19642.70	19642.70	Block 20	72	1367.00'
Block 20	43	20063.20	20063.20	Block 20	43	20063.20	20063.20	Block 20	43	20063.20	20063.20	Block 20	73	1392.25'
Block 20	44	20483.70	20483.70	Block 20	44	20483.70	20483.70	Block 20	44	20483.70	20483.70	Block 20	74	1417.50'
Block 20	45	20904.20	20904.20	Block 20	45	20904.20	20904.20	Block 20	45	20904.20	20904.20	Block 20	75	1442.75'
Block 20	46	21324.70	21324.70	Block 20	46	21324.70	21324.70	Block 20	46	21324.70	21324.70	Block 20	76	1468.00'
Block 20	47	21745.20	21745.20	Block 20	47	21745.20	21745.20	Block 20	47	21745.20	21745.20	Block 20	77	1493.25'
Block 20	48	22165.70	22165.70	Block 20	48	22165.70	22165.70	Block 20	48	22165.70	22165.70	Block 20	78	1518.50'
Block 20	49	22586.20	22586.20	Block 20	49	22586.20	22586.20	Block 20	49	22586.20	22586.20	Block 20	79	1543.75'
Block 20	50	23006.70	23006.70	Block 20	50	23006.70	23006.70	Block 20	50	23006.70	23006.70	Block 20	80	1569.00'
Block 20	51	23427.20	23427.20	Block 20	51	23427.20	23427.20	Block 20	51	23427.20	23427.20	Block 20	81	1594.25'
Block 20	52	23847.70	23847.70	Block 20	52	23847.70	23847.70	Block 20	52	23847.70	23847.70	Block 20	82	1619.50'
Block 20	53	24268.20	24268.20	Block 20	53	24268.20	24268.20	Block 20	53	24268.20	24268.20	Block 20	83	1644.75'
Block 20	54	24688.70	24688.70	Block 20	54	24688.70	24688.70	Block 20	54	24688.70	24688.70	Block 20	84	1670.00'
Block 20	55	25109.20	25109.20	Block 20	55	25109.20	25109.20	Block 20	55	25109.20	25109.20	Block 20	85	1695.25'
Block 20	56	25529.70	25529.70	Block 20	56	25529.70	25529.70	Block 20	56	25529.70	25529.70	Block 20	86	1720.50'
Block 20	57	25950.20	25950.20	Block 20	57	25950.20	25950.20	Block 20	57	25950.20	25950.20	Block 20	87	1745.75'
Block 20	58	26370.70	26370.70	Block 20	58	26370.70	26370.70	Block 20	58	26370.70	26370.70	Block 20	88	1771.00'
Block 20	59	26791.20	26791.20	Block 20	59	26791.20	26791.20	Block 20	59	26791.20	26791.20	Block 20	89	1796.25'
Block 20	60	27211.70	27211.70	Block 20	60	27211.70	27211.70	Block 20	60	27211.70	27211.70	Block 20	90	1821.50'
Block 20	61	27632.20	27632.20	Block 20	61	27632.20	27632.20	Block 20	61	27632.20	27632.20	Block 20	91	1846.75'
Block 20	62	28052.70	28052.70	Block 20	62	28052.70	28052.70	Block 20	62	28052.70	28052.70	Block 20	92	1872.00'
Block 20	63	28473.20	28473.20	Block 20	63	28473.20	28473.20	Block 20	63	28473.20	28473.20	Block 20	93	1897.25'
Block 20	64	28893.70	28893.70	Block 20	64	28893.70	28893.70	Block 20	64	28893.70	28893.70	Block 20	94	1922.50'
Block 20	65	29314.20	29314.20	Block 20	65	29314.20	29314.20	Block 20	65	29314.20	29314.20	Block 20	95	1947.75'
Block 20	66	29734.70	29734.70	Block 20	66	29734.70	29734.70	Block 20	66	29734.70	29734.70	Block 20	96	1973.00'
Block 20	67	30155.20	30155.20	Block 20	67	30155.20	30155.20	Block 20	67	30155.20	30155.20	Block 20	97	1998.25'
Block 20	68	30575.70	30575.70	Block 20	68	30575.70	30575.70	Block 20	68	30575.70	30575.70	Block 20	98	2023.50'
Block 20	69	31000.20	31000.20	Block 20	69	31000.20	31000.20	Block 20	69	31000.20	31000.20	Block 20	99	2048.75'
Block 20	70	31420.70	31420.70	Block 20	70	31420.70	31420.70	Block 20	70	31420.70	31420.70	Block 20	100	2074.00'
Block 20	71	31841.20	31841.20	Block 20	71	31841.20	31841.20	Block 20	71	31841.20	31841.20	Block 20	101	2099.25'
Block 20	72	32261.70	32261.70	Block 20	72	32261.70	32261.70	Block 20	72	32261.70	32261.70	Block 20	102	2124.50'
Block 20	7													



VICINITY MAP
(1"=100')

- NOTES:
1. ALL PROPERTY CORNERS ARE SET 1/2" ROCK NAIL WITH "SHAWAN ASSOC INC" CAP UNLESS SHOWN OTHERWISE.
 2. NO PORTION OF THE SUBJECT PROPERTY LIES WITHIN THE 100-YEAR FLOODPLAIN (ZONE X) AS PER FIRM MAP NO. 480430004D, WITH AN EFFECTIVE DATE OF MARCH 21, 2014.
 3. BASIS OF BEARING IS THE STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE 4200, NORTH AMERICAN DATUM OF 1983, ADJUSTMENT REGULATION 2011.
 4. SELLING A PORTION OF ANY LOT WITHIN (THE ADDITION BY NOTES AND BOUNDRIES IS A VIOLATION OF STATE AND CITY ORDINANCES AND IS SUBJECT TO THE OBTAINING OF UTILITIES SERVICES AND BUILDING PERMITS.
 5. ZONING PD OVERLAP: 16-2018-152
 6. NUMBER OF LOTS REQUIRED BY SECTION 16-43(C)(3), IF THE SUBDIVISION ORDINANCE SHALL APPLY.
 7. KARIS ADDITION PHASE 1C LIES ENTIRELY WITHIN THE KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY.
 8. ALL ALLEYS AND COMMON AREAS (X LOTS) WITHIN KARIS ADDITION PHASE 1C TO BE MAINTAINED BY THE HOA OF KARIS MUNICIPAL MANAGEMENT DISTRICT.



FINAL PLAT
KARIS ADDITION, PHASE 1C

28,805 ACRES

LOT 1, BLOCK 21 (SCHOOL SITE)
 LOTS 12, 2-14, 15C, 16-35, 36A, BLOCK 21
 LOTS 1-4, 6A, 6B, 7C, 8, BLOCK 23
 21, 14, BLOCK 24
 LOTS 1-5, 4A, 5-11, BLOCK 25
 21, 14, BLOCK 26
 LOTS 1-21, 22A, 22B, 26B, BLOCK 27

21 SINGLE FAMILY, 1 SCHOOL, SITE # 10 HIGH RESIDENTIAL LOTS
 7 BLOCKS

DATE: AUGUST 2022

Graham Associates Inc.
 CONSULTING ENGINEERS & PLANNERS
 1800 WOODLAND BLVD
 SUITE 1000 FORT WORTH TEXAS 76104

TRACT 2
 CH TNC KARIS INVESTMENTS, LLC
 DOCUMENT NO. 02211088914
 C.C.R.T.C.I.
 ZONED: PD

TRACT 1
 CH TNC KARIS INVESTMENTS, LLC
 DOCUMENT NO. 02211088914
 C.C.R.T.C.I.
 ZONED: PD

LEGEND:

ROAD	PUBLIC SIDEWALK, DRAINAGE, UTILITY, & CITY CONSTRUCTION EASEMENT
FR	FRONT 1/2' NCH RCH NCH
UE	UTILITY EASEMENT
ELECT	ELECTRIC
ESEM	EASEMENT
RDW	RIGHT-OF-WAY
MF	MINIMUM FINISH FLOOR
C.C.R.T.C.I.	COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
D.R.T.C.I.	DEED RECORDS, TARRANT COUNTY, TEXAS
P.R.T.C.I.	PLAT RECORDS, TARRANT COUNTY, TEXAS

REVISION DATES

DATE	DESCRIPTION
JULY 1, 2022	
AUGUST 11, 2022	

OWNER:
 CH TNC KARIS OWNER, LLC
 2201 S. LAMAR BLVD. #10
 FORT WORTH, TEXAS 76104
 PHONE: 817-336-1621
 EMAIL: tp@karisaddition.com

DEVELOPER:
 THE MCKINNEY COMPANY
 2201 S. LAMAR BLVD. #10
 FORT WORTH, TEXAS 76104
 PHONE: 817-336-1621
 EMAIL: tp@karisaddition.com

PREPARED BY:
 JOHN JORDAN

ENGINEER/SURVEYOR:
 GRAHAM ASSOCIATES, INC.
 ENGINEERS & PLANNERS
 P.O. BOX 10000, SUITE 1000
 FORT WORTH, TEXAS 76101
 PHONE: 817-342-8335
 FAX: 817-342-8340
 EMAIL: mjordan@grahaminc.com
 MICHAEL L. PETERSON, R.P.L.S.

LINE #	LENGTH	BEARING
1-1	15.08	N07° 42' 20"E
1-2	3.53	S05° 26' 00"W
1-3	15.50	S69° 24' 30"W
1-4	1.81	S32° 04' 21"W
1-5	15.97	N67° 58' 21"E
1-6	3.64	N12° 35' 21"E
1-7	4.69	S02° 04' 38"W
1-8	3.67	N13° 21' 57"W
1-9	15.38	N63° 03' 58"E

CURVE #	R	Δ	ARC LENGTH		CHORD	CHORD BEARING
			CHORD BEARING	CHORD LENGTH		
C-1	90° 47' 21"	13.00	16.83	23.87	N02° 49' 15"E	22.27
C-2	2° 54' 54"	251.48	5.87	11.82	N18° 21' 27"W	11.83
C-3	11° 22' 10"	216.49	21.17	42.07	S28° 20' 34"W	43.32
C-4	18° 42' 48"	86.00	10.67	21.58	S27° 43' 16"W	21.48
C-5	7° 42' 43"	114.00	2.24	4.55	S82° 23' 26"W	4.54

LOTS

CURVE #	R	Δ	ARC LENGTH	CHORD	CHORD BEARING
C-37	13° 39' 30"	30.00	22.81	38.75	
C-38	89° 36' 34"	30.00	29.54	46.66	
C-39	90° 52' 00"	30.00	30.00	47.12	
C-40	16° 44' 32"	30.00	21.90	34.85	
C-41	83° 15' 28"	30.00	26.66	43.58	
C-42	102° 33' 30"	30.00	31.94	50.87	
C-43	89° 52' 38"	30.00	29.84	47.26	
C-44	85° 48' 43"	30.00	27.88	45.83	
C-45	90° 02' 00"	30.00	30.00	47.12	
C-46	89° 50' 00"	30.00	30.00	47.12	
C-47	88° 38' 30"	30.00	31.70	50.69	
C-48	88° 38' 30"	30.00	31.70	50.69	
C-49	88° 38' 30"	30.00	31.70	50.69	
C-50	88° 38' 30"	30.00	31.70	50.69	
C-51	88° 38' 30"	30.00	31.70	50.69	
C-52	88° 38' 30"	30.00	31.70	50.69	
C-53	88° 38' 30"	30.00	31.70	50.69	
C-54	88° 38' 30"	30.00	31.70	50.69	
C-55	88° 38' 30"	30.00	31.70	50.69	
C-56	88° 38' 30"	30.00	31.70	50.69	
C-57	117° 43' 49"	30.00	44.61	61.84	
C-58	87° 10' 38"	30.00	34.01	50.86	
C-59	87° 10' 38"	30.00	34.01	50.86	
C-60	87° 10' 38"	30.00	34.01	50.86	
C-61	87° 10' 38"	30.00	34.01	50.86	
C-62	87° 10' 38"	30.00	34.01	50.86	
C-63	87° 10' 38"	30.00	34.01	50.86	
C-64	87° 10' 38"	30.00	34.01	50.86	
C-65	87° 10' 38"	30.00	34.01	50.86	
C-66	87° 10' 38"	30.00	34.01	50.86	
C-67	87° 10' 38"	30.00	34.01	50.86	
C-68	87° 10' 38"	30.00	34.01	50.86	
C-69	87° 10' 38"	30.00	34.01	50.86	
C-70	87° 10' 38"	30.00	34.01	50.86	
C-71	87° 10' 38"	30.00	34.01	50.86	
C-72	87° 10' 38"	30.00	34.01	50.86	
C-73	87° 10' 38"	30.00	34.01	50.86	
C-74	87° 10' 38"	30.00	34.01	50.86	
C-75	87° 10' 38"	30.00	34.01	50.86	
C-76	87° 10' 38"	30.00	34.01	50.86	
C-77	87° 10' 38"	30.00	34.01	50.86	
C-78	87° 10' 38"	30.00	34.01	50.86	
C-79	87° 10' 38"	30.00	34.01	50.86	
C-80	87° 10' 38"	30.00	34.01	50.86	
C-81	87° 10' 38"	30.00	34.01	50.86	
C-82	87° 10' 38"	30.00	34.01	50.86	
C-83	87° 10' 38"	30.00	34.01	50.86	
C-84	87° 10' 38"	30.00	34.01	50.86	
C-85	87° 10' 38"	30.00	34.01	50.86	
C-86	87° 10' 38"	30.00	34.01	50.86	
C-87	87° 10' 38"	30.00	34.01	50.86	
C-88	87° 10' 38"	30.00	34.01	50.86	
C-89	87° 10' 38"	30.00	34.01	50.86	
C-90	87° 10' 38"	30.00	34.01	50.86	
C-91	87° 10' 38"	30.00	34.01	50.86	
C-92	87° 10' 38"	30.00	34.01	50.86	
C-93	87° 10' 38"	30.00	34.01	50.86	
C-94	87° 10' 38"	30.00	34.01	50.86	
C-95	87° 10' 38"	30.00	34.01	50.86	
C-96	87° 10' 38"	30.00	34.01	50.86	
C-97	87° 10' 38"	30.00	34.01	50.86	
C-98	87° 10' 38"	30.00	34.01	50.86	
C-99	87° 10' 38"	30.00	34.01	50.86	
C-100	87° 10' 38"	30.00	34.01	50.86	

CENTERLINE

CURVE TABLE

CURVE #	R	Δ	ARC LENGTH	CHORD	CHORD BEARING
C-1	37° 34' 18"	100.00	20.87	49.00	
C-2	39° 06' 08"	250.00	68.37	188.25	
C-3	6° 36' 36"	3125.49	181.71	367.34	
C-4	8° 41' 35"	3948.00	232.61	473.87	
C-5	8° 20' 22"	399.50	38.76	92.87	
C-6	11° 32' 58"	236.00	23.74	57.77	
C-7	8° 49' 21"	250.00	48.97	137.14	
C-8	28° 18' 40"	100.00	21.42	49.27	
C-9	14° 12' 42"	175.00	35.25	81.47	
C-10	22° 38' 48"	225.48	44.47	101.79	
C-11	19° 42' 46"	63.00	6.24	16.23	
C-12	19° 28' 18"	111.60	10.87	26.92	
C-13	20° 04' 28"	214.80	21.84	53.17	
C-14	18° 28' 18"	111.60	10.87	26.92	
C-15	18° 04' 50"	48.00	31.78	56.14	
C-16	22° 39' 30"	385.00	82.71	198.47	
C-17	28° 18' 40"	100.00	21.42	49.27	
C-18	11° 54' 24"	230.00	28.17	67.96	
C-19	11° 54' 47"	250.00	28.65	67.98	
C-20	22° 39' 30"	385.00	82.71	198.47	
C-21	28° 18' 40"	100.00	21.42	49.27	
C-22	11° 54' 24"	230.00	28.17	67.96	
C-23	11° 54' 47"	250.00	28.65	67.98	
C-24	22° 39' 30"	385.00	82.71	198.47	
C-25	28° 18' 40"	100.00	21.42	49.27	
C-26	11° 54' 24"	230.00	28.17	67.96	
C-27	11° 54' 47"	250.00	28.65	67.98	
C-28	22° 39' 30"	385.00	82.71	198.47	
C-29	28° 18' 40"	100.00	21.42	49.27	
C-30	11° 54' 24"	230.00	28.17	67.96	
C-31	11° 54' 47"	250.00	28.65	67.98	
C-32	22° 39' 30"	385.00	82.71	198.47	
C-33	28° 18' 40"	100.00	21.42	49.27	
C-34	11° 54' 24"	230.00	28.17	67.96	
C-35	11° 54' 47"	250.00	28.65	67.98	
C-36	22° 39' 30"	385.00	82.71	198.47	
C-37	28° 18' 40"	100.00	21.42	49.27	
C-38	11° 54' 24"	230.00	28.17	67.96	
C-39	11° 54' 47"	250.00	28.65	67.98	
C-40	22° 39' 30"	385.00	82.71	198.47	
C-41	28° 18' 40"	100.00	21.42	49.27	
C-42	11° 54' 24"	230.00	28.17	67.96	
C-43	11° 54' 47"	250.00	28.65	67.98	
C-44	22° 39' 30"	385.00	82.71	198.47	
C-45	28° 18' 40"	100.00	21.42	49.27	
C-46	11° 54' 24"	230.00	28.17	67.96	
C-47	11° 54' 47"	250.00	28.65	67.98	
C-48	22° 39' 30"	385.00	82.71	198.47	
C-49	28° 18' 40"	100.00	21.42	49.27	
C-50	11° 54' 24"	230.00	28.17	67.96	
C-51	11° 54' 47"	250.00	28.65	67.98	
C-52	22° 39' 30"	385.00	82.71	198.47	
C-53	28° 18' 40"	100.00	21.42	49.27	
C-54	11° 54' 24"	230.00	28.17	67.96	
C-55	11° 54' 47"	250.00	28.65	67.98	
C-56	22° 39' 30"	385.00	82.71	198.47	
C-57	28° 18' 40"	100.00	21.42	49.27	
C-58	11° 54' 24"	230.00	28.17	67.96	
C-59	11° 54' 47"	250.00	28.65	67.98	
C-60	22° 39' 30"	385.00	82.71	198.47	
C-61	28° 18' 40"	100.00	21.42	49.27	
C-62	11° 54' 24"	230.00	28.17	67.96	
C-63	11° 54' 47"	250.00	28.65	67.98	
C-64	22° 39' 30"	385.00	82.71	198.47	
C-65	28° 18' 40"	100.00	21.42	49.27	
C-66	11° 54' 24"	230.00	28.17	67.96	
C-67	11° 54' 47"	250.00	28.65	67.98	
C-68	22° 39' 30"	385.00	82.71	198.47	
C-69	28° 18' 40"	100.00	21.42	49.27	
C-70	11° 54' 24"	230.00	28.17	67.96	
C-71	11° 54' 47"	250.00	28.65	67.98	
C-72	22° 39' 30"	385.00	82.71	198.47	
C-73	28° 18' 40"	100.00	21.42	49.27	
C-74	11° 54' 24"	230.00	28.17	67.96	
C-75	11° 54' 47"	250.00	28.65	67.98	
C-76	22° 39' 30"	385.00	82.71	198.47	
C-77	28° 18' 40"	100.00	21.42	49.27	
C-78	11° 54' 24"	230.00	28.17	67.96	
C-79	11° 54' 47"	250.00	28.65	67.98	
C-80	22° 39' 30"	385.00	82.71	198.47	
C-81	28° 18' 40"	100.00	21.42	49.27	
C-82	11° 54' 24"	230.00	28.17	67.96	
C-83	11° 54' 47"	250.00	28.65	67.98	
C-84	22° 39' 30"	385.00	82.71	198.47	
C-85	28° 18' 40"	100.00	21.42	49.27	
C-86	11° 54' 24"	230.00	28.17	67.96	
C-87	11° 54' 47"	250.00	28.65	67.98	
C-88	22° 39' 30"	385.00	82.71	198.47	
C-89	28° 18' 40"	100.00	21.42	49.27	
C-90	11° 54' 24"	230.00	28.17	67.96	
C-91	11° 54' 47"	250.00	28.65	67.98	
C-92	22° 39' 30"	385.00	82.71	198.47	
C-93	28° 18' 40"	100.00	21.42	49.27	
C-94	11° 54' 24"	230.00	28.17	67.96	
C-95	11° 54' 47"	250.00	28.65	67.98	
C-96	22° 39' 30"	385.00	82.71	198.47	
C-97	28° 18' 40"	100.00	21.42	49.27	
C-98	11° 54' 24"	230.00	28.17	67.96	
C-99	11° 54' 47"	250.00	28.65	67.98	
C-100	22° 39' 30"	385.00	82.71	198.47	

Line Table

LINE #	LENGTH	BEARING
1-1	15.08	N07° 42' 20"E
1-2	3.53	S05° 26' 00"W
1-3	15.50	S69° 24' 30"W
1-4	1.81	S32° 04' 21"W
1-5	15.97	N67° 58' 21"E
1-6	3.64	N12° 35' 21"E
1-7	4.69	S02° 04' 38"W
1-8	3.67	N13° 21' 57"W
1-9	15.38	N63° 03' 58"E

Line Table

CURVE #	R	Δ	ARC LENGTH	CHORD	CHORD BEARING
C-1	90° 47' 21"	13.00	16.83	23.87	N02° 49' 15"E
C-2	2° 54' 54"	251.48	5.87	11.	

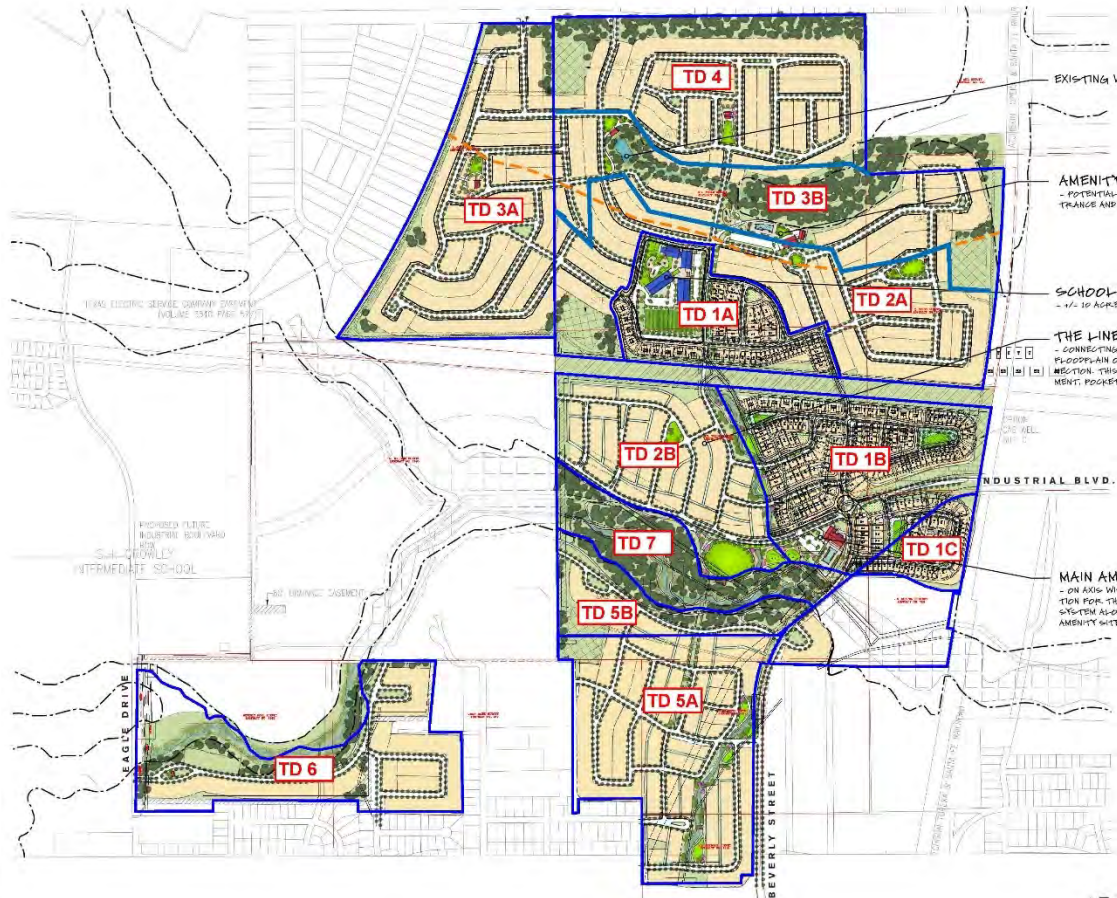
APPENDIX D

MAP OF AUTHORIZED IMPROVEMENTS



APPENDIX E

KARIS PHASING PLAN



EXISTING WETLAND AREA

AMENITY SITE
- POTENTIAL SECONDARY SITE AT NORTHERN ENTRANCE AND GATEWAY ELEMENT

SCHOOL
- 1/4 TO 1/2 ACRE

THE LINEAR PARK
- CONNECTING FROM THE LAKE TO THE GREEN AND NATURAL FLOODPLAIN ON THE SOUTH. CREATE A LARGE GREEN CONNECTION. THIS SHOULD BE AREA FOR WATERWATER TREATMENT, POCKET PARKS, ACTIVE AND PASSIVE RECREATION

INDUSTRIAL BLVD.

MAIN AMENITY AND PARK
- ON AXIS WITH BEVERLY STREET, THIS WOULD BE THE LOCATION FOR THE MAIN AMENITY GATE AND CONNECT TO THE TRAIL SYSTEM ALONG THE GREEN AND THE MEADOW TO THE NORTH AMENITY GATE.



KARIS CROWLEY, TX • MASTER PLAN
PN 1018172 | 07.12.2019 | THE NEHEMIAH COMPANY



Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS



APPENDIX F
FORM OF OPINION OF BOND COUNSEL

ABHR

_____, 2024

WE HAVE ACTED AS BOND COUNSEL for Karis Municipal Management District of Tarrant County (the "District"), which we also represent on other matters, in connection with an issue of bonds (the "Bonds") described as follows:

KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY ASSESSMENT REVENUE BONDS, SERIES 2024, dated the date of initial delivery thereof, in an initial aggregate principal amount of \$3,824,000, issued pursuant to and secured by an Indenture of Trust dated as of November 1, 2024 (the "Indenture"), between the District and BOKF, NA, a national banking association.

WE HAVE ACTED AS BOND COUNSEL for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon certificates executed by officers, agents and representatives of the District. We have assumed no responsibility with respect to the financial condition of the District or the reporting or disclosure thereof in connection with the sale of the Bonds. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

IN OUR CAPACITY AS BOND COUNSEL, we have participated in the preparation of and have examined a transcript of certified materials pertaining to the Bonds which contains certified copies of certain proceedings of the Board of Directors of the District, customary certificates of officers, agents and representatives of the District, and other certified showings relating to the authorization and issuance of the Bonds. We also have examined executed Bond No. 1 of this issue.

BASED ON SAID EXAMINATION, IT IS OUR OPINION THAT:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective; and therefore the Bonds are valid and legally

binding special obligations of the District payable from the Pledged Revenues (as defined in the Indenture), as and to the extent provided in the Indenture.

- (2) Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The rights of the owners of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally and may be limited by general principles of equity which permit the exercise of judicial discretion.

In providing such opinions, we have relied on representations of the District, the District's Financial Advisor and the Underwriter (as defined in the Indenture) with respect to matters solely within the knowledge of the District, the District's Financial Advisor and the Underwriter, respectively, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. If such representations are determined to be inaccurate or incomplete or the District fails to comply with the foregoing covenants of the Indenture, interest on the Bonds could become includable in gross income from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income

for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer.

APPENDIX G-1
FORM OF DISTRICT DISCLOSURE AGREEMENT

**KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY,
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of November 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and between the Karis Municipal Management District of Tarrant County (the “Issuer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”), and 30 Three Sixty Public Finance, Inc. (in such capacity, the “Dissemination Agent”) with respect to the Issuer’s “Assessment Revenue Bonds, Series 2024” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of November 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, as amended or supplemented, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The current Administrator is 30 Three Sixty Public Finance, Inc.

“Affiliate” shall have the meaning assigned to such term in Section 22 of this Disclosure Agreement.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer that have been prepared in accordance with generally accepted accounting

principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Developer” shall mean CH TNC Karis Owner, LLC, a Delaware limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of November 1, 2024, executed and delivered by the Developer, the Administrator, and the Dissemination Agent, relating to the Bonds.

“Disclosure Representative” shall mean the President of the Board of Directors of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean 30 Three Sixty Public Finance, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the calendar year from May 1 through April 30.

“Foreclosure Proceeds” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reporting pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean BOKF, NA, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) Commencing with the Fiscal Year ending April 30, 2025, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six (6) months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than twelve (12) months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent together, with written instructions to file such information or financial statements, as applicable, with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (a); and

(ii) file the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, containing or incorporating by reference the information set forth in Section 4 hereof;

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information or the Audited Financial Statements, as applicable, together with written instructions to file such financial information or financial statements with the MSRB and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such financial information or financial statements shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and the Audited Financial Statements shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) *Annual Financial Information.* Within six (6) months after the end of each Fiscal Year, the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding, and the outstanding interest amount;

(B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) The certified total assessed value for the land in Improvement Area #1 of the Issuer for such Fiscal Year according to the Tarrant Appraisal District.

(iv) Updates to the information in the Service and Assessment Plan or the Annual Service Plan Update as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in Improvement Area #1 of the Issuer.

(v) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total the Assessments levied within Improvement Area #1 of the Issuer, the Annual Financial Information (in the Annual Service Plan Update or otherwise) shall include the number of certificates of occupancy (“COs”) issued for new homes completed in Improvement Area #1 of the Issuer during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #1 of the Issuer since filing the initial Annual Financial Information for Fiscal Year ending April 30, 2025.

(vi) If the total amount of delinquencies greater than 150 days equals or exceeds five percent (5%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

(vii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements during such Fiscal Year.

(b) *Audited Financial Statements.* Within twelve (12) months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within twelve (12) months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated 30 Three Sixty Public Finance, Inc., as the current Administrator. The Administrator, and if no Administrator is designated, Issuer’s staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within the Issuer in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a

plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 5 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements (or unaudited financial statements, if Audited Financial Statements are not available) or Annual Financial Information, as applicable, as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice to MSRB of Failure to File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of

such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The current Dissemination Agent appointed hereunder shall be 30 Three Sixty Public Finance, Inc. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days’ written notice to the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any

provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited Financial Statements for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter

or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Financial Information and the Audited Financial Statements) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1 of the Issuer, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Financial Information or Audited Financial Statements to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the

Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #1 of the Issuer, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is solely intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1 of the Issuer, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Statutory Verifications. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Disclosure Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company.* The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel.* The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities.* The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies.* The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure

Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 19. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 20. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

(Signature pages follow.)

KARIS MUNICIPAL MANAGEMENT
DISTRICT OF TARRANT COUNTY
(as Issuer)

By: _____
President, Board of Directors

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Dissemination Agent)

By: _____

30 THREE SIXTY PUBLIC FINANCE, INC.,
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: Karis Municipal Management District of Tarrant County
Name of Bond Issue: Assessment Revenue Bonds, Series 2024

Date of Delivery _____, 20__
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the Karis Municipal Management District of Tarrant County, has not provided [an Annual Financial Information] [Audited Financial Statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of November 1, 2024, between the Issuer, 30 Three Sixty Public Finance, Inc., as Administrator and 30 Three Sixty Public Finance, Inc., as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information] [Audited Financial Statements] will be filed by _____.

Dated: _____

30 THREE SIXTY PUBLIC FINANCE, INC.,
on behalf of the Karis Municipal Management
District of Tarrant County
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: Karis Municipal Management
District of Tarrant County

EXHIBIT B

**KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY,
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [Insert CUSIP Nos]

DISSEMINATION AGENT

Name: _____
Address: _____
City: _____
Telephone: _____
Contact Person: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(A)

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance) _____
 Funds and Accounts [list] _____
 TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____
 Outstanding Program Expenses (if any) _____
 TOTAL LIABILITIES _____

EQUITY

Assets Less Liabilities _____
 Parity Ratio _____

Form of Accounting Cash Accrual Modified Accrual

Section 4(a)(ii)(A)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR

Foreclosure History Related to the Assessments

<u>Time Period</u>	<u>Delinquent Assessment</u>		<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
	<u>Parcels in Foreclosure Proceedings</u>	<u>Amount in Foreclosure Proceedings</u>		
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

Collection and Delinquency History of Assessments

<u>Time Period</u>	<u>Total Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	<u>Total Assessments Collected⁽²⁾</u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB 1. OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (“Installment Payments”). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties. Includes \$_____ attributable to Prepayments.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEM REQUIRED BY SECTION 4(a)(iii)

Assessed Value of the Issuer

The [YEAR] certified total assessed value for the land in Improvement Area #1 of the Issuer is approximately \$[AMOUNT] according to the Tarrant Appraisal District.

ITEMS REQUIRED BY SECTION 4(a)(iv) - (vii)

[Insert a line item for each applicable listing]

EXHIBIT C

**BASIC TIMELINE FOR ASSESSMENT COLLECTIONS
AND PURSUIT OF DELINQUENCIES⁽¹⁾**

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received. Upon receipt but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing. Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Issuer and/or Administrator should be aware of actual and specific delinquencies. Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

⁽¹⁾ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

April 1

59/60

At this point, if total delinquencies are under 5% and if there is adequate funding for September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the District Attorney or an appropriate designee, will begin process to cure delinquency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in accordance with the County Tax/Assessor Collector's procedures.**

If there are over 5% delinquencies or if there is insufficient funding in the Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the County Tax/Assessor Collector's procedures.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax/Assessor Collector's procedures.

Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.

Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the

Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

APPENDIX G-2
FORM OF DEVELOPER DISCLOSURE AGREEMENT

**KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of November 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among CH TNC Karis Owner, LLC (the “Developer”), 30 Three Sixty Public Finance, Inc. (as more particularly defined below, the “Administrator”), and 30 Three Sixty Public Finance, Inc., acting solely in the capacity of dissemination agent (as more particularly defined below, the “Dissemination Agent”) with respect to the “Karis Municipal Management District of Tarrant County Assessment Revenue Bonds, Series 2024” (the “Bonds”). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of November 1, 2024 (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or third-party designee of the Issuer who is not an officer or employee thereof, who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Bonds” shall mean the Karis Municipal Management District of Tarrant County Assessment Revenue Bonds, Series 2024.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Certification Letter” shall mean a certification letter provided by the Developer or Significant Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Designated Successors and Assigns” shall mean (i) any entity which is the successor by merger or otherwise to all or substantially all of a Developer’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (ii) any entity which may have acquired all of the outstanding stock or ownership of assets of a Developer.

“Developer” shall mean CH TNC Karis Owner, LLC, the affiliates of such entity, and its successors and assigns.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of the Issuer, dated as of November 1, 2024, executed and delivered by and among the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean 30 Three Sixty Public Finance, Inc., acting solely in the capacity of dissemination agent, and its successors.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Purchase and Sale Agreement with the Developer, and the successors and assigns of such homebuilder under such Purchase and Sale Agreement.

“Homebuilder Listed Event(s)” shall have the meaning set forth in Section 4(b) of this Disclosure Agreement.

“Improvement Area #1” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Area #1 Projects” shall have the meaning assigned to the term “Authorized Improvements” in the Indenture and Service and Assessment Plan.

“Issuer” shall mean the Karis Municipal Management District of Tarrant County.

“Listed Events” shall mean any of the events listed in Sections 4(a) and 4(b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reporting pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Purchase and Sale Agreement” shall mean, with respect to lots or land within Improvement Area #1 of the District, any agreement of sale and purchase between a Homebuilder and the Developer to purchase lots or to purchase land.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2025.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date, being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns ten (10) or more lots within Improvement Area #1.

“Trustee” shall mean BOKF, NA, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place.

SECTION 3. Quarterly Reports.

(a) The Developer with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with March 31, 2025, the information required for the preparation of the Quarterly Report (the “Quarterly Information”). The Developer shall provide, or cause to be provided, such Quarterly Information until the Developer’s obligations terminate pursuant to Section 6 of this Disclosure Agreement.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Developer pursuant to subsection (a) above and (ii) provide to the Developer each Quarterly Report for review no later than twenty-five (25) days prior to each Quarterly Filing Date. The Developer shall review the Quarterly Report and, upon such review, shall promptly, but no later than five (5) days prior to each Quarterly Filing Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, the Developer shall have the

sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, not less than five (5) days prior to each Quarterly Filing Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter provided by the Developer. The Dissemination Agent shall file the Quarterly Report and the Certification Letter with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within five (5) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that the Developer or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written notice from the Developer or Administrator, as applicable, file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If the Developer timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Developer under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) The number of acres of land, parcels and/or lots in Improvement Area #1 subject to the Assessments as of the Quarterly Ending Date;

(ii) The landowner composition of Improvement Area #1, including:

A. The number of parcels and/or lots owned by each type of landowner (i.e., Developer or Homebuilder), broken down by planned and actual parcels and/or lots;

B. The percentage of Annual Installments of Assessments relative to the total Annual Installments of Assessments for each type of landowner, as of the Quarterly Ending Date;

C. The number of acres of land owned by each type of landowner;

D. A listing of all Homebuilders, and the percentage of each Homebuilder's and the Developer's Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the Quarterly Ending Date; and

E. An explanation as to any change to the number of parcels and/or lots within Improvement Area #1 from the prior Quarterly Ending Date; and

(iii) For each parcel designated as a residential lot, lot absorption statistics, including:

A. The number of lots platted in Improvement Area #1, on a current quarter and running total basis;

B. The number of finished lots in Improvement Area #1 (i) previously owned by the Developer closed with a Homebuilder or (ii) owned by a Homebuilder but constructed by Developer, on a current quarter and the increase over prior quarter;

C. The number of lots in Improvement Area #1 owned by the Developer under contract with a Homebuilder;

D. The number of lots in Improvement Area #1 owned by the Developer not closed or under contract with a Homebuilder; and

E. An explanation as to any change to the number of lots planned to be developed in Improvement Area #1 by the Developer or any Homebuilder;

(iv) For each parcel designated as a residential lot, for each Homebuilder, on a current quarter or running total basis:

A. The number of homes under construction in Improvement Area #1;

B. The number of homes constructed, but not under contract with homebuyers, in Improvement Area #1;

C. The number of homes under contract with homebuyers;

D. The number of homes closed with homebuyers (delivered to end users) in Improvement Area #1;

E. The increase in the number of homes closed with homebuyers (delivered to end users) in Improvement Area #1 from the prior Quarterly Ending Date;

F. The average sales price of homes; and

G. The number of completed homes in inventory not closed or under contract.

(v) Materially adverse changes or determinations to permits/approvals for the development of Improvement Area #1 which necessitate changes to the land use plans of the Developer; and

(vi) The occurrence of any new or modified mortgage debt on the land owned by the Developer within Improvement Area #1, including the amount, interest rate and terms of repayment.

(e) With respect to the Improvement Area #1 Projects, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Report:

(i) Total construction budget, including:

- A. Budgeted and actual total costs of all Improvement Area #1 Projects;
 - B. Budgeted and actual total costs of the Improvement Area #1 Projects financed with the Bonds; and
 - C. Budgeted and actual total costs of Improvement Area #1 Projects financed with other sources of funds (non-bond financed);
- (ii) Total expected costs for design and engineering to be completed after delivery of the Bonds;
 - (iii) Forecast construction milestones by date;
 - (iv) Construction budget allocated to each progress milestone;
 - (v) Forecast completion date; and
 - (vi) Acceptance date, if applicable.

SECTION 4. Event Reporting Obligations of Developer.

(a) Pursuant to the provisions of this Section 4, each of the following occurrences is a Listed Event with respect to the Bonds:

- (i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;
- (ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Projects;
- (iii) Material default by the Developer on any loan with respect to the development or permanent financing of Improvement Area #1 undertaken by the Developer;
- (iv) Material default by the Developer on any loan secured by property within Improvement Area #1 owned by the Developer;
- (v) The bankruptcy, insolvency or similar filing of the Developer or any determination that the Developer is unable to pay its debts as they become due;
- (vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of \$1,000,000 against the Developer that may adversely affect the completion of development of Improvement Area #1 or litigation that may materially adversely affect the financial condition of the Developer; and

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition of such Significant Homebuilder or the sale of all or substantially all of the assets of such Significant Homebuilder, other than in the ordinary course of business;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder; and

(v) Early termination of or material default by such Significant Homebuilder under an Purchase and Sale Agreement.

The Developer shall use commercially reasonable efforts to: (1) cause each Significant Homebuilder to provide prompt notice to the Developer of the occurrence of each Significant Homebuilder Listed Event related to such Significant Homebuilder, and (2) otherwise promptly become aware of the occurrence of each Significant Homebuilder Listed Event. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Purchase and Sale Agreement that is executed after the date hereof contains a provision obligating the applicable Significant Homebuilder to provide prompt notice to the Developer of the occurrence of each Significant Homebuilder Listed Event related to such Significant Homebuilder.

(c) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly, and not more than five (5) Business Days after the Developer obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Developer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days of the occurrence of

such Listed Event.

Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the Developer desires to make, the written authorization of the Developer for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the Developer obtains knowledge of the Listed Event).

In all cases, the Developer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Developer shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days of the occurrence of the Listed Event.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify the Issuer, the Developer and the Significant Homebuilder, if applicable, of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Developer or Significant Homebuilder, as applicable to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Developer or Significant Homebuilder, as applicable, and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Developer or Significant Homebuilder, as applicable as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Issuer, the Developer, the Significant Homebuilder, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been instructed by the Developer in accordance with subsection (c) of this Section 4 to report the occurrence of a Listed Event as identified in subsections (a) or (b) of this Section 4, the Dissemination Agent shall file, subject to written consent by the Issuer, a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from the Developer.

SECTION 5. Assumption of Reporting Obligations by Designated Successors and Assigns.

The Developer and all Designated Successors and Assigns, if any, shall cause each of their respective Designated Successors and Assigns to assume the reporting obligations of the Developer under this Disclosure Agreement.

SECTION 6. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) the Developer no longer owns at least ten percent (10%) of the residential lots (proposed or actual) within Improvement Area #1, as of the applicable Quarterly Ending Date.

(b) The reporting obligations of a Significant Homebuilder under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) the Significant Homebuilder no longer owns at least ten percent (10%) of the residential lots (proposed or actual) within Improvement Area #1, as of the applicable Quarterly Ending Date.

(c) Upon receipt of written notice from the Developer, Significant Homebuilder or Dissemination Agent that the reporting obligations of the Developer or Significant Homebuilder have terminated in accordance with subsection (a) or (b) of this Section 6, the Administrator shall provide written notice to the Developer, Significant Homebuilder, the District, the Trustee and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating the Developer's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the Developer, and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of the Developer's and all Significant Homebuilders', if any, reporting obligations in accordance with subsection (a) and (b) of this Section 6 and any Termination Notice required by subsection (c) of this Section 6 has been provided to the MSRB, the District, the Trustee, the Developer or Significant Homebuilder, as applicable, and the Participating Underwriter.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out the obligations of the Developer, Significant Homebuilder, if any, and the Administrator under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be 30 Three Sixty Public Finance, Inc.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination

Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 8 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder, if any, from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of the Developer or Administrator to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Developer and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer or Administrator.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the

Dissemination Agent. The Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR OR THE DEVELOPER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN

ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Developer, any Significant Homebuilder, if any, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Developer, any Significant Developer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, any Significant Homebuilder, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 16. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 17. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Dissemination Agent)

By: _____
Authorized Officer

CH TNC KARIS OWNER, LLC.,
a Delaware limited liability company,
(as Developer)

By: _____

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Administrator)

By: _____
Name: _____
Title: _____

EXHIBIT A

**KARIS MUNICIPAL MANAGEMENT DISTRICT OF TARRANT COUNTY
ASSESSMENT REVENUE BONDS, SERIES 2024
(IMPROVEMENT AREA #1)**

DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: _____
Address: _____
Issuer: _____
Telephone: _____
Contact Person: _____

TABLE 3(d)(i)

ASSESSMENT PER LOT TYPE OVERVIEW (as of <i>[Insert Quarterly Ending Date]</i>)	
NUMBER OF PARCELS AND/OR LOTS IN IMPROVEMENT AREA #1 SUBJECT TO ASSESSMENTS:	
Lot Type	
Townhomes 22' Lots	
35' Lots	
40' Lots	
50' Lots	
60' Lots	
70' Lots	
[Future Residential Lots]	
Total SF Lots:	

[Remainder of page intentionally left blank]

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of [<i>Insert Quarterly Ending Date</i>]) OF IMPROVEMENT AREA #1				
Developer Composition	Planned Parcels/Lots	Actual Parcel/Lots	% of Annual Installments	Acreage
Owned by Homebuilder				
Townhomes 22' Lots				
35' Lots				
40' Lots				
50' Lots				
60' Lots				
70' Lots				
<i>Total Homebuilder Owned Lots:</i>				
Owned by Developer				
Townhomes 22' Lots				
35' Lots				
40' Lots				
50' Lots				
60' Lots				
70' Lots				
<i>Total Developer Owned Lots:</i>				
<i>Total Development</i>				
Notations: - Listing of all Homebuilders and the percentage of each Homebuilder's and the Developer's Annual Installments of Assessments relative to the total Annual Installments of Assessments, as of the [<i>Insert Quarterly Ending Date</i>] - Explanation as to any change to the number of parcels and/or lots within Improvement Area #1 from the prior Quarterly Ending Date				

[Remainder of page intentionally left blank]

FOR EACH PARCEL DESIGNATED AS SINGLE FAMILY RESIDENTIAL:

TABLE 3(d)(iii)

DEVELOPER ABSORPTION STATISTICS FOR RESIDENTIAL LOTS IN IMPROVEMENT AREA #1					
	Number of Platted Lots	Closed to Homebuilder or owned by Homebuilder	Increase from [<i>insert prior Quarterly Ending Date</i>]	Under Contract w/ Homebuilder	Not Closed or Under Contract
Quarter Ending _____, 20__					
Townhomes 22' Lots					
35' Lots					
40' Lots					
50' Lots					
60' Lots					
70' Lots					
Total Lots:					
Total Absorption:					
Townhomes 22' Lots					
35' Lots			N/A	N/A	N/A
40' Lots			N/A	N/A	N/A
50' Lots			N/A	N/A	N/A
60' Lots			N/A	N/A	N/A
70' Lots			N/A	N/A	N/A
Total Lots:			N/A	N/A	N/A
Notation: - Explanation as to any changes to the number of lots planned to be developed in Improvement Area #1 by the Developer or Homebuilder					

[Remainder of page intentionally left blank]

TABLE 3(d)(iv)

<p align="center">HOMEBUILDER ABSORPTION STATISTICS FOR RESIDENTIAL LOTS IN IMPROVEMENT AREA #1</p>							
	Under Construction	Fully Constructed	Under Contract w/ End-User	Closed to End-user	Increase from [insert prior Quarterly Ending Date]	Average Sales Price of Home	Inventory not Closed or Under Contract
Quarter Ending _____, 20__							
[Homebuilder]							
Townhomes 22' Lots							
35' Lots							
40' Lots							
50' Lots							
60' Lots							
70' Lots							
Total Lots:						N/A	
Total Absorption:							
Townhomes 22' Lots							
35' Lots							
40' Lots							
50' Lots							
60' Lots							
70' Lots							
Total Lots:						N/A	
<p>Notation: - Create table for each Homebuilder</p>							

[Remainder of page intentionally left blank]

STATUS OF DEVELOPMENT:

TABLE 3(d)(v)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vi)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Repayment Terms

[Remainder of page intentionally left blank]

STATUS OF IMPROVEMENT AREA #1 PROJECTS:

TABLE 3(e)

IMPROVEMENT AREA #1 PROJECTS OVERVIEW		
	Budgeted	Actual
Total Costs required to complete Improvement Area #1 Projects:	\$ _____	\$ _____
Cost of Improvement Area #1 Projects Financed with the Bonds:	\$ _____	\$ _____
Cost of Improvement Area #1 Projects Financed with other Sources of Funds (non-bond financed):	\$ _____	\$ _____
Notations (information pursuant to 3(e)(ii) – (vi)): <ul style="list-style-type: none"> - Total expected costs for design and engineering to be completed after delivery of the Bonds - Forecast construction milestones by date - Construction budget allocated to such milestones - Forecast completion date - Acceptance date, if applicable 		

[Remainder of page intentionally left blank]

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: Karis Municipal Management District of Tarrant County
Name of Bond Issue: Assessment Revenue Bonds, Series 2024 (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that [CH TNC Karis Owner, LLC, a Delaware limited liability company]¹ (the “Developer”) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated November 1, 2024, by and among the Developer, 30 Three Sixty Public Finance, Inc., as the “Administrator” and 30 Three Sixty Public Finance, Inc., as “Dissemination Agent”. The [Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

30 THREE SIXTY PUBLIC FINANCE, INC.
on behalf of the Developer
(as Dissemination Agent)

By: _____

Title: _____

cc: Karis Municipal Management District of Tarrant County

¹ If applicable, replace with applicable Designated Successors and Assigns.

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: Karis Municipal Management District of Tarrant County
Name of Bond Issue: Assessment Revenue Bonds, Series 2024
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

FMSbonds, Inc. BOKF, NA
5 Cowboys Way, Dallas, Texas
Suite 300-25
Frisco, Texas 75034

Karis Municipal Management District of
Tarrant County
c/o Allen Boone Humphries Robinson LLP
3100 McKinnon Street, Suite 1100
Dallas, Texas 75201

NOTICE IS HEREBY GIVEN by [CH TNC Karis Owner, LLC, a Delaware limited liability company]¹ (the “Developer”), that the Karis Municipal Management District of Tarrant County has issued the certificate of occupancy for the last lot or parcel (excluding lots utilized for model homes upon which a model home has actually been constructed) within Improvement Area #1 (as defined in the hereinafter defined Continuing Disclosure Agreement), thereby terminating the Developer’s reporting obligations under the Continuing Disclosure Agreement of Developer (the “Continuing Disclosure Agreement”), dated November 1, 2024, by and among the Developer, 30 Three Sixty Public Finance, Inc. (the “Administrator”) and 30 Three Sixty Public Finance, Inc. (the “Dissemination Agent”).

Dated: _____

30 Three Sixty Public Finance, Inc.
on behalf of the Developer
(as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable Designated Successors and Assigns.

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: Karis Municipal Management District of Tarrant County
Name of Bond Issue: Assessment Revenue Bonds, Series 2024
CUSIP Nos.: [insert CUSIP NOS.]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Karis Municipal Management District of Tarrant County

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Developer dated as of _____, 2024 by and among [CH TNC Karis Owner, LLC, a Delaware limited liability company]¹ (the “Developer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and 30 Three Sixty Public Finance, Inc. (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by the [Developer] [_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

[DEVELOPER]

By: _____
Title: _____

OR

[SIGNIFICANT HOMEBUILDER]
(as Significant Homebuilder)

By: _____
Title: _____

¹ If applicable, replace with applicable Designated Successors and Assigns.