

NEW ISSUE

NOT RATED

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE.

In the opinion of McCall Parkhurst & Horton, L.L.P., Bond Counsel, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under existing law, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

**\$13,593,000*****CITY OF PRINCETON, TEXAS,****(a municipal corporation of the State of Texas located in Collin County)****SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023****(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)****Dated Date: February 15, 2023****Interest to Accrue from Date of Delivery****Due: September 1, as shown on the inside cover**

The City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project) (the "Bonds"), are being issued by the City of Princeton, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing September 1, 2023, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. 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 Regions Bank, an Alabama state banking corporation, with offices located in Houston, Texas as trustee (the "Trustee"), to Cede & Co. as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on February 13, 2023, and an Indenture of Trust, dated February 15, 2023, (the "Indenture"), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying or reimbursing a portion of the costs of the Phase 2 Improvements (as defined herein), (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying capitalized interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. See "THE PHASE 2 IMPROVEMENTS" and "APPENDIX B — Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied against assessable properties in Phase 2 of the District in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY 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 subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a significant degree of risk and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." 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 to bear the risks 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 on the Bonds.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM 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 POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (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 McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Wolfe, Tidwell & McCoy, LLP, for the Underwriter by its counsel, Locke Lord LLP, and for the Developer by its counsel Boghetich Law, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 7, 2023 (the "Date of Delivery").

FMSbonds, Inc.

* Preliminary; subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

CUSIP Prefix: _____ (a)

\$13,593,000*
CITY OF PRINCETON, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)

\$ _____ % Term Bonds, Due September 1, 20__*, Priced to Yield ____%; CUSIP ____ (a) (c)

\$ _____ % Term Bonds, Due September 1, 20__*, Priced to Yield ____%; CUSIP ____ (a) (c)

\$ _____ % Term Bonds, Due September 1, 20__*, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 1, 20__*, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

* Preliminary; subject to change.

- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any day on or after September 1, 20__ at the redemption price of 100% of the principal amount plus accrued and unpaid interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Term Expires</u>
Brianna Chacón Mayor	November 2024
David Kleiber Councilmember, Place 1	November 2024
Marlo Obara Councilmember, Place 2	November 2024
Bryan Washington Councilmember, Place 3	November 2023
Keven Underwood Councilmember, Place 4	November 2023
Steven Deffibaugh Mayor Pro-Tem Councilmember, Place 5	November 2023

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>
Derek Borg	City Manager
Amber Anderson	City Secretary
Carron Prigmore	Finance Director

ADMINISTRATOR
30 Three Sixty Public Finance, Inc.

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities Inc.

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.

UNDERWRITER'S COUNSEL
Locke Lord LLP

CITY'S COUNSEL
Wolfe, Tidwell & McCoy, LLP

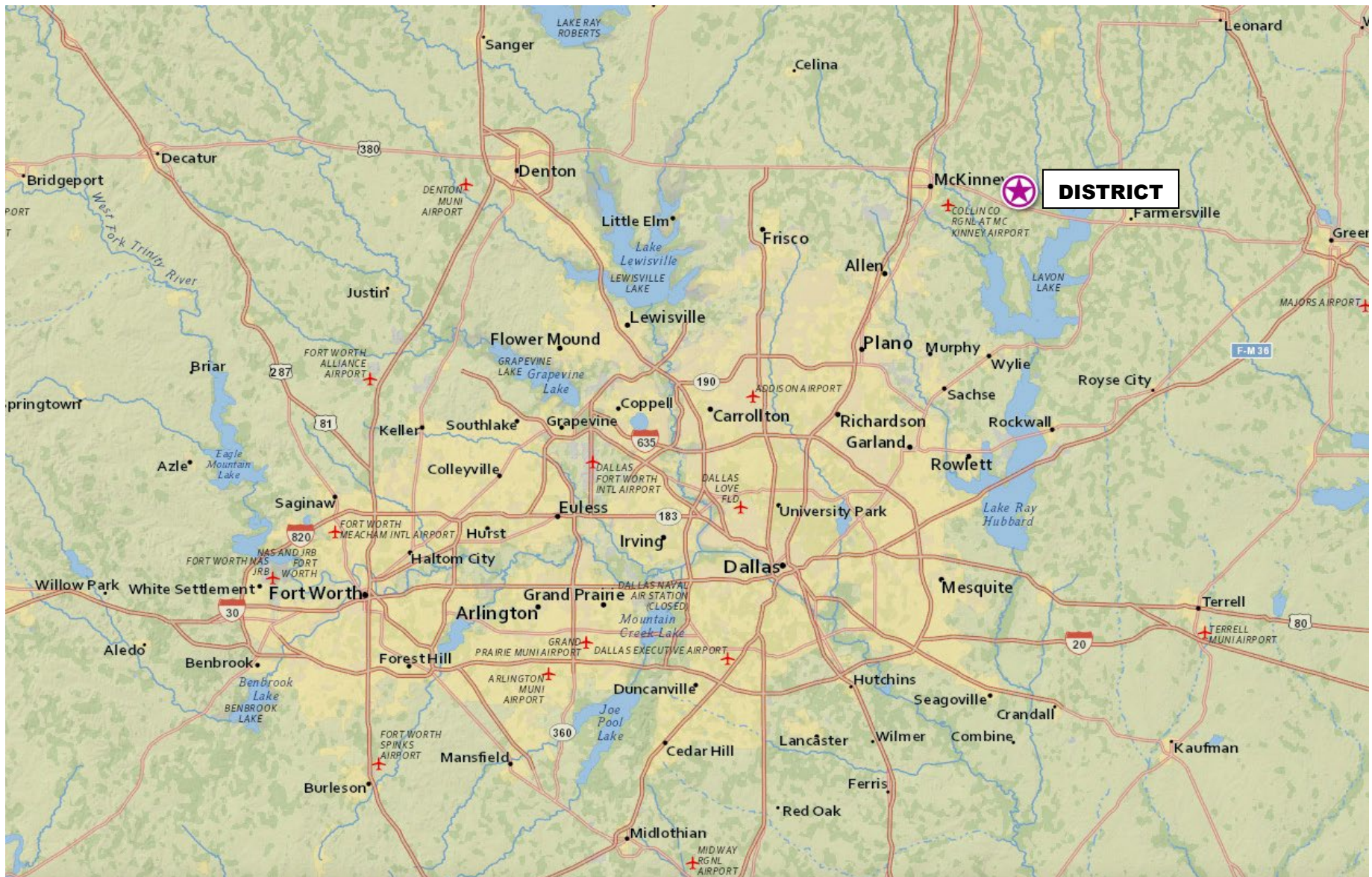
For additional information regarding the City, please contact:

Mr. Derek Borg
City Manager
City of Princeton
2000 East Princeton Dr.
Princeton, Texas 75407
(972) 736-2416

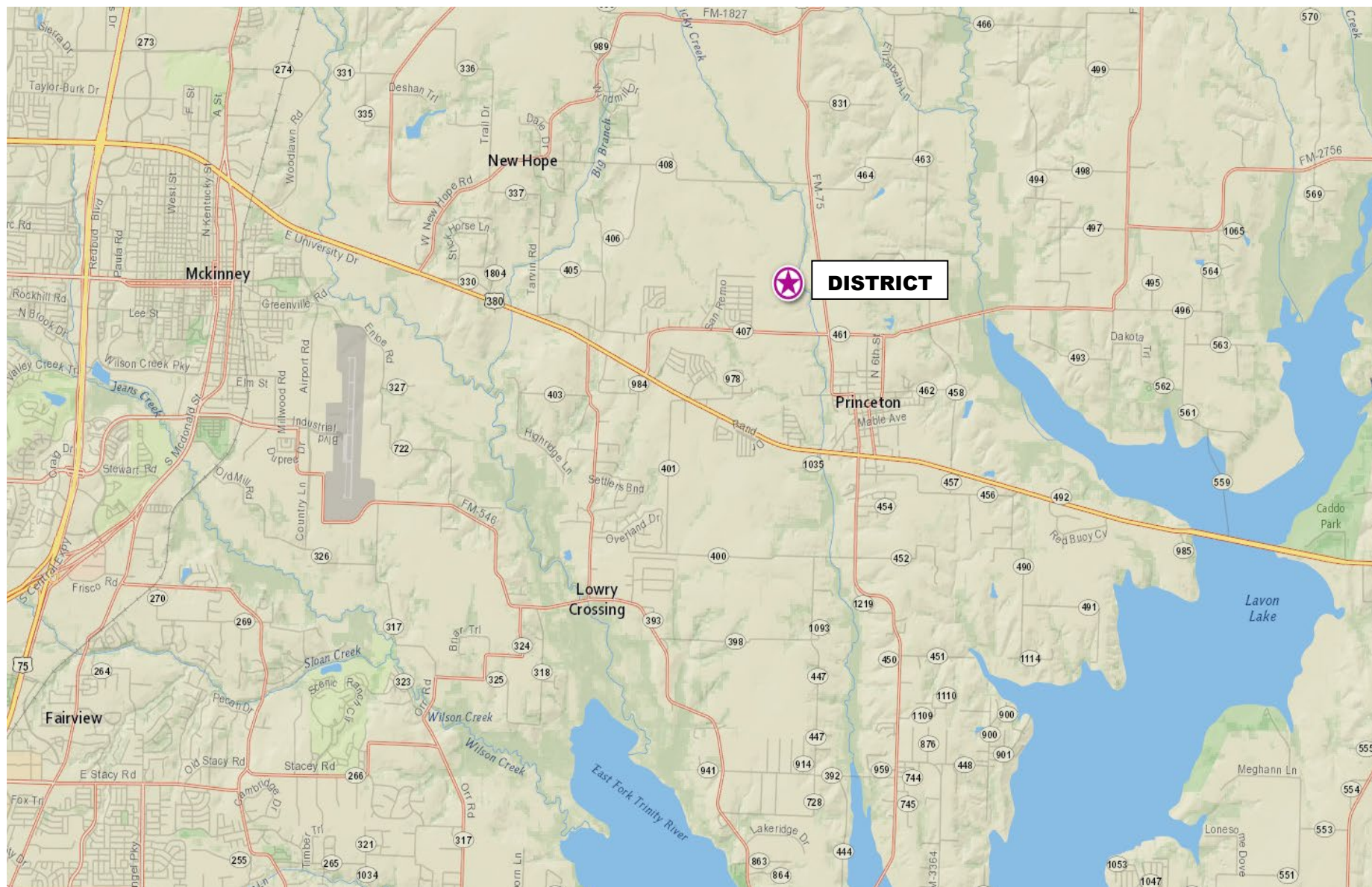
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Managing Director
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Dallas, Texas 75201
(214) 953-4000

Mr. Andre Ayala
Managing Director
Hilltop Securities Inc.
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Dallas, Texas 75201
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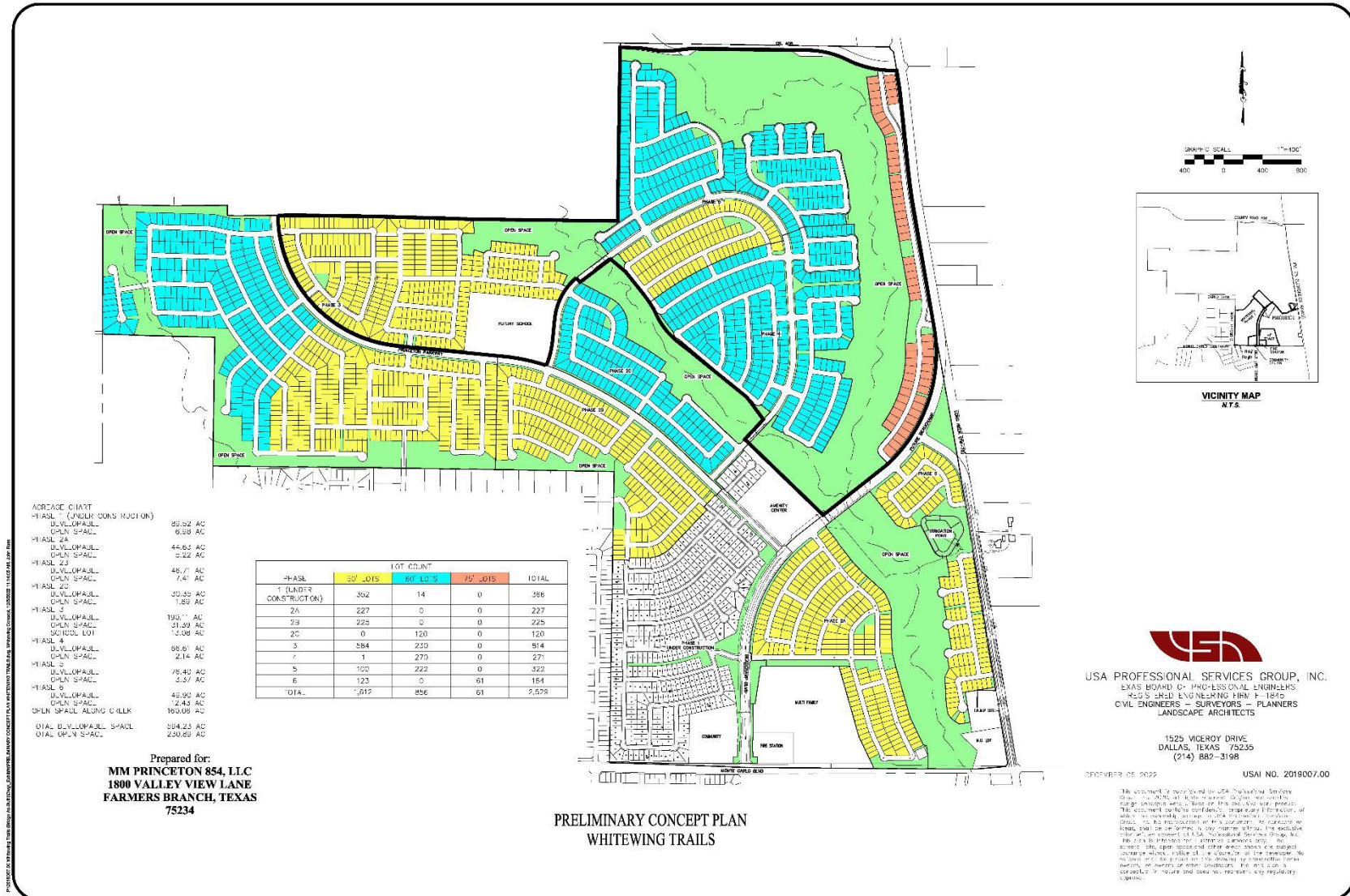
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION ("RULE 15C2-12"), AS AMENDED AND IN EFFECT ON THE DATE OF THIS LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES A "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS" HEREIN. EACH PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO PROSPECTIVE PURCHASERS."

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR 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.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE CITY, THE FINANCIAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, 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 LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. 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 TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY 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.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

TABLE OF CONTENTS

INTRODUCTION	1	Collection and Delinquency History in Phase 1 of the District	33
PLAN OF FINANCE	2	Delinquency and Foreclosure History of Phase 1 Assessments	34
The District	2	Prepayment History of Phase 1 Assessments	34
Development Plan and Status of Development	2	TIRZ Credit to Phase 1 Assessments	34
The Bonds	3	Collection and Delinquency History of Phases 2-6 Major Improvement Assessments	35
Prior Bonds	4	Delinquency and Foreclosure History of Phases 2-6 Major Improvement Assessments	35
DESCRIPTION OF THE BONDS	4	Prepayment History of Phases 2-6 Major Improvement Assessments	35
General Description	4	THE CITY	35
Redemption Provisions	4	Background	35
BOOK-ENTRY ONLY SYSTEM	6	City Government	35
LIMITATIONS APPLICABLE TO INITIAL PURCHASERS	8	THE DISTRICT	36
SECURITY FOR THE BONDS	9	General	36
General	9	Powers and Authority	36
Pledged Revenues	10	THE PHASE 2 IMPROVEMENTS	36
TIRZ Revenues May Reduce Assessments	11	General	37
Collection and Deposit of Assessments	12	Description of Phase 2 Improvements	37
Unconditional Levy of Assessments	13	Ownership and Maintenance of the Phase 2 Improvements	39
Perfected Security Interest	13	THE DEVELOPMENT AGREEMENT	39
Pledged Revenue Fund	14	THE DEVELOPMENT	40
Bond Fund	15	Overview	40
Project Fund	15	General Development Plan	40
Reserve Account of the Reserve Fund	16	Ownership of Property in the Development	41
Delinquency and Prepayment Reserve Account of the Reserve Fund	16	Update on Phase 1	41
Administrative Fund	17	Merchant Builder Lot Purchase and Sale Agreements	42
Defeasance	17	Expected Home Prices in the Development	44
Events of Default	18	Expected Build-Out of the Development	44
Remedies in Event of Default	19	Phased PID Bonds	45
Restriction on Owner's Actions	19	Concept Plan	45
Application of Revenues and Other Moneys After Event of Default	20	Zoning/Permitting	47
Investment or Deposit of Funds	20	Amenities	47
Against Encumbrances	21	Education	47
Additional Obligations	21	Utilities	47
SOURCES AND USES OF FUNDS	23	Existing Mineral Rights and Other Third-Party Property Rights	47
DEBT SERVICE REQUIREMENTS	24	Environmental	48
OVERLAPPING TAXES AND DEBT	25	Flood Designation	48
ASSESSMENT PROCEDURES	26	THE DEVELOPER	49
General	26	General	49
Assessment Methodology	26		
Collection and Enforcement of Assessment Amounts	28		
Assessment Amounts	30		
Prepayment of Assessments	31		
Priority of Lien	33		
Foreclosure Proceedings	33		

Description of the Developer.....	49	Use of Appraisal.....	65
Executive Biography	53	Developer Principal Financial	
History and Financing of the District	53	Relationships and Other Matters	
THE ADMINISTRATOR	54	Relating to Developer Affiliates.....	65
APPRAISAL OF PROPERTY WITHIN PHASE 2		Infectious Disease Outbreak – COVID-	
OF THE DISTRICT	54	19.....	66
The Appraisal	54	Risk from Weather Events.....	67
BONDHOLDERS’ RISKS.....	55	100-Year Flood Plain	68
General	55	Judicial Foreclosures	68
Deemed Representations and		No Credit Rating	68
Acknowledgment by Investors.....	56	Limited Secondary Market for the	
Assessment Limitations.....	56	Bonds.....	68
Exceedance of Maximum Assessment		TAX MATTERS	68
Could Trigger Assessment		Opinion.....	68
Prepayment and Optional		Federal Income Tax Accounting	
Redemption	57	Treatment of Original Issue	
Competition.....	58	Discount	69
Recent Changes in State Law Regarding		Collateral Federal Income Tax	
Public Improvement Districts;		Consequences.....	70
Failure of Developer to Deliver		State, Local and Foreign Taxes	71
Required Notice Pursuant to Texas		Information Reporting and Backup	
Property Code May Affect		Withholding.....	71
Absorption Schedule and Provide		Future and Proposed Legislation	71
for Prepayments Causing Partial		LEGAL MATTERS	71
Redemptions of Bonds	58	Legal Proceedings	71
Completion of Homes.....	59	Legal Opinions	71
Absorption Rate.....	59	Litigation — The City	72
Risks Related to Current Increase in		Litigation — The Developer.....	72
Costs of Building Materials.....	59	SUITABILITY FOR INVESTMENT	73
Phase 2 TIRZ Credit and Marketing of		ENFORCEABILITY OF REMEDIES	73
the Development	59	NO RATING	73
Loss of Tax Exemption	60	CONTINUING DISCLOSURE.....	73
Bankruptcy	60	The City.....	73
Direct and Overlapping Indebtedness,		The City’s Compliance with Prior	
Assessments and Taxes	60	Undertakings	74
Depletion of Reserve Account of the		The Developer	74
Reserve Fund.....	60	UNDERWRITING	74
Hazardous Substances	60	REGISTRATION AND QUALIFICATION OF	
Exercise of Third-Party Property Rights	61	BONDS FOR SALE.....	74
Regulation	61	LEGAL INVESTMENTS AND ELIGIBILITY TO	
Bondholders’ Remedies and		SECURE PUBLIC FUNDS IN TEXAS.....	75
Bankruptcy	61	INVESTMENTS	75
No Acceleration.....	63	INFORMATION RELATING TO THE TRUSTEE	77
Bankruptcy Limitation to Bondholders’		SOURCES OF INFORMATION;	
Rights	63	MISCELLANEOUS.....	78
Tax-Exempt Status of the Bonds	63	General	78
Management and Ownership	64	Source of Certain Information.....	78
General Risks of Real Estate Investment		Experts.....	78
and Development.....	64	Information Concerning Centurion VP	
Availability of Utilities.....	64	of Entitlements Sean Terry.....	78
Dependence Upon Developer.....	64		
Potential Future Changes in State Law			
Regarding Public Improvement			
Districts	65		

Updating of Limited Offering Memorandum	79	APPENDIX E-1	Form of City Disclosure Agreement
FORWARD-LOOKING STATEMENTS	79	APPENDIX E-2	Form of Disclosure Agreement of Developer
AUTHORIZATION AND APPROVAL	79	APPENDIX F	Form of Construction, Funding and Acquisition Agreement
APPENDIX A	General Information Regarding the City and Surrounding Area	APPENDIX G	Appraisal of Property Within Phase 2 of the District
APPENDIX B	Form of Indenture	APPENDIX H	Photographs of Completed Development Within the District
APPENDIX C	Form of Service and Assessment Plan		
APPENDIX D	Form of Opinion of Bond Counsel		

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$13,593,000*

CITY OF PRINCETON, TEXAS,

(a municipal corporation of the State of Texas located in Collin County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023

(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Princeton, Texas (the “City”), of its \$13,593,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS ARE BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO ARE BEING OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND “ACCREDITED INVESTORS” AS DEFINED IN REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “SUITABILITY FOR INVESTMENT” AND “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on February 13, 2023 (the “Bond Ordinance”), and an Indenture of Trust, dated as of February 15, 2023, (the “Indenture”), entered into by and between the City and Regions Bank, an Alabama state banking corporation, as trustee (the “Trustee”). The Bonds will be secured by a pledge of and a lien upon the Trust Estate (as defined in the Indenture), consisting primarily of revenue from assessments (“Assessments”) levied against assessable property located within Phase 2 of the Whitewing Trails Public Improvement District No. 2 (the “District”) which are expected to be levied pursuant to a separate ordinance expected to be adopted by the City Council on February 13, 2023 (the “Assessment Ordinance”).

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), the Administrator (as defined herein), the Creation Resolution (as defined herein), the Assessment Ordinance, the Bond Ordinance, the TIRZ Creation Ordinance (as defined herein), the Service and Assessment Plan (as defined herein), the Construction, Funding, and Acquisition Agreement (as defined herein), and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID 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. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Dallas, Texas 75034, telephone number (214) 302-2245. The form of the Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other

* Preliminary; subject to change.

captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries and extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for public improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Phase 2 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements.

Development Plan and Status of Development

The District is composed of approximately 853.536 acres which are being developed as a master-planned mixed-used development expected to consist of approximately 2,529 single-family units (in a combination of 50', 60' and 75' lots), approximately 400 Multifamily units, a community complex, and a fire station. MM Princeton 854, LLC, a Texas limited liability company (the "Developer") is developing the District in phases, which began with the concurrent construction of the infrastructure to serve the initial phase ("Phase 1," consisting of 366 lots), and the construction of infrastructure benefitting the entire District, and is continuing with the development of local infrastructure to benefit "Phase 2" of the District, consisting of approximately 572 lots located in the areas identified as Phase 2A, 2B and 2C on the "MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES" on page v. Development of the local infrastructure to serve the remaining approximately four subsequent phases (collectively, the "Future Phases") is expected to continue over the course of eight years. See "THE DEVELOPMENT — General Development Plan." The boundaries of the District and each of the phases are shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES" on page v.

Development in the District began with the concurrent development of the major infrastructure to serve the entire District consisting of certain roadway improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm drainage collection system improvements (the "Major Improvements") as well as certain roadway improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm drainage collection system improvements that benefit only Phase 1 of the District (the "Phase 1 Local Improvements"). The Phase 1 Local Improvements and the portion of Major Improvements benefitting Phase 1 are collectively referred to as the "Phase 1 Improvements." The remaining portion of the Major Improvements benefitting Phases 2-6 is referred to as the "Phases 2-6 Major Improvements".

The Developer was responsible for the construction of the Phase 1 Improvements and the Phase 2-6 Major Improvements and construction of such projects was completed in Q4 2020. All of the Phase 1 Improvements and Phases 2-6 Major Improvements have been completed and dedicated to the City. All 366 lots have been completed and delivered to homebuilders in Phase 1 of the District. Home sales have begun in Phase 1 of the District and, as of December 30, 2022, 352 homes had been completed and 337 homes had been sold to end users in Phase 1. See "THE DEVELOPMENT – Update on Phase 1" for more information on Phase 1, including average sales prices of homes in Phase 1.

Development in Phase 2 of the District began with the portion of the Major Improvements benefitting Phase 2. Development continued with construction of the internal improvements consisting of certain road improvements, water facilities, sanitary sewer facilities, storm sewer facilities, storm drainage improvements, earthwork, and soft costs related thereto that benefit only Phase 2 of the District (the "Phase 2 Improvements"), which began in Q3 2021. The Developer is responsible for construction of the Phase 2 Improvements. Construction of the Phase 2 Improvements is expected to be completed in Q1 2023. The expected cost of the Phase 2 Improvements is \$14,731,707*. As of December 28, 2022, the Developer indicates it has expended

* Preliminary; subject to change.

approximately \$14,487,812 on construction of the Phase 2 Improvements, which was funded with the Development Loan (as defined herein). See “THE DEVELOPER – History and Financing of the Development.”

The City will pay a portion of the project costs for the Phase 2 Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Phase 2 Improvements and be reimbursed in accordance with the Indenture and the Whitewing Trails Public Improvement District No. 2 Phase 2 Improvements Construction, Funding, and Acquisition Agreement (the “Construction, Funding, and Acquisition Agreement”). See “THE PHASE 2 IMPROVEMENTS – General,” “THE DEVELOPMENT – Development Plan and Status of Development in Phase 2,” and “APPENDIX F – Form of Construction, Funding, and Acquisition Agreement.”

Phase 2 is expected to consist of 572 lots (with a mixture of 50’ and 60’ lots) when completed. See “THE DEVELOPMENT – Concept Plan.” The land in Phase 2 of the District is currently owned by the Developer. 566 of 572 lots in Phase 2 of the District are under contract with homebuilders (D.R. Horton, Pulte, Beazer and Green Brick). See “THE DEVELOPMENT – Merchant Builder Lot Purchase and Sale Agreements.” To date, no lots have been completed or delivered to such homebuilders in Phase 2 of the District. The Developer has received earnest money deposits from homebuilders pursuant to lot purchase and sale agreements with respect to lots in Phase 2 and the Future Phases of the District in the approximate amount of \$9,787,669.

The Bonds are the first series of bonds issued to finance local improvements in Phase 2 of the District. The City expects to issue one or more series of bonds (collectively, the “Phased PID Bonds”) to finance the cost of specific improvements benefitting specific phases within Phases 3-6 of the District (each, a “Future Phase”). The estimated costs of the specific improvements benefitting the Future Phase will be determined as such Future Phase is developed, and a service and assessment plan will be prepared and identify the improvements to be constructed within the Future Phase and financed by each new series of Phased PID Bonds. Such Phased PID Bonds will be secured by separate assessments levied on the applicable Future Phase pursuant to the PID Act on assessed property within the Future Phase. The Developer anticipates that the next series of Phased PID Bonds will be issued within two to three years. See “THE DEVELOPMENT – Phased PID Bonds.”

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Costs of the Phase 2 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying capitalized interest on the Bonds, (iv) paying a portion of the cost incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to the Improvement Account of the Project Fund (both defined herein) or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE PHASE 2 IMPROVEMENTS,” “APPENDIX B – Form of Indenture” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues consisting primarily of the Assessments to be levied against the assessable parcels or lots within Phase 2 of the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

The Bonds, the Phase 1 Bonds (as defined herein), the Phases 2-6 Major Improvement Bonds (as defined herein), and any Phased PID Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”) or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds. The Phase 1 Bonds, the Phases 2-6 Major Improvement Bonds or any Phased PID Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

Prior Bonds

To finance a portion of the costs of the Phase 1 Improvements, the City previously issued its \$7,850,000 City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2019 (Whitewing Trails Public Improvement District No. 2 Phase 1 Project) (the “Phase 1 Bonds”). The Phase 1 Bonds are outstanding in the amount of \$7,700,000. The Phase 1 Bonds were secured by a pledge of and a lien upon certain pledged revenues, consisting primarily of the assessments levied on Phase 1 of the District (the “Phase 1 Assessments”). The Phase 1 Assessments are not pledged to and do not secure the Bonds or the Phases 2-6 Major Improvement Bonds (as defined herein).

To finance the Phases 2-6 Major Improvements, the City previously issued its \$8,210,000 City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2019 (Whitewing Trails Public Improvement District No. 2 Phases 2-6 Major Improvement Project) (the “Phases 2-6 Major Improvement Bonds”). The Phases 2-6 Major Improvement Bonds are outstanding in the amount of \$8,210,000. The Phases 2-6 Major Improvement Bonds are secured by separate assessments levied in Phases 2-6 of the District (the “Phases 2-6 Major Improvement Assessments”). **The portion of the Phases 2-6 Major Improvement Assessments (as defined herein) allocable to Phase 2 will not be available for and is not pledged to payment of debt service on the Bonds.** The Phases 2-6 Major Improvement Assessments are not pledged to and do not secure payment on the Bonds or the Phase 1 Bonds.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing September 1, 2023 (each, an “Interest Payment Date”), until maturity or prior redemption. Regions Bank is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed for redemption (the “Redemption Price”). The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed but the City in accordance with the Indenture.

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any day of the month at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund from the accounts in the Reserve Fund as provided in the Indenture) or any other transfers to the Redemption Fund made pursuant to various provisions of the Indenture, as a result of unexpended amounts transferred from the Pledged Revenue Fund, Bond Fund, Reserve Fund, and Project Fund, as provided in the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed but the City in accordance with the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments” and “APPENDIX B — Form of Indenture.”

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1 in each of the years 20__, 20__ and 20__ (collectively, the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from monies 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 Sinking Fund Installments as set forth in the following schedules:

\$ Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__	
September 1, 20__†	

\$ Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee will select by lot a principal amount of Bonds equal to the Sinking Fund Installment amount for such date of such maturity of Bonds to be redeemed, will call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City 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 mandatory sinking fund 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 mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory 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 thirty (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. 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 conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the 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 Redemption Price of 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.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Additional Provisions with Respect to Redemption. If less than all of the Bonds are to be redeemed pursuant to an optional, mandatory or extraordinary optional redemption, Bonds shall be redeemed in increments of \$1,000 by lot or any other customary method that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond or Bonds by the minimum Authorized Denomination for such Bond.

Upon surrender of any Bond for redemption in part, the Trustee in accordance with the 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.

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 The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee 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 Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC 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 requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, 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 ("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 registered 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 companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

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 ("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, tenders, 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 Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity 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 Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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).

Principal, interest and all other 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 City or Paying Agent/Registrar, on the payment 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 nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City,

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 securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC 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 LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act and "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act. Each initial purchaser of the Bonds (each, an "Investor") will be deemed to have acknowledged, represented and warranted to the City as follows:

- 1) The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
- 2) The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act or a "qualified institutional buyer" under Rule 144A of the Securities Act, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
- 3) The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

- 4) The Investor understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.
- 5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Phase 2 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor’s decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.
- 6) The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the District (which has no taxing power), the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.
- 7) The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.
- 8) The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

SECURITY FOR THE BONDS

General

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM 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 POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

NOTWITHSTANDING THE FOREGOING, THE CITY HAS CREATED “REINVESTMENT ZONE NUMBER FIVE, CITY OF PRINCETON, TEXAS” (THE “PHASES 2-6 TIRZ”) ENCOMPASSING THE PROPERTY IN PHASE 2 AND THE FUTURE PHASES OF THE DISTRICT, AND INTENDS TO USE ANNUAL TAX INCREMENT REVENUES COLLECTED IN THE PHASES 2-6 TIRZ GENERATED FROM ALL REAL PROPERTY TAXES LEVIED, ASSESSED AND COLLECTED WITHIN THE PHASES 2-6 TIRZ ON ALL REAL PROPERTY IN THE PHASES 2-6 TIRZ TAXABLE BY THE CITY THEREIN, TO PAY THAT PORTION OF THE COSTS OF THE INFRASTRUCTURE BENEFITTING PHASES 2-6 OF THE DISTRICT AND PROPERTY IN FUTURE PHASES ON WHICH AN ASSESSMENT IS LEVIED ON A PARCEL-BY-PARCEL BASIS. SUCH TAX INCREMENT REVENUE, TO THE EXTENT AVAILABLE, IS EXPECTED TO BE USED BY THE CITY TO OFFSET THE ASSESSMENTS USED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS AND ANY BONDS ISSUED FOR FUTURE PHASES (TO THE EXTENT SUCH TAX INCREMENT REVENUE IS COLLECTED IN THE APPLICABLE PHASE). ANY AMOUNT OF SUCH TAX INCREMENT REVENUE GENERATED IN PHASE 2 AND USED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS WILL RESULT IN A REDUCTION IN ANNUAL INSTALLMENTS OF THE ASSESSMENTS RELATED TO THE BONDS BY A CORRESPONDING AMOUNT. SUCH TAX INCREMENT REVENUE IS NOT PLEDGED TO THE BONDS UNDER THE INDENTURE. SEE “TIRZ REVENUES MAY REDUCE ASSESSMENTS” BELOW.

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the “Pledged Revenues”), consisting primarily of the Assessments levied against the assessable parcels or lots within Phase 2 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. See APPENDIX B – Form of Indenture. The City anticipates that all of the property within Phase 2 of the District that receives a special benefit from the Phase 2 Improvements will be assessed. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as updated, amended and supplemented, the “Service and Assessment Plan”), which describes the special benefit received by the property within Phase 2 of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the assessments (including Assessments), and provides for the allocation of Pledged Revenues for payment of, premium, if any, and interest on the Bonds. The Service and Assessment Plan will be reviewed and updated upon the issuance of the Bonds and annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within Phase 2 of the District. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Phase 2 Improvements by levying Assessments upon properties in Phase 2 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Phase 2 of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Under the Indenture, “Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds. “Assessment Revenues” means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds. “Annual Installment” means the sum of the annual installments on the Assessments, including the annual installment of interest and principal, Additional Interest and Administrative Expenses.

The City covenants in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.” See also “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein.

TIRZ Revenues May Reduce Assessments

The Assessments to be levied by the City according to the Assessment Ordinance and described in the Service and Assessment Plan are set at a level sufficient to fund a portion of the costs of the Phase 2 Improvements.

Pursuant to Chapter 311 of the Texas Tax Code (the "TIRZ Act"), on November 14, 2022, the City created the Phases 2-6 TIRZ pursuant to an ordinance adopted by the City Council (the "TIRZ Creation Ordinance"), and was presented with the Reinvestment Zone Number Two, City of Princeton Preliminary Project and Financing Plan ("Preliminary TIRZ Project and Finance Plan"). The Phases 2-6 TIRZ encompasses all property in Phase 2 and the Future Phases of the District.

The City Council expects to approve a final Project and Finance Plan for the Phases 2-6 TIRZ (the "Phases 2-6 TIRZ Project and Finance Plan") on the date of sale of the Bonds with the adoption of an ordinance which authorizes the use of the Phases 2-6 TIRZ Revenues (defined below) for project costs under the TIRZ Act (the "Phases 2-6 TIRZ Projects"), which project costs include the Phase 2 Improvements, as provided for in the Phases 2-6 TIRZ Project and Finance Plan (including amendments or supplements thereto).

Pursuant to the TIRZ Act, the tax increment base of the Phases 2-6 TIRZ is the total taxable value of all real property taxable by the City located in the Phases 2-6 TIRZ as of January 1 in the year in which the Phases 2-6 TIRZ was designated as a reinvestment zone (the "Tax Increment Base"). Pursuant to the TIRZ Act, the TIRZ Creation Ordinance and the Development Agreement, the City has set the amount of the "Tax Increment" for a year as 4.866% of the ad valorem tax increment collected on the Captured Taxable Value all real property in the Phases 2-6 TIRZ taxable by the City. Consistent with Section 311.012(b) of the TIRZ Act, the Captured Taxable Value is the net ad valorem tax value of the Phases 2-6 TIRZ in any year less the net ad valorem tax value of the TIRZ for the year in which the Phases 2-6 TIRZ was created. Currently, there are no other taxing units participating in the Phases 2-6 TIRZ.

The City expects to use annual Tax Increment revenues (the "Phases 2-6 TIRZ Revenues") collected, on a parcel-by-parcel basis, to offset the costs of the Phases 2-6 TIRZ Projects, which include the Phase 2 Improvements benefitting the Assessed Property (as defined herein). The City will agree to transfer from the tax increment fund a portion of the Tax Increment revenue collected each year applicable to Phase 2 (the "Phase 2 TIRZ Revenues") to the Principal and Interest Account of the Bond Fund for the payment of debt service on the Bonds. Such tax increment revenue, if and when collected and transferred by the City, will result in a reduction in Annual Installments of Assessments by a corresponding amount.

The City will agree to transfer from the tax increment fund a portion of Tax Increment revenue collected each year applicable to Future Phases to the bond fund established for any Phased PID Bonds. Such tax increment revenue, if and when collected and transferred by the City, will result in a reduction in annual installments of assessments levied in Future Phases by a corresponding amount.

The City intends to dedicate and deposit tax Phases 2-6 TIRZ Revenues collected for a period of the longer of (i) thirty years or (ii) until the Bonds and any Phased PID Bonds have been paid or until the project costs applicable to the Phases 2-6 TIRZ have been reimbursed to the Developer. On an annual basis any remaining tax increment fund balance after paying all items included in the Phases 2-6 TIRZ Project and Finance Plan is expected to be released to the City's General Fund for use as permitted by applicable law.

THE PHASE 2 TIRZ REVENUES, IF AVAILABLE, WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT PHASE 2 TIRZ REVENUES TO GENERATE A PHASE 2 TIRZ CREDIT (AS DEFINED HEREIN). THE PHASE 2 TIRZ CREDIT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ADMINISTRATIVE EXPENSES AND THE FUNDING OF THE DELINQUENCY AND PREPAYMENT RESERVE ACCOUNT REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. SUCH PHASE 2 TIRZ CREDIT IS NOT EXPECTED TO BE AVAILABLE TO REDUCE THE ANNUAL INSTALLMENT FOR ANY ASSESSED PROPERTY UNTIL THE SECOND YEAR THAT A HOME ON SUCH ASSESSED PROPERTY IS ASSESSED. PHASE 2 TIRZ REVENUES, IF ANY, GENERATED FROM THE CAPTURED TAXABLE VALUE FOR EACH ASSESSED PROPERTY IN PHASE 2 OF THE DISTRICT DURING THE DEVELOPMENT OF SUCH PARCELS WILL NOT BE SUFFICIENT TO ACHIEVE THE “TARGETED NET AVERAGE ANNUAL INSTALLMENT” AS SHOWN UNDER THE HEADING “OVERLAPPING TAXES AND DEBT”. THE PHASE 2 TIRZ CREDIT IS NOT EXPECTED TO BE SUFFICIENT TO PROVIDE FOR THE TARGETED NET AVERAGE ANNUAL INSTALLMENT UNTIL THE SECOND YEAR THAT A HOME ON SUCH ASSESSED PROPERTY IS ASSESSED FOR TAX PURPOSES. SEE “OVERLAPPING TAXES AND DEBT.”

Collection and Deposit of Assessments

The City has caused the preparation of the Assessment Roll (as defined herein) which Assessment Roll will show the land within Phase 2 of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessments shown on the Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture. In the event the City owes Rebataable Arbitrage to the United States Government, the Assessments shall first be applied to pay the full amount of Rebataable Arbitrage owed by the City, prior to any transfers to the Bond Fund.

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, 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 and the Assessment Ordinance.

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 Roll. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular assessed property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund, as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund. See “SECURITY FOR THE BONDS — Pledged Revenue Fund” and APPENDIX B — Form of Indenture.

The portions of the Annual Installments of Assessments collected to pay Administrative Expenses and Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The City will impose Assessments on the property within Phase 2 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments are effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. 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 Assessment Ordinance, the Annual Assessments for each lot within the District began to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, interest on the Assessments for each lot within the District will accrue at a rate specified in the Assessment Ordinance, but may not exceed the interest rate on the Bonds plus the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act (“Additional Interest”). Such interest rates 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 calculated annually and shall be billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will levy and assess, and will continue to collect, each year while the Bonds are Outstanding and unpaid, a portion of each Annual Installment to pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The assessments to pay such Administrative Expenses (as defined in the Service and Assessment Plan) shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such assessments to pay Administrative Expenses do not secure repayment of the Bonds.

There is no discount for the early payment of Assessments.

Assessments, together with interest, penalties, and expense of collection and reasonable attorneys’ fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Assessments are paid or until all Bonds are finally paid.

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 default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See “APPENDIX B — Form of Indenture.”

Pledged Revenue Fund

Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessment Revenues (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, which shall be deposited to the Administrative Fund pursuant to the Indenture), as set forth in the Service and Assessment Plan. Specifically, the City shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, and (iii) third, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) and (ii) above are made, the City shall have the option, in its sole and absolute discretion, to deposit such excess funds into the Redemption Fund to redeem Bonds as provided in the Indenture. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the description of the Reserve Fund in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be deposited into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebatale Arbitrage to the United States Government, the City shall provide a City Directive to the Trustee, directing the Trustee to transfer to the Rebate Fund, prior to any other transfer described in this section, the full amount of Rebatale Arbitrage owed by the City. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other costs of the Phase 2 Improvements, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund as described in the Reserve Fund, there are insufficient funds to make the payments provided above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall, pursuant to a City Directive, transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, pursuant to a City Directive, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act.

Bond Fund

On 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/or interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided in the Indenture. If amounts in the Principal and Interest Account are insufficient to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on March 1, 20__, September 1, 20__, and March 1, 20__. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred, depending on the City Directive, to the Phase 2 Bond Improvement Account unless the Phase 2 Bond Improvement Account has been closed, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Directives. Disbursements from all other Accounts of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from such other Accounts of the Project Fund shall be disbursed in accordance with a Certificate for Payment as provided in the Construction, Funding, and Acquisition Agreement; provided that all disbursements of funds pursuant to a Certificate for Payment shall be made first from the Phase 2 Bond Improvement Account for the particular Costs, until such accounts have been fully depleted, and second from the Developer Improvement Account of the Project Fund. Each such City Directive shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Directive or in the invoices submitted therewith and the Trustee is entitled to rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phase 2 Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Phase 2 Improvements such that, in the opinion of the City Representative, it is unlikely that the amount in the Phase 2 Bond Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Directive with the Trustee which identifies the amounts then on deposit in the Phase 2 Bond Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Directive is so filed, the amount on deposit in the Phase 2 Bond Improvement Account shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfer, the Phase 2 Bond Improvement Account shall be closed. In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Directive stating that all Phase 2 Improvements have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall (i) transfer the amount, if any, remaining within the Phase 2 Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee and (ii) transfer the amount, if any, remaining in the Developer Improvement Account of the Project Fund to the Developer. Upon such transfers, the Project Fund shall be closed.

Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Phase 2 Bond Improvement Account, as determined in the City Directive, and used to pay Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Directive filed with the Trustee.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the “Reserve Account Requirement” for the Bonds shall be \$ _____, which is an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of their date of issuance, and (iii) 10% of the proceeds of the Bonds, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) an optional redemption or (2) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption.

Whenever, 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 transfer first from the Delinquency and Prepayment Reserve Account of the Reserve Fund (described below) and second from the Reserve Account of the Reserve Fund to the Bond Fund the amount necessary to cure such deficiency.

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date, unless within thirty days of such notice to the City Representative, the Trustee receives a City Directive instructing the Trustee to apply such excess: (i) to pay amounts due as Rebutable Arbitrage, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds or, (iii) to the Phase 2 Bond Improvement Account of the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, or (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of 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.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The “Delinquency and Prepayment Reserve Requirement” means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds. The City has allocated the Additional Interest authorized by the PID Act for this purpose.

The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 of each year, commencing March 1, 2024, an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the

Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provide in the Indenture, provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless and until it receives a City Directive specifying that a different amount be used.

Upon an extraordinary optional redemption of Bonds due to Prepayments, after transferring funds from the Reserve Fund to the Redemption Fund, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption 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.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall apply such excess: (i) to the Reserve Account of the Reserve Fund, if the amount on deposit therein is less than the Reserve Account Requirement, (ii) to pay amounts due as Rebutable Arbitrage, (iii), at the written direction of the City pursuant to a City Directive, to the Administrative Fund, or (iv) if the City does not provide written direction to the Trustee to transfer such excess to the Administrative Fund, to the Redemption Fund to be applied to the redemption of the Bonds. In the event that the Trustee does not receive a City Directive directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund hereof and provide the City with written notification of the transfer.

Whenever, 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 transfer first from the Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Delinquency and Prepayment Reserve Account of the Reserve Fund and second the Reserve Account of the Reserve Fund.

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee. Upon receipt, the City shall transfer to the Trustee, for deposit to the Administrative Fund, the portion of the Annual Installment of Assessments allocated to the payment of Administrative Expenses and Delinquent Collection Costs as set forth in the Service and Assessment Plan. 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 City Directive solely for the purposes set forth in the Service and Assessment Plan, including payment of the Administrative Expenses and Delinquent Collection Costs. See "APPENDIX C — Form of Service and Assessment Plan."

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Defeasance

Any 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 within the meaning of the Indenture (a "Defeased Debt"), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to

principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee 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 City 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. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; and are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- i. The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- ii. The failure of the City 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 City under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; 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 thereafter.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding under the Indenture shall proceed to protect and enforce 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 in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Directive, 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 City shall fail to deliver to the Trustee such City Directive, 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 City by reason of such liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the 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, specifically, in inverse order of value pursuant to a certified appraisal of real or personal property or market value of investments as set forth in the U.S. Stock Exchange, and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. 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 City, 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 City 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, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which the Trustee is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) 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 granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers granted in the Indenture, 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 not less than fifty-one percent (51%) 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 the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and

that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the registered owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the 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 City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the 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 City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had occurred.

Application of Revenues and Other Moneys After Event of Default

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 the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

- i. 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
- ii. 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.

Following its receipt of written direction from the City, the Trustee shall make payments to the Owners of Bonds pursuant to the provisions above within thirty (30) days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

In the event funds are not adequate to cure any of the Events of Default described above, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Directive filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to

be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

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 the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, Pledged Revenues or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Trust Estate, Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Additional Obligations

The City reserves the right, subject to the provisions contained in the Indenture, to issue Additional Obligations under other indentures, assessment ordinances, 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.

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City 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 done or omit 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 which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Trust Estate, Pledged Revenues or Pledged Funds; provided, however, that nothing in the Indenture shall require the City 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 counsel to the Trustee, the same would endanger the security for the Bonds.

Notwithstanding any contrary provision of the Indenture, the City shall not issue additional bonds, notes or other obligations under the Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, but only if the Refunding Bonds will result in annual cash flow savings with respect to each Bond Year, and that the Refunding Bonds will not have a maturity date later than the final maturity date of the Bonds or Outstanding Refunding Bonds being refunded.

The City reserves the right to issue additional bonds to finance the cost of future local improvements within a proposed development area or phase (or a portion thereof) in the District as the development proceeds. Such additional bonds will be secured by separate assessments levied on the future development area and will be reflected in an amended and restated SAP or updated SAP. The proposed development area projects will be identified and the determination of their cost will be deferred until a later date, and will be reflected in an amended and restated SAP

or updated SAP. The City may but is under no obligation to issue additional bonds, including for future development areas or phases in the District, for any purpose permitted by the PID Act and in accordance with the conditions set forth in this Section.

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SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the Bonds:

Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Phase 2 Bond Improvement Account of the Project Fund	\$
Deposit to Reserve Account of the Reserve Fund	
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Administrative Fund	
Underwriter's Discount ⁽¹⁾	
Deposit to Costs of Issuance Account of the Project Fund	
TOTAL USES	\$

⁽¹⁾ Includes Underwriter's Counsel's fee of \$ _____.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Bonds:

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
Total			

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OVERLAPPING TAXES AND DEBT

The land within Phase 2 of the District and subject to the Assessments levied by the City has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments levied by the City.

In addition to the Assessments described above, all lot owners in Phase 2 of the District will pay an annual maintenance and operation fee and/or a property owner's association fee to the homeowner's association for the property within the District (the "HOA"), which homeowner's association has been formed by the Developer.

The District is within the corporate limits of the City and is subject to taxation by the City. Collin County, Collin Community College District and the Princeton Independent School District may each levy ad valorem taxes upon land in Phase 2 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such taxing authorities. The following tables reflect the overlapping ad valorem tax rates currently levied on property located in Phase 2 of the District.

<u>Taxing Entity</u>	<i>Projected</i> <u>Ad Valorem Tax Rate⁽¹⁾</u>
The City	\$0.534543
Collin County, Texas	0.152443
Collin County Community College District	0.081220
Princeton Independent School District	<u>1.442900</u>
Total Existing Tax Rate	<u>\$2.211106</u>
Estimated Average Annual Installment of Assessments in Phase 2 of the District as tax rate equivalent per \$100 in value ^{(2), (3)}	<u>\$0.450491</u>
Less Projected Phase 2 TIRZ Credit per residential parcel as tax rate equivalent per \$100 in value ⁽⁵⁾	<u>(\$0.026000)</u>
Net Average Annual Installment of Assessments as tax rate equivalent per \$100 in value ("Targeted Net Average Annual Installment")	<u>\$0.424491</u>
Estimated Average Annual Installment of Phases 2-6 Major Improvement Assessments in Phase 2 of the District as tax rate equivalent per \$100 in value ⁽⁴⁾	<u>\$0.069944</u>
Estimated Total Tax Rate and Average Annual Installment in Phase 2 of the District as tax rate equivalent per \$100 in value⁽²⁾	<u>\$2.705541</u>

⁽¹⁾ Tax Rates for the taxing entities are Tax Year 2022 tax rates as reported by the Collin Central Appraisal District. Per \$100 in taxable appraised value.

⁽²⁾ Average Annual Installment for Phase 2 is preliminary and subject to change. Inclusive of principal and interest payment levies, additional interest levy and budgeted administrative levies throughout the life of the Bonds.

⁽³⁾ Derived from information presented in the Service and Assessment Plan. The estimated Average Installment of Assessments in Phase 2 of the District as tax rate equivalent per \$100 in value through 2049, or the final year of maturity of the Phases 2-6 Major Improvement Bonds, is \$0.441171 and thereafter is \$0.511071.

⁽⁴⁾ Phases 2-6 Major Improvement Assessments are outstanding until 2049.

⁽⁵⁾ Inclusive of funds collected to pay estimated Phases 2-6 TIRZ administrative expenses.

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As noted above, the District includes territory located in governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Phase 2 of the District, as of January 15, 2023, and the amount of debt secured by assessments:

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of 1/15/2023</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (Assessments for the Bonds) ⁽²⁾	\$ 13,593,000	100.00%	\$13,593,000
The City (Phases 2-6 Major Improvement Bonds)	8,210,000	25.234%	2,071,705
The City	75,535,000	1.795%	1,355,667
Collin County, Texas	543,645,000	0.026%	142,769
Collin County Community College District	498,565,000	0.026%	128,442
Princeton Independent School District	<u>348,369,235</u>	1.953%	<u>6,802,677</u>
	<u>\$1,487,917,235</u>		<u>\$24,094,260</u>

⁽¹⁾ Based on the Appraisal for Phase 2 of the District and on the Tax Year 2022 Net Taxable Assessed Valuation for the taxing entities as certified by the Collin Central Appraisal District.

⁽²⁾ Preliminary, subject to change.

Sources: *Municipal Advisory Council of Texas (Gross Outstanding Debt), Collin Central Appraisal District and the Service and Assessment Plan.*

ASSESSMENT PROCEDURES

General

Capitalized terms used under this “ASSESSMENT PROCEDURES” caption and not otherwise defined in the Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Phase 2 Improvements through Assessments, it must adopt a resolution generally describing the Phase 2 Improvements and the land within Phase 2 of the District to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll relating to the cost of the Phase 2 Improvements to be prepared (the “Assessment Roll”) and attached to the Service and Assessment Plan, which Assessment Roll will identify the land within Phase 2 of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Phase 2 Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the costs of the Phase 2 Improvements may be assessed by the City against the assessable property in Phase 2 of the District so long as the special benefit conferred upon the assessed property by the Phase 2 Improvements equals or exceeds the Assessments. The costs of the Phase 2 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within Phase 2 of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Phase 2 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 City allocates the special benefit of the Phase 2 Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Phase 2 Improvements is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues.

As set forth in the Service and Assessment Plan, the City Council has determined that the Budgeted Costs associated with the Phase 2 Improvements will be allocated among the existing parcels in Phase 2 of the District (the “Assessed Property”) by spreading the entire Assessment across all Parcels and Lots within Phase 2 on the ratio of estimated build-out value of each Parcel or Lot to the estimated average build-out value for all Parcels or Lots within Phase 2.

The City has created the Phases 2-6 TIRZ and adopted the Phases 2-6 TIRZ Project and Finance Plan providing for, inter alia, the Phase 2 TIRZ Credit to offset a portion of the Annual Installment attributable to the costs of the Phase 2 Improvements on the Assessed Property within Phase 2 of the District on any Assessed Property within Phase 2 of the District. The Annual Installment for each Assessed Property shall be calculated by taking into consideration any Phase 2 TIRZ Credit applicable to the Assessed Property.

For further explanation of the Assessment methodology, see “APPENDIX C — Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within Phase 2 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within Phase 2 of the District. See “APPENDIX C — Form of Service and Assessment Plan.”

The following tables and calculations, including the value to assessment burden ratio per Lot, relate to the Bonds and are included in the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

TABLE VI-1							
WHITEWING TRAILS PID 2							
PHASE 2 PROJECT							
ESTIMATED SINGLE-FAMILY LOT AND HOME VALUES							
PLAT	LOT TYPE	LOTS	ESTIMATED VALUES				
			FINISHED LOT VALUES		BUILDOUT VALUES		
			ESTIMATED AVERAGE FINISHED LOT VALUE	ESTIMATED AVERAGE COMPLETED HOME VALUE	TOTAL ESTIMATED FINISHED LOT VALUE	TOTAL ESTIMATED BUILDOUT VALUE	% OF TOTAL ESTIMATED BUILDOUT VALUE
2A	60' Lots	0	\$84,000	\$475,000	\$0	\$0	0.00%
	50' Lots	227	\$70,000	\$425,000	\$15,890,000	\$96,475,000	38.73%
2B	60' Lots	0	\$84,000	\$475,000	\$0	\$0	0.00%
	50' Lots	225	\$70,000	\$425,000	\$15,750,000	\$95,625,000	38.39%
2C	60' Lots	120	\$84,000	\$475,000	\$10,080,000	\$57,000,000	22.88%
	50' Lots	0	\$70,000	\$425,000	\$0	\$0	0.00%
TOTAL		572	N/A	N/A	\$41,720,000	\$249,100,000	100.00%

TABLE VI-2										
WHITEWING TRAILS PID 2 PHASE 2 PROJECT										
ALLOCATION OF BUDGETED COSTS, ASSESSMENTS, AND ANNUAL INSTALLMENTS										
PLAT	LOT TYPE	LOTS	BUDGETED COSTS	PID BOND FINANCED/ REIMBURSED BUDGETED COSTS	PID BOND RELATED COSTS	TOTAL ASSESSMENT	ASSESSMENT PER LOT	ESTIMATED AVERAGE ANNUAL INSTALLMENT PER LOT	ESTIMATED FINISHED LOT TAX EQUIVALENT RATE	ESTIMATED BUILDOUT TAX EQUIVALENT RATE
2A	60' Lots	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	50' Lots	227	\$5,705,506	\$4,179,350	\$1,085,141	\$5,264,491	\$23,191.59	\$1,914.59	\$2.7351	\$0.4505
2B	60' Lots	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	50' Lots	225	\$5,655,237	\$4,142,528	\$1,075,580	\$5,218,108	\$23,191.59	\$1,914.59	\$2.7351	\$0.4505
2C	60' Lots	120	\$3,370,965	\$2,469,271	\$641,130	\$3,110,401	\$25,920.01	\$2,139.83	\$2.5474	\$0.4505
	50' Lots	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		572	\$14,731,707	\$10,791,149	\$2,801,851	\$13,593,000	N/A	N/A	N/A	N/A

TABLE VI-3							
WHITEWING TRAILS PID 2 PHASE 2 PROJECT							
ESTIMATED VALUE TO ASSESSMENT RATIO							
PLAT	LOT TYPE	LOTS	TOTAL ALLOCATED ASSESSMENTS	TOTAL ESTIMATED FINISHED LOT VALUE	TOTAL ESTIMATED BUILDOUT VALUE	FINISHED LOT VALUE TO ASSESSMENT RATIO	BUILDOUT VALUE TO ASSESSMENT RATIO
2A	60' Lots	0	N/A	N/A	N/A	N/A	NA
	50' Lots	227	\$5,264,491	\$15,890,000	\$96,475,000	3.02	18.33
2A	60' Lots	0	N/A	N/A	N/A	N/A	N/A
	50' Lots	225	\$5,218,108	\$15,750,000	\$95,625,000	3.02	18.33
2A	60' Lots	120	\$3,110,401	\$10,080,000	\$57,000,000	3.24	18.33
	50' Lots	0	N/A	N/A	N/A	N/A	N/A
TOTAL		572	\$13,593,000	\$41,720,000	\$249,100,000	3.07	18.33

It is noted that in the tables above use estimated lot values which are in excess of the lot prices in the merchant builder lot purchase and sale agreements in Phase 2 of the District. See “THE DEVELOPMENT – Merchant Builder Lot Purchase and Sale Agreements.”

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City covenants to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the

City Council shall approve, an “Annual Service Plan Update” (as defined in the Service and Assessment Plan) to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Assessments for Administrative Expenses shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City covenants, agrees and warrants that, for so long as any Bonds are Outstanding, 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 the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments. Notwithstanding the foregoing, the City shall be permitted to reduce the Assessments by the Phase 2 TIRZ Credit amount the Phases 2-6 TIRZ Project and Finance Plan and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Administrative Expenses.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, 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 City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable 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 City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due on October 1 of each year, and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>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 accrues 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 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 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 amounts of the Assessments will be established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property as calculated by the Administrator and approved by the City Council consisting of the annual payment allocable to (i) the principal and interest on the Bonds, which amount includes the Additional Interest as described in the Service and Assessment Plan and (ii) the Administrative Expenses. The Annual Installments for the District may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Assessed Property as indicated on the Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Assessment per 50’ lot in Phase 2 is \$23,191.59* and the Assessment per 60’ lot in Phase 2 is \$25,920.01*. See “ASSESSMENT PROCEDURES — Assessment Methodology.” The Bonds are secured by a first lien on and pledge of the Trust Estate, including the Pledged Revenues which consist primarily of the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include the Additional Interest) and actual Administrative Expenses (as provided for in the Indenture), taking into consideration any other available funds for these costs, such as interest income on account balances. The Annual Installments for the Assessments shall be further reduced by any offset or credit of applicable Phase 2 TIRZ Credit.

Phase 2 TIRZ Credit for Assessed Property. The City has agreed to use Phase 2 TIRZ Revenues generated from each Assessed Property to offset a portion of the Assessments due as part of the Annual Installment on a parcel-by-parcel basis (the “Phase 2 TIRZ Credit”). The Annual Installment for each Assessed Property shall be calculated by deducting any Phase 2 TIRZ Credit applicable to such Assessed Property. The Phase 2 TIRZ Credit applicable to each Assessed Property shall be calculated as described under “SECURITY FOR THE BONDS — TIRZ Revenues May Reduce Assessments” and in “APPENDIX C — Form of Service and Assessment Plan.” The Phase 2 TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the Captured Taxable Value in the Phases 2-6 TIRZ in any year. Consequently, Phase 2 TIRZ Revenues are generated only if the appraised value of real property in the Phase 2-6 TIRZ in any year is greater than the base value. Any delay or failure of Developer to develop the District may result in a reduced amount of the Phase 2 TIRZ Revenues being available to credit the Assessments. **Phase 2 TIRZ Revenues generated from the Captured Taxable Value for each Assessed Property in the Phase 2 TIRZ during the development of such Assessed Property will result in a Phase 2 TIRZ Credit which is not sufficient to achieve the Targeted Net Average Annual Installment. The Phase 2 TIRZ Credit is not expected to be sufficient to provide for the Targeted Net Average Annual Installment until the second year that a home on such Assessed Property is assessed. See “OVERLAPPING TAXES AND DEBT.” Such Phase 2 TIRZ Revenues, if available, are not pledged as Security for the Bonds under the Indenture.**

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined to allocate the Budgeted Costs of (i) the Phase 2 Improvements to the Assessed Property within Phase 2 of the District in proportion to estimated average buildout value and that creating assessment classifications based on the anticipated Lot Types will result in imposing equal shares of cost on properties similarly benefitted. As the existing parcels are subsequently divided, the Assessments will be further apportioned pro rata based on the Lot Types of the newly created parcels. See “APPENDIX C — Form of Service and Assessment Plan.” See “ASSESSMENT PROCEDURES — Assessment Methodology.”

Apportion of Assessments Upon Subdivision.

* Preliminary; subject to change.

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.

The determination of the (i) Lot Type or Lot Types applicable to each new Parcel created by the subdivision shall be determined by reference to Appendix G of the Service and Assessment Plan, as may be amended, and (ii) the number of single-family lots applicable to each new Parcel created by the subdivision shall be determined by reference to the applicable recorded final plat(s), the replat of such recorded final plats, if applicable, and prior to the recordation of each such final plat the Final Plats included in Appendix F attached to the Service and Assessment Plan.

Any reallocation of Assessments pursuant to the Service and Assessment Plan shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the City Council. 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 PID Act, by the City Council. The City 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 Assessment Prepayment as provided for in the Service and Assessment Plan.

Apportionment of Assessments 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.

Prepayment of Assessments

Voluntary Prepayment. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. The owner of any Assessed Property within the District may also voluntarily prepay all or part of any Phases 2-6 Major Improvement Assessment levied in on property within the District. Unless otherwise directed to a specific assessment by the Parcel owner, any Prepayment or partial Prepayment for an Assessed Property with Phase 2 of the District will be allocated between the Assessments and the Phases 2-6 Major Improvement Assessments based on the ratio of the outstanding Assessments and Phases 2-6 Major Improvement Assessments due from such Assessed Property at the time of such Prepayment or partial Prepayments. 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.

Mandatory Prepayment. A Mandatory Assessment Prepayment(s) shall become due in the following circumstances:

- (1) A Parcel or portion thereof on which an Assessment is levied is acquired by or transferred to 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 otherwise become 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 property owner of Assessed Property shall provide notice to the City and the Administrator of (1) or (2) above, and upon full buildout of Phase 2 (i.e., the completion of and closing of the sale of all homes within Phase 2), the Developer shall provide the projected average home price to the City and the Administrator. In the case of (1) and (2) such notice shall be provided at least thirty (30) days prior to the date of such acquisition, transfer or act.

If a Parcel on which an Assessment is levied (i) is acquired in its entirety through an eminent domain action and/or proceeding by a party that is exempt from the payment of the Assessment under applicable law or (ii) otherwise is reclassified as Non-Benefited Property, a Mandatory Assessment Prepayment for the full outstanding balance of the Assessment applicable to such Parcel shall be due and payable by the Developer or applicable subsequent property owner.

If a portion of a Parcel on which an Assessment is levied (i) is acquired through an eminent domain action and/or proceeding by a party that is exempt from the payment of the Assessment under applicable law or (ii) otherwise is reclassified as Non-Benefited Property, the Assessment shall be apportioned between the portion of the Parcel that will be acquired through the eminent domain action and/or proceeding or otherwise is reclassified as Non-Benefited Property and the remainder of such Parcel in accordance with the Service and Assessment Plan. If the reallocation of the Assessment to the remainder of such Parcel results in an Assessment that exceeds the Assessment or sum of Assessments for the applicable Lot Type, then a Mandatory Assessment Prepayment corresponding to the excess Assessment shall be due and payable by the Developer or applicable subsequent property owner. In addition, any Assessment reallocated to the portion of the Parcel that will be acquired through the eminent domain action and/or proceeding or other is reclassified as Non-Benefited Property shall result in a Mandatory Assessment Prepayment corresponding to the amount of such reallocated Assessment due and payable by the Developer or applicable subsequent property owner. After the applicable Mandatory Assessment Prepayments are paid, the portion of the Parcel that will be acquired through the eminent domain action and/or proceeding, if any, shall be classified as Non-Benefited Property. Any release of Assessment lien shall be contingent upon the payment of the applicable Mandatory Assessment Prepayments.

The Administrator shall calculate the amount of any Mandatory Assessment Prepayment, including Prepayment Costs, and provide such Mandatory Assessment Prepayment calculation to the City for review. In the case of (1) or (2) above, the Mandatory Assessment Prepayment shall be calculated as the full Assessment Prepayment for the applicable Assessed Property. In the case of (3) or (4) above, the Mandatory Assessment Prepayment shall be calculated as the full Assessment Prepayment for the excess Assessment.

Following approval, the City shall provide the Mandatory Assessment Prepayment calculation to the Developer or applicable subsequent property owner. All Mandatory Assessment Prepayments that become due hereunder shall be paid to the City within thirty (30) days after the date that the City delivers notice to the Developer or subsequent property owner that a Mandatory Assessment Prepayment is due. If the City does not timely receive the full amount of any Mandatory Assessment Prepayment that may become due, the City may withhold building permits, certificates of occupancy and/or utilities as to any part of the Property associated with the cause of the Mandatory Assessment Prepayment becoming due.

Furthermore, a Mandatory Assessment Prepayment shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and the Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. 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, at any time.

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 City 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 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 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 owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City 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. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment or Annual Installment on the corresponding Assessed Property.

In the Indenture the City will covenant 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 in the Assessments, provided that the City 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) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B – Form of Indenture.

In the Indenture, the City creates the Delinquency and Prepayment Reserve Account of the Reserve Fund and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If funds on deposit in the Administrative Fund are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "SECURITY FOR THE BONDS – Delinquency and Prepayment Reserve Account of the Reserve Fund," "APPENDIX B – Form of Indenture" and "APPENDIX C – Form of Service and Assessment Plan."

ASSESSMENT AND COLLECTION DATA FOR THE DISTRICT

Collection and Delinquency History in Phase 1 of the District

THE FOLLOWING SUBSECTIONS SET FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR PHASE 1 OF THE DISTRICT RELATING TO THE PHASE 1 ASSESSMENTS LEVIED WITHIN PHASE 1. THE PHASE 1

ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. NO ASSURANCES CAN BE MADE THAT COLLECTION OF THE ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE PHASE 1.

The following table shows the collection and delinquency history of the Phase 1 Assessments in the District:

COLLECTION AND DELINQUENCY HISTORY OF PHASE 1 ASSESSMENTS

Fiscal Year Ending 9/30⁽¹⁾	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Annual Installments Collected^{(2), (3)}
2022	2021	\$581,215.33	\$1,270.35	0.22%	\$0.00	0.00%	\$581,215.33
2023	2022	\$538,956.06	N/A	N/A	N/A	N/A	\$355,230.42

⁽¹⁾ The Phase 1 Bonds included two years of capitalized interest and the first tax year annual installments were billed was 2021.

⁽²⁾ Does not include interest and penalties.

⁽³⁾ Information as of December 31, 2022 based on available information from the Collin County Tax Assessor and Collector.

Source: Information from 30 Three Sixty Public Finance, Inc. based upon Collin County Tax Assessor and Collectors' records.

Delinquency and Foreclosure History of Phase 1 Assessments

As of December 31, 2022, Annual Installment delinquencies of the Phase 1 Assessments were as follows:
(i) delinquent for greater than six months: \$0.00; (ii) delinquent for greater than one year: \$0.00; (iii) delinquent for greater than two years: \$0.00.

As of December 31, 2022, there has never been a foreclosure sale of any of the Assessed Property within Phase 1 of the District for non-payment of Phase 1 Assessments.

Prepayment History of Phase 1 Assessments

As of January 30, 2022, there have been no prepayments of the Phase 1 Assessments in Phase 1 of the District.

TIRZ Credit to Phase 1 Assessments

Pursuant to the TIRZ Act, on August 12, 2019, the City created "Reinvestment Zone Number Two, City of Princeton, Texas" (the "Phase 1 Single Family TIRZ") coterminous with the boundaries of Phase 1 of the District pursuant an Ordinance adopted by the City Council (the "Phase 1 Single Family TIRZ Creation Ordinance"), the City created the Phase 1 Single Family TIRZ. The City intends to use annual tax increment revenues ("Phase 1 Single Family TIRZ Revenues") collected within the Phase 1 Single Family TIRZ, which tax increment will consist of an amount not to exceed \$0.0365 per \$100 assessed valuation of all single family real property in Phase 1 of the district taxable by the city. The City will use Phase 1 Single Family TIRZ Revenues generated from each Phase 1 Single Family Parcel to offset a portion of the Phase 1 Single Family Assessments due as part of the annual installments thereof on a parcel-by-parcel basis (the "Phase 1 Single Family TIRZ Credit"). **Phase 1 Single Family TIRZ Revenues will not be used to offset the Assessments levied on property within Phase 2 of the District.** The Phase 1 Single Family TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the Phase 1 Single Family TIRZ in any year. Consequently, Phase 1 Single Family TIRZ Revenues are generated only if the appraised value of single family real property in the Phase 1 Single Family TIRZ in any year is greater than the base value. Any delay or failure of Developer to develop the District may result in a reduced amount of the Phase 1 Single Family TIRZ Revenue being available to credit the Phase 1 Single Family Assessments. **Such Phase 1 Single Family TIRZ Credit is not expected fully materialize until the second year a home is built on a parcel.**

Collection and Delinquency History of Phases 2-6 Major Improvement Assessments

THE FOLLOWING SUBSECTIONS SET FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR THE PORTION OF THE PHASES 2-6 MAJOR IMPROVEMENT ASSESSMENTS LEVIED TO SUPPORT THE PHASES 2-6 MAJOR IMPROVEMENT BONDS. THE PHASES 2-6 MAJOR IMPROVEMENT ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. NO ASSURANCES CAN BE MADE THAT COLLECTION OF THE ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE PHASES 2-6 MAJOR IMPROVEMENT ASSESSMENTS.

The following table shows the collection and delinquency history of the Phase 2 Major Improvement Assessments in the District:

COLLECTION AND DELINQUENCY HISTORY OF PHASES 2-6 MAJOR IMPROVEMENT ASSESSMENTS IN THE DISTRICT

Fiscal Year Ending 9/30⁽¹⁾	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Annual Installments Collected^{(2), (3)}
2023	2022	\$607,406.19	0.00%	0.00%	0.00%	0.00%	\$607,409.19

⁽¹⁾ The Phases 2-6 Major Improvement Bonds included two years of capitalized interest and the first tax year annual installments were billed was 2022.

⁽²⁾ Does not include interest and penalties.

⁽³⁾ Information as of January 30, 2023.

Source: Information from 30 Three Sixty Public Finance, Inc. based upon Collin County Tax Assessor and Collectors' records.

Delinquency and Foreclosure History of Phases 2-6 Major Improvement Assessments

As of January 30, 2023, Annual Installment delinquencies of the Phases 2-6 Major Improvement Assessments were as follows: (i) delinquent for greater than six months: \$0.00; (ii) delinquent for greater than one year: \$0.00; (iii) delinquent for greater than two years: \$0.00.

As of January 30, 2023, there has never been a foreclosure sale of any of the Assessed Property within the District for non-payment of Phases 2-6 Major Improvement Assessments.

Prepayment History of Phases 2-6 Major Improvement Assessments

As of January 30, 2023, there have been no prepayments of the Phases 2-6 Major Improvement Assessments in the District.

THE CITY

Background

The City is located in north central Collin County, 40 miles north of Dallas, 10 miles east of the City of McKinney, and approximately 45 miles northeast of Dallas-Fort Worth International Airport and 43 miles northeast of Dallas Love Field airport. Access to the City is provided by U.S. Highway 380. The City covers approximately 4.3 square miles. The City's location as part of the Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City's 2020 census population was 17,027 and its estimated current population estimate is 20,046.

City Government

The City is a political subdivision and is a home rule city of the State of Texas, duly organized and existing under the laws of the State. The City currently operates under a Council/Manager form of government. The City Council is currently comprised of the Mayor and five Councilmembers. The term of office is two years with the

terms of the Mayor and one of the Councilmembers expiring in odd-numbered years and the terms of the other four Councilmembers expiring in even-numbered years. The City Manager is the chief administrative officer. The current members of the City Council and principal administrators of the City are listed on page ii hereof.

The City adopted a Home Rule Charter on November 18, 2022 which changed the composition of City Council and the terms for its City Councilmembers. Beginning in November 2023, the City Council will be comprised of the Mayor and seven Councilmembers. Seats 1, 2, 3, 4, 5, 6, and 7 who are elected by the City's qualified voters for a term of four (4) years. Seats 1, 2, and 3 shall be elected by the qualified voters of the City at large. Seats 4, 5, 6, and 7 shall be elected by the qualified voters residing in assigned single-member districts, which shall be implemented for the election of Councilmembers for those seats held in 2030 but shall be elected by the qualified voters of the City at-large until districts have been implemented.

General information regarding the City and the surrounding area can be found in "APPENDIX A - General Information Regarding the City and Surrounding Area."

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement districts to pay for certain improvements. The District was created by Resolution No. 2019-06-10-R-04 of the City adopted on June 10, 2019 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Phase 2 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit to property in Phase 2 of the District. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The District is located in the corporate limits of the City. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Phase 2 Improvements. See "THE PHASE 2 IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain road improvements, water facilities, sanitary sewer facilities, storm sewer facilities, and storm drainage improvements within Phase 2 of the District comprising the Phase 2 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C — Form of Service and Assessment Plan."

THE PHASE 2 IMPROVEMENTS

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's representatives and professional providers, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE PHASE 2 IMPROVEMENTS"

nor (ii) the information relating to the Phase 2 Improvements under the caption “BONDHOLDERS’ RISKS” contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

General

The Phase 2 Improvements consist of certain infrastructure benefitting only Phase 2 of the District. Proceeds of the Bonds will be used, inter alia, to pay for a portion of the costs of the Phase 2 Improvements. To the extent that the proceeds of the Bonds are insufficient to fund the Phase 2 Improvements, the balance of the costs of the Phase 2 Improvements, if any, will be paid by the Developer. The Phase 2 Improvements will be dedicated to the City. The Developer is responsible for the completion of the construction, acquisition or purchase of the Phase 2 Improvements, and the Developer or its designee will act as construction manager.

The City will pay for project costs for a portion of the costs the Phase 2 Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests for costs actually incurred in developing and constructing the Phase 2 Improvements and be reimbursed in accordance with the Indenture and the Construction, Funding, and Acquisition Agreement. See “PLAN OF FINANCE – Development Plan and Status of Development,” “APPENDIX C – Form of Service and Assessment Plan,” and “APPENDIX F – Form of Construction, Funding, and Acquisition Agreement” herein.

Description of Phase 2 Improvements

Phase 2 Improvements. The Phase 2 Improvements will include road improvements, water facilities, sanitary sewer facilities, storm sewer facilities, storm drainage improvements, earthwork, and soft costs benefitting the Phase 2 of the District, as described below

- Road improvements, including but not limited to, subgrade, paving, ramps, sidewalks, curbs, hardscape, streetlights and poles, signs, testing, and bonds;
- Water facilities, including but not limited to, lines, valves, fittings, fire hydrants, testing and chlorination, trench safety, bonds, and all other works, equipment, and services for the transmission of water;
- Sanitary sewer facilities, including but not limited to, lines, manholes, system testing and inspection, trench safety, bonds, and all other works, equipment, and services for the collection and transportation of wastewater;
- Storm drainage improvements, including but not limited to, storm drain lines and pipes, inlets, manholes; headwalls, rip rap, testing, trench safety, bonds, and all other works, equipment, and services for the collection, detention, and transportation of storm water;
- Earthwork; and
- Soft costs, including but not limited to, engineering, surveying, construction staking, construction administration, testing, plan check and inspection fees, PID creation services including legal, financial and other consulting services costs incurred in connection with the creation of the PID and the levy of assessments.

The following table reflects the total expected costs of the Phase 2 Improvements*:

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* Preliminary; subject to change.

TABLE V-2				
WHITEWING TRAILS PID				
PHASE 2 PROJECT				
BUDGETED COSTS AND INDEBTEDNESS				
DESCRIPTION	AUTHORIZED IMPROVEMENT COSTS	ADDITIONAL PUBLIC IMPROVEMENTS	PRIVATE IMPROVEMENTS	TOTAL
PUBLIC AND PRIVATE IMPROVEMENTS				
ENGINEERING/SOFT COSTS	\$1,243,446	\$0	\$188,002	\$1,431,449
EXCAVATION	\$348,520	\$0	\$2,877,724	\$3,226,244
WATER	\$2,368,707	\$0	\$0	\$2,368,707
SEWER	\$1,888,513	\$0	\$0	\$1,888,513
OFF-SITE SEWER	\$244,551	\$0	\$0	\$244,551
STORMWATER	\$2,363,407	\$0	\$0	\$2,363,407
PAVING	\$5,739,562	\$0	\$0	\$5,739,562
MISCELLANEOUS	\$0	\$0	\$4,039	\$4,039
PID CREATION, LEGAL, AND CONSULTING	\$535,000	\$0	\$0	\$535,000
TOTAL PUBLIC AND PRIVATE IMPROVEMENTS	\$14,731,707	\$0	\$3,069,765	\$17,801,472
ADDITIONAL PUBLIC IMPROVEMENTS				
ROAD IMPACT FEES	\$0	\$1,691,570	\$0	\$1,691,570
WATER IMPACT FEES	\$0	\$1,650,972	\$0	\$1,650,972
SEWER IMPACT FEES	\$0	\$986,700	\$0	\$986,700
CITY PID FEES	\$0	\$1,495,780	\$0	\$1,495,780
TOTAL CITY PID AND IMPACT FEES	\$0	\$5,824,842	\$0	\$5,824,842
TOTAL ASSESSED COSTS	\$10,791,149	\$0	\$0	\$10,791,149
BOND RELATED COSTS				
DEBT SERVICE RESERVE	\$1,160,993	\$0	\$0	\$1,160,993
CAPITALIZED INTEREST	\$389,598	\$0	\$0	\$389,598
COSTS OF ISSUANCE	\$755,970	\$0	\$0	\$755,970
UNDERWRITER'S DISCOUNT	\$407,790	\$0	\$0	\$407,790
ADMINISTRATIVE FUND	\$87,500	\$0	\$0	\$87,500
PRINCIPAL ASSESSED	\$13,593,000	\$0	\$0	\$13,593,000

* Preliminary, Subject to Change

The City will use proceeds of the Bonds to pay for a portion of the costs of construction of the Phase 2 Improvements and, to the extent that the proceeds of the Bonds are insufficient for the cost of the Phase 2 Improvements, the balance of the costs of the Phase 2 Improvements will be paid by the Developer, without reimbursement from the City. As of December 28, 2022, the Developer indicates it has expended \$14,487,812 on the Phase 2 Improvements, which costs were funded by the Development Loan.

Ownership and Maintenance of the Phase 2 Improvements

The Phase 2 Improvements will be dedicated to and accepted by the City in accordance with City standards and specifications as outlined in the Construction, Funding, and Acquisition Agreement. See “APPENDIX F – Form Of Construction, Funding, and Acquisition Agreement.” The City will provide for the ongoing operation, maintenance and repair of such Phase 2 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

THE DEVELOPMENT AGREEMENT

The Developer acquired the property within the District pursuant to an order of the United States Bankruptcy Court, District of Arizona, dated February 4, 2019 in the bankruptcy proceeding of McCavity Company, LLC, the prior owner of the land, Case No. 2:17-bk-08474-BKM. In connection with the court order, the Developer received an assignment of the original development agreement relating to land within the District (the “Original Development Agreement”). The Developer and the City entered into the Development Agreement, which amended, restated and replaced the Original Development Agreement.

The Development Agreement sets forth certain agreements between the City and the Developer relating to the development of all property within the District, including the Developer’s and the City’s respective contributions to the Development, and agreements relating to tax increment reinvestment zones in the District (a “TIRZ”) and the issuance of public improvement district bonds for development in the District.

Under the Development Agreement, the Developer is obligated to:

- Pay to the City a “City PID Fee” in the amount of \$2,615 per lot at the closing of the Bonds;
- Fund and construct all water, road, and sanitary sewer improvements required to serve the District not funded by the City pursuant to the Development Agreement;
- Prior to the recording of a final plat for each Phase, and not more than twenty-four months after the issuance of bonds for the relevant Phase, complete the road, water and wastewater improvements to be constructed within such Phase;
- Dedicate 3 acres of property in the District for the construction of a water tower;
- construct two southbound lanes of North Beauchamp Boulevard to US380 as a part of Phase 1 and prior to the issuance of any building permits for a structure in Phase 2, with the cost to be shared 57% by the Developer and 43% by the City;
- construct two northbound lanes of North Beauchamp Boulevard to US380 as a part of Phase 2 and prior to the issuance of any building permits for a structure in Phase 3, with the cost to be shared 57% by the Developer and 43% by the City; and
- construct an Amenity Center (“Amenity Center”) on a site that is approximately seven and one half (7.5) acres, construction of which shall begin within six (6) months following recordation of the final plat for Phase 1 of the Development and shall be completed prior to the issuance of building permits for Phase 3 of the Development. The Amenity Center shall consist of a pool, a cabana at least of at 2,000 square feet, kiddy play area, water feature, baseball field, soccer field, playground equipment, and clubhouse (includes catering kitchen and workout room).

Under the Development Agreement, the City is obligated to:

- Acquire, through dedication or the use of public improvement district proceeds, 3 acres of land to be used as a fire station;

- Acquire, through dedication or the use of public improvement district proceeds, 6-7 acres of land to be used as a community complex.

The City has acquired such land.

The Development Agreement also sets forth the City's commitment with respect to the use of funds generated by tax increment reinvestment zones formed within the District, including the Phase 1 Single Family TIRZ and the Phases 2-6 TIRZ. The Development Agreement provides that, in accordance with each TIRZ Project and Finance Plan, each TIRZ Fund shall pay for the following improvements by off-setting or paying a portion of any PID assessments levied on the Property for the costs of capital improvements that are Authorized Improvements and qualify as projects under the TIRZ Act for a period not to exceed thirty-one (31) years from the date of creation or until the amount of all funds collected as the TIRZ increment placed into all of the separate TIRZ Funds has an aggregate total of \$4,878,877.00, whichever comes first.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's representatives and professional providers, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE DEVELOPMENT" nor (ii) the information relating to the Developer or the Developer's plan for developing the land within the District, which is known as "Whitewing Trails" (the "Development") under the caption "BONDHOLDERS' RISKS" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Overview

The Development encompasses approximately 852.536 acres to be developed by the Developer into a master planned mixed use community located within the municipal limits of the City, north of Monte Carlo, east of CR 406, south of CR 408, and west of FM 75. The City is located in the north-central region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), and are poised for significant growth as the overall DFW MSA continues its growth trajectory. The Development is approximately 10 miles east of the City of McKinney, 23 miles northeast of the City of Frisco, and 41 miles northeast of the City of Dallas. It is approximately 45 miles northeast of Dallas-Fort Worth International Airport and 43 miles northeast of Dallas Love Field airport. Furthermore, the Development is located within the Princeton Independent School District.

The Developer will develop infrastructure and community improvements, complete lots and construct homes to be sold to end users within the Development. The Development will include a variety of parks, trails, an amenity center, and open space areas for its residents and others to enjoy.

General Development Plan

The development is expected to be a mixed-use development expected to consist of approximately 2,529 single-family units in a combination of 50', 60' and 75' lots, approximately 400 Multifamily units, a community complex, and a fire station. The current development plan is divided into stages, which began with the concurrent development of the Phase 1 Improvements and the Phases 2-6 Major Improvements and is continuing with development of the Phase 2 Improvements.

The Developer was responsible for the construction of the Phase 1 Improvements and the Phase 2-6 Major Improvements and construction of such projects was completed in Q4 2020. All of the Phase 1 Improvements and Phases 2-6 Major Improvements have been completed and dedicated to the City. The Developer is responsible for construction of the Phase 2 Improvements, construction of which commenced in Q3 2021. See "THE DEVELOPMENT – Development Plan and Status of Development in Phase 2." Photographs of completed development in the District are included herein as APPENDIX H.

Development of the District is expected to proceed as described under “THE DEVELOPMENT — Expected Build-Out of the Development.” See also THE DEVELOPMENT — Concept Plan,” “THE PHASE 2 IMPROVEMENTS.”

The Multifamily units are located in Phase 1 of the District. The Multifamily units were sold to Whitewing Highgates, L.P. on August 4, 2021 for \$2,990,000. The Developer is a 49% owner of and limited partner Whitewing Highgates, L.P. Whitewing Highgates, L.P. has obtained a development loan for the Multifamily units from Crossfirst Bank, and Mehrdad Moayedhi serves as a guarantor on such loan.

The Developer expects to construct additional private improvements in the District (the “Private Improvements”), which Private Improvements include (i) landscaping lighting, theme and perimeter walls, entry monumentation and signage, landscaping and retaining walls, a trail and park system (the “Landscaping Private Improvements”), and (ii) the Amenity Center and various recreational and open spaces located throughout the Development (the “Amenity Private Improvements”). The estimated cost of the Private Improvements is \$17,261,353, which includes approximately \$3,500,000 for the Amenity Private Improvements and approximately \$4,000,000 for the Landscaping Private Improvements. The costs of the Private Improvements will be paid by the Developer with funds from the Development Loan without reimbursement by the City.

Construction of the Amenity Private Improvements commenced in Q1 2022. See “THE DEVELOPMENT – Amenities.” As December 28, 2022, the Developer indicates it has expended approximately \$500,000 on construction of the Amenity Center, which was funded with the Development Loan.

Construction of the Landscaping Private Improvements to benefit Phase 1 of the District occurred concurrently with the construction of the Phase 1 Improvements. Construction of the Landscaping Private Improvements to benefit Phase 2 of the District is expected to occur concurrently with the construction of the Phase 2 Improvements. Construction of the Landscaping Private Improvements to benefit Future Phases of the District is expected to occur concurrently with the development of Phase Specific Improvements. As of December 28, 2022, the Developer has expended \$690,000 on the Landscaping Private Improvements, which costs were funded with proceeds of the Development Loan. The costs of Landscaping Private Improvements in Future Phases is expected to be funded with development loans for future phases.

Ownership of Property in the Development

The following table sets forth the current ownership of land within the Development by phase.

OWNERSHIP OF PROPERTY IN THE DISTRICT

<u>Phase</u>	<u>Single-Family Lots/MF Units</u>	<u>Ownership</u>
1	366	D.R Horton;
1	400 MF Units	Pulte; Individual Homeowners
2	572	Whitewing Highgates, L.P.
3	814	Developer
4	271	Developer
5	322	Developer
6	184	Developer
N/A	9.31 acres	City of Princeton (Community Complex and Fire Station Sites)

Update on Phase 1

Development in Phase 1 of the District consisted of the construction of the Phase 1 Improvements. The Developer was responsible for the construction of the Phase 1 Improvements and construction of such projects was completed in Q4 2020. All of the Phase 1 Improvements have been completed and dedicated to the City.

In connection with the development of the 366 lots in Phase 1, the Developer entered into lot contracts with D.R. Horton and Pulte. As of December 30, 2022, 352 homes had been completed and 337 homes had been sold to end users in Phase 1.

The following table summarizes the status of home sales, construction and lot delivery in Phase 1 of the District as of December 30, 2022.

Status of Homes in Phase 1								
Lot Type	Qty.	Completed Lots	Average Lot Price	Lots Closed to Homebuilders	Homes Under Construction	Completed Homes	Homes Closed to End Users	Average Home Price ⁽¹⁾
50'	352	352	\$50,000	352	0	345	330	Pulte: \$431,282 Horton: \$391,540
60'	14	14	\$60,000	14	0	7	7	Horton: \$268,571
TOTAL	366	366		366	0	352	337	

⁽¹⁾ Average sale prices are for the quarter ended December 30, 2022. Cumulative average sales price in Phase 1 for each lot type is as follows: Pulte 50' lots: \$373,040, Horton 50' lots: \$286,857, and Horton 60' lots: \$268,571. According to the Developer's continuing disclosure filings for the Phase 1 Bonds, the last sale of a home on a 60' lot occurred in 3Q 2021 by D.R. Horton. Pulte owns the remaining seven 60' lots and has not reported construction of a home on such lots or sales of homes on such lots.

Development Plan and Status of Development in Phase 2

Development in Phase 2 of the District began with the portion of the Major Improvements (as defined herein) benefitting Phase 2. The Developer was responsible for the construction of such improvements and construction of such projects was completed in 2020. Construction of the Phase 2 Improvements began in Q3 2021. Construction of the Phase 2 Improvements is expected to be completed in Q1 2023. The Developer is responsible for construction of the Phase 2 Improvements. As of December 28, 2022, the Developer indicates it has expended approximately \$14,487,812 on construction of the Phase 2 Improvements, which was funded with Development Loan.

The land in Phase 2 of the Development is owned by the Developer. 566 of the 572 lots in Phase 2 of the District are under contract with homebuilders as described under "- Merchant Builder Lot Purchase and Sale Agreements" below. To date, no lots have been delivered to such homebuilders in Phase 2 of the District.

Merchant Builder Lot Purchase and Sale Agreements

The Developer has entered into lot purchase and sale agreements as described below with DRHI, Inc. ("D.R. Horton"), Pulte Homes of Texas, LLC ("Pulte"), Beazer Texas, L.P. ("Beazer") and TSHH, LLC, which is owned by Green Brick Partners, Inc. ("Green Brick"). 566 of the 572 lots in Phase 2 of the District are under contract with such builders.

D.R. Horton and the Developer executed a Contract of Sale (the "Horton PSA") for certain lots within Phases 1, 2, 3 and 4 of the District. The Developer has delivered all contracted lots in Phase 1 of the District to D.R. Horton. D.R. Horton is under contract for lots in Phases 2, 3, and 4 of the District as described below. Pursuant to the Horton PSA, D.R. Horton has deposited \$3,500,000.00 in earnest money for the benefit of the Developer. The earnest money delivered under the Horton PSA is secured by an earnest money deed of trust in favor of D.R. Horton. D.R. Horton has subordinated its deed of trust to the interests of the Lender under the Development Loan. In addition, in connection with such subordination, D.R. Horton entered into a tri-party agreement with the Lender outlining the rights of the parties relating to such subordination.

In addition, under the Horton PSA, the Developer has represented and warranted that (i) the assessments to be levied on each 50' lot shall not exceed \$30,000 and that the annual installment thereof is projected not to exceed \$2,500.

Pulte and the Developer executed a Real Estate Purchase and Sale Agreement (the “Pulte PSA”) for certain lots within Phases 1, 2 and 3 of the District. The Developer has delivered all contracted lots in Phase 1 of the District to Pulte. Pulte is under contract for lots in Phases 2 and 3 of the District as described below. Pursuant to the Pulte PSA, Pulte has deposited \$3,500,000 in earnest money for the benefit of the Developer. The earnest money delivered under the Pulte PSA is secured by an earnest money deed of trust in favor of Pulte. Pulte has subordinated its deed of trust to the interests of the Lender under the Development Loan.

In addition, under the Pulte PSA, the Developer and Pulte have agreed that (i) the maximum assessments levied on each 50’ lot shall not exceed \$27,500 and that the annual payment thereof shall not exceed \$2,300 and (ii) the maximum assessments levied on each 60’ lot shall not exceed \$30,200 and that the annual payment thereof shall not exceed \$2,500.

Beazer and the Developer executed a Contract of Sale (the “Beazer PSA”) for certain lots within Phases 2 and 3 of the District. Beazer is under contract for lots in Phases 2 and 3 of the District as described below. Pursuant to the Beazer PSA, Beazer has deposited \$2,262,900 in earnest money for the benefit of the Developer. The earnest money delivered under the Beazer PSA is secured by an earnest money deed of trust in favor of Beazer. Beazer has subordinated its deed of trust to the interests of the Lender under the Development Loan. In addition, under the Beazer PSA, the Developer has represented and warranted that the annual installments of the assessments to be levied on each lot shall not exceed \$0.5505 per \$100 of assessed value.

Green Brick and the Developer executed a Lot Purchase and Sale Agreement (the “Green Brick PSA”) for certain lots within Phases 2 and 3 of the District. Green Brick is under contract for lots in Phases 2 and 3 of the District as described below.

Pursuant to the Green Brick PSA, Green Brick has deposited \$3,390,600 in earnest money for the benefit of the Developer. The earnest money delivered under the Green Brick PSA is secured by an earnest money deed of trust in favor of Green Brick. Green Brick has subordinated its deed of trust to the interests of the Lender under the Development Loan.

The following table provides a summary of the number of lots by lot type and the take down schedule under contract with each homebuilder in the Phase 2 of the District.

LOT PURCHASE AND SALE AGREEMENTS IN PHASE 2

Homebuilder	Phase	Total Lots	Base Price per lot*		Lots per Takedown
D.R. Horton	2	112	50’ lots	\$57,500	20 lots at initial closing for each phase; 20 lots each 90 days thereafter
Beazer**	2	110	50’ lots	\$57,500	25 lots at initial closing for each phase; 15 lots each 90 days thereafter
	2	46	60’ Lots	\$68,500	
Green Brick	2	111	50’ lots	\$58,000	20 lots at initial closing for each phase; 20 lots each 90 days thereafter
	2	75	60’ Lots	\$69,000	
Pulte	2	112	50’ Lots	\$57,500	20 lots at initial closing; 20 lots 120 days thereafter; 20 lots each 90 days thereafter provided that if no Phase 2 lots remain, Pulte shall take down additional lots in Phase 3 up to 20 lots
Total Lots Under Contract In Phase 2		566			

* Excludes 6% annual escalator and \$500/lot marketing fee. Amenity fees of \$1,500/lot apply to Beazer and Green Brick and \$1,000/lot to D.R. Horton and Pulte. PID fees of \$1,800/lot apply to Beazer, Green Brick, D.R. Horton and Pulte.

** Beazer currently has one more 60’ lot under contract than exists in Phase 2. The Developer intends to negotiate an amendment to the Beazer PSA under which Beazer will gain an additional 50’ lot in lieu of a 60’ lot.

The following table provides a summary of the number of lots by lot type and the take down schedule under contract with each homebuilder in the Future Phases of the District.

LOT PURCHASE AND SALE AGREEMENTS IN FUTURE PHASES

<u>Homebuilder</u>	<u>Phase</u>	<u>Total Lots</u>	<u>Base Price per lot*</u>		<u>Lots per Takedown</u>
D.R. Horton	3	186	50' lots	\$62,500	20 lots at initial closing for each phase; 20 lots each 90 days thereafter
	4	66	50' lots	\$62,500	20 lots at initial closing for each phase; 20 lots each 90 days thereafter
Beazer	3	100	50' lots	\$60,000	15 lots at initial closing for each phase; 12 lots each 90 days thereafter
Green Brick	3	100	50' lots	\$63,000	20 lots at initial closing for each phase; 20 lots each 90 days thereafter
	3	75	60' Lots	\$75,000	
Pulte	3	152	50' lots	\$62,500	20 lots at initial closing; 20 lots 120 days thereafter; 20 lots each 90 days thereafter
Total Lots Under Contract In Future Phases		679			

* Excludes 6% annual escalator and \$500/lot marketing fee. Amenity fees of \$1,500/lot apply to Beazer and Green Brick and \$1,000/lot to D.R. Horton and Pulte. PID fees of \$1,800/lot apply to Beazer, Green Brick, D.R. Horton and Pulte.

Expected Home Prices in the Development

The Developer's current expectations regarding estimated single-family home prices in the Development are as follows:

ESTIMATED AVERAGE LOT AND HOME PRICES IN THE DEVELOPMENT

<u>Lot Size (Width in Ft.)</u>	<u>Quantity</u>	<u>Base Lot Price*</u>	<u>Average Home Price*</u>
50'	1,612	\$57,500-63,000	\$425,000
60'	856	\$68,500-75,000	\$475,000
75'	61	\$90,000	\$525,000

* Developer estimates

Expected Build-Out of the Development

The Developer expects to complete build-out of the single-family portion of the Development in six phases over a twelve year period. The following tables provide the Developer's expected build-out schedule of the Development, and absorption schedule by single-family lot type and the status of lots in the Development.

ACTUAL/EXPECTED BUILD-OUT SCHEDULE OF THE DEVELOPMENT

<u>Phase</u>	<u>Single-Family Lots</u>	<u>Actual/Expected Infrastructure Start Date</u>	<u>Actual/Expected Infrastructure Completion Date</u>	<u>Actual/Expected Final Lot Sale Date</u>
1	366	3Q 2019	4Q 2020	4Q 2022
2	572	3Q 2021	4Q 2022	4Q 2024
3	814	3Q 2023	1Q 2025	2Q 2027
4	271	1Q 2026	2Q 2027	4Q 2028
5	322	4Q 2027	4Q 2028	4Q 2030
6	184	3Q 2029	4Q 2030	4Q 2031

ACTUAL/EXPECTED ABSORPTION OF LOTS IN THE DISTRICT

<u>Actual/Expected Sale Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Phase 4</u>	<u>Phase 5</u>	<u>Phase 6</u>	<u>Total Lots</u>
2022	366						366
2023		360					360
2024		212	180				392
2025			300				300
2026			300				300
2027			34	160			194
2028				111	100		211
2029					200		200
2030					22	80	102
2031						104	104
Total	366	572	814	271	322	184	2,529

Phased PID Bonds

Additional Phased PID Bonds to finance the cost of Phase Specific Improvements benefitting Phases 3-6 are anticipated to be issued in the future. The estimated costs of the Phase Specific Improvements benefitting Phases 3-6 of the District will be determined at the time such phases are developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within Phases 3-6 of the District and financed by each new series of Phased PID Bonds. Such Phased PID Bonds will be secured by separate assessments levied on each phase pursuant to the PID Act on assessable property within Phases 3-6 of the District, as applicable. The Developer anticipates that additional Phased PID Bonds will be issued over a five-year period beginning in 2025.

The Bonds, the Phase 1 Bonds, the Phases 2-6 Major Improvement Bonds and any Phased PID Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Phased PID Bonds for any purpose permitted by the PID Act, including those described above.

Concept Plan

Below is a map of each of the phases within the District and the current conceptual land use plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the zoning regulations set forth for the District. See “— Zoning/Permitting” below.

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Zoning/Permitting

The District is currently zoned as a planned development district pursuant to Ordinance 2009-07-28, as amended by Ordinance 2016-08-22, and as further amended by Ordinance 2019-06-24-01, each adopted by the City Council (collectively, the “PDD Ordinance”). The PDD Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area, setbacks, aesthetics, landscaping and use. Pursuant to the PDD Ordinance, the total number of single-family dwelling units may not exceed 3,000 units and the total number of multifamily units may not exceed 500 units. Because the District lies within the city limits of the City, the City’s zoning and subdivision regulations control the aspects of development not specifically set forth in the PDD Ordinance or the Development Agreement.

Amenities

The Developer will construct the Amenity Private Improvements within the development as part of the costs of the Private Improvements to serve the District. The Amenity Private Improvements will include a swimming pool, a minimum 2,000 sq. ft. cabana, a kiddie play area, a water feature, a baseball field, a soccer field, playground equipment, and a clubhouse with a catering kitchen and a workout room.

Under the Development Agreement, construction of the Amenity Center was required to begin within six months following recordation of the final plat for Phase 1 of development and shall be completed prior to the issuance of permits for Phase 3 of development. In accordance with the Development Agreement, construction of the Amenity Center began Q1 2022. As of December 28, 2022, the Developer has expended approximately \$500,000 on construction of the Amenity Center, which was funded with the Development Loan.

Education

The Princeton Independent School District (“PISD”) serves the District. PISD encompasses 60 square miles and serves the City and the surrounding communities of Culleoka, Lowry Crossing, Branch, Climax, and the west side of Lake Lavon. PISD enrolls over 6,700 students in two high schools, two middle schools, six elementary schools, and an early childhood development center. Children in the Development will attend Lacy Elementary (approximately 1.7 miles from the Development), Southard Middle School (approximately 1.1 miles from the Development), and Princeton High School (approximately 3.1 miles from the Development). According to the Texas Education Agency (“TEA”), PISD, Lacy Elementary and Southard Middle School received an “Accountability Rating” of “A” from the TEA and Princeton High School received an “Accountability Rating” of “B” from the TEA for the 2021-2022 school year. Greatschools.org rates Lacy Elementary below average and Princeton High School as average. Greatschools.org did not rate Southard Middle School in 2021-2022.

Utilities

The City will provide both water and wastewater service to the Development. The City purchases its water wholesale from the North Texas Municipal Water District and maintains its own water distribution system and wastewater collection and treatment system. The City’s water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the Development.

The Developer expects additional utilities to be provided by: (1) Phone/Data – AT&T and Spectrum, (2) Electric – Texas New Mexico Power; (3) Cable –AT&T and Spectrum; and (4) Natural Gas - Atmos.

Existing Mineral Rights and Other Third-Party Property Rights

Third parties, including an entity related to the Developer, hold title to certain rights applicable to real property within and around the District, including reservations of mineral rights and royalty interests and easements (collectively, the “Third Party Rights”) pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Certain of the Third-Party Rights provide mineral rights owners a right to enter onto the surface of the District and use the surface to explore, develop, drill, produce or extract minerals within the District. Certain state and local laws, including rules and regulations of the Texas Railroad

Commission, may substantially restrict the ability of mineral rights owners to explore, develop or otherwise exercise their Third-Party Rights.

Although the Developer does not expect the above-described Third-Party Rights, or the exercise of such rights or any other third-party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Third-Party Property Rights.”

Environmental

Phase One. Avanco Environmental, Incorporated (“AEI”) performed an update to a Phase One Environmental Site Assessment (ESA), dated June 9, 2017, of the subject property, known as Whitewing Trails, Texas, which included the property within the District (the “Subject Property”). According to AEI, the ESA was performed in accordance with the requirements of American Standard of Testing and Materials (ASTM) E1527-13 to identify recognized environmental conditions that may be associated with the subject property. AEI utilized information from a prior ESA dated June 9, 2017 of the Subject Property to avoid undertaking duplicative information. AEI performed a current investigation on August 1 thru August 8, 2018 of conditions likely to affect recognized environmental conditions in connection with the subject property. Additional tasks were necessary to document conditions that may have changed materially since the prior environmental site assessment that was conducted on June 9, 2017. AEI found no evidence to suggest the presence of, or improper disposal of, hazardous and/or regulated materials on the Subject Property.

Endangered Species According to the website for the United States Fish and Wildlife Service, the golden cheeked warbler, the black-capped vireo, least tern and the whooping crane are endangered species in Collin County. The Developer is not aware of any endangered species located on District property.

Flood Designation

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) 48085C0285J, dated June 2, 2009, a majority of the overall approximately 854-acre property in Whitewing Trails is located in Zone X. Zone X corresponds to areas outside of the 500-year flood plain. According to estimates made by the original Engineer, an approximate 206-acre portion of the District was located in Zone A with no base flood elevations determined. Zone A corresponds to special flood hazard areas subject to inundation by the 100-year flood, with no Base Flood Elevations determined. Mandatory flood insurance purchase requirements apply in areas designated as Zone A.

The original project engineer submitted and was granted a Conditional Letter of Map Revision (“CLOMR”) for the Development. Case No.19-06-0235R dated July 17, 2019. The Development was then put on hold prior to any proposed reclamation activity per this CLOMR.

The City submitted a separate Letter of Map Revision (LOMR) for Tickey Creek and Tickey Creek Tributary 4 which affects the Project and was approved as LOMR Case No. 19-06-0798P, which became effective on February 3, 2020, as part of the City of Princeton’s Overall Master Drainage Plan (“MDP”). This LOMR established FEMA Regulatory 100-year Base Flood Elevations (“BFE’s”) as well as FEMA Regulatory Floodway.

In addition, the City submitted a new LOMR, as part of the updated MDP and identified as the Monte Carlo Bridge LOMR to reflect any changes to Tickey Creek caused by the expansion of said bridge. This LOMR was approved as Case No. 20-06-2556P which became Effective on April 30, 2021. This LOMR increased and decreased the 100-year BFE’s and widened and narrowed the Regulatory Floodway and Regulatory Floodplain for an area approximately 104 feet upstream of the eastbound Monte Carlo Bridge Expansion affecting the project.

The Developer authorized an updated Hydrologic and Hydraulic Flood Study to be performed to update the City’s MDP. These studies required the computation of the 100-year FEMA Regulatory, Interim and Fully Developed Flood Plains as well as the Regulatory Floodway and to provide a Downstream Assessment as it relates to Tickey Creek and Tickey Creek Tributary 4, as required by the City, for the limits that affect Improvement Area

#2, which included Phase 2A, 2B and 2C. These studies were required to be provided to the City and be approved by the City prior to placing the necessary fills required for reclamation of the Regulatory FEMA 100-year Flood Plain for Phases 2A and 2C and the modification of the Regulatory Floodway affecting Phase 2A. The lot pad elevations and storm drainage systems for Phases 2A, 2B and 2C were designed with the Fully Developed 100 Year Flows for the entire 854-acre development, as being in a developed condition, as required by the City.

Currently, approximately 57 lots located in Phase 2A are located in a FEMA Regulatory Floodplain and Floodway. A third LOMR request is being submitted to FEMA by the Developer now that this reclamation fill work has been completed and certified for the approximate 57 Phase 2A lots to remove them from the FEMA Regulatory Floodplain and Floodway. No assurance can be made that FEMA will issue a full LOMR or when such LOMR will be issued.

In addition, 7 lots in Phase 2C are located in a Regulatory Floodplain. A LOMR-F request will be submitted by the Developer to FEMA now that the reclamation work has been completed and certified for the approximate 7 lots in Phase 2C. No change to the Floodway is being requested from the approved LOMR, Case No. 19-06-0798P, and the Developer expects that the LOMR will be granted. However, no assurance can be made that FEMA will issue a full LOMR or when such LOMR will be issued.

A portion of the expected lots in the Future Improvement Areas lie in the Regulatory Floodplain. As each Future Improvement Area (and the subphases therein) is engineered, it is expected that the same process will take place as described above to remove any necessary lots from the Regulatory Floodplain.

See “BONDHOLDERS’ RISKS – 100-Year Flood Plain.”

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor and the Underwriter, and none of the City, the City’s Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information herein under the caption “THE DEVELOPER” nor (ii) the information relating to the Developer under the subcaption “BONDHOLDERS’ RISKS” contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and 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, sewer, and drainage facilities, as well as 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 within a development may have a material effect on the security of the Bonds. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer’s right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer is an affiliate of Centurion American Custom Homes, Inc., d/b/a Centurion American Development Group (“CADG”) and was created by CADG for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption “THE DEVELOPMENT.” The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other

taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party. The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Since 1990, CADG has developed over 20,000 single-family lots in dozens of communities surrounding North Texas. It has worked closely with investors, land-owners, financial institutions, and vendors to acquire over 50,000 acres of land inventory for a diverse mix of developments in size and scope. CADG's communities include amenities such as parks, golf courses, water parks themes, and hiking and biking trails. Over the past thirty years, CADG has demonstrated the ability to successfully deliver master-planned communities that have been recognized in the real estate industry.

Mr. Mehrdad Moayedi has ultimate control of CADG and its affiliates. CADG maintains a staff of approximately 50 employees. CADG creates single-asset limited liability companies to own development sites and contracts with developers and other professionals in the delivery of its communities.

In addition, CADG works closely with local municipalities, commercial developers, and public school systems as part of its overall master plan. CADG works with North Texas' top builders to deliver the latest concepts ranging from upscale, luxury homes in secluded neighborhoods to affordable housing communities for first-time home buyers. CADG purchases and develops land in prime locations with the right mix of natural land settings, strong job growth, good school systems and access to local community shopping. A snapshot of some of the communities CADG has developed is presented below.

<u>Name</u>	<u>County</u>	<u>Property Type</u>	<u>Starting Home Price</u>	<u>Status of Development</u>
*Entrada at Westlake	Tarrant	Mixed-use	\$1,100,000	Vertical ongoing
River Walk at Central Park	Denton	Mixed-use	\$375,000	Vertical Ongoing
The Villas at Twin Creeks	Collin	Single-family	\$230,000	Completed
Kensington Gardens	Dallas	Single-family	\$500,000	Phase 1: Started 6/2012 Phase 2: Delivered 12/2018
Water's Edge at Hogan's Glen	Denton	Single-family	\$480,000	Completed/Ashton Finishing Construction
Montalcino Estates	Denton	Single-family	\$700,000	Under Development
Estancia Estates	Denton	Single-family	\$400,000	Completed /Built Out
Highlands Glen	Denton	Single-family	\$300,000	Completed/Ashton Finishing Up
The Highlands at Trophy Club	Denton	Single-family	\$250,000	Completed/Ashton Finishing Up
Water's Edge	Denton	Single/Multifamily	\$300,000	Started 9/2018 * Delivered Q4 2019
Williamsburg	Rockwall	Single-family	\$150,000	Fee Developer
Crestview at Prosper Creek	Collin	Single-family	\$250,000	Complete - Megatel Finishing Construction
Palomar Estates	Tarrant	Single-family	\$750,000	Complete
Estancia	Tarrant	Single-family	\$450,000	Complete
Verandah	Rockwall	Single-family	\$200,000	Development Phase Ongoing
Terracina	Denton	Single-family	\$400,000	Development Complete / Toll Brothers Bldg Phase 3
The Resort on Eagle Mountain Lake	Tarrant	Single-family	\$250,000	Development Ongoing - Builder Doing Takedowns
Travis Ranch	Kaufman	Single-family	\$200,000	Development Ongoing - Builder Doing Takedowns
Carter Ranch	Collin	Single-family	\$150,000	Phase 1: Completed * Phase 2CII: Bldg Completed
Frisco Hills	Denton	Single-family	\$200,000	Development Complete / HB Finishing Up
Rolling Meadows	Tarrant	Single-family	\$100,000	Phase I: Completed * Phase 2A2 & 3 HB Completed

Waterfront at Enchanted Bay	Tarrant	Single-family	\$150,000	Phase 1: Started 5/2005 * Phase 1: Delivered 2/2007 Phase 2: Being Engineered
Thornbury	Travis	Single-family	\$150,000	Development Complete / HB Complete
Rough Hollow	Travis	Single-family	\$550,000	Development Complete / HB Complete
Lexington Parke	Travis	Single-family	\$150,000	Development Complete / HB Complete
Villages of Woodland Springs	Tarrant	Single-family	\$150,000	Started Q4 2000 * Delivered Q4 2017
Spring Creek	Tarrant	Single-family	\$150,000	Development Complete / HB Complete
Silver Ridge	Tarrant	Single-family	\$150,000	Development Complete / HB Complete
Sendera Ranch	Tarrant	Single-family	\$150,000	Centurion Owns Future Land / Banking Land
Rosemary Ridge	Tarrant	Single-family	\$100,000	Development Complete / HB Complete
Llano Springs	Tarrant	Single-family	\$150,000	Development Complete / HB Complete
Hills of Lake Country	Tarrant	Single-family	\$150,000	Development Complete / HB Complete
Garden Springs	Tarrant	Single-family	\$125,000	Development Complete / HB Complete
Dominion Estates	Tarrant	Single-family	\$125,000	Development Complete / HB Complete
Deer Creek North	Tarrant	Single-family	\$125,000	Development Complete / HB Complete
Creskide of Crowley	Tarrant	Single-family	\$150,000	Sold Land / Ashton Building / Also Banking
Bonds Ranch	Tarrant	Single-family	\$150,000	Purchased all Finished Lots / All Lots sold in Q4 2017
Crown Valley	Parker	Single-family	\$150,000	Development Complete / Sold Phase / Pod Sale
Windmill Farms	Kaufman	Single-family	\$150,000	HB Complete
Knox Ranch	Hood	Mixed-use	\$450,000	HB Complete
Windsor Hills	Ellis	Single-family	\$250,000	Undeveloped; in the Zoning Process
Saddlebrook	Ellis	Mixed-use	\$175,000	Next Phase Going Through Engineering
The Villas of Indian Creek	Denton	Single-family	\$150,000	Development Complete / HB Complete
*Valencia on the Lake	Denton	Single-family	\$175,000	Next Phase Going Through Engineering
Shale Creek	Wise	Single-family	\$100,000	Last Phase Going Through Engineering
Shahan Prairie	Denton	Single-family	\$150,000	Sold Land
Frisco Ranch	Denton	Single-family	\$150,000	Development Complete / HB Complete
Brookfield	Denton	Single-family	\$180,000	Sold Land
Sweetwater Crossing	Collin	Single-family	\$150,000	Development Complete / HB Complete
Prestwyck	Collin	Mixed-use	\$190,000	Development Complete / HB Complete
Oak Hollow	Collin	Single-family	\$100,000	Development Complete / HB Complete
Northpointe Crossing	Collin	Single-family	\$100,000	Development Complete / HB Complete
McKinney Greens	Collin	Single-family	\$150,000	Development Complete / HB Complete
The Dominion	Dallas	Single-family	\$250,000	Development Complete / HB Ongoing
Residences at the Stoneleigh	Dallas	Condo	\$750,000	Unit Sales Ongoing
Mountain Creek	Dallas	Multifamily	\$225,000	Development Complete / HB Complete
Chateaus of Coppell	Dallas	Single-family	\$350,000	Development Ongoing - HB Building
The Bridges at Preston Crossings	Parker	Single-family	\$250,000	Development Complete / HB Complete

*Winn Ridge	Denton	Single-family	\$250,000	Development Complete / HB Complete
*Sutton Fields	Denton	Single-family	\$350,000	Development Complete / HB Complete
*Hillstone Pointe	Denton	Single-family	\$250,000	Phase 1: Delivered 12/2017, Remainder Raw Land Sold to Horton & Lennar
*Northlake Estates	Denton	Single-family	\$300,000	Development Ongoing - HB Building
*Creeks of Legacy	Denton/Collin	Single-family	\$350,000	Development Ongoing - HB Building
University Place	Dallas	Single-family	\$450,000	Development Ongoing - HB Building
*Lakewood Hills	Denton	Single-family	\$450,000	Development Ongoing - HB Building
Steeplechase	Denton	Single-family	\$500,000	Development Ongoing - HB Building
*Mercer Crossing	Dallas	Mixed-use	\$350,000	Development Ongoing - HB Building
*Ownsby Farms	Collin	Single-family	\$300,000	Development Ongoing - HB Building
*Anna Hurricane Creek	Collin	Single-family	\$300,000	PID Bonds issued; Phase 1: Started 9/2018, Currently Being Developed
*Chalk Hill	Collin	Single-family	\$300,000	Phase 1: Started 9/2018, Currently Being Developed
Windsor Hills	Dallas	Single-family	TBD	Pre-development process.
Walden Pond	Kaufman	Single/Multifamily	TBD	Pre-development process.
Mobberly	Denton	Single-family	TBD	Pre-development process.
*Whitewing Trails	Collin	Single-family/Multifamily	\$281,000	PID Bonds issued; Development ongoing.
Denton - Kings Ridge	Denton	Single/Multifamily	\$250,000	Zoning approved.
*Hickory Farms	Dallas	Single-family	TBD	PID bonds issued.
Dove Creek	Collin	Single-family	\$275,000	Under Development
Preston Hills	Collin	Single-family	\$400,000	Under Development
Founders Park	Tarrant	Single/Multifamily	300,000	Development Complete -HB Building
Barcelona	Collin	Single-family	\$350,000	Phase 3; Under Development
Bloomridge	Collin	Single-family	\$300,000	Phase 2; Under Development
Erwin Farms	Collin	Single-family	\$350,000	Phase 3; Under Development
Enchanted Creek	Collin	Single-family	\$300,000	Engineering Phase 2
Alpha Ranch	Wise/Denton	Single-family	\$225,000	Pre-development process.
Bear Creek	Dallas	Single-family	\$250,000	Phase 3; Under Development
Wade Settlement	Collin	Single-family	\$350,000	Phase 2; Development
Falls of Prosper	Collin	Single-family	\$400,000	Phase 2; Development
*Iron Horse	Dallas	Mixed-use	\$250,000	PID bonds issued; Development Ongoing
*Polo Ridge	Kaufman	Single-family	\$350,000	PID bonds issued; Development Ongoing
*City Point	Tarrant	Mixed-use	\$290,000	PID bonds issued; Development Ongoing
*Edgewood Creek	Denton	Single-family	\$300,000	PID bonds issued; Development Ongoing
*Cartwright Ranch	Kaufman	Single-family	\$220,000	PID bonds issued; Development Ongoing
*Spiritas Ranch	Denton	Single-family	\$250,000	PID bonds issued; Development Ongoing
*Thunder Rock	Burnet	Mixed-use	\$250,000	PID Bonds issued; Development Ongoing
*Anna Hurricane North	Collin	Single-family	\$300,000	PID Bonds issued; Development Ongoing
* Collin Creek Redevelopment	Collin	Mixed-use	\$600,000	PID Bonds issued; Development Ongoing

*Sutton Fields East	Collin	Single-family	\$315-375,000	PID Bonds issued; Development Ongoing
* Mobberly Farms	Denton	Single-family	\$294-335,000	PID Bonds issued; Development Ongoing
* Creekview Meadows	Denton	Single-family	\$350-400,000	PID Bonds issued; Development Ongoing

* — developments utilizing public improvement districts

Executive Biography

Mehrdad Moayedi is the President and Chief Executive Officer of CADG. Mr. Moayedi has more than thirty years of direct experience in the development industry. With a background in construction and real estate, Mr. Moayedi employs a comprehensive approach to each CADG development. Mr. Moayedi has extensive knowledge of the interconnection of all parts of residential real estate development.

Before forming CADG in 1990, Mr. Moayedi completed several construction and fee development projects in Northeast Tarrant County, Texas subdivisions as well as various construction and remodeling projects. CADG has become broadly diversified, with residential developments ranging from upscale high-rise residential towers to affordable housing communities for first-time home buyers.

History and Financing of the District

Acquisition. The Developer acquired the property within the District on February 26, 2019 for an aggregate purchase price of \$22,400,000 from the Chapter 7 Trustee for the Estate of McCavity Company, LLC pursuant to an order of the United States Bankruptcy Court, District of Arizona, dated February 4, 2019 in the bankruptcy proceeding of McCavity Company, LLC, the prior owner of the land, Case No. 2:17-bk-08474-BKM.

Acquisition and Development Financing. In connection with the acquisition of the land within the District and development thereof, the Developer obtained a loan (the “Development Loan”) from Trez Capital (2015) Corporation (the “Lender”). The Development Loan was subsequently modified, which the most recent modification of the Development Loan on December 9, 2022. The maximum amount of the principal amount of the Loan has been increased to \$39,457,848.83. In 2021, a modification to the Development Loan provided for the reborrowing of \$2,000,000 which had previously been repaid provided that the total outstanding principal balance of such loan shall not exceed \$39,457,848.83. The Development Loan was collaterally assigned by the Lender to Vantage Bank, Texas in May 2022.

The Development Loan bears interest at the higher of (i) the rate of 10% per annum or (ii) a floating rate of prime plus 6.5% per annum, not to exceed the maximum rate allowed by law. Payments of interest under the Development Loan are due monthly with principal payments due and payable as follows: the first principal payment of \$2,200,000 due and payable March 31, 2023 and the second principal payment of \$4,200,000 due and payable June 30, 2023. The balance of the Development Loan is due August 13, 2023 if the Development Loan is not extended. If the Development Loan is extended, principal payments of \$4,200,000 are due and payable on September 30, 2023, December 31, 2023, March 31, 2024, and June 30, 2024, and the balance will be due August 13, 2024. The Development Loan has an outstanding principal balance of \$30,062,552.84 as of December 28, 2022.

The Development Loan matures on August 13, 2023. The Developer has the option to extend the maturity date of the Development Loan (provided that there is no event of default and has been no event of default under the Development Loan documents and no material deterioration in the financial condition of the Developer or a guarantor) for a term of 12 months by delivery of a notice to exercise such option not later than ninety (90) days prior to the maturity date.

The Development Loan is secured by a first lien deed of trust on all property within the District (except for property released from such deed of trust in connection with the delivery of lots pursuant to the Merchant Builder Lot Purchase and Sale Agreements), and is personally guaranteed by Mehrdad Moayedi.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender shall consent to and

acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Development Loan to the assessment liens on the property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessment will have priority over the lien on the property within the District securing the Development Loan.

Additional Developer Financing. In connection with the acquisition of the property, the Developer obtained a loan (the “LNRC Loan”) from LNRC Interests (“LNRC”). The LNRC Loan is an unsecured loan.

The LNRC Loan bears interest at the higher of (i) the rate of 10% per annum or (ii) the maximum rate allowed by law. Payments of interest under the LNRC Loan are due monthly with principal due and payable at maturity. The LNRC Loan has an outstanding principal balance of \$1,000,000.00 as of December 28, 2022.

The LNRC Loan matures on February 23, 2023, which maturity date automatically extends each year if no event of default exists. Notwithstanding the foregoing, LNRC has the right to demand the LNRC Loan note due and payable at any time upon at least ninety (90) days prior written notice.

THE ADMINISTRATOR

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by 30 Three Sixty Public Finance, Inc. as the “Administrator,” and has been included in reliance upon the authority of such firm as an expert in the field of assessment finance.

The City has entered into an agreement for administration of the District (the “Administration Agreement”) with 30 Three Sixty Public Finance, Inc. as the Administrator to provide specialized services related to the administration of the District. The Scope of Services for the Administration Agreement is expected to include the following Administration tasks: (i) annual update to the Service and Assessment Plan, (ii) coordination of the billing and collection of Annual Installments, (iii) calculation of Assessment prepayments, (iv) trust indenture compliance analysis, (v) preparation of an assessment parcel database, (vi) responses to property owner inquiries, (vii) review of construction draw requests, (viii) arbitrage rebate services, and (ix) preparation of continuing disclosure reports.

APPRAISAL OF PROPERTY WITHIN PHASE 2 OF THE DISTRICT

The Appraisal

General. Integra Realty Resources Dallas (the “Appraiser”), prepared an appraisal report for the City dated November 1, 2022 and effective as of March 1, 2023, based upon a physical inspection of the property in Phase 2 of the District in October 2022 (the “Appraisal”). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Phase 2 of the District. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX G — Appraisal of Property Within Phase 2 of the District.”

Value Estimates. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in Phase 2 of the District under the hypothetical condition that the Phase 2 Improvements are completed. See “THE PHASE 2 IMPROVEMENTS.” The Appraisal does not reflect the as-is condition of Phase 2 of the District as the Phase 2 Improvements have not yet been constructed. Moreover, the Appraisal does not reflect the value of Phase 2 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for the property in Phase 2 of the District. See “APPENDIX G — Appraisal of Property Within Phase 2 of the District.”

The value estimate for the assessed property within Phase 2 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of March 1, 2023 is \$44,055,000.

As described under “THE DEVELOPMENT – Flood Designation,” a portion of the lots, 57 located in Phase 2A and 7 lots in Phase 2C, currently remain in the regulatory flood plain. The Appraiser’s valuation is based upon assumes that the lots have been removed from the flood plain. See also “BONDHOLDERS’ RISKS – 100-Year Flood Plain.”

None of the City, the Developer, the Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness assumptions or information contained in the Appraisal. The assumptions and qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

Prospective investors should read the complete appraisal in order to make an informed decision regarding any contemplated purchase of the Bonds. The complete Appraisal is attached as APPENDIX G hereto.

BONDHOLDERS’ RISKS

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 that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. 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 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM 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 POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City’s control. These factors include, among others, (a) the ability or willingness of property owners within Phase 2 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Phase 2 of the District, (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 lots within Phase 2 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Phase 2 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Phase 2 of the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Phase 2 of the District. There is no assurance that the value of such lands 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 Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor 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 City has not applied for or received a rating on the Bonds. 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.

Deemed Representations and Acknowledgment by Investors

Each initial purchaser of Bonds (each an "Investor") will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Investor can afford a complete loss of its investment in the Bonds.

Assessment Limitations

Annual Installments of Assessments are billed to property owners in Phase 2 of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Administrative Expenses for such year. See "ASSESSMENT PROCEDURES" herein. 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 Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Phase 2 of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within Phase 2 of the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, §372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code §372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within Phase 2 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN PHASE 2 OF THE DISTRICT.

The Assessments levied for the payment of the Bonds and the Phases 2-6 Major Improvement Assessments which were levied for and pledged to the payment of the Phases 2-6 Major Improvement Bonds have a lien of equal dignity of the parcels assessed therefor. In the event of partial payments of the Annual Installments of the Assessments and the Phases 2-6 Major Improvement Assessments, the Collin County Tax Assessor/Collector advises that such partial payments will be applied to the payment of the Annual Installments of the Assessments and the Phases 2-6 Major Improvement Assessments on a pro rata basis unless otherwise directed by the payer of such Annual Installments of the Assessments and the Phases 2-6 Major Improvement Assessments.

Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption

The Service and Assessment Plan establishes that the Assessment for each lot type is \$23,191.59* per 50’ lot and \$25,920.01* per 60’ lot in Phase 2 of the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per lot for any lot type exceeding such amounts. If the Administrator determines that the resulting Assessment per lot for any lot type will exceed such amounts, the Service and Assessment Plan provides that the person or entity filing the plat shall make a mandatory prepayment of the Assessments. See “ASSESSMENT PROCEDURES – Assessment Amounts.”

* Preliminary; subject to change.

No plat has been filed for lots in Phase 2. In the event that the combined tax rate for entities taxing Phase 2 rises or the Estimated Build Out Value of lots in Phase 2 falls prior to the filing of a plat for Phase 2, a mandatory prepayment of the Assessments could be triggered at the time of filing of the plat. Any mandatory prepayment of the Assessments related to the exceedance of the Assessment per lot type may trigger an optional redemption of the Bonds by the City. See “DESCRIPTION OF THE BONDS – Redemption Provisions.”

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City’s Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will be completed in accordance with the Developer’s expectations. The competitive position of the Developer in the sale of developed lots or of any other 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. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

Project Name	Builder	City	Unit Size (SF)	Price Range	Avg. Sales Rate	Lot Size/Type
Arcadia Farms/Brookstone	Lennar	Princeton	1,600 – 3,549	\$315K - \$512 K	1.58	5,500
Arcadia Farms/Classic	Lennar	Princeton	1,442 – 3,257	\$322K - \$462K	6.86	5,500
Winchester Crossing	D.R. Horton	Princeton	1,455 – 2,615	\$311K - \$368K	16.09	6,050
Legacy Ranch	Bloomfield	Melissa	2,041 – 4,065	\$455K - \$709K	5.72	6,000
Brookside	Trophy Signature	Princeton	1,800 – 3,339	\$323K - \$438K	3.86	6,875
Meadow Run	Pacesetter	Melissa	1,874 – 3,076	\$435K - \$537K	6.43	6,500
Meadow Run	Ashton Wood	Melissa	1,871 – 3,237	\$428K - \$526K	7.08	6,500
Arcadia Farms/60	Lennar	Princeton	1,442 – 2,786	\$336K - \$412K	3.33	6,600
Town Park/SF	Pacesetter	Princeton	1,277 – 2,140	\$311K - \$392K	4.82	4,400
Ascend at Milrany Ranch	K. Hovnanian	Melissa	2,037 – 2,779	\$416K - \$462K	4.15	6,000
Monticello Park	Starlight Homes	Princeton	1,401 – 2,776	\$345K - \$423K	8.71	5,000
Enclave at Meadow Run	Gehan Homes	Melissa	1,520 – 2,650	\$436K - \$536K	8.17	5,000
Town Park/Twinhomes	Pacesetter	Princeton	1,339 – 1,517	\$292K - \$304K	0.96	Attached
Averages			1,599 – 2,883	\$354K - \$455K	5.87	5,820

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

Recent Changes in State Law Regarding Public Improvement Districts; Failure of Developer to Deliver Required Notice Pursuant to Texas Property Code May Affect Absorption Schedule and Provide for Prepayments Causing Partial Redemptions of Bonds

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer or homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property is expected be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See “DESCRIPTION OF THE BONDS – Redemption Provisions.” On payment of all damages respectively

to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer or homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See “APPENDIX C – Form of Service and Assessment Plan.”

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 in the Development, 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 Rate

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the Development, could impair the economic viability of the Development and could reduce the ability or desire of property owners in Phase 2 to pay the Assessments.

Risks Related to Current Increase in Costs of Building Materials

As a result of the Pandemic (as defined herein), low supply, high demand, and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. If the construction costs associated with completing homes in the District are substantially higher than the estimated costs or if the homebuilders within the District are unable to access building materials in a timely manner, it may affect the ability of such homebuilders 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 the District.

Phase 2 TIRZ Credit and Marketing of the Development

The Phase 2 TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value applicable to the Assessed Property in the Phases 2-6 TIRZ in any year. Any delay or failure by the Developer to develop the District may result in a reduced amount of the Phase 2 TIRZ Revenue being available to credit the Assessments. Phase 2 TIRZ Revenues generated from the Captured Taxable Value for each Assessed Property in the Phases 2-6 TIRZ during the development of such parcel will result in a Phase 2 TIRZ Credit which is not sufficient to achieve the Targeted Net Average Annual Installment for the Assessed Property. The Phase 2 TIRZ Credit will likely not provide for the Targeted Net Average Annual Installment until the second year that a home on such parcel is assessed. See “OVERLAPPING TAXES AND DEBT.”

It is uncertain what impact, if any, the Phase 2 TIRZ Credit application to the Annual Installments of the Assessments will have on the underwriting of residential mortgages. If the underwriter of a residential mortgage does not recognize the Phase 2 TIRZ Credit it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Loss of Tax Exemption

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption “TAX MATTERS” herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

The payment of Assessments and the ability of the City 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 Assessments 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.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Phase 2 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within Phase 2 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Phase 2 of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Phase 2 of the District to pay the Assessments when due could result in the rapid, total depletion of Reserve Account of the Reserve Fund prior to replenishment from the resale of property 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 Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Fund Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund” herein.

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 Phase 2 of the District be affected by a hazardous substance, the marketability and value of such 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 Phase 2 of the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in Phase 2 of the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Phase 2 of the District 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. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT – Environmental” for discussion of the Phase One ESA performed on certain property within the District.

Exercise of Third-Party Property Rights

As described herein under “THE DEVELOPMENT – Existing Mineral Rights and Other Third-Party Property Rights,” there are certain Third-Party Property Rights reservations located within the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Collin County.

The Developer does not expect the existence or exercise of any Third-Party Property Rights, mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal or of interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of not less than 51% of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Phase 2 of the District or sell property within Phase 2 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds 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 City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City 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 “BONDHOLDERS’ RISKS — Bankruptcy Limitation to Bondholders’ Rights” herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Phase 2 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) (“Tooke”) that a waiver of sovereign immunity must be provided for by statute in “clear and unambiguous” language. In so ruling, the Court declared that statutory language such as “sue and be sued”, in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which, according to the Court, waives “immunity from suit for contract claims against most local governmental entities in certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas 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 authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-

imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds 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 City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City 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 City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Tax-Exempt Status of the Bonds

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. The IRS has announced that its audit efforts will focus in part on "developer-driven bond transactions," including certain tax increment financings and certain assessment bond transactions. In recent audits, the IRS has asserted that interest on such "developer-driven" obligations can be taxable, in certain circumstances, even when those transactions otherwise meet all applicable tax law requirements. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagree, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local 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 to be built in the Development, 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; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Expected Build Out of the Development and Status of Lot Development" herein.

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If the City fails to supply water and wastewater services to the property in the District, the Development of the land in the District could be adversely affected. See "THE DEVELOPMENT — Utilities."

Dependence Upon Developer

The Developer, as the owner of the Assessed Property in Phase 2 of the District, currently has the obligation 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 City 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 City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Phase 2 Improvements within Phase 2 of the District. See "THE PHASE 2 IMPROVEMENTS – General" and "THE DEVELOPMENT – Development Plan and Status of Development in Phase 2." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds.

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding state level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State began on January 10, 2023. To date, no legislation has been introduced to act on such recommendations; however, it is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value, but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

Developer Principal Financial Relationships and Other Matters Relating to Developer Affiliates

Set forth below is a summary of certain litigation and other matters involving certain affiliates of Centurion. No assurances can be given as to the result of the following lawsuits or any charges related thereto or the impact, if any, of such result on one or more of Mehrdad Moayed (‐Moayed‐), the operations of Centurion, and the Developer's ability to continue funding the Development.

Investigation of United Development Funding. Subsidiaries of Centurion American are involved in the development of master planned residential community and mixed-use projects. Some of these projects have previously been developed using funding provided by various entities associated with United Development Funding (‐UDF‐), including United Development Funding IV, a publicly traded real estate investment trust (‐UDF IV‐). In connection with governmental investigations of UDF (the ‐UDF Investigations‐), Centurion and some of its employees were contacted in mid-2016 to provide certain information to such governmental fact-finders as part of an information gathering process on the UDF Investigations. Centurion and its employees fully complied with the information gathering process. Neither Centurion nor any of its employees or affiliates have received any information indicating that they are either targets or subjects of any governmental investigation.

Rainier Medical Investors LLC & RMI River Walk Investors LP v. Centurion Riverwalk, LLC, et al., in Denton County, Texas. Plaintiff Rainier Medical Investors LLC and Plaintiff RMI River Walk Investors, LP (‐Rainier Plaintiffs‐) brought claims against Defendant Centurion Riverwalk, LLC (‐Centurion‐) and Defendant 2M Riverwalk, LLC (‐2M,‐ together with Centurion, ‐Rainier Defendants‐) and alleged various causes of action against other defendants, including Defendant Megatel Lakeshores TH, LLC (‐Megatel TH‐). Megatel TH asserted a cross-

petition against Rainier Defendants and Third-Party Defendant Moayeddi for statutory fraud, fraudulent inducement, and breach of contract (“Cross-Claims”). On May 27, 2020, Megatel TH non-suited without prejudice its claims against Moayeddi. On July 8, 2020, the Court signed an order dismissing, with prejudice, all claims between the Rainier Plaintiffs and Rainier Defendants. On April 29, 2021, Megatel TH filed an agreed scheduling order. However, the Court did not sign the Order because the proposed September 20, 2021 trial date was no longer available. Thereafter, without a signed scheduling order reopening discovery, Megatel TH propounded written discovery to the Rainier Defendants and noticed the depositions of the Rainier Defendants. The Rainier Defendants timely objected as discovery was closed. On June 9, 2021, the Rainier Defendants filed their motion for summary judgment. Thereafter, Megatel TH moved to reopen and to compel discovery. On July 15, the Court heard Megatel TH’s motion to enter new scheduling order, motions to quash depositions, and objections to discovery. The judge granted Megatel’s motions and re-opened discovery. The Rainier Defendants were ordered by the Court to respond to Megatel TH’s written discovery by August 16, 2021. Additionally, the Rainier Defendants’ summary judgment motion, which was originally set for hearing on August 11, 2021, was continued by the Court until after November 30, 2021. Further, the Court ordered the depositions of the Rainier Defendants and Non-Party Travis Boghetich. Megatel TH conducted such depositions on September 15, 2021. Currently, there is no trial date set in this case.

Megatel Homes III, LLC v. Wilbow-Windhaven Development Corporation v. Centurion Windhaven, LP, et al.; in Denton County Texas. Plaintiff Megatel Homes III, LLC (“Megatel”) brought claims against both Defendant Wilbow Windhaven Development Corp. (“Wilbow”), Defendant Centurion Acquisitions, LP (“CA”), and Defendant CADG Windhaven, LLC (“CADG,” collectively with CA, “Centurion Defendants”). Megatel’s claims against Wilbow consist of request for Declaratory Judgment; Breach of Contract; and Indemnity. Megatel’s claims against CA and CADG consist of Breach of Contract; Fraud; and Indemnity. A Motion to Expunge Lis Pendens was granted by court on October 2, 2020. Megatel re-filed the Lis Pendens and Wilbow filed a Motion to Expunge. The court granted the Motion to Expunge the Lis Pendens on May 19, 2021. No trial date is set.

Megatel Claims. Megatel has brought several additional causes of action against Moayeddi, Centurion (and certain of its affiliates) and UDF as listed below. Megatel has asserted various allegations of fraud, RICO violations, conspiracy, breach of fiduciary duty, and others in what Centurion believes to be an attempt to force Moayeddi, Centurion and UDF to settle with Megatel. In addition to the filing of the below lawsuits, Megatel has also filed Lis Pendens against property owned by third-parties, has sent letters to Megatel’s competitors attempting to interfere with their relationship with Centurion and has possibly partnered with parties believed to be adversarial to Moayeddi, Centurion and UDF. Centurion continues to aggressively fight against these actions and against what it believes to be the baseless claims made in the lawsuits.

1. *Cause No. 3:20-CV-00688-L: Megatel Homes, LLC, et al. v. Mehrdad Moayeddi, et al., in U.S. District Court, Northern District of Texas;*
2. *Cause No. DC-19-08774 in the 160th Judicial District Court, Dallas Co., Texas; Megatel Homes, LLC, et. al. v. United Development Funding L.P., et. al.;*
3. *Cause No. 380-02960-2020 in the 380th District Court, Collin County, Texas; Megatel Homes III, LLC v. MM Plano 54, LLC;*
4. *Cause No. DC-19-18033 in the 160th District Court, Dallas County, Texas; Megatel Homes III, LLC v. CADG Mercer MM Holdings, LLC et. al.;*
5. *Cause No. 219-01995-2021 in the 219th Judicial District Court, Collin County, Texas; Megatel Homes III, LLC v. CTMGT Erwin Farms, LLC and CADG Erwin Farms, LLC;*
6. *Cause No. 199-01546-2021 in the 199th Judicial District Court, Collin County, Texas; Megatel Homes III, LLC v. CTMGT Frontier 80, LLC;*
7. *Cause No. DC-21-08227 in the 68th District Court, Dallas County, Texas; Megatel Homes III, LLC v. MM Finished Lots, LLC and CADG Shady Side, LLC; and*
8. *Cause No. 21-8109-431; Megatel Homes III, LLC v. MM Northlake Phase 203, LLC , as successor in interest to CADG Property Holdings III, LLC.*

Infectious Disease Outbreak – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States

Health and Human Services Department declared a public health emergency for the United States. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State in response to the Pandemic. Under State law, the proclamation of a state of disaster by the Governor may not continue for more than 30 days unless renewed by the Governor. The Governor has renewed his declaration monthly, most recently on January 15, 2023. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness, mitigation and phased reopening of the State. On March 2, 2021, the Governor issued Executive Order GA-34, which, among other things, removed any COVID-19-related operating limits for any business or other establishment and ended the State-wide mask mandate. Most recently, on July 29, 2021, the Governor issued Executive Order GA-38, which, among other things, maintains that there are no COVID-19 related operating limits for any business or establishment and that no person may be required by any jurisdiction to wear or mandate the wearing of a face covering. The Governor’s order also maintains, in providing or obtaining services, every person (including individuals, businesses, and other legal entities) should use good-faith efforts and available resources to follow the minimum standard health protocols. Executive Order GA-38 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. Stock values and crude oil prices, in the United States and globally, have seen significant declines attributed to COVID-19 concerns. The State may be particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of parcels, lots or homes within the District. The Bonds are secured primarily by Assessments levied on benefitted property within the District. If lot or home sales are negatively impacted by the Pandemic, the Developer will continue to be responsible for the payment of the Assessments as long as it owns such lots.

The City continues to monitor the spread of COVID-19 and is working with local, State, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City’s operations and financial condition. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Risk from Weather Events

All of the State, including the City and the District, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, 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 the City or the District, including land within the District.

100-Year Flood Plain

As described under “THE DEVELOPMENT – Flood Designation,” a portion of the lots in Improvement Area #2 lie in FEMA Regulatory Floodway and the Developer has submitted paperwork for a LOMR to remove such lots from the FEMA Regulatory Floodway. No assurance can be given that FEMA will issue the LOMR.

In addition, a portion of the land in Future Improvement Areas lie in the Regulatory Floodway. It is expected that the Developer will submit documentation for a Letter of Map Revision relating to such land as Future Improvement Areas are developed.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the 100-year flood plain.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City 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. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Phase 2 of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See “OVERLAPPING TAXES AND DEBT.” Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclose 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.

No Credit Rating

The City 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.

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 an 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 Owners of the Bonds, depending on the progress of development of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court

decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See “APPENDIX D – FORM OF OPINION OF BOND COUNSEL.”

In rendering its opinion, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City’s federal tax certificate, and (b) covenants of the City contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with such requirements, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering 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 accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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 Original Issue Discount Bond was held by such initial owner) is includable in gross income.

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 date 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 Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the 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 and 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 Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, 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 the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market

discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P. serves as Bond Counsel to the City. Locke Lord LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City 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 City. The City 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 City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof 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 under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS," including the

alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as “APPENDIX D — Form of Opinion of Bond Counsel.”

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, 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 Limited Offering Memorandum under the captions or subcaptions “PLAN OF FINANCE — The Bonds”, “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS” (except for the last paragraph under the subcaption “General”), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “SUITABILITY FOR INVESTMENT,” “CONTINUING DISCLOSURE” (except for the subcaption “The City’s Compliance with Prior Undertakings” and “The Developer”), “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and APPENDIX B – Form of Indenture and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance 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.

Litigation — The City

At the time of delivery and payment for the Bonds, the City 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 City 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 Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify to the Underwriter 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 body, public board or body pending, or, to the knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its general partner or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Construction, Funding, and Acquisition Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”). Additionally, Mehrdad Moayedi and his affiliated entities have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

For a description of certain litigation and other matters related to affiliated entities of the Developer, see “BONDHOLDERS’ RISKS — Developer Principal Financial Relationships and Other Matters Relating to Developer Affiliates.”

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City, 30 Three Sixty Public Finance, Inc. (the “Administrator”), and Regions Bank (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “City Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of City Disclosure Agreement.” Under certain circumstances, the failure of the City to comply with its obligations under the City 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 City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the City Disclosure Agreement. The City 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 Limited Offering Memorandum, except as provided in the City Disclosure Agreement. The City 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 City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the City Disclosure Agreement or from any statement made pursuant to the City Disclosure Agreement.

The City's Compliance with Prior Undertakings

Except as described below, during the last five years, the City has complied in all material respects with all of its continuing disclosure undertakings pursuant to the Rule.

On August 31, 2018, Fitch Ratings upgraded the City's underlying rating from A+ to AA-. The City failed to file notice of this rating change. On May 3, 2019, the City filed notice of this rating change on the MSRB's EMMA system including a notice of late filing. On March 29, 2022, the City issued its \$6,075,000 Limited Tax Notes, Series 2022, but did not file a notice of incurrence of financial obligation until April 29, 2022.

The Developer

The Developer, the Administrator, and Regions Bank as Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Phase 2 Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of the Developer." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of the Developer 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 Disclosure Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the 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 Disclosure Agreement of the Developer. 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 Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. 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 Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer.

UNDERWRITING

FMSBonds, Inc. (the "Underwriter"), has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less an underwriting discount of \$_____, which includes Underwriter's Counsel's fee 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. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Under the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas 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 that have adopted investment policies and guidelines in accordance with the PFIA, the Bonds may have to be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See “NO RATING” above. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor 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 of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits only to the extent of their market value. No review by the City 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 City 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.

INVESTMENTS

The City invests its funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City’s investment policies are subject to change.

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission (the “SEC”) and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the Public Funds Investment Act (Chapter 2256, Texas Government Code) (the “PFIA”) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from

a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or Aaam or an equivalent by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Governmental bodies in the State are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the second paragraph under this caption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the second paragraph under this caption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is

placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the City'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 probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed Regions Bank, an Alabama state banking corporation organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of

the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.regions.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION; MISCELLANEOUS

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum 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, ordinances, indentures 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.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Phase 2 Improvements, the Development and the Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development in Phase 2," "THE PHASE 2 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS," (only as it pertains to the Developer, the Phase 2 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" has been provided by the Developer.

Experts

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by the Appraiser and has been included in reliance upon the authority of such firm as experts in the field of land appraisal.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by 30 Three Sixty Public Finance, Inc. and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

Information Concerning Centurion VP of Entitlements Sean Terry

In December 2020, the Federal Bureau of Investigation executed a search warrant on the home of Sean Terry, VP of Entitlements of Centurion. Centurion has been made aware of the search warrant. Centurion is investigating the matter internally. To date, the FBI has not served Centurion with a subpoena or warrant relating to such matters. Management of Centurion does not believe that the matter will have a material adverse effect on Centurion, the Developer or their operations.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City 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 Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum 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 of 1933. 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 CITY 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

By resolution, the City Council approved the form and content this Preliminary Limited Offering Memorandum, and the City Council authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

Historical Employment in Collin County (Average Annual) ⁽¹⁾

	Average Annual ⁽¹⁾				
	2022 ⁽²⁾	2021	2020	2019 ⁽²⁾	2018
Civilian Labor Force	640,593	599,164	575,879	565,064	546,135
Total Employed	621,860	573,302	539,871	547,629	527,817
Total Unemployed	18,733	25,862	36,008	17,435	18,318
Unemployment Rate	2.9%	4.3%	6.3%	3.1%	3.4%

⁽¹⁾ Source: Texas Workforce Commission.

⁽²⁾ Data through November 2022.

Major Employers in the City

The major employers in the City are set forth in the table below. ⁽¹⁾

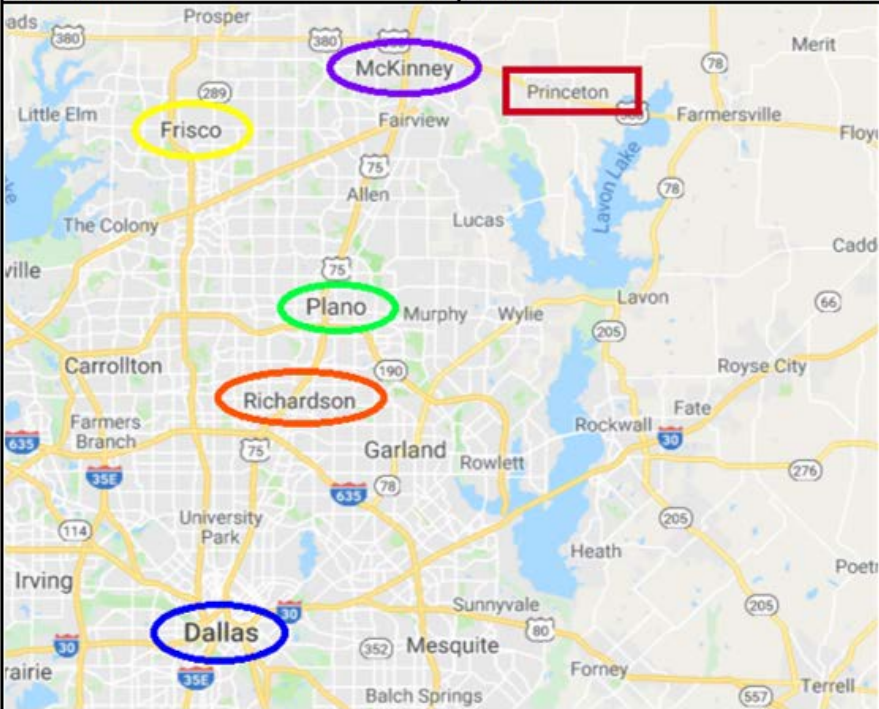
<u>Employer</u>	<u>Employees</u>
Princeton Independent School District	575
Walmart	300
City of Princeton	75
Villa Asuncion Independent	70
McDonald's	36
Jack in the Box	25
Charley's Concrete	20
Tractor Supply	19
Taco Bell	12
Citizens State Bank	10

⁽¹⁾ Source: Municipal Advisory Council of Texas.

Surrounding Economic Activity

The major employers in municipalities surrounding the City are set forth in the table below.

City of McKinney		City of Plano		City of Frisco	
Approximately 8 miles from the City		Approximately 16 miles from the City		Approximately 19 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Raytheon Space & Airborne Systems	3,096	JP Morgan Chase	4,934	Frisco ISD	7,442
McKinney ISD	2,800	Capital One Finance	4,537	City of Frisco	1,628
Torchmark/United American	1,640	Bank of America Home Loans	4,500	T-Mobile USA	1,000
City of McKinney	1,369	Toyota Motor North America, Inc.	3,815	Mario Sinacola & Sons Excavating	800
Encore Wire Corp.	1,350	NTT Data, Inc.	3,134	Conifer	615
Collin College	852	Liberty Mutual Insurance Company	2,854	Baylor Medical Center	460
Baylor Medical Center	700	Ericsson	2,703	Fiserv	460
Medical Center of McKinney	670	JC Penny Co, Inc.	2,420	IKEA Frisco	423
Timber Blinds	350	USAA	2,092	UT Southwestern/TX Health Hospital	415
Watson & Chain	350	Fannie Mae	2,000	Baylor Scott White/Centennial Hospital	400



City of Richardson	
Approximately 20 miles from the City	
Employer	Employees
State Farm Insurance	9,000
Blue Cross Blue Shield of Texas	3,100
University of Texas at Dallas	2,674
Richardson ISD	2,500
Genpact	2,500
GEICO	2,400
Raytheon	2,200
RealPage	2,100
Cisco	2,000
Texas Instruments Inc.	1,800

City of Dallas	
Approximately 33 miles from the City	
Employer	Employees
Texas Instruments Inc.	11,527
Baylor Medical Center	9,671
AT&T Inc.	8,100
Southwest Airlines Co.	7,859
Texas Health Presbyterian Hospital	6,501
TXU	5,500
Match Group	4,800
ClubCorp USA Inc.	4,634
Children's Medical Center Dallas	4,487
Walmart Store	4,205

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF PRINCETON, TEXAS

and

**REGIONS BANK
as Trustee**

DATED AS OF FEBRUARY 15, 2023

SECURING

[\$Par]

**CITY OF PRINCETON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
PHASE 2 PROJECT)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	4
Section 1.1. Definitions.....	4
Section 1.2. Findings.....	13
Section 1.3. Table Of Contents, Titles And Headings.....	13
Section 1.4. Interpretation.....	13
ARTICLE II THE BONDS.....	13
Section 2.1. Security For The Bonds.	13
Section 2.2. Limited Obligations.	14
Section 2.3. Authorization For Indenture.	14
Section 2.4. Contract With Owners And Trustee.	14
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS.....	15
Section 3.1. Authorization.	15
Section 3.2. Date, Denomination, Maturities, Numbers And Interest.	15
Section 3.3. Conditions Precedent To Delivery Of Bonds.	15
Section 3.4. Medium, Method And Place Of Payment.....	16
Section 3.5. Execution And Registration Of Bonds.	17
Section 3.6. Ownership.	18
Section 3.7. Registration, Transfer And Exchange.....	18
Section 3.8. Cancellation.	19
Section 3.9. Temporary Bonds.....	19
Section 3.10. Replacement Bonds.	20
Section 3.11. Book-Entry-Only System.....	21
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	21
Section 3.13. Payments To Cede & Co.....	22
Article IV REDEMPTION OF BONDS BEFORE MATURITY	22
Section 4.1. Limitation On Redemption.	22
Section 4.2. Mandatory Sinking Fund Redemption.....	22
Section 4.3. Optional Redemption.	23
Section 4.5. Partial Redemption.....	23
Section 4.6. Notice Of Redemption To Owners.	24
Section 4.7. Payment Upon Redemption.	24
Section 4.8. Effect Of Redemption.	25
Article V FORM OF THE BONDS	25
Section 5.1. Form Generally.	25
Section 5.2. Form Of The Bonds.	26
Section 5.3. Cusip Registration.....	32
Section 5.4. Legal Opinion.	33

ARTICLE VI	FUNDS AND ACCOUNTS.....	33
Section 6.1.	Establishment Of Funds And Accounts.....	33
Section 6.2.	Initial Deposits To Funds And Accounts.....	34
Section 6.3.	Pledged Revenue Fund.	34
Section 6.4.	Bond Fund.....	36
Section 6.5.	Project Fund.	36
Section 6.6.	Redemption Fund.....	37
Section 6.7.	Reserve Fund.	38
Section 6.8.	Rebate Fund: Rebatable Arbitrage.....	40
Section 6.9.	Administrative Fund.	40
Section 6.10.	Investment Of Funds.....	41
ARTICLE VII	COVENANTS.....	42
Section 7.1.	Confirmation Of Assessments.	42
Section 7.2.	Collection And Enforcement Of Assessments.....	43
Section 7.3.	Against Encumbrances.....	43
Section 7.4.	Records, Accounts, Accounting Reports.	43
Section 7.5.	Covenants Regarding Tax Exemption Of Interest On Bonds.....	44
ARTICLE VIII	LIABILITY OF CITY.....	46
Section 8.1.	Liability of City.....	46
ARTICLE IX	THE TRUSTEE.....	48
Section 9.1.	Acceptance of Trust; Trustee as Registrar And Paying Agent.	48
Section 9.2.	Trustee Entitled To Indemnity.	48
Section 9.3.	Responsibilities of the Trustee.....	48
Section 9.4.	Property Held In Trust.	49
Section 9.5.	Trustee Protected In Relying On Certain Documents.....	49
Section 9.6.	Compensation.	50
Section 9.7.	Permitted Acts.....	51
Section 9.8.	Resignation Of Trustee.	51
Section 9.9.	Removal Of Trustee.....	51
Section 9.10.	Successor Trustee.....	51
Section 9.11.	Transfer Of Rights And Property To Successor Trustee.	52
Section 9.12.	Merger, Conversion Or Consolidation Of Trustee.	53
Section 9.13.	Trustee To File Continuation Statements.	53
Section 9.14.	Accounts, Periodic Reports And Certificates.	53
Section 9.15.	Construction Of Indenture.	53
ARTICLE X	MODIFICATION OR AMENDMENT OF THIS INDENTURE	54
Section 10.1.	Amendments Permitted.....	54
Section 10.2.	Owners' Meetings.	55
Section 10.3.	Procedure For Amendment With Written Consent Of Owners.....	55
Section 10.4.	Procedure For Amendment Not Requiring Owner Consent.	55
Section 10.5.	Effect Of Supplemental Indenture.	56
Section 10.6.	Endorsement Or Replacement Of Bonds Issued After Amendments.....	56

Section 10.7.	Amendatory Endorsement Of Bonds.	56
Section 10.8.	Waiver Of Default.....	56
Section 10.9.	Execution Of Supplemental Indenture.....	57
ARTICLE XI	DEFAULT AND REMEDIES	57
Section 11.1.	Events Of Default.	57
Section 11.2.	Immediate Remedies For Default.	57
Section 11.3.	Restriction On Owner's Action.	58
Section 11.4.	Application Of Revenues And Other Moneys After Default.....	59
Section 11.5.	Effect Of Waiver.....	60
Section 11.6.	Evidence Of Ownership Of Bonds.	60
Section 11.7.	No Acceleration.	61
Section 11.8.	Mailing Of Notice.	61
Section 11.9.	Exclusion Of Bonds.	61
ARTICLE XII	GENERAL COVENANTS AND REPRESENTATIONS	61
Section 12.1.	Representations As To Pledged Revenues.....	61
Section 12.2.	General.....	62
ARTICLE XIII	SPECIAL COVENANTS.....	62
Section 13.1.	Further Assurances; Due Performance.	62
Section 13.2.	Other Obligations Or Other Liens; Refunding Bonds.	62
Section 13.3.	Books Of Record.....	63
ARTICLE XIV	PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....	63
Section 14.1.	Trust Irrevocable.....	63
Section 14.2.	Satisfaction Of Indenture.	63
Section 14.3.	Bonds Deemed Paid.....	64
ARTICLE XV	MISCELLANEOUS.....	65
Section 15.1.	Benefits Of Indenture Limited To Parties.....	65
Section 15.2.	Successor Is Deemed Included In All References To Predecessor.....	65
Section 15.3.	Execution Of Documents And Proof Of Ownership By Owners.	65
Section 15.4.	No Waiver Of Personal Liability.	65
Section 15.5.	Notices To And Demands On City And Trustee.	66
Section 15.6.	Partial Invalidity.....	67
Section 15.7.	Applicable Laws.	67
Section 15.8.	Payment On Business Day.....	67
Section 15.9.	Counterparts.....	67
Section 15.10.	No Boycott Of Israel; No Terrorist Organization.	67
EXHIBIT A	CERTIFICATE FOR PAYMENT	A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of February 15, 2023, is by and between the CITY OF PRINCETON, TEXAS (the "*City*"), and REGIONS BANK, an Alabama state banking corporation with offices in Houston, Texas, as trustee (together with any 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, a petition (the "*Petition*") was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*Act*" or "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Whitewing Trails Public Improvement District No. 2 (the "*District*" or "*PID*"); and

WHEREAS, the *Petition* contained the signatures of the owners of taxable real property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on May 13, 2019, the City Council of the City (the "*City Council*") adopted Resolution No. 2019-05-13-R-02 accepting the *Petition* and calling a public hearing on the creation of the District; and

WHEREAS, on June 10, 2019, after due notice, the City Council of the City (the "*City Council*") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the *Petition* as required by Section 372.009 of the PID Act and on June 10, 2019, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2019-06-10-R-04, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution No. 2019-06-10-R-04, the City published notice of its authorization of the District in a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, on November 14, 2022, the City Council made findings and determinations relating to the Costs of certain Authorized Improvements and received and accepted a preliminary service and assessment plan and proposed Assessment Roll, called a public hearing for December 12, 2022 to consider an ordinance levying assessments on property located within Phase 2 of the District, and directed City staff to (i) file said proposed Assessment Roll with the City Secretary

and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice as required by Section 372.016(b) of the PID Act relating to December 12, 2022 hearing; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City where the proposed improvements are to be undertaken to consider the proposed "*Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the "*Assessments*" on property in the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing on December 12, 2022 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, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Costs, 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, at the December 12, 2022 public hearing referenced above there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council continued the public hearing to January 23, 2023 at which time the hearing was considered and continued to February 13, 2023, on which date, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the City, at a meeting held on February 13, 2023, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying or reimbursing the Costs of the Phase 2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Phase 2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the 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, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City 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 City 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; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

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 from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, if the City 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 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 City payable solely from the Trust Estate, 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 City 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 City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds out of any funds of the City other than the Trust Estate.

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 City 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*", in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and "*Accounts*", in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

"*Additional Interest*" means the 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act.

"*Administrative Fund*" means that Fund established by Section 6.1 and administered pursuant to Section 6.9 of this Indenture.

"*Administrative Expenses*" means the reasonable expenses incurred by the City and the Developer in the establishment, administration, and operation of the PID. The expenses of administration and operation of the PID (i.e., collection costs), may include, but are not limited to, the costs of (i) direct and contracted costs incurred by the City including legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof to the City, Trustee or other applicable financial institution, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrar's and Trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the Bonds, and (viii) the City's costs of administering the construction of the Phase 2 Improvements. Administrative Expenses shall also include the administrative costs and expenses of issuing,

making debt service payments on, and redeeming Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on 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 City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

"*Annual Debt Service*" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), 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 Bond Year (including any Sinking Fund Installments due in such Bond Year).

"*Annual Installment*" means the sum of the annual installment on the Assessment, including the annual installment on interest and principal, Additional Interest and Administrative Expenses.

"*Annual Service Plan Update*" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

"*Applicable Laws*" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States of America, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"*Assessed Property*" means the benefited parcels in Phase 2 of the District as shown in the Service and Assessment Plan.

"*Assessment*" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Phase 2 Improvements.

"*Assessment Ordinance*" means Ordinance No. 2023-[] adopted by the City Council on [], as may be amended or supplemented, that levied the Assessments on the Assessed Property.

"*Assessment Revenues*" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"*Assessment Roll*" means the Phase 2 Assessment Roll, which is attached to the Service and Assessment Plan as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act.

"*Attorney General*" means the Attorney General of the State.

"*Authorized Denomination*" means \$100,000 and any integral multiple of \$5,000 in excess thereof. Except as provided in Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" mean those improvements authorized by Section 372.003 of the PID Act for which Assessments are levied, as described in the Service and Assessment Plan.

"*Bond*" means any of the Bonds.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"*Bond Date*" means the date designated as the dated 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 pursuant to Section 6.4 of this Indenture.

"*Bond Ordinance*" means the ordinance adopted by the City Council on [] authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Pledged Revenue Account*" means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

"*Bond Year*" means the one-year period beginning on September 1 in each year and ending on the day prior to September 1 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 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 observed as such by the City or the Trustee or any national holiday observed by the Trustee.

"*Capitalized Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"*Certificate for Payment*" means a certificate substantially in the form of Exhibit A hereto and executed by a Person approved by the City Representative that is delivered to the City

Representative and the Trustee specifying the amount of work performed and the Costs thereof, and requesting payment for such Costs from money on deposit in the Project Fund as further described in Section 6.5 of this Indenture.

"*City Directive*" means a certificate containing written instructions, signed by the City Representative.

"*City Representative*" means, individually, the Mayor and City Manager (or another official or agent of the City subsequently designated in writing as a City Representative) which are authorized by the City Council to undertake the action referenced herein.

"*Closing Date*" means the date of the initial delivery of and payment for the Bonds.

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

"*Comptroller*" means the Comptroller of Public Accounts of the State.

["*Construction, Funding, and Acquisition Agreement*" means the Whitewing Trails Public Improvement District No. 2 Phase 2 Improvements Construction, Funding, and Acquisition Agreement by and between the City and the Developer, dated as of [], as may be amended and/or supplemented from time to time.]

"*Costs*" means the Phase 2 Improvements Costs (excluding Administrative Expenses), for the Phase 2 Improvements, as such budgeted amounts are set forth in the Service and Assessment Plan.

"*Costs of Issuance Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"*Defeasance Securities*" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"*Delinquency and Prepayment Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds to be funded from the Additional Interest transferred from the Bond Pledged Revenue Account.

"*Delinquent Collection Costs*" means, for a Parcel, interest, penalties and attorneys' fees that are authorized by the PID Act and by the Assessment Ordinance and that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent payments due under the Service and Assessment Plan, including costs and expenses related to the foreclosure of liens.

"*Delivery Date*" means [], which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

"*Designated Payment/Transfer Office*" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, which shall initially be located in Houston, Texas, 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 City and such successor.

"*Developer*" means MM Princeton 854, LLC, a Texas limited liability company, and any successor thereto.

"*Developer Improvement Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"*DTC*" means The Depository Trust Company of New York, New York, or any successor securities depository.

"*DTC Participant*" means 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.

"*Foreclosure Proceeds*" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Assessments against any Assessed Property, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"*Fund*", in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and "*Funds*", in the plural, means, collectively, all 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.

"*Independent Financial Consultant*" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"*Initial Bonds*" means the Initial Bonds authorized by 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 March 1 and September 1 of each year, commencing September 1, 2023.

"*Investment Securities*" means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time.

"*Maximum Annual Debt Service*" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"*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, (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 and (iv) any Bond alleged to have been mutilated, destroyed, lost or stolen, which has been paid as provided in this Indenture.

"*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.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District identified by either a tax map identification number assigned to the Parcel by the Collin County Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Collin County.

"*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.

"*Phase 2 Bond Improvement Account*" means Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"*Phase 2 Improvements*" means those public improvements described in the Service and Assessment Plan and Section 372.002 of the PID Act which are to be constructed pursuant to the [Construction, Funding, and Acquisition Agreement] which are to be undertaken for the benefit of property in Phase 2 of the District.

"*Phase 2 Improvements Costs*" mean the actual costs of all or any portion of the Phase 2 Improvements, as described in the Service and Assessment Plan as "Authorized Improvement Costs" including, but not limited to, all costs paid or incurred in connection with the issuance of the Bonds, and including all costs otherwise paid or incurred in connection with the transaction that results in the issuance of Bonds (whether such costs are characterized as interest, costs of issuance, reserve fund, or other costs of the transaction).

"*Phase 2 Improvements*" shall have the meaning ascribed to it in the Service and Assessment Plan.

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund (but excluding the Developer Improvement Account), the Reserve Fund, and the Redemption Fund.

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 of this Indenture.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds.

"*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 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 the payment of the regularly scheduled Assessment.

"*Prepayment Costs*" means interest, Administrative Expenses, any applicable Delinquent Collection Costs, and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

"*Principal and Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"*Project Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"*Purchaser*" means the initial purchaser of the Bonds.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Record Date*" means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"*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 this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues, as more specifically described in the indenture authorizing such Refunding Bonds.

"*Register*" means the register specified in Article III of this Indenture.

"*Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"*Reserve Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"*Reserve Fund Obligations*" means cash or Investment Securities.

"*Reserve Account Requirement*" means the lesser of (i) 100% of the Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of the average annual debt service on the Bonds measured as of the date of issuance, or (iii) 10% of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(d); and provided further that as a result of (A) an optional redemption pursuant to Section 4.3 or (B) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date, the Reserve Account Requirement is \$[-] which is an amount equal to 100% of the Maximum Annual Debt Service on the Bonds as of the date of issuance.

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Roll, which is attached to the Assessment Ordinance, as may be updated in an annual update or amended and supplemented from time to time.

"*Sinking Fund Installment*" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"*Special Record Date*" has the meaning set forth in in the form of Bond included in Section 5.2 hereof.

"*State*" means the State of Texas.

"*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 which has been duly executed by the Trustee and a City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"*Treasury Regulations*" shall have the meaning assigned to such term in Section 7.5(c).

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to the Assessments levied on the Assessed Property within Phase 2, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

"*Trustee*" means Regions Bank, an Alabama state banking corporation, with offices located in Houston, Texas and any 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.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

Section 1.2. Findings.

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.

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

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by

the City under this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

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

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council. The City 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 and/or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) 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 City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, 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, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of \$[Par] for the purpose of (i) paying or reimbursing the Costs of the Phase 2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Phase 2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds;

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

(a) The Bonds shall be dated February 15, 2023 (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the Closing Date, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2023, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

\$[] []% Term Bonds Due September 1, [], Priced to Yield []%
CUSIP 742400[]

(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, 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.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City 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 City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed [Construction, Funding, and Acquisition Agreement] with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City; and
- (e) an executed City Directive directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee.
- (f) an executed Signature Identification and No-Litigation Certificate;
- (g) an executed opinion of Bond Counsel; and
- (h) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. Medium, Method and Place of Payment.

- (a) 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 or Special Record Date, as applicable.
- (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, any such payments remaining unclaimed by the Owners entitled thereto for three (3) 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 City to be used for any lawful purpose. Thereafter, none of the City, 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.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary by their manual or facsimile signatures, and the official seal of the City 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 City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City 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, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary (or Deputy City Secretary), approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser 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 City, the Trustee, including in its capacity as 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 Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee, including in its capacity as 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 City, the Trustee, including in its capacity as 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 City 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 as 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 transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City 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 transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City 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 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 City 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. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

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 City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any 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 City 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 City, 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 City 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 the applicable laws of the State 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 them and the City harmless;

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

(iv) satisfies any other reasonable requirements imposed by the City 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 City 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 City, the Paying Agent/Registrar 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 City 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.

(a) 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 City 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.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City 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 City 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 City 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 City'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 City 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 Record Date or Special Record Date, as applicable, 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 System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City

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 City to 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 Bonds maturing on September 1 in each of the years [] (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for 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:

<u>Term Bonds maturing September 1, 20[]</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
9/1/20	\$,000
9/1/20	\$,000
9/1/20 †	\$,000

† Stated maturity.

(b) At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select 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 City, 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 City at a price not exceeding the principal amount of such Term Bonds 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 which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20[], such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed for redemption. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the City in accordance with this section.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(d)) or any other transfers to the Redemption Fund under the terms of this Indenture. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the City in accordance with this section.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$5,000 by lot or any other customary method selected by the Trustee that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the

unredeemed portion, but not less than \$5,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond or Bonds by the minimum Authorized Denomination for such Bond.

(b) 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, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption 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 City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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 Fund or otherwise received by the Trustee from the City 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 corporate trust 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 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 Redemption Price of 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, the Certificate of the Trustee, and the Assignment 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 City 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 may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, 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. _____

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
\$ _____

CITY OF PRINCETON, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	September 1, 20__	_____	_____

The City of Princeton, Texas (the "*City*"), for value received, hereby promises to pay, solely from the Trust Estate, 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 Date of Delivery, 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 March 1 and September 1 of each year, commencing September 1, 2023.

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 Houston, Texas (the "*Designated Payment/Transfer Office*"), of Regions Bank, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee

and paying agent/registrar, 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 fifteenth calendar day (whether or not a Business 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (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 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 one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of February 15, 2023 and issued in the aggregate principal amount of \$[Par] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of February 15, 2023 (the "*Indenture*"), by and between the City and 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 City, 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 Phase 2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Phase 2 Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate. 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 City, 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.

IN THE INDENTURE, THE CITY HAS RESERVED THE RIGHT to issue Refunding Bonds payable from and secured by a lien on and pledge of the sources described above on a parity with this Bond.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City 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 \$100,000 and any multiple of \$5,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$100,000, and any attempt to do so will be void and of no effect.

The Bonds maturing on September 1 in each of the years [] (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption 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 Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

<u>Term Bonds maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
9/1/20	\$,000
9/1/20	\$,000
9/1/20 †	\$,000

†Stated maturity.

At least thirty (30) 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 City, 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 City 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 required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the

principal amount of any Term Bonds 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 mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20[], such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

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 City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City 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 City with certain past defaults under the Bond Ordinance 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, 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 City 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 City, 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 City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, COLLIN COUNTY, TEXAS OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF 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 City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Secretary

Mayor

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER

§

OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§ REGISTER NO. _____
§

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.

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.

REGIONS BANK, as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including 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 register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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.

(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, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

_____ Years	_____ Principal Installments	_____ Interest Rates"
----------------	---------------------------------	--------------------------

(Information to be inserted from Section 3.2(c)); and

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

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, 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 none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and

are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

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

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

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

- (A) Reserve Account; and
- (B) Delinquency and Prepayment Reserve Account

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

- (A) Phase 2 Bond Improvement Account;
- (B) Costs of Issuance Account; and
- (C) Developer Improvement Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

- (A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. 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. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit 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.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$[];
- (ii) to the Reserve Account of the Reserve Fund: \$[], which is equal to the initial Reserve Account Requirement;
- (iii) to the Delinquency and Prepayment Reserve Account of the Reserve Fund: \$[];
- (iv) to the Costs of Issuance Account of the Project Fund: \$[];
- (v) to the Phase 2 Bond Improvement Account: \$[];
- (vi) to the Administrative Fund: \$[].

(b) Funds received from the Developer or other sources on the Closing Date in the amount of (i) \$[] shall be deposited to the Developer Improvement Account of the Project Fund.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessment Revenues (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection

Costs, which shall be deposited to the Administrative Fund pursuant to Section 6.9 hereof), as set forth in the Service and Assessment Plan. Specifically, the City shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, and (iii) third, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) and (ii) above are made, the City shall have the option, in its sole and absolute discretion, to deposit such excess funds into the Redemption Fund to redeem Bonds as provided in Article IV. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be deposited into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebataable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Directive to the Trustee, directing the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebataable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other Costs of the Phase 2 Improvements, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(d) The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall, pursuant to a City Directive, transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund

as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, pursuant to a City Directive, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to Section 6.7(f). Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 1, 2023 [and March 1, 2024. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to, depending on the City Directive, the Phase 2 Bond Improvement Account unless the Phase 2 Bond Improvement Account has been closed, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Directives. Disbursements from all other Accounts of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from such other Accounts of the Project Fund shall be disbursed in accordance with a Certificate for Payment as provided in the [Construction, Funding, and Acquisition Agreement]; provided that all disbursements of funds pursuant to a Certificate for Payment shall be made first from the Developer Improvement Account of the Project Fund. Each such City Directive shall

include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Directive or in the invoices submitted therewith and the Trustee is entitled to rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Sections 6.5(d) and (f), money on deposit in the Project Fund shall be used solely to pay Costs.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Phase 2 Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Phase 2 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Phase 2 Bond Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Directive with the Trustee which identifies the amounts then on deposit in the Phase 2 Bond Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Directive is so filed, the amounts on deposit in the Phase 2 Bond Improvement Account shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfers, the respective Phase 2 Bond Improvement Account shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Directive stating that all Phase 2 Improvements have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall (i) transfer the amount, if any, remaining within the Phase 2 Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee and (ii) transfer the amount, if any, remaining in the Developer Improvement Account of the Project Fund to the Developer. Upon such transfers, the Project Fund shall be closed.

(g) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Phase 2 Bond Improvement Account as determined in the City Directive, and used to pay Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Directive filed with the Trustee.

Section 6.6. Redemption Fund.

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the

Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 of each year, commencing March 1, 2023, an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless and until it receives a City Directive specifying that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding. Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source or account of said funds.

(c) In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to prior written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of 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) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4, unless within thirty days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Phase 2 Bond Improvement Account of the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall apply such excess: (i) to the Reserve Account of the Reserve Fund, if the amount on deposit therein is less than the Reserve Account Requirement, (ii) to pay amounts due under Section 6.8 hereof, (iii), at the written direction of the City pursuant to a City Order, to the Administrative Fund, or (iv) if the City does not provide written direction to the Trustee pursuant to Section 6.7(e)(iii) above, to the Redemption Fund to be applied to the redemption of the Bonds. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund pursuant to Subsection 6.7(e)(iii) hereof within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund pursuant to Section 6.7(e)(iv) hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, 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 transfer first from the Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Reserve Account of the Reserve Fund and second the Delinquency and Prepayment Reserve Account of the Reserve Fund.

(g) Reserved.

(h) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

(i) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged

Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(j) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is 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. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) 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 Tax Certificate, as further set forth in a City Directive delivered to the Trustee. The Trustee may conclusively rely on such City Directive and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee complies with such City Directive.

(c) 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 written instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

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

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) 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 City Directive solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10.

Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Directive filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Directive shall be a certification, upon which the Trustee is entitled to conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment 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 or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed and authorized, to invest and re-invest cash balances in Morgan Stanley, Fidelity or Federated family of funds, but only so long as such funds are authorized and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

(b) 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 City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. 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.

(d) 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 held 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.

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Directive, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Directive shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. 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.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all reasonable 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) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, 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 City.

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable 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 City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding particular Assessed Property.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Administrative Expenses in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, Pledged Revenues or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and 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 City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Trust Estate, 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 City hereby covenants and agrees that so long as any Bonds are Outstanding, 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 City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds is issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings).

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose

additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and, City Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Phase 2 Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City 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 City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City 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.

(c) In the absence of bad faith, the City 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 City and conforming to the requirements of this Indenture. The City 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.

(d) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) 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 City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City'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 City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. 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 City 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.

(f) The City may rely on 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 City 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 City 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 City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or

City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City 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. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act also in the capacity as Paying Agent/Registrar 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 to its satisfaction by the Owners 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; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers when directed in writing and required hereunder, or to deliver any notice when directed in writing and required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else proper to be done by it as the Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and 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.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to

verify 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 the Trustee as consideration for serving in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to the Trustee as consideration for serving in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code or (v) to undertake any other action unless specifically authorized or required pursuant to a written City Directive or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable for the performance of its duties and obligations as are specifically set forth in this Indenture, except for the Trustee's own negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) 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. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing, or use of the District. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and in good faith by it hereunder.

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.

(a) The Trustee is entitled to rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, 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 that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained, the validity thereof, or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) 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 City Directive, unless other evidence in respect thereof be hereby specifically prescribed. Such City Directive shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but 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 City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all costs for any extraordinary services rendered, and 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, all pursuant to a City Directive and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Directive, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. 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 the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from lawfully available funds (other than funds designated by the City for Rebatable Arbitrage) in its possession under the provisions of this Indenture.

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 City 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 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 sixty (60) days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Notwithstanding the foregoing, such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the Trustee, and such resignation shall take effect upon the court's appointment of a successor Trustee.

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 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 City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City 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 City or the Owners of not less than 10% of the principal amount of the Bonds then Outstanding.

Section 9.10. **Successor Trustee.**

(a) 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.

(b) 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 25% of the 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 City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City 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 City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d) 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 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 and the City shall be responsible for the costs of such appointment process.

(e) 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.

(f) 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 City 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 City 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, upon the receipt of payment of its outstanding charges of such Trustee and all the right, 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 City 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 City.

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, at the City's expense, such continuation statements as may be delivered to the Trustee and which 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; provided unless the Trustee is otherwise notified by the City, the Trustee may conclusively rely upon (and be fully protected in relying upon) the initial filing statements or the description of collateral in such initial filing statements delivered to Trustee by the City in filing any continuation statements hereunder in the same filing offices as the initial filings were made. The Trustee is not responsible for the initial filing of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code.

Section 9.14. 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 City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. 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.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City 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 fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. 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 City 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 City 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 shall not modify any of the rights or obligations of the Trustee without its prior written consent.

(b) This Indenture and the rights and obligations of the City 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 anyone or more of the following purposes:

(i) to add to the covenants and agreements of the City 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 City;

(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 City 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.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City 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.

(a) The City 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, 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, if such consent is required pursuant to Section 10.1, 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.

(b) 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. 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.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City 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 City 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. Procedure for Amendment Not Requiring Owner Consent.

(a) The City 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(b), to take effect when and as provided in this Section. The City shall direct the

Trustee in writing to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, to mail by first-class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. 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 City, the Trustee 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 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

The City 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 City, 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 City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City 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 10.7. 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 such Owner, provided that due notation thereof is made on such Bonds.

Section 10.8. 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 City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

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 City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice.

(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 thereafter.

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, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce 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 City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, 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 City shall determine, in its absolute discretion, and shall instruct the Trustee by City Directive, 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 City shall fail to deliver to the Trustee such City Directive, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the City by reason of the following selection process, 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, specifically in inverse order of value pursuant to a certified appraisal or real or personal property or market value of investments as set forth in the United States Stock Exchange, and as may be required by law 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 City, 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 City 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, in the judgement of the Trustee, 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 received prior notice in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee 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 written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such prior written 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 not less than fifty-one percent (51%) 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 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 City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners of Bonds 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 of Bonds, then and in every such case the City, the Trustee and the Owners of Bonds 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, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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.

Following its receipt of written directions from the City, the Trustee shall make payments to the Owners of Bonds pursuant to this Section 11.4 within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(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 the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City 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 of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner 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 any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, 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 11.8. 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 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City 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 City 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 City 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 City 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 Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to 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 PID Act and other Applicable Laws.

Section 12.2. General.

The City 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 City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City 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 City 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; Refunding Bonds.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, 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 City 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 done or omit 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 which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate, Pledged Revenues or Pledged Funds; provided, however, that nothing in this Section shall require the City 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 counsel to the Trustee, the same would endanger the security for the Bonds.

(c) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other

lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Refunding Bonds as described below. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, but only if the Refunding Bonds will result in an annual cash flow savings for every Bond Year, and that the Refunding Bonds will not have a maturity date later than the final maturity date of the Bonds or Outstanding Refunding Bonds being refunded.

(d) The City reserves the right to issue additional bonds to finance the cost of future local improvements within a proposed development area or phase (or a portion thereof) in the District as the development proceeds. Such additional bonds will be secured by separate assessments levied on the future development area and will be reflected in an amended and restated SAP or updated SAP. The proposed development area projects will be identified and the determination of their cost will be deferred until a later date, and will be reflected in an amended and restated SAP or updated SAP. The City may but is under no obligation to issue additional bonds, including for future development areas or phases in the District, for any purpose permitted by the PID Act and in accordance with the conditions set forth in this Section Section 13.3.

Books of Record.

(a) The City 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 dealings, business and affairs of the City, 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 City 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 City 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 City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the 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 City.

Section 14.3. **Bonds Deemed Paid.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. 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 City 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. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, 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 by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City 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 City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) 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.

(b) Except as otherwise expressly provided herein, 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.

(c) 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.

(d) 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 City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City 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 official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of Princeton, Texas
Attn: City Manager
123 W. Princeton Drive
Princeton, Texas 75407

with a copy to:

McCall, Parkhurst & Horton LLP
Attn: Jeff Gulbas
717 North Harwood, Suite 900
Dallas, Texas 75201

If to the Trustee
and initially acting
in the capacity of
Paying Agent/Registrar

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046
Attn: Corporate Trust

with a copy to:

McGuire, Craddock & Strother, P.C.
Attn: Susan Mills Cipione
2501 N. Harwood, Suite 1800
Dallas, Texas 75201

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) 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.

(d) The Trustee shall mail to each Owner of a Bond notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Bonds Outstanding.

Section 15.6. 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 City 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 anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 15.8. 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 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. No Boycott of Israel; No Terrorist Organization; No Boycott of Energy Companies; No Discrimination Against Firearm Entities

(a) The Trustee hereby represents that it does not Boycott Israel (as such term is defined in Section 2271.001, Texas Government Code, as amended) and, subject to or as otherwise required by applicable Federal law, including, without limitation, 50 U.S.C. Section 4607, the Trustee hereby agrees not to Boycott Israel during the term of this Indenture, which for the purposes of this section shall mean the end of the underwriting period unless this Indenture is terminated in accordance with the provisions hereof. For the purposes of this representation, the Trustee has utilized the definition of Company in Section 808.001(2) of the Texas Government Code.

(b) The Trustee represents that, to the extent this Indenture constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable Federal law, the Trustee, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Trustee is a company, as defined in Section 806.001(2), Texas Government Code, as amended, listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas

Government Code on the following website:
<https://comptroller.texas.gov/purchasing/publications/divestment.php>.

(c) Pursuant to Chapter 2274 of the Texas Government Code, as amended, the Trustee hereby certifies for the purposes of such chapter, except to the extent otherwise required by applicable federal law, that at the time of execution and delivery of the Agreement and to the date of Closing, neither the Trustee, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Trustee boycotts energy companies or will boycott energy companies. The terms “boycotts energy companies” and “boycott energy companies” as used in this paragraph have the meaning assigned to the term “boycott energy company” in Section 809.001 of the Texas Government Code, as amended.

(d) Pursuant to Chapter 2274 of the Texas Government Code, as amended, the Trustee hereby certifies, for the purposes of such chapter, except to the extent otherwise required by applicable federal law, that at the time of execution and delivery of this Agreement and to the date of Closing, neither the Trustee, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Trustee discriminates against a firearm entity or firearm trade association. The term “discriminates against a firearm entity or firearm trade association” as used in this paragraph has the meaning assigned to the term “discriminate against a firearm entity or firearm trade association” in Section 2274.001 of the Texas Government Code, as amended.

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IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF PRINCETON, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

REGIONS BANK
as Trustee

By: _____
Authorized Officer

EXHIBIT A

CERTIFICATE FOR PAYMENT

The undersigned is an agent for MM PRINCETON 854, LLC (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the Improvement Account of the Project Fund from _____ (the "Trustee") in the amount of _____ (\$ _____) to be transferred from the Improvement Account of the Project Fund upon the delivery of the Bonds for costs incurred in the establishment, administration, and operation of the Whitewing Trails Public Improvement District No. 2 (the "District") and costs incurred for the creation, acquisition and construction of the Phase 2 Improvements, as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of February 15, 2023 relating to the "CITY OF PRINCETON, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023 (WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)" (the "Indenture").

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds have not been the subject of any prior payment request submitted to the City. The payment requested for the below referenced Phase 2 Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the below costs is a true and accurate representation of the costs associated with the establishment, administration and operation of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The amount listed for the Phase 2 Improvements below is a true and accurate representation of the actual Costs associated with the creation, acquisition, or construction of said Phase 2 Improvements, and such costs (i) are in compliance with the [Construction, Funding, and Acquisition Agreement], and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the [Construction, Funding, and Acquisition Agreement], the Indenture, the Developer Continuing Disclosure Agreement and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the [Construction, Funding, and Acquisition Agreement] for the payment hereby requested have been satisfied.

6. The work with respect to the Phase 2 Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Phase 2 Improvements (or its completed segment).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

[Information regarding Payee, amount, and deposit instructions attached]
I hereby declare that the above representations and warranties are true and correct.

MM PRINCETON 854, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall include said payments in the City Directive (as defined in the Indenture) submitted to the Trustee directing payments to be made from the applicable account upon delivery of the Bonds.

CITY OF PRINCETON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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CITY OF PRINCETON
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2

SERVICE AND ASSESSMENT PLAN
(PHASE 2 PROJECT)

FEBRUARY 13, 2023

PREPARED FOR:
City of Princeton
2000 E. Princeton Drive
Princeton, TX 75407

PREPARED BY:
30 Three Sixty Public Finance, Inc.
5860 Owens Avenue, Suite 210
Carlsbad, CA 92008

TABLE OF CONTENTS

I.	Introduction	1
II.	Defined Terms.....	2
III.	Description of PID and Phase 2.....	7
IV.	Improvement Plan	8
V.	Service Plan	9
	A. Budgeted Costs and Indebtedness.....	9
	B. Five Year Projection of Annual Installments	11
VI.	Assessment Plan	12
	A. Allocation of Budgeted Costs	12
	B. Assessment Terms.....	14
	1. Assessment Roll	14
	2. Apportionment of Assessment Upon Subdivision	15
	3. Apportionment of Assessment Upon Consolidation	16
	4. Reduction in Assessments	16
	5. Payment and Collection of Assessments	17
	6. TIRZ Annual Credit	18
	7. Prepayment of Assessments.....	18
VII.	Amendments	21
	A. Administrative Review	21
	B. Severability.....	21

APPENDICES

Appendix A	Assessment Roll
Appendix B	Annual Installments
Appendix C	Map of PID Boundaries
Appendix D	Metes and Bounds Description of PID Boundaries
Appendix E	Metes and Bounds Description of Phase 2
Appendix F	Final Plats
Appendix G	Concept Plan
Appendix H	Form of PID Disclosure Notices

This Service and Assessment Plan is prepared pursuant to the provisions of the "Public Improvement District Assessment Act," being Chapter 372 "Improvement Districts in Municipalities and Counties," Subchapter A "Public Improvement Districts," Sections 372.001 through 372.041 of the Local Government Code of the State of Texas, as amended (the "PID Act"), and in connection with Resolution No. 2019-06-10-R-04 approved by the City Council of the City of Princeton on June 10, 2019 authorizing, establishing, and creating the WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 (hereinafter known as the "PID" or "Whitewing Trails PID").

Pursuant to the PID Act, this Service and Assessment Plan contains the following:

- Improvement Plan;
- Service Plan; and
- Assessment Plan and Assessment Roll.

In accordance with the PID Act, 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 City Council for approval along with an updated Assessment Roll.

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in Section II unless otherwise defined herein.

"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 PID Bonds or Refunding Bonds, if any, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

"Additional Public Improvements" means additional public infrastructure to be funded by City PID Fees pursuant to the Development Agreement.

"Administrative Expenses" means the reasonable expenses incurred by the City and the Developer in the establishment, administration, and operation of the PID. The expenses of administration and operation of the PID (i. e, collection costs), may include, but are not limited to, the costs of (i) direct and contracted costs incurred by the City including legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the PID and preparing the assessment roll(s), (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof to the City, Trustee or other applicable financial institution, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrar's and Trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the PID Bonds, and (viii) the City's costs of administering the construction of the Authorized Improvements. Administrative Expenses shall also include the administrative costs and expenses of issuing, making debt service payments on, and redeeming PID Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on PID 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 City who shall have the responsibilities provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

"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 PID Bonds, Administrative Expenses, and Additional Interest, all as calculated pursuant to this SAP and as set forth on the Assessment Roll attached hereto as Appendix B, 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 City Council.

"Assessed Property" means the benefited Parcels within Phase 2 on which Assessments are levied.

II. Defined Terms



"Assessments" means the special assessments levied on the Assessed Property under the Assessment Ordinance that may be used to reimburse the Developer for all or a portion of the Authorized Improvements Costs, as well as repayment of the PID Bonds, Additional Interest, and the Administrative Expenses attributable to the creation and operation of the PID, all as set forth herein.

"Assessment Ordinance" means the City ordinance approving this service and assessment plan and levying Assessments for the Authorized Improvements on the Assessed Property within Phase 2, as may be amended or supplemented.

"Assessment 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 that represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered an Assessment Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"Assessment Roll" means the Assessment Roll for the Assessed Property 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 PID Act, including updates prepared in connection with the issuance of any PID Bonds or in connection with any Annual Service Plan Update.

"Authorized Improvements" means the improvements constructed in Phase 2 described in Section IV.

"Authorized Improvements Costs" means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements, all costs incurred in connection with PID Bonds issued to pay, reimburse, or finance the costs of the Authorized Improvements, and all other costs authorized by the PID Act and related to the Authorized Improvements.

"Bond Ordinance" means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of the PID Bonds.

"Budgeted Costs" means the estimated costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements, the estimated costs to be incurred in connection with PID Bonds issued to pay, reimburse, or finance the costs of the Authorized Improvements, and all other estimated costs authorized by the PID Act and related to the Authorized Improvements as set forth in Section V herein.

"Captured Taxable Value" means the net ad valorem tax value of the TIRZ in any year less the net ad valorem tax value of the TIRZ for the year in which the TIRZ was created, as described in 311.012, Texas Tax Code.

"City" means the City of Princeton, a general-law municipality in Collin County, Texas.

"City Council" means the governing body of the City.

"City PID Fee" means a one-time fee to be paid by the Developer in the amount of \$2,615 per residential lot, to be paid by the Developer.

II. Defined Terms



"County" means Collin 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 §372.018(f) of the PID 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 MM Princeton 854, LLC a Texas limited liability company, its successors and permitted assigns.

"Development Agreement" means the First Amended and Restated Whitewing Trails Development Agreement dated June 10, 2019, as amended from time to time, executed by the City and MM Princeton 854, LLC, a Texas limited liability company.

"Final Plat(s)" means the final plat(s) of Phase 2.

- **Final Plat Whitewing Trails Phase 2A** is attached hereto as Appendix F-1.
- **Final Plat Whitewing Trails Phase 2B** is attached hereto as Appendix F-2.
- **Final Plat Whitewing Trails Phase 2C** is attached hereto as Appendix F-3.

"Improvement Account of the Project Fund" or "IAPF" means a construction or project fund created under an Indenture, funded by the PID Bond Proceeds, and used to pay or reimburse for certain portions of the construction or acquisition of the Authorized Improvements.

"Indenture" means the applicable trust indenture by and between the City and a trustee bank under which PID Bonds are issued and funds are held and disbursed.

"Lot" means for any portion of the Property 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 lot as determined by the Administrator and confirmed by the City Council. Phase 2 is anticipated to include single-family lots with a typical lot width of fifty feet (the "Lot Type 50 Foot Lots") and single-family lots with a typical lot width of sixty feet (the "Lot Type 60 Foot Lots"). The projected Lot Type for each Lot within Phase 2 is shown in Appendix G attached hereto.

"Mandatory Assessment Prepayment" means a mandatory prepayment of an Assessment or Assessments pursuant to Section VI herein.

"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.

II. Defined Terms



"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 Collin Central Appraisal District and/or Collin County Tax Assessor Collector for property tax purposes.

"Phase 2" means the property within the Final Plat Whitewing Trails Phase 2A, Final Plat Whitewing Trails Phase 2B, and Final Plat Whitewing Trails Phase 2C described by the metes and bounds descriptions in Appendix E.

"PID Bond Proceeds" means proceeds of the PID 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.

"PID Bonds" means the City of Princeton, Texas Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project) anticipated to be issued in the preliminary estimated amount of \$13,593,000.

"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 City as a result of any Prepayment of all or part of an Assessment.

"Private Improvements" means the improvements and amenities to be constructed by the Developer or its designee in connection with the development of Phase 2, as more particularly discussed in the Development Agreement and Section V herein.

"Private Improvements Cost" means, as applicable, the estimated cost to design and construct the Private Improvements as shown in Section V herein.

"Property" means the approximately 853.536 acres of land within the corporate limits of the City of Princeton, Texas, depicted in Appendix C and described by metes and bounds in Appendix D attached herein.

"Refunding Bonds" means bonds issued pursuant to Section 372.027 of the PID Act or other applicable law.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan of the Whitewing Trails Public Improvement District No 2 (Phase 2 Project), including the Assessment Roll, as may be updated in an Annual Service Plan Update or amended and supplemented from time to time.

"TIRZ" means Reinvestment Zone Number Five, City of Princeton, Texas ("TIRZ No. 5").

"TIRZ Administrative Expenses" means reasonable expenses incurred by the City in the establishment, administration, and operation of the TIRZ.

II. Defined Terms



"TIRZ Annual Credit" means the annual TIRZ Increment applied in accordance with Section VI.B.6 of this Service and Assessment Plan to each Lot within the PID on which Assessments have been levied to offset the Annual Installments of such Assessments.

"TIRZ Contribution" means 4.866% of the TIRZ Increment.

"TIRZ Fund" means the separate and distinct deposit account established by the City in order to receive deposits of the TIRZ Increment.

"TIRZ Increment" means the annual amount of ad valorem tax collected by the application of the City's annual ad valorem tax rate to the Captured Taxable Value.

"TIRZ Ordinance" means the ordinance adopted by the City Council creating Reinvestment Zone Number Five.

"Trustee" means a trustee under an Indenture, and any successor thereto permitted under such Indenture.

III. Description of PID and Phase 2



The PID consists of approximately 853.536 acres of real property located in the City and is depicted in Appendix C and described by metes and bounds in Appendix D. Development within the PID is anticipated to include two thousand, nine hundred twenty-nine (2,929) residential units over six (6) Phases. Of the single-family residential lots, sixty-one (61) will be seventy-five (75) foot standard lots, eight hundred fifty-six (856) will be sixty (60) foot standard lots and one thousand, six hundred twelve (1,612) will be fifty (50) foot standard lots. In addition, Phase 1 includes approximately four hundred (400) multi-family units. Phase 2 consists of approximately 139.661 acres and is described by the metes and bounds in Appendix E. Phase 2 includes five hundred seventy-two (572) single-family residential lots and seventeen (17) open space lots. These lot counts by Phase are shown in Table III-1 below.

TABLE III-1							
CITY OF PRINCETON							
WHITEWING TRAILS PID No. 2							
LAND USE SUMMARY							
LOT TYPE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	TOTAL
75' LOTS	0	0	0	0	0	61	61
60' LOTS	14	120	230	270	222	0	856
50' LOTS	352	452	584	1	100	123	1,612
MULTI-FAMILY	400	0	0	0	0	0	400
TOTALS	766	572	814	271	322	184	2,929

The Authorized Improvements consist of certain public improvements necessary for the development of Phase 2. The Authorized Improvements include the following:

- Road improvements, including but not limited to, subgrade, paving, ramps, sidewalks, curbs, hardscape, streetlights and poles, signs, testing, and bonds;
- Water facilities, including but not limited to, lines, valves, fittings, fire hydrants, testing and chlorination, trench safety, bonds, and all other works, equipment, and services for the transmission of water;
- Sanitary sewer facilities, including but not limited to, lines, manholes, system testing and inspection, trench safety, bonds, and all other works, equipment, and services for the collection and transportation of wastewater;
- Storm drainage improvements, including but not limited to, storm drain lines and pipes, inlets, manholes; headwalls, rip rap, testing, trench safety, bonds, and all other works, equipment, and services for the collection, detention, and transportation of storm water;
- Earthwork; and
- Soft costs, including but not limited to, engineering, surveying, construction staking, construction administration, testing, plan check and inspection fees, PID creation services including legal, financial and other consulting services costs incurred in connection with the creation of the PID and the levy of assessments.

Pursuant to Section 372.013 of the PID Act, an ongoing service plan defining annual indebtedness and the projected or budgeted costs for improvements must be submitted to the City Council for review and approval. The service plan must cover a period of at least five (5) years and be updated annually. Improvements authorized under the PID Act are set forth in Section 372.003 and may include the expenses incurred in the establishment, administration, and operation of the PID. Furthermore, and pursuant to Section 372.023 of the PID Act, all costs incurred in connection with the issuance of PID Bonds may be included in the Assessments.

A. Budgeted Costs and Indebtedness

The sources and uses of funds for the Authorized Improvements, Additional Public Improvements, and Private Improvements are summarized in Table V-1 below. Table V-2 shows additional details for the Authorized Improvements. The Assessments shall be used to fund the lesser of the Budgeted Costs or the Authorized Improvements Costs.

TABLE V-1 WHITEWING TRAILS PID No. 2 PHASE 2 PROJECT SOURCES AND USES OF FUNDS				
DESCRIPTION	AUTHORIZED IMPROVEMENT COSTS	ADDITIONAL PUBLIC IMPROVEMENTS	PRIVATE IMPROVEMENTS	TOTAL
SOURCES OF FUNDS				
BOND PROCEEDS	\$13,593,000	\$0	\$0	\$13,593,000
OWNER CONTRIBUTION	\$3,940,558	\$0	\$3,069,765	\$7,010,323
CITY IMPACT FEES	\$0	\$4,329,062	\$0	\$4,329,062
CITY PID FEE	\$0	\$1,495,780	\$0	\$1,495,780
TOTAL SOURCES OF FUNDS	\$17,533,558	\$5,824,842	\$3,069,765	\$26,428,165
USES OF FUNDS				
BUDGETED COSTS				
AUTHORIZED IMPROVEMENTS	\$14,731,707	\$0	\$0	\$14,731,707
DEBT SERVICE RESERVE	\$1,160,993	\$0	\$0	\$1,160,993
CAPITALIZED INTEREST	\$389,598	\$0	\$0	\$389,598
COSTS OF ISSUANCE	\$755,970	\$0	\$0	\$755,970
UNDERWRITER'S DISCOUNT	\$407,790	\$0	\$0	\$407,790
ADMINISTRATIVE FUND	\$87,500	\$0	\$0	\$87,500
ADDITIONAL PUBLIC IMPROVEMENTS				
CITY IMPACT FEES	\$0	\$4,329,062	\$0	\$4,329,062
CITY PID FEES	\$0	\$1,495,780	\$0	\$1,495,780
PRIVATE IMPROVEMENTS	\$0	\$0	\$3,069,765	\$3,069,765
TOTAL USES	\$17,533,558	\$5,824,842	\$3,069,765	\$26,428,165

TABLE V-2				
WHITEWING TRAILS PID				
PHASE 2 PROJECT				
BUDGETED COSTS AND INDEBTEDNESS				
DESCRIPTION	AUTHORIZED IMPROVEMENT COSTS	ADDITIONAL PUBLIC IMPROVEMENTS	PRIVATE IMPROVEMENTS	TOTAL
PUBLIC AND PRIVATE IMPROVEMENTS				
ENGINEERING/SOFT COSTS	\$1,243,446	\$0	\$188,002	\$1,431,449
EXCAVATION	\$348,520	\$0	\$2,877,724	\$3,226,244
WATER	\$2,368,707	\$0	\$0	\$2,368,707
SEWER	\$1,888,513	\$0	\$0	\$1,888,513
OFF-SITE SEWER	\$244,551	\$0	\$0	\$244,551
STORMWATER	\$2,363,407	\$0	\$0	\$2,363,407
PAVING	\$5,739,562	\$0	\$0	\$5,739,562
MISCELLANEOUS	\$0	\$0	\$4,039	\$4,039
PID CREATION, LEGAL, AND CONSULTING	\$535,000	\$0	\$0	\$535,000
TOTAL PUBLIC AND PRIVATE IMPROVEMENTS	\$14,731,707	\$0	\$3,069,765	\$17,801,472
ADDITIONAL PUBLIC IMPROVEMENTS				
ROAD IMPACT FEES	\$0	\$1,691,570	\$0	\$1,691,570
WATER IMPACT FEES	\$0	\$1,650,972	\$0	\$1,650,972
SEWER IMPACT FEES	\$0	\$986,700	\$0	\$986,700
CITY PID FEES	\$0	\$1,495,780	\$0	\$1,495,780
TOTAL CITY PID AND IMPACT FEES	\$0	\$5,824,842	\$0	\$5,824,842
TOTAL ASSESSED COSTS	\$10,791,149	\$0	\$0	\$10,791,149
BOND RELATED COSTS				
DEBT SERVICE RESERVE	\$1,160,993	\$0	\$0	\$1,160,993
CAPITALIZED INTEREST	\$389,598	\$0	\$0	\$389,598
COSTS OF ISSUANCE	\$755,970	\$0	\$0	\$755,970
UNDERWRITER'S DISCOUNT	\$407,790	\$0	\$0	\$407,790
ADMINISTRATIVE FUND	\$87,500	\$0	\$0	\$87,500
PRINCIPAL ASSESSED	\$13,593,000	\$0	\$0	\$13,593,000

B. Five-Year Projection of Annual Installments

Projected Annual Installments are shown for the five years commencing with the tax year 2022 in Table V-3 below. If the City issues Refunding Bonds, the amount of the Assessments necessary to pay such Refunding Bonds shall not exceed the amount of the Assessments necessary to pay the PID Bonds that are being refunded.

TABLE V-3						
WHITEWING TRAILS PID PHASE 2 PROJECT						
FIVE-YEAR PROJECTION OF ANNUAL INSTALLMENTS						
TAX YEAR	BOND YEAR	PRINCIPAL AND INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADMINISTRATIVE EXPENSES	TOTAL
2022	2023	\$389,598	(\$389,598)	\$0	\$0	\$0
2023	2024	\$971,065	\$0	\$67,965	\$60,300	\$1,099,330
2024	2025	\$970,280	\$0	\$67,140	\$61,506	\$1,098,926
2025	2026	\$969,962	\$0	\$66,270	\$62,736	\$1,098,968
2026	2027	\$969,051	\$0	\$65,350	\$63,991	\$1,098,392
*Sum of Principal and Interest, Capitalized Interest, Additional Interest, and Administrative Expenses columns may not equal total due to rounding.						

Pursuant to Section 372.015 of the PID Act, the cost of an improvement to be assessed against property in an improvement 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 City Council, with or without regard to improvements on the property, or (iii) in any other manner that results in imposing equal shares of the cost on properties similarly benefited. Furthermore, Section 372.015 of the PID Act provides that the City Council may establish by ordinance or order (i) reasonable classifications and formulas for the apportionment of the cost between the municipality or county and the area to be assessed and (ii) the methods of assessing the special benefits for various classes of improvements. The 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 City Council apportions costs in a manner that results in equal shares allocated to Parcels similarly benefited. The determination by the City Council of the assessment methodology set forth herein is the result of the discretionary exercise by the City Council 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 City shall not be liable for payment of any costs of the Authorized Improvements or the Private Improvements from general funds or other revenues or resources of the City. The City assumes no financial obligation whatsoever in the event of default or foreclosure of any Parcel, portion or phase of the Property.

A. Allocation of Budgeted Costs

The City Council has determined to allocate the Budgeted Costs of the Authorized Improvements to each single-family lot within Phase 2 in proportion to estimated average buildout value (i.e., estimated completed single-family home values). The Authorized Improvements are comprised of improvements that are a requirement for developing Phase 2 and by definition are allocable to and benefit the Assessed Property. The City Council has further determined that creating assessment classifications based on the anticipated Lot Types within Phase 2 will result in imposing equal shares of cost on properties similarly benefited. Therefore, the Parcels on which Assessments are levied receive a direct and special benefit from the Authorized Improvements, and this benefit is equal to or greater than the amount assessed. Average buildout values and the anticipated number of Lots for each Lot Type are shown in Table VI-1 below and the resulting assessments and estimated Annual Installments for each Lot Type are shown in Table VI-2. Estimated value-to-Assessment ratios are shown in Table VI-3.

TABLE VI-1							
WHITEWING TRAILS PID 2 PHASE 2 PROJECT							
ESTIMATED SINGLE-FAMILY LOT AND HOME VALUES							
PLAT	LOT TYPE	LOTS	ESTIMATED VALUES				
			FINISHED LOT VALUES		BUILDOUT VALUES		
			ESTIMATED AVERAGE FINISHED LOT VALUE	ESTIMATED AVERAGE COMPLETED HOME VALUE	TOTAL ESTIMATED FINISHED LOT VALUE	TOTAL ESTIMATED BUILDOUT VALUE	% OF TOTAL ESTIMATED BUILDOUT VALUE
2A	60' Lots	0	\$84,000	\$475,000	\$0	\$0	0.00%
	50' Lots	227	\$70,000	\$425,000	\$15,890,000	\$96,475,000	38.73%
2B	60' Lots	0	\$84,000	\$475,000	\$0	\$0	0.00%
	50' Lots	225	\$70,000	\$425,000	\$15,750,000	\$95,625,000	38.39%
2C	60' Lots	120	\$84,000	\$475,000	\$10,080,000	\$57,000,000	22.88%
	50' Lots	0	\$70,000	\$425,000	\$0	\$0	0.00%
TOTAL		572	N/A	N/A	\$41,720,000	\$249,100,000	100.00%

TABLE VI-2										
WHITEWING TRAILS PID 2 PHASE 2 PROJECT										
ALLOCATION OF BUDGETED COSTS, ASSESSMENTS, AND ANNUAL INSTALLMENTS										
PLAT	LOT TYPE	LOTS	BUDGETED COSTS	PID BOND FINANCED/ REIMBURSED BUDGETED COSTS	PID BOND RELATED COSTS	TOTAL ASSESSMENT	ASSESSMENT PER LOT	ESTIMATED AVERAGE ANNUAL INSTALLMENT PER LOT	ESTIMATED FINISHED LOT TAX EQUIVALENT RATE	ESTIMATED BUILDOUT TAX EQUIVALENT RATE
2A	60' Lots	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	50' Lots	227	\$5,705,506	\$4,179,350	\$1,085,141	\$5,264,491	\$23,191.59	\$1,914.59	\$2.7351	\$0.4505
2B	60' Lots	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	50' Lots	225	\$5,655,237	\$4,142,528	\$1,075,580	\$5,218,108	\$23,191.59	\$1,914.59	\$2.7351	\$0.4505
2C	60' Lots	120	\$3,370,965	\$2,469,271	\$641,130	\$3,110,401	\$25,920.01	\$2,139.83	\$2.5474	\$0.4505
	50' Lots	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		572	\$14,731,707	\$10,791,149	\$2,801,851	\$13,593,000	N/A	N/A	N/A	N/A

TABLE VI-3 WHITEWING TRAILS PID 2 PHASE 2 PROJECT ESTIMATED VALUE TO ASSESSMENT RATIO							
PLAT	LOT TYPE	LOTS	TOTAL ALLOCATED ASSESSMENTS	TOTAL ESTIMATED FINISHED LOT VALUE	TOTAL ESTIMATED BUILDOUT VALUE	FINISHED LOT VALUE TO ASSESSMENT RATIO	BUILDOUT VALUE TO ASSESSMENT RATIO
2A	60' Lots	0	N/A	N/A	N/A	N/A	NA
	50' Lots	227	\$5,264,491	\$15,890,000	\$96,475,000	3.02	18.33
2A	60' Lots	0	N/A	N/A	N/A	N/A	N/A
	50' Lots	225	\$5,218,108	\$15,750,000	\$95,625,000	3.02	18.33
2A	60' Lots	120	\$3,110,401	\$10,080,000	\$57,000,000	3.24	18.33
	50' Lots	0	N/A	N/A	N/A	N/A	N/A
TOTAL		572	\$13,593,000	\$41,720,000	\$249,100,000	3.07	18.33

B. Assessment Terms

A lien will be established against the Assessed Property effective as of the date of the Assessment Ordinance 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 372.018(b) of the PID 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 Assessment for each Parcel of Assessed Property is as shown in the Assessment Roll attached hereto as Appendix A. Projected Annual Installments are shown in Appendix B. As shown in Table VI-4 below, the Assessments levied are less than the benefit conferred by the Authorized Improvements to the Assessed Property.

TABLE VI-4 WHITEWING TRAILS PID 2 PHASE 2 PROJECT SPECIAL BENEFIT SUMMARY	
DESCRIPTION OF SPECIAL BENEFIT	AMOUNT
BUDGETED COSTS	\$14,731,707
AUTHORIZED IMPROVEMENTS	
PID BOND RELATED COSTS	
DEBT SERVICE RESERVE FUND	\$1,160,993
CAPITALIZED INTEREST	\$389,598
COSTS OF ISSUANCE	\$755,970
UNDERWRITER'S DISCOUNT	\$407,790
ADMINISTRATIVE EXPENSES	\$87,500
TOTAL SPECIAL BENEFIT	\$17,533,558
ASSESSMENT	\$13,593,000
EXCESS BENEFIT	\$3,940,558

No Assessment shall be changed hereafter except pursuant to the provisions provided for herein or as permitted under the PID Act. Each Assessment Roll shall be updated to reflect the actual interest rate on the PID Bonds following their pricing, and the Administrator shall prepare for City Council 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 Section 372.019 of the PID 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.

The determination of the (i) Lot Type or Lot Types applicable to each new Parcel created by the subdivision shall be determined by reference to Appendix G, as may be amended, and (ii) the number of single-family lots applicable to each new Parcel created by the subdivision shall be determined by reference to the applicable recorded final plat(s), the replat of such recorded final plats, if applicable, and prior to the recordation of each such final plat the Final Plats included in Appendix F attached hereto. The Assessment applicable to each Lot Type shall be determined by reference to Table VI-2.

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 City Council. 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 PID Act, by the City Council. The City 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 Assessment 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 Authorized Improvements Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each 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 reduced Authorized Improvements Costs, or (ii) in the event that PID 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 PID Bonds, in accordance with each Indenture. Assessments shall not, however, be reduced to an amount less than the applicable outstanding PID Bonds.

The City reserves and shall have the right and option to issue Refunding Bonds to refund the PID Bonds. In the event of issuance of Refunding 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 Bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the Refunding Bonds. In no event shall any Assessment be increased above the maximum amount set forth in the Assessment Roll attached hereto as Appendix A.

5. Payment and Collection of Assessments

The PID Act 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 an Assessment Prepayment. In certain circumstances, Mandatory Assessment Prepayments shall become due as specified in Section VI.B.7 below. If not paid in full, the PID Act authorizes the City 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 applicable Assessment Roll, which include interest on the outstanding balance of such Assessment and Administrative Expenses.

Pursuant to Sections 372.017 and 372.018 of the PID Act, the City 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 City Council in an Assessment Ordinance. Such installments must (i) be in amounts necessary to retire the indebtedness on the improvements and (ii) continue for the period approved by the City Council for the payment of the installments.

The City Council has determined that the Assessments shall be payable in Annual Installments commencing with the 2023 Annual Installment payable no later than January 31, 2024. Each Parcel's Annual Installment, as defined in Section II herein, shall include an annual installment of interest and principal in proportionate amount to the corresponding annual installment of interest and principal on the applicable PID Bonds, the Additional Interest, and a proportionate share, based on such Parcel's outstanding Assessment, of applicable Administrative Expenses. Such Annual Installments may be reduced by available funds held in trust under and in accordance with the Indenture.

The City or County Tax Assessor/Collector will invoice each owner of an Assessed Property at the same time as the City's 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 the City's 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 City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. In the event of default or foreclosure of any lien for Assessments, the City has no financial obligations under the Development Agreement and 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 Assessment Prepayment(s). Any sale of property for nonpayment of the Annual Installment(s) and/or Mandatory Assessment 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. TIRZ Annual Credit

The TIRZ Contribution attributable to each Assessed Property, less a proportionate share of TIRZ Administrative Costs, shall be applied as a credit against such Assessed Property's Annual Installments. Specifically, the TIRZ Contribution attributable to an Assessed Property for the 12 months ending June 30 of each year, less its share of TIRZ Administrative Costs, shall be applied as a credit against the Annual Installment payable by such Assessed Property no later than January 31 of the following year. Each Assessed Property's share of TIRZ Administrative Costs shall be in proportion to such Assessed Property's TIRZ Contribution.

7. Prepayment of Assessments

a. Optional Assessment Prepayment

The Assessment for any Parcel may be paid at any time in part or in full without penalty by paying to the City up to the remaining unpaid principal balance of the applicable Assessment along with Prepayment Costs. In the event of a full Assessment Prepayment, credit shall be given for Annual Installment payments received by the City prior to the date of prepayment.

Upon a full or partial Assessment 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 City Manager of the City is hereby authorized to sign a release of the Assessment lien for the corresponding Parcel. The form of such release shall be as determined by the City to comply with State law.

b. Mandatory Assessment Prepayment

A Mandatory Assessment Prepayment(s) shall become due in the following circumstances:

- (1) A Parcel or portion thereof on which an Assessment is levied is acquired by or transferred to 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 otherwise become 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 property owner of Assessed Property shall provide notice to the City and the Administrator of (1) or (2) above, and upon full buildout of Phase 2 (i.e., the completion of and closing of the sale of all homes within Phase 2), the Developer shall provide the projected average home price to the City and the Administrator. In the case of (1) and (2) such notice shall be provided at least thirty (30) days prior to the date of such acquisition, transfer or act. The Mandatory Assessment Prepayment pursuant to (5) above shall apply only to the Developer and not subsequent homeowners.

If a Parcel on which an Assessment is levied (i) is acquired in its entirety through an eminent domain action and/or proceeding by a party that is exempt from the payment of the Assessment under applicable law or (ii) otherwise is reclassified as Non-Benefited Property, a Mandatory Assessment Prepayment for the full outstanding balance of the Assessment applicable to such Parcel shall be due and payable by the Developer or applicable subsequent property owner.

If a portion of a Parcel on which an Assessment is levied (i) is acquired through an eminent domain action and/or proceeding by a party that is exempt from the payment of the Assessment under applicable law or (ii) otherwise is reclassified as Non-Benefited Property, the Assessment shall be apportioned between the portion of the Parcel that will be acquired through the eminent domain action and/or proceeding or otherwise is reclassified as Non-Benefited Property and the remainder of such Parcel in accordance with Section VI.B.2 above. If the reallocation of the Assessment to the remainder of such Parcel results in an Assessment that exceeds the Assessment or sum of Assessments for the applicable Lot Type, then a Mandatory Assessment Prepayment corresponding to the excess Assessment shall be due and payable by the Developer or applicable subsequent property owner. In addition, any Assessment reallocated to the portion of the Parcel that will be acquired through the eminent domain action and/or proceeding or other is reclassified as Non-Benefited Property shall result in a Mandatory Assessment Prepayment corresponding to the amount of such reallocated Assessment due and payable by the Developer or applicable subsequent property owner. After the applicable Mandatory Assessment Prepayments are paid, the portion of the Parcel that will be acquired through the eminent domain action and/or proceeding, if any, shall be classified as Non-Benefited Property. Any release of Assessment lien shall be contingent upon the payment of the applicable Mandatory Assessment Prepayments.

The Administrator shall calculate the amount of any Mandatory Assessment Prepayment, including Prepayment Costs, and provide such Mandatory Assessment Prepayment calculation to the City for review. In the case of (1) or (2), the Mandatory Assessment Prepayment shall be calculated as the full Assessment Prepayment for the applicable Assessed Property. In the case of (3) or (4), the Mandatory Assessment Prepayment shall be calculated as the full Assessment Prepayment for the excess Assessment.

Following approval, the City shall provide the Mandatory Assessment Prepayment calculation to the Developer or applicable subsequent property owner. All Mandatory Assessment Prepayments that become due hereunder shall be paid to the City within thirty (30) days after the date that the City delivers notice to the Developer or subsequent property owner that a Mandatory Assessment Prepayment is due. If the City does not timely receive the full amount of any Mandatory Assessment Prepayment that may become due, the City may withhold building permits, certificates of occupancy and/or utilities as to any part of the Property associated with the cause of the Mandatory Assessment Prepayment becoming due.

Furthermore, a Mandatory Assessment Prepayment shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

Amendments to this Service and Assessment Plan can be made as permitted by the PID Act.

A. Administrative Review

To the extent consistent with the PID Act, 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 City 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 City for approval, to the extent permitted by the PID Act. 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 may be appealed to the City. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

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 City Council 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 City.

APPENDIX A

ASSESSMENT ROLL

WHITEWING TRAILS PID 2 PHASE 2 ASSESSMENT ROLL	
PARCEL ID*	ASSESSMENT
2658194	\$13,593,000
*Assessments have been levied only on that portion of Parcel ID 2658194 that corresponds to Phase 2.	

APPENDIX B

ANNUAL INSTALLMENTS

CITY OF PRINCETON
WHITewing PID 2
PHASE 2 PROJECT ANNUAL INSTALLMENTS

TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$389,598.04	(\$389,598.04)	\$0.00	\$0.00	\$0.00
2023	2024	\$165,000.00	\$806,064.90	\$0.00	\$67,965.00	\$60,300.00	\$1,099,329.90
2024	2025	\$174,000.00	\$796,280.40	\$0.00	\$67,140.00	\$61,506.00	\$1,098,926.40
2025	2026	\$184,000.00	\$785,962.20	\$0.00	\$66,270.00	\$62,736.12	\$1,098,968.32
2026	2027	\$194,000.00	\$775,051.00	\$0.00	\$65,350.00	\$63,990.84	\$1,098,391.84
2027	2028	\$206,000.00	\$763,546.80	\$0.00	\$64,380.00	\$65,270.66	\$1,099,197.46
2028	2029	\$218,000.00	\$751,331.00	\$0.00	\$63,350.00	\$66,576.07	\$1,099,257.07
2029	2030	\$230,000.00	\$738,403.60	\$0.00	\$62,260.00	\$67,907.59	\$1,098,571.19
2030	2031	\$244,000.00	\$724,764.60	\$0.00	\$61,110.00	\$69,265.74	\$1,099,140.34
2031	2032	\$258,000.00	\$710,295.40	\$0.00	\$59,890.00	\$70,651.05	\$1,098,836.45
2032	2033	\$273,000.00	\$694,996.00	\$0.00	\$58,600.00	\$72,064.07	\$1,098,660.07
2033	2034	\$289,000.00	\$678,807.10	\$0.00	\$57,235.00	\$73,505.35	\$1,098,547.45
2034	2035	\$307,000.00	\$661,669.40	\$0.00	\$55,790.00	\$74,975.46	\$1,099,434.86
2035	2036	\$325,000.00	\$643,464.30	\$0.00	\$54,255.00	\$76,474.97	\$1,099,194.27
2036	2037	\$344,000.00	\$624,191.80	\$0.00	\$52,630.00	\$78,004.47	\$1,098,826.27
2037	2038	\$365,000.00	\$603,792.60	\$0.00	\$50,910.00	\$79,564.56	\$1,099,267.16
2038	2039	\$387,000.00	\$582,148.10	\$0.00	\$49,085.00	\$81,155.85	\$1,099,388.95
2039	2040	\$410,000.00	\$559,199.00	\$0.00	\$47,150.00	\$82,778.97	\$1,099,127.97
2040	2041	\$434,000.00	\$534,886.00	\$0.00	\$45,100.00	\$84,434.55	\$1,098,420.55
2041	2042	\$461,000.00	\$509,149.80	\$0.00	\$42,930.00	\$86,123.24	\$1,099,203.04
2042	2043	\$489,000.00	\$481,812.50	\$0.00	\$40,625.00	\$87,845.70	\$1,099,283.20
2043	2044	\$518,000.00	\$452,814.80	\$0.00	\$38,180.00	\$89,602.61	\$1,098,597.41
2044	2045	\$550,000.00	\$422,097.40	\$0.00	\$35,590.00	\$91,394.66	\$1,099,082.06
2045	2046	\$583,000.00	\$389,482.40	\$0.00	\$32,840.00	\$93,222.55	\$1,098,544.95
2046	2047	\$619,000.00	\$354,910.50	\$0.00	\$29,925.00	\$95,087.00	\$1,098,922.50
2047	2048	\$657,000.00	\$318,203.80	\$0.00	\$26,830.00	\$96,988.74	\$1,099,022.54
2048	2049	\$697,000.00	\$279,243.70	\$0.00	\$23,545.00	\$98,928.51	\$1,098,717.21
2049	2050	\$914,000.00	\$237,911.60	\$0.00	\$20,060.00	\$100,907.08	\$1,272,878.68
2050	2051	\$971,000.00	\$183,711.40	\$0.00	\$15,490.00	\$102,925.22	\$1,273,126.62
2051	2052	\$1,031,000.00	\$126,131.10	\$0.00	\$10,635.00	\$104,983.72	\$1,272,749.82
2052	2053	\$1,096,000.00	\$64,992.80	\$0.00	\$5,480.00	\$107,083.39	\$1,273,556.19
TOTAL		\$13,593,000.00	\$16,644,914.04	(\$389,598.04)	\$1,370,600.00	\$2,446,254.74	\$33,665,170.74

CITY OF PRINCETON WHITEWING PID 2 PHASE 2 PROJECT ANNUAL INSTALLMENTS PHASE 2A - 50' LOTS							
TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$150,889.08	(\$150,889.08)	\$0.00	\$0.00	\$0.00
2023	2024	\$63,903.55	\$312,184.31	\$0.00	\$26,322.45	\$23,353.84	\$425,764.16
2024	2025	\$67,389.20	\$308,394.83	\$0.00	\$26,002.94	\$23,820.92	\$425,607.89
2025	2026	\$71,262.14	\$304,398.65	\$0.00	\$25,665.99	\$24,297.34	\$425,624.12
2026	2027	\$75,135.09	\$300,172.80	\$0.00	\$25,309.68	\$24,783.28	\$425,400.85
2027	2028	\$79,782.62	\$295,717.29	\$0.00	\$24,934.00	\$25,278.95	\$425,712.87
2028	2029	\$84,430.15	\$290,986.18	\$0.00	\$24,535.09	\$25,784.53	\$425,735.95
2029	2030	\$89,077.68	\$285,979.48	\$0.00	\$24,112.94	\$26,300.22	\$425,470.32
2030	2031	\$94,499.80	\$280,697.17	\$0.00	\$23,667.55	\$26,826.22	\$425,690.74
2031	2032	\$99,921.92	\$275,093.33	\$0.00	\$23,195.05	\$27,362.75	\$425,573.05
2032	2033	\$105,731.33	\$269,167.96	\$0.00	\$22,695.44	\$27,910.00	\$425,504.74
2033	2034	\$111,928.04	\$262,898.09	\$0.00	\$22,166.79	\$28,468.20	\$425,461.12
2034	2035	\$118,899.34	\$256,260.76	\$0.00	\$21,607.15	\$29,037.57	\$425,804.81
2035	2036	\$125,870.63	\$249,210.03	\$0.00	\$21,012.65	\$29,618.32	\$425,711.63
2036	2037	\$133,229.23	\$241,745.90	\$0.00	\$20,383.30	\$30,210.68	\$425,569.11
2037	2038	\$141,362.40	\$233,845.41	\$0.00	\$19,717.15	\$30,814.90	\$425,739.86
2038	2039	\$149,882.88	\$225,462.62	\$0.00	\$19,010.34	\$31,431.19	\$425,787.03
2039	2040	\$158,790.65	\$216,574.56	\$0.00	\$18,260.92	\$32,059.82	\$425,685.95
2040	2041	\$168,085.71	\$207,158.28	\$0.00	\$17,466.97	\$32,701.02	\$425,411.97
2041	2042	\$178,542.65	\$197,190.79	\$0.00	\$16,626.54	\$33,355.04	\$425,715.03
2042	2043	\$189,386.89	\$186,603.22	\$0.00	\$15,733.83	\$34,022.14	\$425,746.07
2043	2044	\$200,618.43	\$175,372.57	\$0.00	\$14,786.89	\$34,702.58	\$425,480.47
2044	2045	\$213,011.84	\$163,475.90	\$0.00	\$13,783.80	\$35,396.63	\$425,668.17
2045	2046	\$225,792.55	\$150,844.30	\$0.00	\$12,718.74	\$36,104.56	\$425,460.15
2046	2047	\$239,735.15	\$137,454.80	\$0.00	\$11,589.78	\$36,826.65	\$425,606.38
2047	2048	\$254,452.33	\$123,238.51	\$0.00	\$10,391.10	\$37,563.18	\$425,645.12
2048	2049	\$269,944.10	\$108,149.48	\$0.00	\$9,118.84	\$38,314.44	\$425,526.87
2049	2050	\$353,986.95	\$92,141.80	\$0.00	\$7,769.12	\$39,080.73	\$492,978.61
2050	2051	\$376,062.73	\$71,150.37	\$0.00	\$5,999.19	\$39,862.35	\$493,074.63
2051	2052	\$399,300.38	\$48,849.85	\$0.00	\$4,118.87	\$40,659.59	\$492,928.70
2052	2053	\$424,474.51	\$25,171.34	\$0.00	\$2,122.37	\$41,472.78	\$493,241.00
TOTAL		\$5,264,490.87	\$6,446,479.65	(\$150,889.08)	\$530,825.51	\$947,420.42	\$13,038,327.37

CITY OF PRINCETON
 WHITEWING PID 2
 PHASE 2 PROJECT ANNUAL INSTALLMENTS
 PHASE 2A - 50' LOT

TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$664.71	(\$664.71)	\$0.00	\$0.00	\$0.00
2023	2024	\$281.51	\$1,375.26	\$0.00	\$115.96	\$102.88	\$1,875.61
2024	2025	\$296.87	\$1,358.57	\$0.00	\$114.55	\$104.94	\$1,874.92
2025	2026	\$313.93	\$1,340.96	\$0.00	\$113.07	\$107.04	\$1,875.00
2026	2027	\$330.99	\$1,322.35	\$0.00	\$111.50	\$109.18	\$1,874.01
2027	2028	\$351.47	\$1,302.72	\$0.00	\$109.84	\$111.36	\$1,875.39
2028	2029	\$371.94	\$1,281.88	\$0.00	\$108.08	\$113.59	\$1,875.49
2029	2030	\$392.41	\$1,259.82	\$0.00	\$106.22	\$115.86	\$1,874.32
2030	2031	\$416.30	\$1,236.55	\$0.00	\$104.26	\$118.18	\$1,875.29
2031	2032	\$440.18	\$1,211.86	\$0.00	\$102.18	\$120.54	\$1,874.77
2032	2033	\$465.78	\$1,185.76	\$0.00	\$99.98	\$122.95	\$1,874.47
2033	2034	\$493.08	\$1,158.14	\$0.00	\$97.65	\$125.41	\$1,874.28
2034	2035	\$523.79	\$1,128.90	\$0.00	\$95.19	\$127.92	\$1,875.79
2035	2036	\$554.50	\$1,097.84	\$0.00	\$92.57	\$130.48	\$1,875.38
2036	2037	\$586.91	\$1,064.96	\$0.00	\$89.79	\$133.09	\$1,874.75
2037	2038	\$622.74	\$1,030.16	\$0.00	\$86.86	\$135.75	\$1,875.51
2038	2039	\$660.28	\$993.23	\$0.00	\$83.75	\$138.46	\$1,875.71
2039	2040	\$699.52	\$954.07	\$0.00	\$80.44	\$141.23	\$1,875.27
2040	2041	\$740.47	\$912.59	\$0.00	\$76.95	\$144.06	\$1,874.06
2041	2042	\$786.53	\$868.68	\$0.00	\$73.24	\$146.94	\$1,875.40
2042	2043	\$834.30	\$822.04	\$0.00	\$69.31	\$149.88	\$1,875.53
2043	2044	\$883.78	\$772.57	\$0.00	\$65.14	\$152.87	\$1,874.36
2044	2045	\$938.38	\$720.16	\$0.00	\$60.72	\$155.93	\$1,875.19
2045	2046	\$994.68	\$664.51	\$0.00	\$56.03	\$159.05	\$1,874.27
2046	2047	\$1,056.10	\$605.53	\$0.00	\$51.06	\$162.23	\$1,874.92
2047	2048	\$1,120.94	\$542.90	\$0.00	\$45.78	\$165.48	\$1,875.09
2048	2049	\$1,189.18	\$476.43	\$0.00	\$40.17	\$168.79	\$1,874.57
2049	2050	\$1,559.41	\$405.91	\$0.00	\$34.23	\$172.16	\$2,171.71
2050	2051	\$1,656.66	\$313.44	\$0.00	\$26.43	\$175.61	\$2,172.13
2051	2052	\$1,759.03	\$215.20	\$0.00	\$18.14	\$179.12	\$2,171.49
2052	2053	\$1,869.93	\$110.89	\$0.00	\$9.35	\$182.70	\$2,172.87
TOTAL		\$23,191.59	\$28,398.59	(\$664.71)	\$2,338.44	\$4,173.66	\$57,437.57

CITY OF PRINCETON WHITEWING PID 2 PHASE 2 PROJECT ANNUAL INSTALLMENTS PHASE 2B - 50' LOTS							
TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$149,559.66	(\$149,559.66)	\$0.00	\$0.00	\$0.00
2023	2024	\$63,340.53	\$309,433.79	\$0.00	\$26,090.54	\$23,148.08	\$422,012.93
2024	2025	\$66,795.46	\$305,677.69	\$0.00	\$25,773.84	\$23,611.04	\$421,858.04
2025	2026	\$70,634.28	\$301,716.72	\$0.00	\$25,439.86	\$24,083.27	\$421,874.13
2026	2027	\$74,473.10	\$297,528.11	\$0.00	\$25,086.69	\$24,564.93	\$421,652.83
2027	2028	\$79,079.69	\$293,111.85	\$0.00	\$24,714.32	\$25,056.23	\$421,962.09
2028	2029	\$83,686.27	\$288,422.43	\$0.00	\$24,318.92	\$25,557.35	\$421,984.98
2029	2030	\$88,292.85	\$283,459.83	\$0.00	\$23,900.49	\$26,068.50	\$421,721.68
2030	2031	\$93,667.20	\$278,224.07	\$0.00	\$23,459.03	\$26,589.87	\$421,940.16
2031	2032	\$99,041.55	\$272,669.60	\$0.00	\$22,990.69	\$27,121.66	\$421,823.51
2032	2033	\$104,799.78	\$266,796.44	\$0.00	\$22,495.48	\$27,664.10	\$421,755.80
2033	2034	\$110,941.89	\$260,581.81	\$0.00	\$21,971.48	\$28,217.38	\$421,712.56
2034	2035	\$117,851.77	\$254,002.96	\$0.00	\$21,416.78	\$28,781.73	\$422,053.23
2035	2036	\$124,761.64	\$247,014.35	\$0.00	\$20,827.52	\$29,357.36	\$421,960.87
2036	2037	\$132,055.40	\$239,615.98	\$0.00	\$20,203.71	\$29,944.51	\$421,819.60
2037	2038	\$140,116.92	\$231,785.10	\$0.00	\$19,543.43	\$30,543.40	\$421,988.85
2038	2039	\$148,562.32	\$223,476.16	\$0.00	\$18,842.85	\$31,154.27	\$422,035.60
2039	2040	\$157,391.61	\$214,666.42	\$0.00	\$18,100.04	\$31,777.35	\$421,935.42
2040	2041	\$166,604.78	\$205,333.09	\$0.00	\$17,313.08	\$32,412.90	\$421,663.85
2041	2042	\$176,969.59	\$195,453.43	\$0.00	\$16,480.05	\$33,061.16	\$421,964.23
2042	2043	\$187,718.29	\$184,959.13	\$0.00	\$15,595.21	\$33,722.38	\$421,995.01
2043	2044	\$198,850.86	\$173,827.44	\$0.00	\$14,656.61	\$34,396.83	\$421,731.74
2044	2045	\$211,135.09	\$162,035.58	\$0.00	\$13,662.36	\$35,084.76	\$421,917.79
2045	2046	\$223,803.19	\$149,515.27	\$0.00	\$12,606.68	\$35,786.46	\$421,711.61
2046	2047	\$237,622.94	\$136,243.74	\$0.00	\$11,487.67	\$36,502.19	\$421,856.54
2047	2048	\$252,210.46	\$122,152.70	\$0.00	\$10,299.55	\$37,232.23	\$421,894.94
2048	2049	\$267,565.74	\$107,196.62	\$0.00	\$9,038.50	\$37,976.87	\$421,777.73
2049	2050	\$350,868.13	\$91,329.97	\$0.00	\$7,700.67	\$38,736.41	\$488,635.18
2050	2051	\$372,749.40	\$70,523.50	\$0.00	\$5,946.33	\$39,511.14	\$488,730.36
2051	2052	\$395,782.32	\$48,419.46	\$0.00	\$4,082.58	\$40,301.36	\$488,585.71
2052	2053	\$420,734.64	\$24,949.56	\$0.00	\$2,103.67	\$41,107.38	\$488,895.27
TOTAL		\$5,218,107.69	\$6,389,682.48	(\$149,559.66)	\$526,148.64	\$939,073.10	\$12,923,452.24

CITY OF PRINCETON
 WHITEWING PID 2
 PHASE 2 PROJECT ANNUAL INSTALLMENTS
 PHASE 2B - 50' LOT

TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$664.71	(\$664.71)	\$0.00	\$0.00	\$0.00
2023	2024	\$281.51	\$1,375.26	\$0.00	\$115.96	\$102.88	\$1,875.61
2024	2025	\$296.87	\$1,358.57	\$0.00	\$114.55	\$104.94	\$1,874.92
2025	2026	\$313.93	\$1,340.96	\$0.00	\$113.07	\$107.04	\$1,875.00
2026	2027	\$330.99	\$1,322.35	\$0.00	\$111.50	\$109.18	\$1,874.01
2027	2028	\$351.47	\$1,302.72	\$0.00	\$109.84	\$111.36	\$1,875.39
2028	2029	\$371.94	\$1,281.88	\$0.00	\$108.08	\$113.59	\$1,875.49
2029	2030	\$392.41	\$1,259.82	\$0.00	\$106.22	\$115.86	\$1,874.32
2030	2031	\$416.30	\$1,236.55	\$0.00	\$104.26	\$118.18	\$1,875.29
2031	2032	\$440.18	\$1,211.86	\$0.00	\$102.18	\$120.54	\$1,874.77
2032	2033	\$465.78	\$1,185.76	\$0.00	\$99.98	\$122.95	\$1,874.47
2033	2034	\$493.08	\$1,158.14	\$0.00	\$97.65	\$125.41	\$1,874.28
2034	2035	\$523.79	\$1,128.90	\$0.00	\$95.19	\$127.92	\$1,875.79
2035	2036	\$554.50	\$1,097.84	\$0.00	\$92.57	\$130.48	\$1,875.38
2036	2037	\$586.91	\$1,064.96	\$0.00	\$89.79	\$133.09	\$1,874.75
2037	2038	\$622.74	\$1,030.16	\$0.00	\$86.86	\$135.75	\$1,875.51
2038	2039	\$660.28	\$993.23	\$0.00	\$83.75	\$138.46	\$1,875.71
2039	2040	\$699.52	\$954.07	\$0.00	\$80.44	\$141.23	\$1,875.27
2040	2041	\$740.47	\$912.59	\$0.00	\$76.95	\$144.06	\$1,874.06
2041	2042	\$786.53	\$868.68	\$0.00	\$73.24	\$146.94	\$1,875.40
2042	2043	\$834.30	\$822.04	\$0.00	\$69.31	\$149.88	\$1,875.53
2043	2044	\$883.78	\$772.57	\$0.00	\$65.14	\$152.87	\$1,874.36
2044	2045	\$938.38	\$720.16	\$0.00	\$60.72	\$155.93	\$1,875.19
2045	2046	\$994.68	\$664.51	\$0.00	\$56.03	\$159.05	\$1,874.27
2046	2047	\$1,056.10	\$605.53	\$0.00	\$51.06	\$162.23	\$1,874.92
2047	2048	\$1,120.94	\$542.90	\$0.00	\$45.78	\$165.48	\$1,875.09
2048	2049	\$1,189.18	\$476.43	\$0.00	\$40.17	\$168.79	\$1,874.57
2049	2050	\$1,559.41	\$405.91	\$0.00	\$34.23	\$172.16	\$2,171.71
2050	2051	\$1,656.66	\$313.44	\$0.00	\$26.43	\$175.61	\$2,172.13
2051	2052	\$1,759.03	\$215.20	\$0.00	\$18.14	\$179.12	\$2,171.49
2052	2053	\$1,869.93	\$110.89	\$0.00	\$9.35	\$182.70	\$2,172.87
TOTAL		\$23,191.59	\$28,398.59	(\$664.71)	\$2,338.44	\$4,173.66	\$57,437.57

CITY OF PRINCETON WHITEWING PID 2 PHASE 2 PROJECT ANNUAL INSTALLMENTS PHASE 2C - 60' LOTS							
TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$89,149.29	(\$89,149.29)	\$0.00	\$0.00	\$0.00
2023	2024	\$37,755.92	\$184,446.81	\$0.00	\$15,552.01	\$13,798.07	\$251,552.81
2024	2025	\$39,815.34	\$182,207.88	\$0.00	\$15,363.23	\$14,074.03	\$251,460.48
2025	2026	\$42,103.57	\$179,846.83	\$0.00	\$15,164.15	\$14,355.52	\$251,470.07
2026	2027	\$44,391.81	\$177,350.09	\$0.00	\$14,953.63	\$14,642.62	\$251,338.16
2027	2028	\$47,137.70	\$174,717.65	\$0.00	\$14,731.67	\$14,935.48	\$251,522.50
2028	2029	\$49,883.58	\$171,922.39	\$0.00	\$14,495.99	\$15,234.19	\$251,536.14
2029	2030	\$52,629.47	\$168,964.29	\$0.00	\$14,246.57	\$15,538.87	\$251,379.20
2030	2031	\$55,833.00	\$165,843.36	\$0.00	\$13,983.42	\$15,849.65	\$251,509.43
2031	2032	\$59,036.53	\$162,532.47	\$0.00	\$13,704.26	\$16,166.64	\$251,439.89
2032	2033	\$62,468.89	\$159,031.60	\$0.00	\$13,409.07	\$16,489.97	\$251,399.53
2033	2034	\$66,130.07	\$155,327.20	\$0.00	\$13,096.73	\$16,819.77	\$251,373.76
2034	2035	\$70,248.90	\$151,405.68	\$0.00	\$12,766.08	\$17,156.17	\$251,576.82
2035	2036	\$74,367.72	\$147,239.92	\$0.00	\$12,414.83	\$17,499.29	\$251,521.77
2036	2037	\$78,715.38	\$142,829.92	\$0.00	\$12,042.99	\$17,849.28	\$251,437.56
2037	2038	\$83,520.67	\$138,162.10	\$0.00	\$11,649.42	\$18,206.26	\$251,538.45
2038	2039	\$88,554.80	\$133,209.32	\$0.00	\$11,231.81	\$18,570.39	\$251,566.32
2039	2040	\$93,817.74	\$127,958.02	\$0.00	\$10,789.04	\$18,941.80	\$251,506.60
2040	2041	\$99,309.51	\$122,394.63	\$0.00	\$10,319.95	\$19,320.63	\$251,344.73
2041	2042	\$105,487.76	\$116,505.57	\$0.00	\$9,823.40	\$19,707.04	\$251,523.78
2042	2043	\$111,894.82	\$110,250.15	\$0.00	\$9,295.97	\$20,101.18	\$251,542.12
2043	2044	\$118,530.71	\$103,614.79	\$0.00	\$8,736.49	\$20,503.21	\$251,385.20
2044	2045	\$125,853.07	\$96,585.92	\$0.00	\$8,143.84	\$20,913.27	\$251,496.10
2045	2046	\$133,404.26	\$89,122.83	\$0.00	\$7,514.57	\$21,331.53	\$251,373.19
2046	2047	\$141,641.91	\$81,211.96	\$0.00	\$6,847.55	\$21,758.17	\$251,459.58
2047	2048	\$150,337.21	\$72,812.59	\$0.00	\$6,139.34	\$22,193.33	\$251,482.48
2048	2049	\$159,490.16	\$63,897.59	\$0.00	\$5,387.66	\$22,637.19	\$251,412.61
2049	2050	\$209,144.92	\$54,439.83	\$0.00	\$4,590.20	\$23,089.94	\$291,264.89
2050	2051	\$222,187.88	\$42,037.53	\$0.00	\$3,544.48	\$23,551.74	\$291,321.63
2051	2052	\$235,917.30	\$28,861.79	\$0.00	\$2,433.54	\$24,022.77	\$291,235.41
2052	2053	\$250,790.85	\$14,871.90	\$0.00	\$1,253.95	\$24,503.22	\$291,419.92
TOTAL		\$3,110,401.45	\$3,808,751.91	(\$89,149.29)	\$313,625.85	\$559,761.22	\$7,703,391.14

CITY OF PRINCETON
 WHITEWING PID 2
 PHASE 2 PROJECT ANNUAL INSTALLMENTS
 PHASE 2C - 60' LOT

TAX YEAR	BOND YEAR	BOND DEBT SERVICE		CAPITALIZED INTEREST	ADDITIONAL INTEREST RESERVE	ADMINISTRATIVE EXPENSES	TOTAL ANNUAL INSTALLMENT
		PRINCIPAL	INTEREST				
2022	2023	\$0.00	\$742.91	(\$742.91)	\$0.00	\$0.00	\$0.00
2023	2024	\$314.63	\$1,537.06	\$0.00	\$129.60	\$114.98	\$2,096.27
2024	2025	\$331.79	\$1,518.40	\$0.00	\$128.03	\$117.28	\$2,095.50
2025	2026	\$350.86	\$1,498.72	\$0.00	\$126.37	\$119.63	\$2,095.58
2026	2027	\$369.93	\$1,477.92	\$0.00	\$124.61	\$122.02	\$2,094.48
2027	2028	\$392.81	\$1,455.98	\$0.00	\$122.76	\$124.46	\$2,096.02
2028	2029	\$415.70	\$1,432.69	\$0.00	\$120.80	\$126.95	\$2,096.13
2029	2030	\$438.58	\$1,408.04	\$0.00	\$118.72	\$129.49	\$2,094.83
2030	2031	\$465.27	\$1,382.03	\$0.00	\$116.53	\$132.08	\$2,095.91
2031	2032	\$491.97	\$1,354.44	\$0.00	\$114.20	\$134.72	\$2,095.33
2032	2033	\$520.57	\$1,325.26	\$0.00	\$111.74	\$137.42	\$2,095.00
2033	2034	\$551.08	\$1,294.39	\$0.00	\$109.14	\$140.16	\$2,094.78
2034	2035	\$585.41	\$1,261.71	\$0.00	\$106.38	\$142.97	\$2,096.47
2035	2036	\$619.73	\$1,227.00	\$0.00	\$103.46	\$145.83	\$2,096.01
2036	2037	\$655.96	\$1,190.25	\$0.00	\$100.36	\$148.74	\$2,095.31
2037	2038	\$696.01	\$1,151.35	\$0.00	\$97.08	\$151.72	\$2,096.15
2038	2039	\$737.96	\$1,110.08	\$0.00	\$93.60	\$154.75	\$2,096.39
2039	2040	\$781.81	\$1,066.32	\$0.00	\$89.91	\$157.85	\$2,095.89
2040	2041	\$827.58	\$1,019.96	\$0.00	\$86.00	\$161.01	\$2,094.54
2041	2042	\$879.06	\$970.88	\$0.00	\$81.86	\$164.23	\$2,096.03
2042	2043	\$932.46	\$918.75	\$0.00	\$77.47	\$167.51	\$2,096.18
2043	2044	\$987.76	\$863.46	\$0.00	\$72.80	\$170.86	\$2,094.88
2044	2045	\$1,048.78	\$804.88	\$0.00	\$67.87	\$174.28	\$2,095.80
2045	2046	\$1,111.70	\$742.69	\$0.00	\$62.62	\$177.76	\$2,094.78
2046	2047	\$1,180.35	\$676.77	\$0.00	\$57.06	\$181.32	\$2,095.50
2047	2048	\$1,252.81	\$606.77	\$0.00	\$51.16	\$184.94	\$2,095.69
2048	2049	\$1,329.08	\$532.48	\$0.00	\$44.90	\$188.64	\$2,095.11
2049	2050	\$1,742.87	\$453.67	\$0.00	\$38.25	\$192.42	\$2,427.21
2050	2051	\$1,851.57	\$350.31	\$0.00	\$29.54	\$196.26	\$2,427.68
2051	2052	\$1,965.98	\$240.51	\$0.00	\$20.28	\$200.19	\$2,426.96
2052	2053	\$2,089.92	\$123.93	\$0.00	\$10.45	\$204.19	\$2,428.50
TOTAL		\$25,920.01	\$31,739.60	(\$742.91)	\$2,613.55	\$4,664.68	\$64,194.93

APPENDIX C

MAP OF PID BOUNDARIES



APPENDIX D

METES AND BOUNDS DESCRIPTION OF PID BOUNDARIES

BEING a tract of land situated in the David Cherry Survey, Abstract No. 166, City of Princeton, Collin County, Texas and being all of a called 853.61 acre tract of land described in deed to Macavity Company, LLC recorded in Instrument No. 20160627000808950 Official Public Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at 1/2" iron rod found at the south end of a right-of-way corner clip located at the intersection of the west right-of-way line of F.M. Highway No. 75 (a 90-foot wide right-of-way) and the north right-of-way line of Monte Carlo Boulevard (a variable width right-of-way) and being the southeast corner said 853.61 acre tract;

THENCE with said north right-of-way line of said Monte Carlo Boulevard, the following courses and distances:

South 85°26'29" West, a distance of 317.54 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;

North 89°37'58" West, a distance of 1472.25 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;

North 0°08'28" West, a distance of 47.52 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;

North 90°00'00" West, a distance of 1219.59 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found at the beginning of a tangent curve to the right having a central angle of 1°29'49", a radius of 24940.00 feet, a chord bearing and distance of North 89°15'06" West, 651.58 feet; In a northwesterly direction, with said curve to the right, an arc distance of 651.60 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;

North 88°30'11" West, a distance of 406.84 feet to a "X" cut in concrete found for the southeast corner of Block H, Villas of Monte Carlo Phase One, an addition to the City of Princeton according to the plat recorded in Volume Q, Page 480, Map Records, Collin County, Texas;

THENCE departing said north right-of-way line of Monte Carlo Boulevard and with the east lines of said Villas of Monte Carlo Phase One, Villas at Monte Carlo Phase Two A, an addition to the City of Princeton according to the plat recorded in Volume 2014, Page 466 of said Map Records and Villas at Monte Carlo Phase Two B, an addition to the City of Princeton according to the plat recorded in Volume 2014, Page 468 of said Map Records, North 0°54'35" East, a distance of 2390.61 feet to a 1/2" iron rod found for the southeast corner of Lot 18, Block D, Ragon Estates, an addition to the City of Princeton according to the plat recorded in Volume J, Page 532 of said Map Records;

THENCE with the east line of said Ragon Estates, North 1°01'14" East, a distance of 589.42 feet to a 5/8" iron rod found for the northeast corner of Lot 13, Block C of said Ragon Estates;

THENCE with the north line of said Ragon Estates, North 89°04'12" West, a distance of 2470.27 feet to a point for the northwest corner of said Ragon Estates and being the northeast corner of Lot 31, Block 24, Park Trails - Phase 3, an addition to the City of Princeton according to the plat recorded in Volume 2018, Page 702 of said Map Records; from said point a 5/8" iron rod found bears South 23°58'30" East, a distance of 0.31 feet;

THENCE with the north line of said Park Trails - Phase 3, North 89°26'18" West, a distance of 1650.22 feet to a 1" iron pipe found for the northwest corner of Lot 7, Block 23 of said Park Trail - Phase 3 and being in the east line of a called 50.461 acre tract of land described as "Tract 1" in deed to Srilakshmi

Veluri and Radhika Velivilli, recorded in Instrument No. 20150120000064420 of said Official Public Records;

THENCE with said east line of Tract 1, North 0°49'42" East, a distance of 1322.40 feet to a 1" iron pipe found for the northeast corner of said Tract 1;

THENCE with the north line of said Tract 1, North 88°26'27" West, a distance of 1154.37 feet to a 1/2" iron rod found for the northwest corner of said Tract 1 and being the southeast corner of a called 1.251 acre tract of land described as Tract 2 in said deed to Srilakshmi Veluri and Radhika Velivilli;

THENCE with the east lines of said 853.61 acre tract, a called 22.474 acre tract of land described in deed to Hari Prasad Myneni recorded in Instrument No. 20150120000064440 of said Official Public Records and a called 101 acre tract of land described in deed to Harold Brown Bixler, recorded in Instrument No. 20140815000874290 of said Official Public Records, North 0°18'16" East, a distance of 1328.51 feet to a point for the westernmost northwest corner of said 853.61 acre tract and being in the south line of a called 11.058 acre tract described in deed to Valerie L. Bixler recorded in Instrument No. 20120827001062980 of said Official Public Records from which a 1/2" iron rod found bears North 33°11'19" West, a distance of 0.44 feet;

THENCE with said south line of the 11.058 acre tract, South 89°02'00" East, a distance of 164.68 feet to a 3-1/2" metal corner post found for the southeast corner of said 11.058 acre tract and being the southwest corner of Lot 3, Free Rein # I Addition, an addition to the City of Princeton according to the plat recorded in Volume 2010, Page 69 of said Map Records;

THENCE with the south line of said Lot 3, South 88°57'40" East, a distance of 560.77 feet to a PK nail found for the southeast corner of said Lot 3 and being the southwest corner of a called 306.81 acre tract described in deed to Hasan Pirkul and Tulin Pirkul, Gurgun Muharrem and Semahat Muharrem, Kemal Altinkemer and Chery L. Altinkemer and Hakan Aytac and Alper Aytac recorded in Volume 5218, Page 3630 of the Land Records, Collin County, Texas;

THENCE with the south line of said 306.81 acre tract, following courses and distances:

North 89°33'50" East, a distance of 551.89 feet to a 5/8" iron rod found for corner;
South 0°10'50" West, a distance of 103.30 feet to a 3/4" iron rod found for corner;
South 89°34'09" East, a distance of 321.08 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; North 89°51'02" East, a distance of 1206.51 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; South 88°26'10" East, a distance of 1494.09 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 89°52'10" East, a distance of 343.52 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; South 88°43'10" East, a distance of 642.64 feet to a 1" iron pipe found for the southeast corner of said 306.81 acre tract;

THENCE with the east line of said 306.81 acre tract, North 0°49'26" East, a distance of 1780.23 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found in the south right-of-way line of County Road No. 408 (a variable width right-of-way) for the northernmost northwest corner of said 853.61 acre tract;

THENCE departing said east line of the 306.81 acre tract and with said south right-of-way line of County Road No. 408, the following courses and distances:

South 82°00'49" East, a distance of 561.42 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;
South 89°11'09" East, a distance of 149.57 feet to a 5/8" iron rod with plastic cap stamped "Woolpert Inc." found for corner;
North 56°39'33" East, a distance of 89.06 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 89°11'09" East, a distance of 992.91 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 59°11'14" East, a distance of 87.34 feet to a 5/8" iron rod found for corner;
South 89°13'25" East, a distance of 416.33 feet to a 5/8" iron rod with plastic cap stamped "Woolpert Inc." found at the beginning of a non-tangent curve to the right having a central angle of 4°33'58", a radius of 955.00 feet, a chord bearing and distance of South 65°48'44" East, 76.09 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 76.11 feet to a 5/8" iron rod with plastic cap stamped "KHA" set from which a 5/8" iron rod found bears South 21°59'07" East, a distance of 0.34 feet and being at the beginning of a reverse curve to the left having a central angle of 25°31'47", a radius of 1045.00 feet, a chord bearing and distance of South 76°17'38" East, 461.79 feet;
In a southeasterly direction, with said curve to the left, an arc distance of 465.63 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 89°03'32" East, a distance of 58.08 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner at the intersection of said south right-of-way line of County Road No. 408 with said west right-of-way line of F.M. Highway No. 75;

THENCE with said west right-of-way line of F.M. Highway No. 75, the following courses and distances:

South 10°02'44" East, a distance of 132.84 feet to a 5/8" iron rod found at the beginning of a non-tangent curve to the right having a central angle of 3°21'26", a radius of 1864.86 feet, a chord bearing and distance of South 6°55'03" East, 109.26 feet; from said point a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found bears South 86°29'42" West, a distance of 1.46 feet, a 1" iron rod found bears North 34°41'43" West, a distance of 2.10 feet and a wooden highway monument found bears North 3°09'11" East, a distance of 1.42 feet;
In a southeasterly direction, with said curve to the right, an arc distance of 109.27 feet to a Wooden Highway Monument Found for corner from which a 1/2" iron rod found bears North 29°57'26" West, a distance of 1.59 feet and a 5/8" iron rod found bears North 2°33'17" East, a distance of 1.20 feet;
South 6°02'12" East, a distance of 800.82 feet to a Wooden Highway Monument found at the beginning of a non-tangent curve to the left having a central angle of 3°59'45", a radius of 5774.58 feet, a chord bearing and distance of South 7°59'23" East, 402.63 feet;
In a southeasterly direction, with said curve to the left, an arc distance of 402.71 feet to a Wooden Highway Monument found for corner from which a 1/2" iron rod found bears North 53°21'59" West, a distance of 1.35 feet;
South 10°02'31" East, a distance of 2572.86 feet to a 3/4" iron rod found for corner from which a Wooden Highway Monument found bears South 31°15'49" East, a distance of 0.56 feet;

South 9°21'23" East, a distance of 2427.20 feet to a 1/2" iron rod found for the northeast corner of a called 1.000 acre tract of land described in deed to Texas-New Mexico Power Company recorded in Volume 2707, Page 444 of said Land Records;

THENCE departing said west right-of-way line of F.M. Highway No. 75 and with the north line of said 1.000 acre tract, North 88°45'53" West, a distance of 189.45 feet to a 1/2" iron rod found for the northwest corner of said 1.000 acre tract;

THENCE with the west line of said 1.000 acre tract, South 1°08'22" West, a distance of 209.33 feet to a 1/2" iron rod found for the southwest corner of said 1.000 acre tract;

THENCE with the south line of said 1.000 acre tract, South 89°06'43" East, a distance of 227.29 feet to a 1/2" iron rod found in said west right-of-way line of F.M. Highway No. 75 for the southeast corner of said 1.000 acre tract;

THENCE with said west right-of-way line of F.M. Highway No. 75, South 9°11'17" East, a distance of 550.57 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner at the north end of said right-of-way corner clip;

THENCE with said right-of-way corner clip, South 40°13'14" West, a distance of 38.73 feet to the POINT OF BEGINNING and containing 853.536 acres or 37,180,008 square feet of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

APPENDIX E

METES AND BOUNDS DESCRIPTION OF PHASE 2

FINAL PLAT WHITEWING TRAILS PHASE 2A

Being a 51.660 acre tract or parcel of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas and being a part of an 853.61 acre tract of land described in Trustee's Deed Without Warranty to MM Princeton 854, LLC, as recorded in County Clerk's File No. 20190227000202460 in the Deed Records of Collin County, Texas and being more particularly described as follows:

COMMENCING at 1/2" capped "R.P.L.S. 5686" iron rod found at the southwesterly end of a corner clip at the northwesterly intersection of FM 75 (Longneck Road a 90' Right-of-way) and the North line of Monte Carlo Boulevard (County Road No. 407) (a variable width Right-of-way) as described in deed to the City of Princeton, Texas as recorded in County Clerk's File No. 20190305000230730, said point being the most Southeasterly corner of said MM Princeton 854, LLC, tract;

THENCE North 89 degrees 36 minutes 41 seconds West along said Northerly Right-of-way of said Monte Carlo Boulevard and the Southerly line of said MM Princeton LLC, tract a distance of 878.56 feet to the POINT OF BEGINNING;

THENCE North 89 degrees 36 minutes 41 seconds West continuing along said common line a distance of 243.06 feet to a 1/2" capped "R.P.L.S. 5686" iron rod found for corner;

THENCE North 68 degrees 19 minutes 13 seconds West continuing along said common line a distance of 50.54 feet to a 1/2" capped "R.P.L.S. 5686" iron rod found for corner;

THENCE South 89 degrees 59 minutes 57 seconds West continuing along said common line a distance of 207.97 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

THENCE Crossing said MM Princeton LLC, tract the following courses and distances:

North 25 degrees 41 minutes 06 seconds West a distance of 358.84 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 15 degrees 51 minutes 01 seconds West a distance of 754.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 89 degrees 59 minutes 52 seconds West a distance of 746.51 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 00 degree 00 minutes 08 seconds West a distance of 62.83 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 87 degrees 08 minutes 01 seconds West a distance of 60.48 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 89 degrees 59 minutes 52 seconds West a distance of 90.01 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 00 degree 03 minutes 27 seconds West a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being a corner clip of proposed Easterly right-of-way line North Beauchamp Boulevard (100' right-of-way);

North 44 degrees 17 minutes 22 seconds West along said corner clip a distance of 27.93 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the

beginning of a curve to the right whose chord bears North 23 degrees 20 minutes 26 seconds East, a chord distance of 1,116.14 feet;

In a Northeasterly direction along said curve to the right having a central angle of 43 degrees 04 minutes 48 seconds, a radius of 1520.00 feet, an arc length of 1,142.87 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 45 degrees 07 minutes 10 seconds West a distance of 100.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being the Westerly right-of-way line for the North Beauchamp Boulevard, said point also being at the beginning of a non-tangent curve to the right whose chord bears North 48 degrees 25 minutes 20 seconds East, a chord distance of 200.14 feet;

In a Northeasterly direction along said curve to the right having a central angle of 07 degrees 04 minutes 59 seconds, a radius of 1620.00 feet, an arc length of 200.27 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 51 degrees 57 minutes 49 seconds East a long said proposed Westerly right-of-way line a distance of 321.49 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 31 degrees 35 minutes 34 seconds East a distance of 93.17 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 37 degrees 04 minutes 41 seconds East a chord distance of 208.08 feet;

In a Southeasterly direction along said curve to the right having a central of 02 degrees 43 minutes 15 seconds, a radius of 4382.14 feet, an arc length 208.10 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 37 degrees 54 minutes 01 seconds East a distance of 297.69 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 43 minutes 24 seconds East a distance of 198.34 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 59 minutes 02 seconds East a distance of 140.89 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 28 degrees 17 minutes 34 seconds East a chord distance of 200.22 feet;

In a Southeasterly direction along said curve to the right having a central angle of 20 degrees 10 minutes 39 seconds, a radius of 571.48 feet, an arc length of 201.25 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a compound curve to the right whose chord bears South 10 degrees 11 minutes 59 seconds East, a chord distance of 84.01 feet;

In a Southeasterly direction along said curve to the right having a central angle of 13 degrees 13 minutes 48 seconds, a radius of 364.64 feet, an arc length of 84.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 00 degree 10 minutes 33 seconds East a distance of 177.71 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 00 degree 28 minutes 00 second West a distance of 227.26 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the left whose chord bears South 11 degrees 17 minutes 24 seconds East a chord distance of 139.62 feet;

In a Southeasterly direction along said curve to the left having a central angle of 27 degrees 52 minutes 11 seconds, a radius of 289.89 feet, an arc length 141.01 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 20 degrees 52 minutes 59 seconds East a chord distance of 102.18 feet;

In a Southeasterly direction along said curve to the right having a central angle of 03 degrees 38 minutes 20 seconds, a radius of 1609.18 feet, an arc length of 102.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 18 degrees 33 minutes 53 seconds East a distance of 36.17 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 15 degrees 55 minutes 26 seconds East a distance of 170.30 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 16 degrees 25 minutes 10 seconds East a distance of 266.80 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 25 degrees 11 minutes 15 seconds East a distance of 324.37 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 25 degrees 35 minutes 03 seconds East a distance of 80.03 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 32 degrees 53 minutes 26 seconds West a chord distance of 180.75 feet;

In a Southwesterly direction along said curve to the right having a central angle of 48 degrees 32 minutes 45 seconds, a radius of 219.85 feet, an arc length of 186.27 feet to the POINT OF BEGINNING, and containing 225,032.68 square feet or 51.660 acres of land more or less.

FINAL PLAT WHITEWING TRAILS PHASE 2B

Being a 54.291 acre tract or parcel of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas and being a part of an 853.61 acre tract of land described in Trustee's Deed Without Warrant to MM Princeton 854, LLC, as recorded in County Clerk's File No. 20190227000202460 in the Deed Records of Collin County, Texas and being more particularly describe as follows:

BEGINNING at 1/2" cap iron rod with red cap stamped found for corner at the most Northwesterly corner of Whitewing Trails Phase 1, an addition to the City of Princeton, Collin County, Texas as recorded in County Clerk's File No. 20202002010003780 in the Plat Records of Collin County, Texas, said point also being in the Westerly line of the Villas of Monte Carlo Phase Two B, an addition to the City of Princeton, Collin County, Texas as recorded in Volume 2014, Page 468 of the Map Records of Collin County, Texas;

THENCE North 0 degrees 54 minutes 34 seconds East departing the most Northwesterly corner of said Whitewing Trails Phase 1 tract and along the Easterly line of said Villas of Monte Carlo Phase Two B tract a distance of 316.31 feet to a 1/2" iron rod found for corner, said point being the most Northeasterly corner of said Villas of Monte Carlo Phase Two B and the most Southeasterly corner of Ragon Estates an addition to the City of Princeton, Collin county, Texas as recorded in Volume J, Page 532 of the Map Records, Collin County, Texas;

THENCE North 1 degree 01 minutes 14 seconds East along said common line a distance of 589.42 feet to a 1/2" iron rod found for corner, said point being the most Northeasterly corner of said Ragon Estates tract;

THENCE North 89 degrees 04 minutes 12 seconds West along the Northerly line of said Ragon Estates a distance of 1218.33 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

THENCE departing the Northerly line of said Ragon Estates and crossing said MM Princeton 854, LLC tract the following courses and distances;

North 0 degree 56 minutes 46 seconds East a distance of 1077.73 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 5 degrees 37 minutes 41 seconds East a distance of 90.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 84 degrees 22 minutes 19 seconds East a distance of 60.32 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 78 degrees 21 minutes 04 seconds East a chord distance of 426.90 feet;

In a Southeasterly direction along said curve to the right having a central angle of 12 degrees 02 minutes 29 seconds, a radius of 2035.00 feet, an arc length of 427.68 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 63 degrees 30 minutes 51 seconds East a distance of 28.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 70 degrees 55 minutes 21 seconds East a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 25 degrees 21 minutes 34 seconds East a distance of 28.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at a non-tangent curve to the right whose chord bears South 66 degrees 15 minutes 41 seconds East a chord distance of 230.98 feet;

In a Southeasterly direction along said curve to the right having a central angle of 6 degrees 30 minutes 25 seconds, a radius of 2035.00 feet, an arc length of 231.11 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 63 degrees 00 minutes 29 seconds East a distance of 221.67 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 59 degrees 13 minutes 43 seconds East a chord distance of 466.02 feet;

In a Southeasterly direction along said curve to the right having a central angle of 7 degrees 33 minutes 32 seconds, a radius of 3534.97 feet, an arc length of 466.36 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 82 degrees 17 minutes 22 seconds East a distance of 22.16 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 54 degrees 43 minutes 05 seconds East a distance of 60.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 7 degrees 06 minutes 04 seconds East a distance of 20.46 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the right whose chord bears South 50 degrees 07 minutes 33 seconds East a chord distance of 476.12 feet;

In a Southeasterly direction along said curve to the right having a central angle of 7 degrees 43 minutes 23 seconds, a radius of 3535.00 feet, an arc length of 476.48 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 454.72 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 88 degrees 44 minutes 09 seconds East a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 43 degrees 44 minutes 09 seconds East a distance of 11.21 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 15.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being in the most Northerly line of said Whitewing Trails Phase 1;

THENCE along the Northerly line of said Whitewing Trails Phase 1 the following courses and distances;

South 1 degree 15 minutes 51 seconds East a distance of 15.86 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 118.79 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 88 degrees 44 minutes 10 seconds West a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 90.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 46 degrees 15 minutes 51 seconds West a distance of 8.28 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 170.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 12.05 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a tangent curve to the left whose chord bears South 47 degrees 57 minutes 38 seconds East a chord distance of 31.08 feet;

In a Southeasterly direction along said curve to the left having a central angle of 3 degrees 23 minutes 33 seconds, a radius of 525.00 feet, an arc length of 31.09 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 542.66 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 67 degrees 19 minutes 14 seconds West a chord distance of 260.07 feet;

In a Southwesterly direction along said curve to the right having a central angle of 47 degrees 10 minutes 12 seconds, a radius of 325.00 feet, an arch length of 267.56 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 89 degrees 05 minutes 43 seconds West a distance of 178.13 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears South 7 degrees 57 minutes 35 seconds West a distance of 29.81 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 82 degrees 54 minutes 58 seconds West a distance of 50.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 89 degrees 05 minutes 43 seconds West a distance of 120.79 feet to the POINT OF BEGINNING, and containing 2,364,918 square feet or 54.291 acres of land more or less.

FINAL PLAT WHITEWING TRAILS PHASE 2C

Being a 33.710 acre tract or parcel of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas and being a part of an 853.61 acre tract of land described in Trustee's Deed Without Warrant to MM Princeton 854, LLC, as recorded in County Clerk's File No. 20190227000202460 in the Deed Records of Collin County, Texas and being more particularly describe as follows:

COMMENCING at 1/2" cap iron rod with red cap stamped found for corner at the most Northerly corner of Whitewing Trails Phase 1, an addition to the City of Princeton, Collin County, Texas as recorded in County Clerk's File No. 20202002010003780 in the Plat Records of Collin County, Texas;

THENCE South 43 degrees 44 minutes 09 seconds West along the Northerly line of said Whitewing Trails Phase 1 tract a distance of 59.14 feet to the POINT OF BEGINNING;

THENCE along the Northerly line of said Whitewing Trails Phase 1 tract the following courses and distances;

South 43 degrees 44 minutes 09 seconds West a distance of 29.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 15.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 414.79 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

THENCE departing the Northerly line of said Whitewing Trails Phase 1 tract a crossing said MM Princeton 854 LLC tract the following courses and distances;

North 46 degrees 15 minutes 51 seconds West a distance of 15.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 11.21 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 46 degrees 15 minutes 51 seconds West a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 88 degrees 44 minutes 09 seconds West a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 46 degrees 15 minutes 51 seconds West a distance of 454.72 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the left whose chord bears North 50 degrees 07 minutes 33 seconds West a chord distance of 476.12 feet;

In a Northwesterly direction along said curve to the left having a central angle of 7 degrees 43 minutes 23 seconds, a radius of 3535.00 feet, an arc length of 476.48 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 7 degrees 06 minutes 04 seconds West a distance of 20.16 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 54 degrees 43 minutes 05 seconds West a distance of 60.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 82 degrees 17 minutes 22 seconds West a distance of 22.16 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears North 59 degrees 13 minutes 42 seconds West a chord distance of 466.07 feet;

In a Northwesterly direction along said curve to the left having a central angle of 7 degrees 33 minutes 34 seconds, a radius of 3535.00 feet, an arc length of 466.40 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 63 degrees 00 minutes 29 seconds West a distance of 221.67 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the left whose chord bears North 66 degrees 15 minutes 41 seconds West a chord distance of 230.98 feet;

In a Northwesterly direction along said curve to the left having a central angle of 6 degrees 30 minutes 25 seconds, a radius of 2035.00 feet, an arc length of 231.11 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 25 degrees 21 minutes 34 seconds West a distance 28.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 70 degrees 55 minutes 21 seconds West a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 19 degrees 04 minutes 39 seconds East a distance of 24.44 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the left whose chord bears North 12 degrees 21 minutes 10 seconds East a chord distance of 227.17 feet;

In a Northeasterly direction along said curve to the left having a central angle of 13 degrees 26 minutes 58 seconds, a radius of 970.00 feet, an arc length of 227.69 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 5 degrees 37 minutes 41 seconds East a distance of 213.95 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears North 17 degrees 48 minutes 45 seconds East a chord distance of 270.16 feet;

In a Northeasterly direction along said curve to the right having a central angle of 24 degrees 22 minutes 08 seconds, a radius of 640.00 feet, an arc length of 272.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 12 degrees 45 minutes 21 seconds West a distance of 28.94 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 34 degrees 28 minutes 24 seconds East a distance of 60.07 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 80 degrees 55 minutes 13 seconds East a distance of 29.32 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve

to the right whose chord bears North 44 degrees 12 minutes 25 seconds East a chord distance of 117.24 feet;

In a Northeasterly direction along said curve to the right having a central angle of 10 degrees 30 minutes 39 seconds, a radius of 640.00 feet, an arc length of 117.41 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 40 degrees 32 minutes 15 seconds East a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears North 50 degrees 32 minutes 05 seconds East a chord distance 21.71 feet;

In a Northeasterly direction along said curve to the left having a central angle of 2 degrees 08 minutes 40 seconds, a radius of 580.00 feet, an arc length of 21.71 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 62 degrees 20 minutes 25 seconds East a distance of 421.74 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 36 degrees 41 minutes 43 seconds East a distance of 177.98 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 5 degrees 23 minutes 25 seconds East a distance of 226.48 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 56 degrees 01 minutes 52 seconds East a distance of 445.23 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 33 degrees 12 minutes 13 seconds East a distance of 475.22 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 27 degrees 57 minutes 21 seconds East a chord distance of 10.98 feet;

In a Southeasterly direction along said curve to the right having a central angle of 10 degrees 29 minutes 47 seconds, a radius of 60.00 feet, an arc length of 10.99 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a reverse curve to the left whose chord bears South 34 degrees 29 minutes 10 seconds East a chord distance of 24.49 feet;

In a Southeasterly direction along said reverse curve to the left having a central angle of 23 degrees 33 minutes 23 seconds, a radius of 60.00 feet, an arc length of 24.67 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 472.04 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 51 degrees 58 minutes 29 seconds East a distance of 50.25 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 105.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 88 degrees 44 minutes 09 seconds East a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 60.00 feet to the POINT OF BEGINNING, and containing 1,468,393 square feet or 33.710 acres of land more or less.

APPENDIX F

FINAL PLATS

Cryo Tails										Cryo Tails			
Case #	Pick	Score	Length	Class # of base	Class Length	Class # of base	Class Length	Class # of base	Class Length	Class # of base	Class Length	Class # of base	Class Length
Q1	27304.65	18930.07	1145.87	104557070	114.54	14	17573.78	10307.07	10307.07	10307.07	10307.07	10307.07	10307.07
Q2	27304.65	18930.07	104557070	104557070	700.14	Q12	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q3	27304.65	18930.07	104557070	104557070	208.06	Q3	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q4	27304.65	18930.07	104557070	104557070	208.06	Q4	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q5	27304.65	18930.07	104557070	104557070	145.41	Q5	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q6	27304.65	18930.07	104557070	104557070	145.41	Q6	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q7	27304.65	18930.07	104557070	104557070	145.41	Q7	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q8	27304.65	18930.07	104557070	104557070	145.41	Q8	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q9	27304.65	18930.07	104557070	104557070	145.41	Q9	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q10	27304.65	18930.07	104557070	104557070	145.41	Q10	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q11	27304.65	18930.07	104557070	104557070	145.41	Q11	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q12	27304.65	18930.07	104557070	104557070	145.41	Q12	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q13	27304.65	18930.07	104557070	104557070	145.41	Q13	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q14	27304.65	18930.07	104557070	104557070	145.41	Q14	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q15	27304.65	18930.07	104557070	104557070	145.41	Q15	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q16	27304.65	18930.07	104557070	104557070	145.41	Q16	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q17	27304.65	18930.07	104557070	104557070	145.41	Q17	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q18	27304.65	18930.07	104557070	104557070	145.41	Q18	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q19	27304.65	18930.07	104557070	104557070	145.41	Q19	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q20	27304.65	18930.07	104557070	104557070	145.41	Q20	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q21	27304.65	18930.07	104557070	104557070	145.41	Q21	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q22	27304.65	18930.07	104557070	104557070	145.41	Q22	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q23	27304.65	18930.07	104557070	104557070	145.41	Q23	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q24	27304.65	18930.07	104557070	104557070	145.41	Q24	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q25	27304.65	18930.07	104557070	104557070	145.41	Q25	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q26	27304.65	18930.07	104557070	104557070	145.41	Q26	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q27	27304.65	18930.07	104557070	104557070	145.41	Q27	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q28	27304.65	18930.07	104557070	104557070	145.41	Q28	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q29	27304.65	18930.07	104557070	104557070	145.41	Q29	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q30	27304.65	18930.07	104557070	104557070	145.41	Q30	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q31	27304.65	18930.07	104557070	104557070	145.41	Q31	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q32	27304.65	18930.07	104557070	104557070	145.41	Q32	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q33	27304.65	18930.07	104557070	104557070	145.41	Q33	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q34	27304.65	18930.07	104557070	104557070	145.41	Q34	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q35	27304.65	18930.07	104557070	104557070	145.41	Q35	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q36	27304.65	18930.07	104557070	104557070	145.41	Q36	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q37	27304.65	18930.07	104557070	104557070	145.41	Q37	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q38	27304.65	18930.07	104557070	104557070	145.41	Q38	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q39	27304.65	18930.07	104557070	104557070	145.41	Q39	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q40	27304.65	18930.07	104557070	104557070	145.41	Q40	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q41	27304.65	18930.07	104557070	104557070	145.41	Q41	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q42	27304.65	18930.07	104557070	104557070	145.41	Q42	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q43	27304.65	18930.07	104557070	104557070	145.41	Q43	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q44	27304.65	18930.07	104557070	104557070	145.41	Q44	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q45	27304.65	18930.07	104557070	104557070	145.41	Q45	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q46	27304.65	18930.07	104557070	104557070	145.41	Q46	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q47	27304.65	18930.07	104557070	104557070	145.41	Q47	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q48	27304.65	18930.07	104557070	104557070	145.41	Q48	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q49	27304.65	18930.07	104557070	104557070	145.41	Q49	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q50	27304.65	18930.07	104557070	104557070	145.41	Q50	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q51	27304.65	18930.07	104557070	104557070	145.41	Q51	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q52	27304.65	18930.07	104557070	104557070	145.41	Q52	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q53	27304.65	18930.07	104557070	104557070	145.41	Q53	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q54	27304.65	18930.07	104557070	104557070	145.41	Q54	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q55	27304.65	18930.07	104557070	104557070	145.41	Q55	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q56	27304.65	18930.07	104557070	104557070	145.41	Q56	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q57	27304.65	18930.07	104557070	104557070	145.41	Q57	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q58	27304.65	18930.07	104557070	104557070	145.41	Q58	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q59	27304.65	18930.07	104557070	104557070	145.41	Q59	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q60	27304.65	18930.07	104557070	104557070	145.41	Q60	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q61	27304.65	18930.07	104557070	104557070	145.41	Q61	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q62	27304.65	18930.07	104557070	104557070	145.41	Q62	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q63	27304.65	18930.07	104557070	104557070	145.41	Q63	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q64	27304.65	18930.07	104557070	104557070	145.41	Q64	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q65	27304.65	18930.07	104557070	104557070	145.41	Q65	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q66	27304.65	18930.07	104557070	104557070	145.41	Q66	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q67	27304.65	18930.07	104557070	104557070	145.41	Q67	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q68	27304.65	18930.07	104557070	104557070	145.41	Q68	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q69	27304.65	18930.07	104557070	104557070	145.41	Q69	27304.65	18930.07	18930.07	18930.07	18930.07	18930.07	18930.07
Q70	27304.65	18930.07	104557070	104557070	145.41	Q70	27304.65	18930.07	18930.07				

Live Task		Jio Task		Live Task		Live Task	
Line #	Device	Time #	Time #	Line #	Device	Time #	Time #
1	AC07020700	35.33	34.14	41	AC07020700	39.67	38.61
2	SP072307	35.46	34.27	42	SP072307	39.80	38.74
3	SP081207	36.21	35.02	43	SP081207	39.83	38.77
4	SP081207	36.21	35.02	44	SP081207	39.83	38.77
5	SP081207	36.21	35.02	45	SP081207	39.83	38.77
6	SP081207	36.21	35.02	46	SP081207	39.83	38.77
7	SP081207	36.21	35.02	47	SP081207	39.83	38.77
8	SP081207	36.21	35.02	48	SP081207	39.83	38.77
9	SP081207	36.21	35.02	49	SP081207	39.83	38.77
10	SP081207	36.21	35.02	50	SP081207	39.83	38.77
11	SP081207	36.21	35.02	51	SP081207	39.83	38.77
12	SP081207	36.21	35.02	52	SP081207	39.83	38.77
13	SP081207	36.21	35.02	53	SP081207	39.83	38.77
14	SP081207	36.21	35.02	54	SP081207	39.83	38.77
15	SP081207	36.21	35.02	55	SP081207	39.83	38.77
16	SP081207	36.21	35.02	56	SP081207	39.83	38.77
17	SP081207	36.21	35.02	57	SP081207	39.83	38.77
18	SP081207	36.21	35.02	58	SP081207	39.83	38.77
19	SP081207	36.21	35.02	59	SP081207	39.83	38.77
20	SP081207	36.21	35.02	60	SP081207	39.83	38.77

NOTE:
"SELLING A PORTION OF ANY LOT WITHIN THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF STATE LAW AND CITY ORDINANCE AND IS SUBJECT TO FINES AND WITHHOLDING OF UTILITY SERVICES AND BUILDING PERMITS"

ENGINEERS / SURVEYORS:

[illegible]

NOVEMBER 9, 2022 2019007.43 \$-FEET 3.017.4

PARCEL TABLE				PARCEL TABLE				PARCEL TABLE				PARCEL TABLE				PARCEL TABLE				PARCEL TABLE			
LOT	SQ. FT.	ACRES	ADJ.	LOT	SQ. FT.	ACRES	ADJ.	LOT	SQ. FT.	ACRES	ADJ.	LOT	SQ. FT.	ACRES	ADJ.	LOT	SQ. FT.	ACRES	ADJ.	LOT	SQ. FT.	ACRES	ADJ.
LOT 1	77,710.5	0.18		LOT 2	77,710.5	0.18		LOT 3	77,710.5	0.18		LOT 4	77,710.5	0.18		LOT 5	77,710.5	0.18		LOT 6	77,710.5	0.18	
LOT 7	77,710.5	0.18		LOT 8	77,710.5	0.18		LOT 9	77,710.5	0.18		LOT 10	77,710.5	0.18		LOT 11	77,710.5	0.18		LOT 12	77,710.5	0.18	
LOT 13	77,710.5	0.18		LOT 14	77,710.5	0.18		LOT 15	77,710.5	0.18		LOT 16	77,710.5	0.18		LOT 17	77,710.5	0.18		LOT 18	77,710.5	0.18	
LOT 19	77,710.5	0.18		LOT 20	77,710.5	0.18		LOT 21	77,710.5	0.18		LOT 22	77,710.5	0.18		LOT 23	77,710.5	0.18		LOT 24	77,710.5	0.18	
LOT 25	77,710.5	0.18		LOT 26	77,710.5	0.18		LOT 27	77,710.5	0.18		LOT 28	77,710.5	0.18		LOT 29	77,710.5	0.18		LOT 30	77,710.5	0.18	
LOT 31	77,710.5	0.18		LOT 32	77,710.5	0.18		LOT 33	77,710.5	0.18		LOT 34	77,710.5	0.18		LOT 35	77,710.5	0.18		LOT 36	77,710.5	0.18	
LOT 37	77,710.5	0.18		LOT 38	77,710.5	0.18		LOT 39	77,710.5	0.18		LOT 40	77,710.5	0.18		LOT 41	77,710.5	0.18		LOT 42	77,710.5	0.18	
LOT 43	77,710.5	0.18		LOT 44	77,710.5	0.18		LOT 45	77,710.5	0.18		LOT 46	77,710.5	0.18		LOT 47	77,710.5	0.18		LOT 48	77,710.5	0.18	
LOT 49	77,710.5	0.18		LOT 50	77,710.5	0.18		LOT 51	77,710.5	0.18		LOT 52	77,710.5	0.18		LOT 53	77,710.5	0.18		LOT 54	77,710.5	0.18	
LOT 55	77,710.5	0.18		LOT 56	77,710.5	0.18		LOT 57	77,710.5	0.18		LOT 58	77,710.5	0.18		LOT 59	77,710.5	0.18		LOT 60	77,710.5	0.18	
LOT 61	77,710.5	0.18		LOT 62	77,710.5	0.18		LOT 63	77,710.5	0.18		LOT 64	77,710.5	0.18		LOT 65	77,710.5	0.18		LOT 66	77,710.5	0.18	
LOT 67	77,710.5	0.18		LOT 68	77,710.5	0.18		LOT 69	77,710.5	0.18		LOT 70	77,710.5	0.18		LOT 71	77,710.5	0.18		LOT 72	77,710.5	0.18	
LOT 73	77,710.5	0.18		LOT 74	77,710.5	0.18		LOT 75	77,710.5	0.18		LOT 76	77,710.5	0.18		LOT 77	77,710.5	0.18		LOT 78	77,710.5	0.18	
LOT 79	77,710.5	0.18		LOT 80	77,710.5	0.18		LOT 81	77,710.5	0.18		LOT 82	77,710.5	0.18		LOT 83	77,710.5	0.18		LOT 84	77,710.5	0.18	
LOT 85	77,710.5	0.18		LOT 86	77,710.5	0.18		LOT 87	77,710.5	0.18		LOT 88	77,710.5	0.18		LOT 89	77,710.5	0.18		LOT 90	77,710.5	0.18	
LOT 91	77,710.5	0.18		LOT 92	77,710.5	0.18		LOT 93	77,710.5	0.18		LOT 94	77,710.5	0.18		LOT 95	77,710.5	0.18		LOT 96	77,710.5	0.18	
LOT 97	77,710.5	0.18		LOT 98	77,710.5	0.18		LOT 99	77,710.5	0.18		LOT 100	77,710.5	0.18		LOT 101	77,710.5	0.18		LOT 102	77,710.5	0.18	
LOT 103	77,710.5	0.18		LOT 104	77,710.5	0.18		LOT 105	77,710.5	0.18		LOT 106	77,710.5	0.18		LOT 107	77,710.5	0.18		LOT 108	77,710.5	0.18	
LOT 109	77,710.5	0.18		LOT 110	77,710.5	0.18		LOT 111	77,710.5	0.18		LOT 112	77,710.5	0.18		LOT 113	77,710.5	0.18		LOT 114	77,710.5	0.18	
LOT 115	77,710.5	0.18		LOT 116	77,710.5	0.18		LOT 117	77,710.5	0.18		LOT 118	77,710.5	0.18		LOT 119	77,710.5	0.18		LOT 120	77,710.5	0.18	
LOT 121	77,710.5	0.18		LOT 122	77,710.5	0.18		LOT 123	77,710.5	0.18		LOT 124	77,710.5	0.18		LOT 125	77,710.5	0.18		LOT 126	77,710.5	0.18	
LOT 127	77,710.5	0.18		LOT 128	77,710.5	0.18		LOT 129	77,710.5	0.18		LOT 130	77,710.5	0.18		LOT 131	77,710.5	0.18		LOT 132	77,710.5	0.18	
LOT 133	77,710.5	0.18		LOT 134	77,710.5	0.18		LOT 135	77,710.5	0.18		LOT 136	77,710.5	0.18		LOT 137	77,710.5	0.18		LOT 138	77,710.5	0.18	
LOT 139	77,710.5	0.18		LOT 140	77,710.5	0.18		LOT 141	77,710.5	0.18		LOT 142	77,710.5	0.18		LOT 143	77,710.5	0.18		LOT 144	77,710.5	0.18	
LOT 145	77,710.5	0.18		LOT 146	77,710.5	0.18		LOT 147	77,710.5	0.18		LOT 148	77,710.5	0.18		LOT 149	77,710.5	0.18		LOT 150	77,710.5	0.18	
LOT 151	77,710.5	0.18		LOT 152	77,710.5	0.18		LOT 153	77,710.5	0.18		LOT 154	77,710.5	0.18		LOT 155	77,710.5	0.18		LOT 156	77,710.5	0.18	
LOT 157	77,710.5	0.18		LOT 158	77,710.5	0.18		LOT 159	77,710.5	0.18		LOT 160	77,710.5	0.18		LOT 161	77,710.5	0.18		LOT 162	77,710.5	0.18	
LOT 163	77,710.5	0.18		LOT 164	77,710.5	0.18		LOT 165	77,710.5	0.18		LOT 166	77,710.5	0.18		LOT 167	77,710.5	0.18		LOT 168	77,710.5	0.18	
LOT 169	77,710.5	0.18		LOT 170	77,710.5	0.18		LOT 171	77,710.5	0.18		LOT 172	77,710.5	0.18		LOT 173	77,710.5	0.18		LOT 174	77,710.5	0.18	
LOT 175	77,710.5	0.18		LOT 176	77,710.5	0.18		LOT 177	77,710.5	0.18		LOT 178	77,710.5	0.18		LOT 179	77,710.5	0.18		LOT 180	77,710.5	0.18	
LOT 181	77,710.5	0.18		LOT 182	77,710.5	0.18		LOT 183	77,710.5	0.18		LOT 184	77,710.5	0.18		LOT 185	77,710.5	0.18		LOT 186	77,710.5	0.18	
LOT 187	77,710.5	0.18		LOT 188	77,710.5	0.18		LOT 189	77,710.5	0.18		LOT 190	77,710.5	0.18		LOT 191	77,710.5	0.18		LOT 192	77,710.5	0.18	
LOT 193	77,710.5	0.18		LOT 194	77,710.5	0.18		LOT 195	77,710.5	0.18		LOT 196	77,710.5	0.18		LOT 197	77,710.5	0.18		LOT 198	77,710.5	0.18	
LOT 199	77,710.5	0.18		LOT 200	77,710.5	0.18		LOT 201	77,710.5	0.18		LOT 202	77,710.5	0.18		LOT 203	77,710.5	0.18		LOT 204	77,710.5	0.18	
LOT 205	77,710.5	0.18		LOT 206	77,710.5	0.18		LOT 207	77,710.5	0.18		LOT 208	77,710.5	0.18		LOT 209	77,710.5	0.18		LOT 210	77,710.5	0.18	
LOT 211	77,710.5	0.18		LOT 212	77,710.5	0.18		LOT 213	77,710.5	0.18		LOT 214	77,710.5	0.18		LOT 215	77,710.5	0.18		LOT 216	77,710.5	0.18	
LOT 217	77,710.5	0.18		LOT 218	77,710.5	0.18		LOT 219	77,710.5	0.18		LOT 220	77,710.5	0.18		LOT 221	77,710.5	0.18		LOT 222	77,710.5	0.18	
LOT 223	77,710.5	0.18		LOT 224	77,710.5	0.18		LOT 225	77,710.5	0.18		LOT 226	77,710.5	0.18		LOT 227	77,710.5	0.18		LOT 228	77,710.5	0.18	
LOT 229	77,710.5	0.18		LOT 230	77,710.5	0.18		LOT 231	77,710.5	0.18		LOT 232	77,710.5	0.18		LOT 233	77,710.5	0.18		LOT 234	77,710.5	0.18	
LOT 235	77,710.5	0.18		LOT 236	77,710.5	0.18		LOT 237	77,710.5	0.18		LOT 238	77,710.5	0.18		LOT 239	77,710.5	0.18		LOT 240	77,710.5	0.18	
LOT 241	77,710.5	0.18		LOT 242	77,710.5	0.18		LOT 243	77,710.5	0.18		LOT 244	77,710.5	0.18		LOT 245	77,710.5	0.18		LOT 246	77,710.5	0.18	
LOT 247	77,710.5	0.18		LOT 248	77,710.5	0.18		LOT 249	77,710.5	0.18		LOT 250	77,710.5	0.18		LOT 251	77,710.5	0.18		LOT 252	77,710.5	0.18	
LOT 253	77,710.5	0.18		LOT 254	77,710.5	0.18		LOT 255	77,710.5	0.18		LOT 256	77,710.5	0.18		LOT 257	77,710.5	0.18		LOT 258	77,710.5	0.18	
LOT 259	77,710.5	0.18		LOT 260	77,710.5	0.18		LOT 261	77,710.5	0.18		LOT 262	77,710.5	0.18		LOT 263	77,710.5	0.18		LOT 264	77,710.5	0.18	
LOT 265	77,710.5	0.18		LOT 266	77,710.5	0.18		LOT 267	77,710.5	0.18		LOT 268	77,710.5	0.18		LOT 269	77,710.5	0.18		LOT 270	77,710.5	0.18	
LOT 271	77,710.5	0.18		LOT 272	77,710.5	0.18		LOT 273	77,710.5	0.18		LOT 274	77,710.5	0.18		LOT 275	77,710.5	0.18		LOT 276	77,710.5	0.18	
LOT 277	77,710.5	0.18		LOT 278	77,710.5	0.18		LOT 279	77,710.5	0.18		LOT 280	77,710.5	0.18		LOT 281	77,710.5	0.18		LOT 282	77,710.5	0.18	
LOT 283	77,710.5	0.18		LOT 284	77,710.5	0.18		LOT 285	77,710.5	0.18		LOT 286	77,710.5	0.18		LOT 287	77,710.5	0.18		LOT 288	77,710.5	0.18	
LOT 289	77,710.5	0.18		LOT 290	77,710.5	0.18		LOT 291	77,710.5	0.18		LOT 292	77,710.5	0.18		LOT 293	77,710.5	0.18		LOT 294	77,710.5	0.18	
LOT 295	77,710.5	0.18		LOT 296	77,710.5	0.18		LOT 297	77,710.5	0.18		LOT 298	77,710.5	0.18		LOT 299	77,710.5	0.18		LOT 300	77,710.5	0.18	
LOT 301	77,710.5	0.18		LOT 302	77,710.5	0.18		LOT 303	77,710.5	0.18		LOT 304	77,710.5	0.18		LOT 305	77,710.5	0.18		LOT 306	77,710.5	0.18	
LOT 307	77,710.5	0.18		LOT 308	77,710.5	0.18		LOT 309	77,710.5	0.18		LOT 310	77,710.5	0.18		LOT 311	77,710.5	0.18		LOT 312	77,710.5	0.18	
LOT 313	77,710.5	0.18		LOT 314	77,710.5	0.18		LOT 315	77,710.5	0.18		LOT 316	77,710.5	0.18		LOT 317	77,710.5	0.18		LOT 318	77,710.5	0.18	
LOT 319	77,710.5	0.18		LOT 320	77,710.5	0.18		LOT 321	77,710.5	0.18		LOT 322	77,710.5	0.18		LOT 323	77,710.5	0.18		LOT 324	77,710.5	0.18	
LOT 325	77,710.5	0.18		LOT 326	77,710.5	0.18		LOT 327	77,710.5	0.18		LOT 328	77,710.5	0.18		LOT 329	77,710.5	0.18		LOT 330	77,710.5	0.18	
LOT 331	77,710.5	0.18		LOT 332	77,710.5	0.18		LOT 333	77,710.5	0.18		LOT 334	77,710.5	0.18									

CURVE ABLE					CURVE ABLE				
DATE	TIME	UT	UT - MEAN	UT - STANDARD	DATE	TIME	UT	UT - MEAN	UT - STANDARD
01	23:52.29	20:52.29	4:00	5:58:24.24	02	23:53.12	20:52	3:57	5:57:57.12
02	06:57:57	20:52:29	4:00	5:58:24.24	03	13:57:57	20:52:29	4:00	5:58:24.24
03	17:52:29	20:52:29	4:00	5:58:24.24	04	23:53.12	20:52	3:57	5:57:57.12
04	17:52:29	20:52:29	4:00	5:58:24.24	05	23:53.12	20:52	3:57	5:57:57.12
05	17:52:29	20:52:29	4:00	5:58:24.24	06	23:53.12	20:52	3:57	5:57:57.12
06	17:52:29	20:52:29	4:00	5:58:24.24	07	23:53.12	20:52	3:57	5:57:57.12
07	17:52:29	20:52:29	4:00	5:58:24.24	08	23:53.12	20:52	3:57	5:57:57.12
08	17:52:29	20:52:29	4:00	5:58:24.24	09	23:53.12	20:52	3:57	5:57:57.12
09	17:52:29	20:52:29	4:00	5:58:24.24	10	23:53.12	20:52	3:57	5:57:57.12
10	17:52:29	20:52:29	4:00	5:58:24.24	11	23:53.12	20:52	3:57	5:57:57.12
11	17:52:29	20:52:29	4:00	5:58:24.24	12	23:53.12	20:52	3:57	5:57:57.12
12	17:52:29	20:52:29	4:00	5:58:24.24	13	23:53.12	20:52	3:57	5:57:57.12
13	17:52:29	20:52:29	4:00	5:58:24.24	14	23:53.12	20:52	3:57	5:57:57.12
14	17:52:29	20:52:29	4:00	5:58:24.24	15	23:53.12	20:52	3:57	5:57:57.12
15	17:52:29	20:52:29	4:00	5:58:24.24	16	23:53.12	20:52	3:57	5:57:57.12
16	17:52:29	20:52:29	4:00	5:58:24.24	17	23:53.12	20:52	3:57	5:57:57.12
17	17:52:29	20:52:29	4:00	5:58:24.24	18	23:53.12	20:52	3:57	5:57:57.12
18	17:52:29	20:52:29	4:00	5:58:24.24	19	23:53.12	20:52	3:57	5:57:57.12
19	17:52:29	20:52:29	4:00	5:58:24.24	20	23:53.12	20:52	3:57	5:57:57.12
20	17:52:29	20:52:29	4:00	5:58:24.24	21	23:53.12	20:52	3:57	5:57:57.12
21	17:52:29	20:52:29	4:00	5:58:24.24	22	23:53.12	20:52	3:57	5:57:57.12
22	17:52:29	20:52:29	4:00	5:58:24.24	23	23:53.12	20:52	3:57	5:57:57.12
23	17:52:29	20:52:29	4:00	5:58:24.24	24	23:53.12	20:52	3:57	5:57:57.12
24	17:52:29	20:52:29	4:00	5:58:24.24	25	23:53.12	20:52	3:57	5:57:57.12
25	17:52:29	20:52:29	4:00	5:58:24.24	26	23:53.12	20:52	3:57	5:57:57.12
26	17:52:29	20:52:29	4:00	5:58:24.24	27	23:53.12	20:52	3:57	5:57:57.12
27	17:52:29	20:52:29	4:00	5:58:24.24	28	23:53.12	20:52	3:57	5:57:57.12
28	17:52:29	20:52:29	4:00	5:58:24.24	29	23:53.12	20:52	3:57	5:57:57.12
29	17:52:29	20:52:29	4:00	5:58:24.24	30	23:53.12	20:52	3:57	5:57:57.12
30	17:52:29	20:52:29	4:00	5:58:24.24	31	23:53.12	20:52	3:57	5:57:57.12
31	17:52:29	20:52:29	4:00	5:58:24.24	32	23:53.12	20:52	3:57	5:57:57

NOTE:
"SELLING A PORTION OF ANY LOT WITHIN THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF STATE LAW AND CITY ORDINANCE AND IS SUBJECT TO FINES AND WITHHOLDING OF UTILITY SERVICES AND BUILDING PERMITS

ENGINEERS / SURVEYORS



USA PROFESSIONAL SERVICES GROUP, INC.
2101 ENGINEERS • SURVEYORS • PROFESSIONAL ARCHITECTS
TEXAS BOARD OF PROFESSIONAL ENGINEERS • REGISTERED LAND SURVEYORS • FIRM # 1-1
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3202 WILSON DRIVE
DALLAS, TEXAS 75235
(214) 521-2300 FAX (214) 521-3338
EMAIL: mcl@usaengineers.com

PARCEL TABLE			PARCEL TABLE			PARCEL TABLE		
LOT	SQUARE FOOT	ACRES	LOT	SQUARE FOOT	ACRES	LOT	SQUARE FOOT	ACRES
BLOCK A : 1X	633.16	0.04	BLOCK A : 21	7282.49	0.17	BLOCK C : 10	7578.97	0.17
BLOCK A : 2	8270.85	0.19	BLOCK A : 22	9199.15	0.21	BLOCK C : 11	7578.97	0.17
BLOCK A : 3	8264.04	0.19	BLOCK A : 23	7544.85	0.17	BLOCK C : 12	7578.97	0.17
BLOCK A : 4	8778.16	0.20	BLOCK A : 24	7523.43	0.17	BLOCK C : 13	7578.97	0.17
BLOCK A : 5	8079.39	0.19	BLOCK A : 25	7097.84	0.16	BLOCK C : 14	8648.43	0.20
BLOCK A : 6	7571.38	0.17	BLOCK A : 26	7635.74	0.18	BLOCK C : 15	8465.58	0.19
BLOCK A : 7	7854.74	0.18	BLOCK A : 27	8084.45	0.22	BLOCK C : 16	7277.85	0.17
BLOCK A : 8X	84817.27	1.95	BLOCK A : 28	7224.00	0.17	BLOCK C : 17	7277.85	0.17
BLOCK A : 9	8350.12	0.19	BLOCK A : 29	7224.00	0.17	BLOCK C : 18	7277.85	0.17
BLOCK A : 10	8350.12	0.19	BLOCK A : 30	7824.77	0.18	BLOCK C : 19	7277.85	0.17
BLOCK A : 11	8350.12	0.19	BLOCK A : 31	8820.55	0.20	BLOCK C : 20	7277.85	0.17
BLOCK A : 12	4092.51	0.21	BLOCK A : 32	8833.77	0.20	BLOCK C : 21	7277.85	0.17
BLOCK A : 13	10648.75	0.24	BLOCK A : 33	7440.00	0.17	BLOCK C : 22	7277.85	0.17
BLOCK A : 14	7343.68	0.17	BLOCK A : 34	8570.00	0.19	BLOCK C : 23	8084.45	0.19
BLOCK A : 15	7300.08	0.17	BLOCK A : 35	8570.00	0.19	BLOCK C : 24	8084.45	0.19
BLOCK A : 16	7313.24	0.17	BLOCK A : 36	8570.00	0.19	BLOCK C : 25	8084.45	0.19
BLOCK A : 17	7383.24	0.17	BLOCK A : 37	8213.56	0.19	BLOCK C : 26	8084.45	0.19
BLOCK A : 18	7483.74	0.17	BLOCK A : 38	7518.31	0.17	BLOCK C : 27	11241.34	0.26
BLOCK A : 19	7402.87	0.17	BLOCK A : 39	7518.31	0.17	BLOCK C : 28	28797.06	0.66
BLOCK A : 20	7322.12	0.17	BLOCK A : 40	7518.31	0.17	BLOCK C : 29	9325.05	0.21

PARCEL TABLE			PARCEL TABLE			PARCEL TABLE		
LOT	SQUARE FOOT	ACRES	LOT	SQUARE FOOT	ACRES	LOT	SQUARE FOOT	ACRES
BLOCK D : 3	7811.23	0.18	BLOCK D : 23	7270.84	0.17	BLOCK F : 11	8930.00	0.19
BLOCK D : 4	7811.23	0.18	BLOCK D : 24	7270.84	0.17	BLOCK F : 12	8928.28	0.19
BLOCK D : 5	7351.52	0.17	BLOCK D : 25	8456.56	0.19	BLOCK F : 13	8920.17	0.19
BLOCK D : 6	7200.00	0.17	BLOCK D : 26	7219.15	0.17	BLOCK F : 14	8856.58	0.19
BLOCK D : 7	7200.00	0.17	BLOCK D : 27	7993.94	0.18	BLOCK F : 15	8858.22	0.19
BLOCK D : 8	7200.23	0.17	BLOCK D : 28	7815.51	0.18	BLOCK F : 16	8320.31	0.19
BLOCK D : 9	7287.77	0.17	BLOCK D : 29	8170.35	0.22	BLOCK F : 17	24233.58	0.56
BLOCK D : 10	7429.47	0.17	BLOCK D : 30	8039.70	0.22	BLOCK F : 18	8248.83	0.19
BLOCK D : 11	12180.12	0.28	BLOCK D : 31	8137.25	0.19	BLOCK F : 19	6787.81	0.16
BLOCK D : 12	12374.60	0.28	BLOCK D : 32	8485.94	0.19	BLOCK F : 20	6782.45	0.16
BLOCK D : 13	7173.59	0.16	BLOCK D : 33	7732.77	0.18	BLOCK F : 21	6650.94	0.15
BLOCK D : 14	7200.44	0.17	BLOCK D : 34	8840.87	0.20	BLOCK F : 22	6650.94	0.15
BLOCK D : 15	7200.00	0.17	BLOCK D : 35	8859.59	0.20	BLOCK F : 23	6650.94	0.15
BLOCK D : 16	7200.00	0.17	BLOCK D : 36	8863.80	0.20	BLOCK F : 24	6650.94	0.15
BLOCK D : 17	7200.36	0.17	BLOCK D : 37	8957.74	0.20	BLOCK F : 25	5534.51	0.13
BLOCK D : 18	7270.87	0.17	BLOCK D : 38	8830.00	0.20	BLOCK F : 26	6600.00	0.15
BLOCK D : 19	7270.84	0.17	BLOCK D : 39	8830.00	0.20	BLOCK F : 27	6600.00	0.15
BLOCK D : 20	7270.84	0.17	BLOCK D : 40	8826.83	0.19	BLOCK F : 28	6600.00	0.15
BLOCK D : 21	7270.84	0.17	BLOCK D : 41	7957.00	0.18	BLOCK F : 29	6600.00	0.15
BLOCK D : 22	7270.84	0.17	BLOCK D : 42	8330.00	0.19	BLOCK F : 30	6447.70	0.15

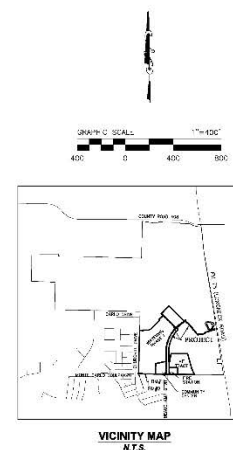
PARCEL TABLE		
LOT	SQUARE FOOT	ACRES
BLOCK G : 15	12322.85	0.28
BLOCK G : 16	10405.82	0.24
BLOCK G : 17	7687.77	0.18
BLOCK G : 18	7305.73	0.17
BLOCK G : 19	8088.50	0.19
BLOCK H : 1X	6227.80	0.14

LINE TABLE			LINE TABLE			LINE TABLE			LINE TABLE		
LINE #	DIRECTION	LENGTH	LINE #	DIRECTION	LENGTH	LINE #	DIRECTION	LENGTH	LINE #	DIRECTION	LENGTH
1	S47°44'00"W	26.00	13	S40°13'17"E	60.00	21	S88°00'00"W	3.00	40	S27°17'00"E	10.10
2	S47°44'00"W	26.00	14	S42°22'18"W	58.71	22	S32°22'18"W	4.14	41	S47°44'00"W	10.00
3	S47°44'00"W	5.00	15	S42°24'28"W	67.80	23	S32°27'17"W	4.14	42	S47°44'00"W	25.20
4	S47°44'00"W	15.00	16	S42°24'28"W	67.80	24	S32°27'17"W	4.14	43	S47°44'00"W	13.50
5	S47°44'00"W	11.31	17	S42°24'28"W	67.80	25	S32°27'17"W	4.14	44	S47°44'00"W	14.14
6	S47°44'00"W	60.00	18	S42°24'28"W	67.80	26	S32°27'17"W	4.14	45	S47°44'00"W	12.80
7	S88°14'00"W	26.28	19	S42°24'28"W	67.80	27	S32°27'17"W	4.14	46	S47°44'00"W	25.20
8	S70°34'00"W	20.18	20	S42°24'28"W	67.80	28	S32°27'17"W	4.14	47	S47°44'00"W	20.20
9	S54°43'00"W	60.00	21	S42°24'28"W	67.80	29	S32°27'17"W	4.14	48	S47°44'00"W	13.50
10	S88°17'00"W	20.18	22	S42°24'28"W	67.80	30	S32°27'17"W	4.14	49	S47°44'00"W	13.50
11	S32°22'18"W	26.00	23	S42°24'28"W	67.80	31	S32°27'17"W	4.14	50	S47°44'00"W	13.50
12	S70°34'00"W	60.00	24	S42°24'28"W	67.80	32	S32°27'17"W	4.14	51	S47°44'00"W	13.50
13	S70°34'00"W	24.44	25	S42°24'28"W	67.80	33	S32°27'17"W	4.14	52	S47°44'00"W	13.50
14	S12°42'21"W	26.94	26	S42°24'28"W	67.80	34	S32°27'17"W	4.14	53	S47°44'00"W	13.50
15	S32°22'18"W	60.00	27	S42°24'28"W	67.80	35	S32°27'17"W	4.14	54	S47°44'00"W	13.50
16	S32°22'18"W	26.00	28	S42°24'28"W	67.80	36	S32°27'17"W	4.14	55	S47°44'00"W	13.50
17	S32°22'18"W	60.00	29	S42°24'28"W	67.80	37	S32°27'17"W	4.14	56	S47°44'00"W	13.50
18	S32°22'18"W	60.00	30	S42°24'28"W	67.80	38	S32°27'17"W	4.14	57	S47°44'00"W	13.50
19	S47°44'00"W	100.00	31	S42°24'28"W	67.80	39	S32°27'17"W	4.14	58	S47°44'00"W	13.50
20	S47°44'00"W	26.28	32	S42°24'28"W	67.80	40	S32°27'17"W	4.14	59	S47°44'00"W	13.50

CURVE TABLE						CURVE TABLE					
CURVE #	CHORD	ARC LENGTH	CH. BEARING	CH. BEARING	CH. DISTANCE	CURVE #	CHORD	ARC LENGTH	CH. BEARING	CH. DISTANCE	
01	71.2137	353.50	178.48	S60°27'33"W	476.77	02	650.1007	3080.00	307.61	S61°16'10"W	307.61
02	71.2137	353.50	178.48	S60°27'33"W	476.77	03	654.9407	3080.00	307.61	S61°16'10"W	307.61
03	650.1007	3080.00	307.61	S61°16'10"W	307.61	04	654.9407	3080.00	307.61	S61°16'10"W	307.61
04	1328.207	6070.00	227.89	S12°11'10"E	227.77	05	2137.000	90.00	120.00	S12°11'10"E	107.01
05	2432.367	8450.00	272.89	S12°11'10"E	272.67	06	3706.708	87.00	140.00	S41°12'25"E	117.31
06	10730.297	6400.00	177.41	S41°12'25"E	117.31	07	2137.000	90.00	120.00	S41°12'25"E	117.31
07	7107.407	5800.00	211.11	S67°37'25"E	211.11	08	2137.000	90.00	120.00	S67°37'25"E	211.11
08	10730.297	6400.00	177.41	S41°12'25"E	117.31	09	2137.000	90.00	120.00	S41°12'25"E	117.31
09	2432.367	8450.00	272.89	S12°11'10"E	272.67	10	2137.000	90.00	120.00	S12°11'10"E	107.01
10	1328.207	6070.00	227.89	S12°11'10"E	227.77	11	2137.000	90.00	120.00	S12°11'10"E	107.01
11	650.1007	3080.00	307.61	S61°16'10"W	307.61	12	654.9407	3080.00	307.61	S61°16'10"W	307.61
12	71.2137	353.50	178.48	S60°27'33"W	476.77	13	71.2137	353.50	178.48	S60°27'33"W	476.77
13	71.2137	353.50	178.48	S60°27'33"W	476.77	14	71.2137	353.50	178.48	S60°27'33"W	476.77
14	71.2137	353.50	178.48	S60°27'33"W	476.77	15	71.2137	353.50	178.48	S60°27'33"W	476.77
15	71.2137	353.50	178.48	S60°27'33"W	476.77	16	71.2137	353.50	178.48	S60°27'33"W	476.77
16	71.2137	353.50	178.48	S60°27'33"W	476.77	17	71.2137	353.50	178.48	S60°27'33"W	476.77
17	71.2137	353.50	178.48	S60°27'33"W	476.77	18	71.2137	353.50	178.48	S60°27'33"W	476.77
18	71.2137	353.50	178.48	S60°27'33"W	476.77	19	71.2137	353.50	178.48	S60°27'33"W	476.77
19	71.2137	353.50	178.48	S60°27'33"W	476.77	20	71.2137	353.50	178.48	S60°27'33"W	476.77
20	71.2137	353.50	178.48	S60°27'33"W	476.77	21	71.2137	353.50	178.48	S60°27'33"W	476.77
21	71.2137	353.50	178.48	S60°27'33"W	476.77	22	71.2137	353.50	178.48	S60°27'33"W	476.77
22	71.2137	353.50	178.48	S60°27'33"W	476.77	23	71.2137	353.50	178.48	S60°27'33"W	476.77
23	71.2137	353.50	178.48	S60°27'33"W	476.77	24	71.2137	353.50	178.48	S60°27'33"W	476.77
24	71.2137	353.50	178.48	S60°27'33"W	476.77	25	71.2137	353.50	178.48	S60°27'33"W	476.77
25	71.2137	353.50	178.48	S60°27'33"W	476.77	26	71.2137	353.50	178.48	S60°27'33"W	476.77
26	71.2137	353.50	178.48	S60°27'33"W	476.77	27	71.2137	353.50	178.48	S60°27'33"W	476.77
27	71.2137	353.50	178.48	S60°27'33"W	476.77	28	71.2137	353.50	178.48	S60°27'33"W	476.77
28	71.2137	353.50	178.48	S60°27'33"W	476.77	29	71.2137	353.50	178.48	S60°27'33"W	476.77
29	71.2137	353.50	178.48	S60°27'33"W	476.77	30	71.2137	353.50	178.48	S60°27'33"W	476.77
30	71.2137	353.50	178.48	S60°27'33"W	476.77	31	71.2137	353.50	178.48	S60°27'33"W	476.77
31	71.2137	353.50	178.48	S60°27'33"W	476.77	32	71.2137	353.50	178.48	S60°27'33"W	476.77
32	71.2137	353.50	178.48	S60°27'33"W	476.77	33	71.2137	353.50	178.48	S60°27'33"W	476.77
33	71.2137	353.50	178.48	S60°27'33"W	476.77	34	71.2137	353.50	178.48	S60°27'33"W	476.77
34	71.2137	353.50	178.48	S60°27'33"W	476.77	35	71.2137	353.50	178.48	S60°27'33"W	476.77
35	71.2137	353.50	178.48	S60°27'33"W	476.77	36	71.2137	353.50	178.48	S60°27'33"W	476.77
36	71.2137	353.50	178.48	S60°27'33"W	476.77	37	71.2137	353.50	178.48	S60°27'33"W	476.77
37	71.2137	353.50	178.48	S60°27'33"W	476.77	38	71.2137	353.50	178.48	S60°27'33"W	476.77
38	71.2137	353.50	178.48	S60°27'33"W	476.77	39	71.2137	353.50	178.48	S60°27'33"W	476.77
39	71.2137	353.50	178.48	S60°27'33"W	476.77	40	71.2137	353.50	178.48	S60°27'33"W	476.77
40	71.2137	353.50	178.48	S60°27'33"W	476.77	41	71.2137	353.50	178.48	S60°27'33"W	476.77
41	71.2137	353.50	178.48	S60°27'33"W	476.77	42	71.2137	353.50	178.48	S60°27'33"W	476.77
42	71.2137	353.50	178.48	S60°27'33"W	476.77	43	71.2137	353.50	178.48	S60°27'33"W	476.77
43	71.2137	353.50	178.48	S60°27'33"W	476.77	44	71.2137	353.50	178.48	S60°27'33"W	476.77
44	71.2137	353.50	178.48	S60°27'33"W	476.77	45	71.2137	353.50	178.48	S60°27'33"W	476.77
45	71.2137	353.50	178.48	S60°27'33"W	476.77	46	71.2137	353.50	178.48	S60°27'33"W	476.77
46	71.2137	353.50	178.48	S60°27'33"W	476.77	47	71.2137	353.50	178.48	S60°27'33"W	476.77
47	71.2137	353.50	178.48	S60°27'33"W	476.77	48	71.2137	353.50	178.48	S60°27'33"W	476.77
48	71.2137	353.50	178.48	S60°27'33"W	476.77	49	71.2137	353.50	178.48	S60°27'33"W	476.77
49	71.2137	353.50	178.48	S60°27'33"W	476.77	50	71.2137	353.50	178.48	S60°27'33"W	476.77
50	71.2137	353.50	178.48	S60°27'33"W	476.77	51	71.2137	353.50	178.48	S60°27'33"W	476.77
51	71.2137	353.50	178.48	S60°27'33"W	476.77	52	71.2137	353.50	178.48	S60°27'33"W	476.77
52	71.2137	353.50	178.48	S60°27'33"W	476.77	53	71.2137	353.50	178.48	S60°27'33"W	476.77
53	71.2137	353.50	178.48	S60°27'33"W	476.77	54	71.2137	353.50	178.48	S60°27'33"W	476.77
54	71.2137	353.50	178.48	S60°27'33"W	476.77	55	71.2137	353.50	178.48	S60°27'33"W	476.77
55	71.2137	353.50	178.48	S60°27'33"W	476.77	56	71.2137	353.50	178.48	S60°27'33"W	476.77
56	71.2137	353.50	178.48	S60°27'33"W	476.77	57	71.2137	353.50	178.48	S60°27'33"W	476.77
57	71.2137	353.50	178.48	S60°27'33"W	476.77	58	71.2137	353.50	178.48	S60°27'33"W	476.77
58	71.2137	353.50	178.48	S60°27'33"W	476.77	59	71.2137	353.50	178.48	S60°27'33"W	476.77
59	71.2137	353.50	178.48	S60°27'33"W	476.77	60	71.2137	353.50	178.48	S60°27'33"W	476.77
60	71.2137	353.50	178.48	S60°27'33"W	476.77	61	71.2137	353.50	178.48	S60°27'33"W	476.77
61	71.2137	353.50	178.48	S60°27'33"W	476.77	62	71.2137	353.50	178.48	S60°27'33"W	476.77
62	71.2137	353.50	178.48	S60°27'33"W	476.77	63	71.2137	353.50	178.48	S60°27'33"W	476.77
63	71.2137	353.50	178.48	S60°27'33"W	476.77	64	71.2137	353.50	178.48	S60°27'33"W	476.77
64	71.2137	353.50	178.48	S60°27'33"W	476.77	65	71.2137	353.50	178.48	S60°27'33"W	476.77
65	71.2137	353.50	178.48	S60°27'33"W	476.77	66	71.2137	353.50	178.48	S60°27'33"W	476.77
66	71.2137	353.50	178.48	S60°27'33"W	476.77	67	71.2137	353.50	178.48	S60°27'33"W	476.77
67	71.2137	353.50	178.48	S60°27'33"W	476.77	68	71.2137	353.50	178.48	S60°27'33"W	476.77
68	71.2137	353.50	178.48	S60°27'33"W	476.77	69	71.2137	353.50	178.48	S60°27'33"W	476.77
69	71.2137	353.50	178.48	S60°27'33"W	476.77	70	71.2137	353.50	178.48	S60°27'33"W	476.77
70	71.2137	353.50	178.48	S60°27'33"W	476.77	71	71.2137	353.50	178.48	S60°27'33"W	476.77
71	71.2137	353.50	178.48	S60°27'33"W	476.77	72	71.2137	353.50	178.48	S60°27'33"W	476.77
72	71.2137	353.50	178.48	S60°27'33"W	476.77	73	71.2137	353.50	178.48	S60°27'33"W	476.77
73	71.2137	353.50	178.48	S60°27'33"W	476.77	74	71.2137	353.50	178.48	S60°27'33"W	476.77
74	71.2137	353.50	178.48	S60°27'33"W	476.77	75	71.2137	353.50	178.48	S60°27'33"W	476.77
75	71.2137	353.50	178.48	S60°27'33"W	476.77	76	71.2137	353.50	178.48	S60°27'33"W	476.77
76	71.2137	353.50	178.48	S60°27'33"W	476.77	77	71.2137	353.50	178.48	S60°27'33"W	476.77
77	71.2137	353.50	178.48	S60°27'33"W	476.77	78	71.2137	353.50	178.48	S60°27'33"W	476.77
78	71.2137	353.50	178.48	S60°27'33"W	476.77	79	71.2137	353.50	178.48	S60°27'33"W	476.77
79	71.2137	353.50	178.48	S60°27'33"W	476.77	80	71.2137	353.50	178.48	S60°27'33"W	476.77
80	71.2137	353.50	178.48	S60°27'33"W	476.77	81	71.2137	353.50	178.48	S60°27'33"W	476.77
81	71.2137	353.50	178.48	S60°27'33"W	476.77	82	71.2137	353.50	178.48	S60°27'33"W	476.77
82	71.2137	353.50	178.48	S60°27'33"W	476.77	83	71.2137	353.50	178.48	S60°27'33"W	476.77
83	71.2137	353.50	178.48	S60°27'33"W	476.77	84	71.2137	353.50	178.48	S60°27'33"W	476.77
84	71.2137	353.50	178.48	S60°27'33"W	476.77	85	71.2137	353.50	178.48	S60°27'33"W	476.77
85	71.2137	353.50	178.48	S60°27'33"W	476.77	86	71.2137	353.50	178.48	S60°27'33"W	476.77
86	71.2137	353.50	178.48	S60°27'33"W	476.77	87	71.2137	353.50	178.48	S60°27'33"W	476.77
87	71.2137	353.50	178.48	S60°27'33"W	476.77	88	71.2137	353.50	178.48	S60°27'33"W	476.77
88	71.2137	353.50	178.48	S60°27'33"W	476.77	89	71.2137	353.50	178.48	S60°27'33"W	476.77
89	71.2137	353.50	178.48	S60°27'33"W	476.77	90	71.2137	353.50	178.48	S60°27'33"W	476.77
90	71.2137	353.50	178.48	S60°27'33"W	476.77	91	71.2137	353.50	178.48	S60°27'33"W	476.77

APPENDIX G

WHITEWING TRAILS CONCEPT PLAN



	LOT COUNT			
PHASE	20' LOTS	30' LOTS	75' LOTS	TOTAL
1 (UNDR CONSTRUCTION)	362	14	0	386
2A	227	0	0	227
2B	225	0	0	225
2C	0	120	0	120
3	584	230	0	814
4	1	270	0	271
5	100	222	0	322
6	123	0	61	184
TOTAL	1,612	856	61	2,529

PRELIMINARY CONCEPT PLAN
WHITEWING TRAILS

USA PROFESSIONAL SERVICES GROUP, INC.
TEXAS BOARD OF PROFESSIONAL ENGINEERS
REGISTERED ENGINEERING FIRM # 16140
CIVIL ENGINEERS - SURVEYORS - PLANNERS
LANDSCAPE ARCHITECTS

1525 MICEROY DRIVE
DALLAS, TEXAS 75235
(214) 882-3198

DECEMBER 05, 2022 USAI NO. 2019007.00

[illegible]

APPENDIX H

FORM OF PID DISCLOSURE NOTICE

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

**WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
BUYER DISCLOSURE
PHASE 2 PROJECT**

LOT TYPE 60 FOOT LOT

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF PRINCETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

PHASE 2 PROJECT

LOT TYPE 60 FOOT LOT

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Princeton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Whitewing Trails Public Improvement District No. 2 (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Princeton. The exact amount of each annual installment will be approved each year by the City Council of the City of Princeton in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Princeton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: _____

DATE: _____

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: _____

DATE: _____

SIGNATURE OF SELLER

SIGNATURE OF SELLER

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

<p style="text-align: center;">CITY OF PRINCETON WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT LOT TYPE 60 FOOT LOT</p> <p style="text-align: center;">ESTIMATED ANNUAL INSTALLMENT SCHEDULE¹</p>							
TAX YEAR²	PRINCIPAL	INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADMINISTRATIVE EXPENSES	ANNUAL INSTALLMENT	YEAR ENDING PRINCIPAL BALANCE
2022	\$0.00	\$742.91	(\$742.91)	\$0.00	\$0.00	\$0.00	\$25,920.01
2023	\$314.63	\$1,537.06	\$0.00	\$129.60	\$114.98	\$2,096.27	\$25,605.38
2024	\$331.79	\$1,518.40	\$0.00	\$128.03	\$117.28	\$2,095.50	\$25,273.58
2025	\$350.86	\$1,498.72	\$0.00	\$126.37	\$119.63	\$2,095.58	\$24,922.72
2026	\$369.93	\$1,477.92	\$0.00	\$124.61	\$122.02	\$2,094.48	\$24,552.79
2027	\$392.81	\$1,455.98	\$0.00	\$122.76	\$124.46	\$2,096.02	\$24,159.98
2028	\$415.70	\$1,432.69	\$0.00	\$120.80	\$126.95	\$2,096.13	\$23,744.28
2029	\$438.58	\$1,408.04	\$0.00	\$118.72	\$129.49	\$2,094.83	\$23,305.70
2030	\$465.27	\$1,382.03	\$0.00	\$116.53	\$132.08	\$2,095.91	\$22,840.43
2031	\$491.97	\$1,354.44	\$0.00	\$114.20	\$134.72	\$2,095.33	\$22,348.45
2032	\$520.57	\$1,325.26	\$0.00	\$111.74	\$137.42	\$2,095.00	\$21,827.88
2033	\$551.08	\$1,294.39	\$0.00	\$109.14	\$140.16	\$2,094.78	\$21,276.80
2034	\$585.41	\$1,261.71	\$0.00	\$106.38	\$142.97	\$2,096.47	\$20,691.39
2035	\$619.73	\$1,227.00	\$0.00	\$103.46	\$145.83	\$2,096.01	\$20,071.66
2036	\$655.96	\$1,190.25	\$0.00	\$100.36	\$148.74	\$2,095.31	\$19,415.70
2037	\$696.01	\$1,151.35	\$0.00	\$97.08	\$151.72	\$2,096.15	\$18,719.69
2038	\$737.96	\$1,110.08	\$0.00	\$93.60	\$154.75	\$2,096.39	\$17,981.73
2039	\$781.81	\$1,066.32	\$0.00	\$89.91	\$157.85	\$2,095.89	\$17,199.92
2040	\$827.58	\$1,019.96	\$0.00	\$86.00	\$161.01	\$2,094.54	\$16,372.34
2041	\$879.06	\$970.88	\$0.00	\$81.86	\$164.23	\$2,096.03	\$15,493.28
2042	\$932.46	\$918.75	\$0.00	\$77.47	\$167.51	\$2,096.18	\$14,560.82
2043	\$987.76	\$863.46	\$0.00	\$72.80	\$170.86	\$2,094.88	\$13,573.06
2044	\$1,048.78	\$804.88	\$0.00	\$67.87	\$174.28	\$2,095.80	\$12,524.29
2045	\$1,111.70	\$742.69	\$0.00	\$62.62	\$177.76	\$2,094.78	\$11,412.59
2046	\$1,180.35	\$676.77	\$0.00	\$57.06	\$181.32	\$2,095.50	\$10,232.24
2047	\$1,252.81	\$606.77	\$0.00	\$51.16	\$184.94	\$2,095.69	\$8,979.43
2048	\$1,329.08	\$532.48	\$0.00	\$44.90	\$188.64	\$2,095.11	\$7,650.34
2049	\$1,742.87	\$453.67	\$0.00	\$38.25	\$192.42	\$2,427.21	\$5,907.47
2050	\$1,851.57	\$350.31	\$0.00	\$29.54	\$196.26	\$2,427.68	\$4,055.90
2051	\$1,965.98	\$240.51	\$0.00	\$20.28	\$200.19	\$2,426.96	\$2,089.92
2053	\$2,089.92	\$123.93	\$0.00	\$10.45	\$204.19	\$2,428.50	\$0.00
TOTAL	\$25,920.01	\$31,739.60	(\$742.91)	\$2,613.55	\$4,664.68	\$64,194.93	
¹ Subject to change.							
² Annual installments collected with property taxes and due no later than January 31 of following calendar year.							

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

AFTER RECORDING RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF PRINCETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

PHASE 2 PROJECT

LOT TYPE 60 FOOT LOT

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Princeton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Whitewing Trails Public Improvement District No. 2 (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Princeton. The exact amount of each annual installment will be approved each year by the City Council of the City of Princeton in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Princeton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: _____

DATE: _____

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF §

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: _____

DATE: _____

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

§

COUNTY OF §

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

<p style="text-align: center;">CITY OF PRINCETON WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT No. 2 PHASE 2 PROJECT LOT TYPE 60 FOOT LOT</p> <p style="text-align: center;">ESTIMATED ANNUAL INSTALLMENT SCHEDULE¹</p>							
TAX YEAR²	PRINCIPAL	INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADMINISTRATIVE EXPENSES	ANNUAL INSTALLMENT	YEAR ENDING PRINCIPAL BALANCE
2022	\$0.00	\$742.91	(\$742.91)	\$0.00	\$0.00	\$0.00	\$25,920.01
2023	\$314.63	\$1,537.06	\$0.00	\$129.60	\$114.98	\$2,096.27	\$25,605.38
2024	\$331.79	\$1,518.40	\$0.00	\$128.03	\$117.28	\$2,095.50	\$25,273.58
2025	\$350.86	\$1,498.72	\$0.00	\$126.37	\$119.63	\$2,095.58	\$24,922.72
2026	\$369.93	\$1,477.92	\$0.00	\$124.61	\$122.02	\$2,094.48	\$24,552.79
2027	\$392.81	\$1,455.98	\$0.00	\$122.76	\$124.46	\$2,096.02	\$24,159.98
2028	\$415.70	\$1,432.69	\$0.00	\$120.80	\$126.95	\$2,096.13	\$23,744.28
2029	\$438.58	\$1,408.04	\$0.00	\$118.72	\$129.49	\$2,094.83	\$23,305.70
2030	\$465.27	\$1,382.03	\$0.00	\$116.53	\$132.08	\$2,095.91	\$22,840.43
2031	\$491.97	\$1,354.44	\$0.00	\$114.20	\$134.72	\$2,095.33	\$22,348.45
2032	\$520.57	\$1,325.26	\$0.00	\$111.74	\$137.42	\$2,095.00	\$21,827.88
2033	\$551.08	\$1,294.39	\$0.00	\$109.14	\$140.16	\$2,094.78	\$21,276.80
2034	\$585.41	\$1,261.71	\$0.00	\$106.38	\$142.97	\$2,096.47	\$20,691.39
2035	\$619.73	\$1,227.00	\$0.00	\$103.46	\$145.83	\$2,096.01	\$20,071.66
2036	\$655.96	\$1,190.25	\$0.00	\$100.36	\$148.74	\$2,095.31	\$19,415.70
2037	\$696.01	\$1,151.35	\$0.00	\$97.08	\$151.72	\$2,096.15	\$18,719.69
2038	\$737.96	\$1,110.08	\$0.00	\$93.60	\$154.75	\$2,096.39	\$17,981.73
2039	\$781.81	\$1,066.32	\$0.00	\$89.91	\$157.85	\$2,095.89	\$17,199.92
2040	\$827.58	\$1,019.96	\$0.00	\$86.00	\$161.01	\$2,094.54	\$16,372.34
2041	\$879.06	\$970.88	\$0.00	\$81.86	\$164.23	\$2,096.03	\$15,493.28
2042	\$932.46	\$918.75	\$0.00	\$77.47	\$167.51	\$2,096.18	\$14,560.82
2043	\$987.76	\$863.46	\$0.00	\$72.80	\$170.86	\$2,094.88	\$13,573.06
2044	\$1,048.78	\$804.88	\$0.00	\$67.87	\$174.28	\$2,095.80	\$12,524.29
2045	\$1,111.70	\$742.69	\$0.00	\$62.62	\$177.76	\$2,094.78	\$11,412.59
2046	\$1,180.35	\$676.77	\$0.00	\$57.06	\$181.32	\$2,095.50	\$10,232.24
2047	\$1,252.81	\$606.77	\$0.00	\$51.16	\$184.94	\$2,095.69	\$8,979.43
2048	\$1,329.08	\$532.48	\$0.00	\$44.90	\$188.64	\$2,095.11	\$7,650.34
2049	\$1,742.87	\$453.67	\$0.00	\$38.25	\$192.42	\$2,427.21	\$5,907.47
2050	\$1,851.57	\$350.31	\$0.00	\$29.54	\$196.26	\$2,427.68	\$4,055.90
2051	\$1,965.98	\$240.51	\$0.00	\$20.28	\$200.19	\$2,426.96	\$2,089.92
2052	\$2,089.92	\$123.93	\$0.00	\$10.45	\$204.19	\$2,428.50	\$0.00
TOTAL	\$25,920.01	\$31,739.60	(\$742.91)	\$2,613.55	\$4,664.68	\$64,194.93	
¹ Subject to change.							
² Annual installments collected with property taxes and due no later than January 31 of following calendar year.							

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

**WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
BUYER DISCLOSURE
PHASE 2 PROJECT**

LOT TYPE 50 FOOT LOT

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF PRINCETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

PHASE 2 PROJECT

LOT TYPE 50 FOOT LOT

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Princeton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Whitewing Trails Public Improvement District No. 2 (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Princeton. The exact amount of each annual installment will be approved each year by the City Council of the City of Princeton in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Princeton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: _____

DATE: _____

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: _____

DATE: _____

SIGNATURE OF SELLER

SIGNATURE OF SELLER

**TEXAS PROPERTY CODE SECTION 5.014(A) NOTICE
(REQUIRED BEFORE CONTRACT EXECUTION)**

<p style="text-align: center;">CITY OF PRINCETON WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT LOT TYPE 50 FOOT LOT</p> <p style="text-align: center;">ESTIMATED ANNUAL INSTALLMENT SCHEDULE¹</p>							
TAX YEAR²	PRINCIPAL	INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADMINISTRATIVE EXPENSES	ANNUAL INSTALLMENT	YEAR ENDING PRINCIPAL BALANCE
2022	\$0.00	\$664.71	(\$664.71)	\$0.00	\$0.00	\$0.00	\$23,191.59
2023	\$281.51	\$1,375.26	\$0.00	\$115.96	\$102.88	\$1,875.61	\$22,910.08
2024	\$296.87	\$1,358.57	\$0.00	\$114.55	\$104.94	\$1,874.92	\$22,613.21
2025	\$313.93	\$1,340.96	\$0.00	\$113.07	\$107.04	\$1,875.00	\$22,299.28
2026	\$330.99	\$1,322.35	\$0.00	\$111.50	\$109.18	\$1,874.01	\$21,968.29
2027	\$351.47	\$1,302.72	\$0.00	\$109.84	\$111.36	\$1,875.39	\$21,616.82
2028	\$371.94	\$1,281.88	\$0.00	\$108.08	\$113.59	\$1,875.49	\$21,244.88
2029	\$392.41	\$1,259.82	\$0.00	\$106.22	\$115.86	\$1,874.32	\$20,852.47
2030	\$416.30	\$1,236.55	\$0.00	\$104.26	\$118.18	\$1,875.29	\$20,436.17
2031	\$440.18	\$1,211.86	\$0.00	\$102.18	\$120.54	\$1,874.77	\$19,995.99
2032	\$465.78	\$1,185.76	\$0.00	\$99.98	\$122.95	\$1,874.47	\$19,530.21
2033	\$493.08	\$1,158.14	\$0.00	\$97.65	\$125.41	\$1,874.28	\$19,037.13
2034	\$523.79	\$1,128.90	\$0.00	\$95.19	\$127.92	\$1,875.79	\$18,513.35
2035	\$554.50	\$1,097.84	\$0.00	\$92.57	\$130.48	\$1,875.38	\$17,958.85
2036	\$586.91	\$1,064.96	\$0.00	\$89.79	\$133.09	\$1,874.75	\$17,371.94
2037	\$622.74	\$1,030.16	\$0.00	\$86.86	\$135.75	\$1,875.51	\$16,749.20
2038	\$660.28	\$993.23	\$0.00	\$83.75	\$138.46	\$1,875.71	\$16,088.92
2039	\$699.52	\$954.07	\$0.00	\$80.44	\$141.23	\$1,875.27	\$15,389.40
2040	\$740.47	\$912.59	\$0.00	\$76.95	\$144.06	\$1,874.06	\$14,648.94
2041	\$786.53	\$868.68	\$0.00	\$73.24	\$146.94	\$1,875.40	\$13,862.40
2042	\$834.30	\$822.04	\$0.00	\$69.31	\$149.88	\$1,875.53	\$13,028.10
2043	\$883.78	\$772.57	\$0.00	\$65.14	\$152.87	\$1,874.36	\$12,144.32
2044	\$938.38	\$720.16	\$0.00	\$60.72	\$155.93	\$1,875.19	\$11,205.94
2045	\$994.68	\$664.51	\$0.00	\$56.03	\$159.05	\$1,874.27	\$10,211.26
2046	\$1,056.10	\$605.53	\$0.00	\$51.06	\$162.23	\$1,874.92	\$9,155.16
2047	\$1,120.94	\$542.90	\$0.00	\$45.78	\$165.48	\$1,875.09	\$8,034.22
2048	\$1,189.18	\$476.43	\$0.00	\$40.17	\$168.79	\$1,874.57	\$6,845.04
2049	\$1,559.41	\$405.91	\$0.00	\$34.23	\$172.16	\$2,171.71	\$5,285.63
2050	\$1,656.66	\$313.44	\$0.00	\$26.43	\$175.61	\$2,172.13	\$3,628.96
2051	\$1,759.03	\$215.20	\$0.00	\$18.14	\$179.12	\$2,171.49	\$1,869.93
2052	\$1,869.93	\$110.89	\$0.00	\$9.35	\$182.70	\$2,172.87	\$0.00
TOTAL	\$23,191.59	\$28,398.59	(\$664.71)	\$2,338.44	\$4,173.66	\$57,437.57	
¹ Subject to change.							
² Annual installments collected with property taxes and due no later than January 31 of following calendar year.							

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

AFTER RECORDING RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF PRINCETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

PHASE 2 PROJECT
LOT TYPE 50 FOOT LOT

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Princeton, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Whitewing Trails Public Improvement District No. 2 (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Princeton. The exact amount of each annual installment will be approved each year by the City Council of the City of Princeton in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Princeton.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: _____

DATE: _____

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §
 §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: _____

DATE: _____

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF §

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

TEXAS PROPERTY CODE SECTION 5.0143 NOTICE
(REQUIRED AT CLOSING AND MUST BE RECORDED IN COLLIN COUNTY DEED OF RECORDS)

<p style="text-align: center;">CITY OF PRINCETON WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT LOT TYPE 50 FOOT LOT</p> <p style="text-align: center;">ESTIMATED ANNUAL INSTALLMENT SCHEDULE¹</p>							
TAX YEAR²	PRINCIPAL	INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADMINISTRATIVE EXPENSES	ANNUAL INSTALLMENT	YEAR ENDING PRINCIPAL BALANCE
2022	\$0.00	\$664.71	(\$664.71)	\$0.00	\$0.00	\$0.00	\$23,191.59
2023	\$281.51	\$1,375.26	\$0.00	\$115.96	\$102.88	\$1,875.61	\$22,910.08
2024	\$296.87	\$1,358.57	\$0.00	\$114.55	\$104.94	\$1,874.92	\$22,613.21
2025	\$313.93	\$1,340.96	\$0.00	\$113.07	\$107.04	\$1,875.00	\$22,299.28
2026	\$330.99	\$1,322.35	\$0.00	\$111.50	\$109.18	\$1,874.01	\$21,968.29
2027	\$351.47	\$1,302.72	\$0.00	\$109.84	\$111.36	\$1,875.39	\$21,616.82
2028	\$371.94	\$1,281.88	\$0.00	\$108.08	\$113.59	\$1,875.49	\$21,244.88
2029	\$392.41	\$1,259.82	\$0.00	\$106.22	\$115.86	\$1,874.32	\$20,852.47
2030	\$416.30	\$1,236.55	\$0.00	\$104.26	\$118.18	\$1,875.29	\$20,436.17
2031	\$440.18	\$1,211.86	\$0.00	\$102.18	\$120.54	\$1,874.77	\$19,995.99
2032	\$465.78	\$1,185.76	\$0.00	\$99.98	\$122.95	\$1,874.47	\$19,530.21
2033	\$493.08	\$1,158.14	\$0.00	\$97.65	\$125.41	\$1,874.28	\$19,037.13
2034	\$523.79	\$1,128.90	\$0.00	\$95.19	\$127.92	\$1,875.79	\$18,513.35
2035	\$554.50	\$1,097.84	\$0.00	\$92.57	\$130.48	\$1,875.38	\$17,958.85
2036	\$586.91	\$1,064.96	\$0.00	\$89.79	\$133.09	\$1,874.75	\$17,371.94
2037	\$622.74	\$1,030.16	\$0.00	\$86.86	\$135.75	\$1,875.51	\$16,749.20
2038	\$660.28	\$993.23	\$0.00	\$83.75	\$138.46	\$1,875.71	\$16,088.92
2039	\$699.52	\$954.07	\$0.00	\$80.44	\$141.23	\$1,875.27	\$15,389.40
2040	\$740.47	\$912.59	\$0.00	\$76.95	\$144.06	\$1,874.06	\$14,648.94
2041	\$786.53	\$868.68	\$0.00	\$73.24	\$146.94	\$1,875.40	\$13,862.40
2042	\$834.30	\$822.04	\$0.00	\$69.31	\$149.88	\$1,875.53	\$13,028.10
2043	\$883.78	\$772.57	\$0.00	\$65.14	\$152.87	\$1,874.36	\$12,144.32
2044	\$938.38	\$720.16	\$0.00	\$60.72	\$155.93	\$1,875.19	\$11,205.94
2045	\$994.68	\$664.51	\$0.00	\$56.03	\$159.05	\$1,874.27	\$10,211.26
2046	\$1,056.10	\$605.53	\$0.00	\$51.06	\$162.23	\$1,874.92	\$9,155.16
2047	\$1,120.94	\$542.90	\$0.00	\$45.78	\$165.48	\$1,875.09	\$8,034.22
2048	\$1,189.18	\$476.43	\$0.00	\$40.17	\$168.79	\$1,874.57	\$6,845.04
2049	\$1,559.41	\$405.91	\$0.00	\$34.23	\$172.16	\$2,171.71	\$5,285.63
2050	\$1,656.66	\$313.44	\$0.00	\$26.43	\$175.61	\$2,172.13	\$3,628.96
2051	\$1,759.03	\$215.20	\$0.00	\$18.14	\$179.12	\$2,171.49	\$1,869.93
2052	\$1,869.93	\$110.89	\$0.00	\$9.35	\$182.70	\$2,172.87	\$0.00
TOTAL	\$23,191.59	\$28,398.59	(\$664.71)	\$2,338.44	\$4,173.66	\$57,437.57	
¹ Subject to change.							
² Annual installments collected with property taxes and due no later than January 31 of following calendar year.							

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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Proposed Form of Opinion of Bond Counsel

*An opinion in substantially the following form will be delivered by McCall,
Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the
Bonds, assuming no material changes in facts or law.*

**CITY OF PRINCETON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023 WHITEWING TRAILS
PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$13,593,000

AS BOND COUNSEL for the City of Princeton, Texas (the **Issuer**), we have examined into the legality and validity of the issue of the bonds described above (the **Bonds**), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, and maturing and subject to redemption on the dates specified in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the **Bond Ordinance**) and the Indenture of Trust between the Issuer and Regions Bank, dated February 15, 2023 (the **Trust Indenture**).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Trust Indenture, (ii) the covenants and agreements in the Trust Indenture constitutes a valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

600 Congress Ave.
Suite 1800
Austin, Texas 78701
T 512.478.3805
F 512.472.0871

717 North Harwood
Suite 900
Dallas, Texas 75201
T 214.754.9200
F 214.754.9250

Two Allen Center
1200 Smith Street, Suite 1550
Houston, Texas 77002
T 713.980.0500
F 713.980.0510

700 N. St. Mary's Street
Suite 1525
San Antonio, Texas 78205
T 210.225.2800
F 210.225.2984

www.mphlegal.com



THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the *Code*). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

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 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 Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.



OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions 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 from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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APPENDIX E-1

FORM OF CITY DISCLOSURE AGREEMENT

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**CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of February 15, 2023 (this “Disclosure Agreement”) is executed and delivered by and between the City of Princeton, Texas (the “Issuer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and Regions Bank, an Alabama state banking corporation (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project)” (the “Bonds”). The Issuer, 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 February 15, 2023, relating to the Bonds (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:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean an employee or designee of the Issuer 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 for the administration of the District.

“Annual Audited Financial Statements” shall mean the audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer.

“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 of this Disclosure Agreement.

“Annual Installment(s)” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4(a) of this Disclosure Agreement.

“Assessment(s)” shall have the meaning assigned to such term in the Indenture.

“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 MM Princeton 854, LLC, an Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of February 15, 2023 executed and delivered by the Developer, the Administrator and Regions Bank, as dissemination agent.

“Disclosure Representative” shall mean the Finance Director or City Manager of the Issuer 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 Regions Bank, an Alabama state banking corporation, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Whitewing Trails Public Improvement District No. 2.

“EMMA” shall mean the Electronic Municipal Market Access System currently 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 defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Filing Due Date” shall mean the expiration of six months after the end of each fiscal year.

“Fiscal Year” shall mean the calendar year from October 1 through September 30.

“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 mean, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under the 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 the Indenture, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Phase 2” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a 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.

“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.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Regions Bank, an Alabama banking corporation, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, commencing with the Fiscal Year ending September 30, 2023, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. If, however, the Annual Audited Financial Statements are not complete by the deadline specified in Section 4(c), then the Issuer shall provide unaudited financial statements within such period. In each case, the Annual Issuer Report 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 (and of 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 Issuer Report pursuant to this paragraph. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report or the Annual Audited Financial Statements, as

applicable, to the MSRB, the Issuer shall provide the Annual Issuer Report or the Annual Audited Financial Statements, as applicable, to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report or the Annual Audited Financial Statements, as applicable, to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report or the Annual Audited Financial Statements, as applicable, from the Issuer.

If by the fifth (5th) day before the filing date required under Section 4 of this Disclosure Agreement, the Dissemination Agent has not received a copy of the Annual Issuer Report or the Annual Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Issuer Report or the Annual Audited Financial Statements, as applicable, pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report or the Annual Audited Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable filing date required under Section 4 of this Disclosure Agreement; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report or the Annual Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Issuer Report or the Annual Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that (A) with respect to the Annual Issuer Report, in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than six months after the end of each Fiscal Year; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day of the six month period after the end of the Fiscal Year and (B) with respect to the Annual Audited Financial Statements, in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Audited Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than twelve months after the end of each Fiscal Year; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day of the twelve month period after the end of the Fiscal Year.

(b) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report and the Annual Audited Financial Statements on the date required in subsection (b);

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof and the Annual Audited Financial Statements; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report or the Annual Audited Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Issuer Report or Annual Audited Financial Statements, as applicable, with the MSRB, then the Dissemination Agent shall file a report with the Issuer

certifying that the Annual Issuer Report or the Annual 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.

SECTION 4. Content of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Filing Due Date:

- (a) The following Annual Financial Information (any or all of which may be unaudited):
 - (i) Tables setting forth the following information, as of the end of such Fiscal Year:
 - (A) For the Bonds, the CUSIP number(s), the maturity date(s), the interest rate(s), the original aggregate principal amount, the principal amount remaining Outstanding, and the amount of interest remaining;
 - (B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments;
 - (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), in each case based on the certified roll for Phase 2 of the District available from the appraisal district;
 - (iii) 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 Phase 2;
 - (iv) 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 Phase 2, the Annual Financial Information (in the Annual Service Plan Update or otherwise) shall include the number of final inspections completed for new homes completed in Phase 2 during such Fiscal Year and the aggregate number of final inspections completed for new homes completed within Phase 2 since filing the initial Annual Issuer Report for Fiscal Year ending September 30, 2023;
 - (v) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners; and
 - (vi) 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.

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 initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information.

(b) 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.

(c) Within twelve months after the end of each Fiscal Year, if not provided with the Annual Issuer Report provided under subsection 4(a) above, the Annual Audited Financial Statements of the Issuer for the most recently ended Fiscal Year. If Annual Audited Financial Statements are not available within twelve months after the end of the Fiscal Year, unaudited financial statements shall be filed not later than twelve months after the end of such Fiscal Year and Annual Audited Financial Statements shall be filed when prepared and available.

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 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.

For these purposes, any event described in the immediately preceding paragraph (12) 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.

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 to 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.

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 (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

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, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative 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 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 immediately file a notice of such occurrence with the MSRB. 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 Trustee or 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 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 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 Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the 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 such series of Bonds under Section 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 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 Regions Bank, an Alabama state banking corporation

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement

(and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), 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 Issuer Report, 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 Annual Issuer Report for the 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 materially 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 Issuer Report 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 Issuer Report 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 Issuer Report 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 may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five (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 Issuer, as the case may

be, 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 have any duty with respect to the content of any disclosures made pursuant to the terms hereof. 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 Assessments collected from the property owners in the District, 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 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.

(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. 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 Assessments collected from the property owners in the District, 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. 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.

(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.

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 THE ISSUER, THE ADMINISTRATOR OR THE DISSEMINATION AGENT, RESPECTIVELY, 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 IS UNDER NO OBLIGATION NOR IS IT 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 intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, Administrator or 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, 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. Sovereign Immunity. The Dissemination Agent agrees 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 Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses 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 the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Anti-Boycott Verification. The Dissemination Agent 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 Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, 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 Dissemination Agent understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 20. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent 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 Dissemination Agent and 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 Dissemination Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. 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.

SECTION 23. Verification Regarding Energy Company Boycotts and Discrimination Against Firearm Entity or Trade Association. In connection with the verification requirements of Section 2274.002 of the Texas Government Code, the parties hereto represent that the value of this Agreement is less than \$100,000 and, accordingly this Agreement is exempt from the requirements thereof.

[Signature pages follow]

CITY OF PRINCETON, TEXAS

By: _____
City Manager

REGIONS BANK, an Alabama state banking
corporation
(as Dissemination Agent)

By: _____
Authorized Officer

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Princeton, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2023
(Whitewing Trails Public Improvement District No. 2 Phase 2
Project)
(the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Princeton, Texas (the “Issuer”), has not provided [an Annual Issuer Report][Annual Audited Financial Statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated February 15, 2023 between the Issuer, 30 Three Sixty Public Finance, Inc., as “Administrator” and Regions Bank, an Alabama state banking corporation, as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][Annual Audited Financial Statements] will be filed by _____.

Dated: _____

Regions Bank, an Alabama state banking
corporation,
on behalf of the City of Princeton, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Princeton, Texas

EXHIBIT B

**CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2
PROJECT)**

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: Regions Bank
Address: [_____] ☐
City: [] ☐
Telephone: () ____-____
Contact Person: Attn: _____

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 ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾	Cost Basis ⁽¹⁾

(1) As such information is provided by the Trustee.

* Excluding Annual Audited Financial Statements of the Issuer

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE****ASSETS**

Bond Proceed Balance, if any	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Expenses (if any)	_____
TOTAL LIABILITIES	_____

NET POSITION

Assets Less Liabilities	_____
-------------------------	-------

**OUTSTANDING
ASSESSMENTS**

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Audited ☐ Unaudited ☐

Section 4(a)(ii)(A)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE
ISSUER OF THE GENERAL TYPE BELOW AS OF THE END OF THE FISCAL YEAR****Total 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.

Assessed Value of Assessed Parcels in Phase 2 of the District

The [YEAR] certified total assessed value for the assessed parcels in Phase 2 of the District is approximately \$[AMOUNT] according to the applicable appraisal district(s).

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE BELOW 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>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment</u>		<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
		<u>Amount 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</u> ⁽¹⁾	<u>Delinquent Amount as of 2/1</u>	<u>Delinquent % as of 2/1</u>	<u>Delinquent Amount as of 8/1</u>	<u>Delinquent % as of 8/1</u>	<u>Total Assessments Collected</u> ⁽²⁾
[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.

⁽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__.

ITEMS REQUIRED BY SECTION 4(a)(iii) - (vi)
[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES*

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Annual Installments of Assessments are due.
February 1	1	Annual Installments of Assessments Delinquent if not received.
February 15	15	<p>Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payments on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified in writing.</p> <p>Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.</p> <p>Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September.</p> <p>At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Annual Installments of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.</p>

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures are subject to adjustment by the Issuer.

		<p>If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.</p>
March 15	43/44	<p>Trustee pays bond interest payments to bondholders.</p> <p>Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.</p> <p>Issuer, or the Trustee, on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Fund for debt service.</p> <p>Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.</p> <p>Issuer determines whether or not any Annual Installments of Assessments 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 of Assessments.</p>
March 20	48/49	<p>Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.</p> <p>If any property owner with ownership of property responsible for more than \$10,000 of the Annual Installments of Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Annual Installments of Assessments.</p>
April 15	74/75	<p>Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the</p>

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.

May 1 90/91

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

May 15 104/105

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 bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 121/122).

June 1 121/122

Foreclosure action to be filed with the court.

June 15 135/136

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing.
Dissemination Agent notifies bondholders.

July 1 151/152

If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five (25%) of the Owners may request a meeting with the City Manager, Assistant City Manager or the Finance Director to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day 30 if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%) Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of February 15, 2023 (this “Disclosure Agreement”) is executed and delivered by and among MM Princeton 854, LLC a Texas limited liability company (the “Developer”), 30 Three Sixty Public Finance (the “Administrator”), and Regions Bank, an Alabama state banking corporation (the “Dissemination Agent”) with respect to the “City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project)” (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 February 15, 2023, relating to the Bonds (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:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean an employee or designee of the Issuer 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 for the administration of the District.

“Annual Installment(s)” shall have the meaning assigned to such term in the Indenture.

“Assessed Property” shall have the meaning assigned to such term in the Indenture.

“Assessment(s)” shall have the meaning assigned to such term in the Indenture.

“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 Subsequent Third Party Owner (defined below), as applicable, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean MM Princeton 854, LLC, a Texas limited liability company, and its designated successors and assigns.

“Development Agreement” shall mean that certain First Amended and Restated Whitewing Trails Development Agreement, between the City and MM Princeton 854, LLC (the “Developer”), effective as of June 12, 2019, as amended by that First Amendment to Amended and Restated Whitewing Trails Development Agreement between the City and the Developer effective as of August 26, 2019, and as may be further amended.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of the Issuer dated as of February 15, 2023 executed and delivered by and among the Issuer, the Administrator and Regions Bank, an Alabama state banking corporation, as dissemination agent.

“Dissemination Agent” shall mean and Regions Bank, an Alabama state banking corporation, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Whitewing Trails Public Improvement District No. 2.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Issuer” shall mean the City of Princeton, Texas.

“Listed Events” shall mean any of the events listed in Section 4(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.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Phase 2” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Phase 2 Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Private Improvements” shall mean the improvements and amenities to be constructed by the Developer or its designee in Phase 2 of the District, as further described in the Development Agreement.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2023.

“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.

“Subsequent Third Party Owner” shall mean any owner, other than the Developer and the Issuer, who acquires Assessed Property within Phase 2 of the District to develop such property (whether such development is horizontal or vertical) for its intended use.

“Trustee” shall mean Regions Bank, an Alabama state banking corporation, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Subsequent Third Party Owner, with respect to its acquired real property, shall provide, or cause to be provided, to the Administrator, at its cost and expense, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2023, the information required for the preparation of the Quarterly Report (with respect to each party, the “Quarterly Information”); provided that for the information related to homebuilders under Section 3(d)(v) below, the Developer and/or any Subsequent Third Party Owner shall use commercially reasonable efforts to obtain such information from homebuilders, if applicable, and shall cause the Dissemination Agent to file the Quarterly Report no later than the applicable Quarterly Filing Date. The Developer and any Subsequent Third Party Owner shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, if the Developer elects, Developer may, but shall not be obligated to provide any Quarterly Information on behalf of any Subsequent Third Party Owner.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Developer and/or any Subsequent Third Party Owner pursuant to subsection (a) above and (ii) provide to the Developer and/or any Subsequent Third Party Owner, as applicable, each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. The Developer and/or any Subsequent Third Party Owner, as applicable, shall review

the Quarterly Report and, upon such review, shall, no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter(s) and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and Dissemination Agent pursuant to subsection (c) below. In all cases, the Developer and/or any Subsequent Third Party Owner, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of their respective Quarterly Information contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by the Developer and/or Subsequent Third Party Owner. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that the Developer, any Subsequent Third Party Owner 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, Subsequent Third Party Owner 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 and/or any Subsequent Third Party Owner 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, or Subsequent Third Party Owner, as applicable, 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 parcels and/or, if platted, the number of lots in Phase 2 of the District subject to the Assessments as of the Quarterly Ending Date;

(ii) The landowner composition of Phase 2 of the District, including:

A. The number of single family lots owned by each type of landowner (i.e., Developer or Subsequent Third Party Owner), broken down by planned and actual 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. A listing of all Subsequent Third Party Owners, if any, and the percentage of such party's Annual Installments of Assessments relative to the total Annual Installments Assessments as of the Quarterly Ending Date; and

D. An explanation as to any change to the number of single family lots within Phase 2 of the District from the prior Quarterly Ending Date;

(iii) Single family lot absorption statistics for Phase 2 of the District, including:

A. The number of single family lots platted in Phase 2 of the District, on a current quarter and running total basis;

B. As applicable, the number of new home starts in Phase 2 of the District by the Developer or any Subsequent Third Party Owner, if such landowner is acting as homebuilder, on a current quarter and running total basis, or the number of single family lots in Phase 2 of the District owned by the Developer or any Subsequent Third Party Owner closed with a homebuilder, on a current quarter and running total basis;

C. The number of single family lots in Phase 2 of the District owned by the Developer or any Subsequent Third Party Owner under contract with a homebuilder, if applicable;

D. The number of single family lots in Phase 2 of the District owned by the Developer or any Subsequent Third Party Owner not closed or under contract with a homebuilder, if applicable; and

E. An explanation as to any change to the number of single family lots planned to be developed in Phase 2 of the District by the Developer or any Subsequent Third Party Owner;

(iv) For each homebuilder, including the Developer or any Subsequent Third Party Owner, on a current quarter and running total basis:

A. The number of homes under construction in Phase 2 of the District;

B. The number of homes constructed, but not under contract with homebuyers, in Phase 2 of the District;

C. The number of homes under contract with homebuyers in Phase 2 of the District;

D. The number of homes closed with homebuyers (delivered to end users) in Phase 2 of the District;

E. The increase in the number of homes closed with homebuyers (delivered to end users) in Phase 2 of the District from the prior Quarterly Ending Date;

F. The average sales price of homes in Phase 2 of the District; and

G. The number of homes in inventory not closed or under contract with homebuyers in Phase 2 of the District;

(v) As of the Quarterly Ending Date, with respect to the Private Improvements:

- A. Total expected construction budget;
- B. Total costs spent to date;
- C. Status of construction; and
- D. Expected or actual completion date;

The Developer's filings under this Section 3(d)(vi) will terminate after completion of the final segment of the Private Improvements in accordance with the Development Agreement and the Developer provides a final summary report covering the period from the date of its last preceding quarterly progress report to the date of completion of the final segment of the Private Improvements.

(vi) Materially adverse changes or determinations to permits/approvals for the development of Phase 2 of the District which necessitates changes to the land use plans of the Developer or any Subsequent Third Party Owner;

(vii) The occurrence of any new or modified mortgage debt on the land owned by the Developer within Phase 2 of the District, including the amount, interest rate and terms of repayment; and

(e) As of the Quarterly Ending Date, with respect to the Phase 2 Improvements, 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 Phase 2 Improvements;
- B. Budgeted and actual total costs of the Phase 2 Improvements financed with the Bonds; and
- C. Total expected costs of Phase 2 Improvements for design and engineering to be completed after delivery of the Bonds;

(ii) A list of construction milestones;

(iii) Forecast completion date of each construction milestone;

(iv) Construction budget allocated to each construction milestone;

(v) Forecast completion date; and

(vi) Issuer acceptance date.

The Developer's filings under this Section 3(e) will terminate after the Issuer accepts the final segment of the Phase 2 Improvements and Developer provides a final summary report covering the period from the date of its last preceding quarterly progress report to the date of Issuer acceptance of the final segment of the Phase 2 Improvements.

SECTION 4. Event Reporting Obligations of Developer and any Subsequent Third Party Owners.

(a) Pursuant to the provisions of this Section 4, each of the following is a Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Phase 2 of the District on a parcel owned by the Developer or any Subsequent Third Party Owner; provided, however, that the exercise of any right of the Developer or Subsequent Third Party Owner as a landowner within Phase 2 of the District 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 Phase 2 of the District, including the Phase 2 Improvements;

(iii) Material default by the Developer or any Subsequent Third Party Owner, if applicable, on any loan with respect to the development or permanent financing of Phase 2 of the District undertaken by the Developer or Subsequent Third Party Owner, if applicable;

(iv) Material default by the Developer or Subsequent Third Party Owner on any loan secured by property within Phase 2 of the District owned by the Developer or any Subsequent Third Party Owner;

(v) The bankruptcy, insolvency or similar filing of the Developer or any Subsequent Third Party Owner or any determination that the Developer or any Subsequent Third Party Owner is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer or any Subsequent Third Party Owner, or the sale of all or substantially all of the assets of the Developer or any Subsequent Third Party Owner, 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 or any Subsequent Third Party Owner that may adversely affect the completion of development of Phase 2 of the District or litigation that may materially adversely affect the financial condition of the Developer or any Subsequent Third Party Owner; and

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer or any Subsequent Third Party Owner.

Whenever a Listed Event relating to the Developer or any Subsequent Third Party Owner occurs, such party shall promptly, and not more than five (5) Business Days after the occurrence of such Listed Event, notify the Administrator and the Dissemination Agent in writing and the Developer or Subsequent Third Party Owner, as applicable, shall direct the Dissemination Agent to immediately file a notice of such occurrence with the MSRB and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event. If the Developer or any Subsequent Third Party Owner timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by the Developer under this Disclosure Agreement.

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 or Subsequent Third Party Owner, as applicable, for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer or Subsequent Third Party Owner, as applicable, desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event).

In all cases, the Developer or Subsequent Third Party Owner, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures provided pursuant to this Disclosure Agreement. In addition, the Developer or Subsequent Third Party Owner, as applicable, 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.

(b) The Dissemination Agent shall, within one (1) Business Day of the occurrence of any Listed Event of obtaining actual knowledge of the occurrence of any Listed Event, notify the Developer or Subsequent Third Party Owner, as applicable, of such Listed Event. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Developer 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 Subsequent Third Party Owner, 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 state 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, any Subsequent Third Party Owner 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 the Dissemination Agent has been instructed by the Developer or Subsequent Third Party Owner, as applicable, to report the occurrence of a Listed Event in accordance with subsections (a) or (b) of this Section 4, the Dissemination Agent shall file, a notice of such occurrence with the MSRB within one (1) Business Day of its receipt of such written instructions from the Developer or Subsequent Third Party Owner.

SECTION 5. Assignment to Subsequent Third Party Owner.

If the Developer sells, assigns or otherwise transfers ownership of real property in Phase 1 of the District to a Subsequent Third Party Owner, the Developer shall require such Subsequent Third Party Owner to comply with the Developer's disclosure obligations hereunder, with respect to such acquired real property until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement; provided however, a Subsequent Third Party Owner shall not be required to provide the disclosure information required by Sections 3(e) and 3(f) above unless the Subsequent Third Party Owner has assumed the obligations through an assignment of obligations, requirements or covenants under the Development Agreement to construct one or more of the Phase 2 Improvements, in which case the Subsequent Third Party Owner shall include the disclosure information required by Sections 3(e) and 3(f) above for the Phase 2 Improvements that the Subsequent Third Party Owner is constructing. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement from each Subsequent Third Party Owner, acknowledging and assuming its obligations under this Disclosure Agreement. Upon any such transfer to a Subsequent Third Party Owner, and such Subsequent Third Party Owner's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Subsequent Third Party Owner arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Subsequent Third Party Owner comply with obligations of this Section 5 with respect to any subsequent transfers by such Subsequent Third Party Owners to any individual or entity meeting the definition of a "Subsequent Third Party Owner" in the future.

SECTION 6. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer and any Subsequent Third Party Owner under this Disclosure Agreement shall terminate upon, the earlier of (i) the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Developer or Subsequent Third Party Owner, if any, is no longer responsible for the payment of Annual Installments of Assessments equal to at least twenty percent (20%) of the total Annual Installments as of each Quarterly Ending Date.

(b) At such time that the reporting obligations of the Developer and/or any Subsequent Third Party Owner terminate in accordance with subsection (a) of this Section 6, the Administrator shall provide written notice to the Developer and/or Subsequent Third Party Owner, as applicable, the Issuer, the Trustee and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such termination notice with respect to the Developer or Subsequent Third Party Owner, as applicable, occurs prior to the legal defeasance, prior redemption or payment in full of all of the Bonds, 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/or Subsequent Third Party Owner, as applicable and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) termination of the Developer's and all Subsequent Third Party Owners', if any, reporting obligations in accordance with subsection (a) of this Section 6 and any Termination Notice required by subsection (b) of this Section 6 has been provided to the MSRB, the Issuer, the Trustee, the Developer and/or Subsequent Third Party Owner, 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, Subsequent Third Party Owner, 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 Regions Bank, an Alabama state banking corporation.

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 Sections 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 Subsequent Third Party Owner, 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 (or in the case of a change of accounting principles, on the presentation) 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 and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer, or any Subsequent Third Party Owner 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 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 Subsequent Third Party Owner, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the Developer 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, any Subsequent Third Party Owner 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, Subsequent Third Party Owner 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, any Subsequent Third Party Owner 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, or any Subsequent Third Party Owner, as applicable, 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, any Subsequent Third Party Owner or Administrator.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. 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) 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 THE DEVELOPER, THE DISSEMINATION AGENT OR THE ADMINISTRATOR, RESPECTIVELY, 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 Subsequent Third Party Owner, 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 Subsequent Third Party Owner, 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, 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 Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent 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 Administrative Expenses 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 the District, 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.]

REGIONS BANK
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

MM PRINCETON 854, LLC
a Texas limited liability company
(as Developer)

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

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

By: _____
Name: Mehrdad Moayed
Title: Manager

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Administrator)

By: _____
Name: _____
Title: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

EXHIBIT A

**CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2
PROJECT)**

DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: _____
Address: _____
City: _____
Telephone: _____
Contact Person: _____

TABLES 3(d)(i)

PHASE 2 IMPROVEMENTS ASSESSMENT ALLOCATION OVERVIEW (as of <i>[Insert Quarterly Ending Date]</i>)	
NUMBER OF PARCELS AND/OR LOTS IN PHASE 1 SUBJECT TO PHASE 2 IMPROVEMENTS ASSESSMENTS:	
Lot Type	
SF __'	
[Future SF]	
Total SF Units:	

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of <i>[Insert Quarterly Ending Date]</i>) OF PHASE 2			
Landowner Composition	Planned Single Family Lots	Actual Single Family Lots	% of Annual Installments
Subsequent Third-Party SF Residential Owned			
SF __'			

<i>Total Subsequent Third-Party Owned Lots:</i>			
Developer Owned			
SF __,			
<i>Total Developer Owned SF Lots:</i>			
<i>Total Development</i>			
Notations: - Listing of all Subsequent Third Party Owners and the percentage of each party'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 single family lots within Phase 2 of the District from the prior Quarterly Ending Date			

FOR SINGLE FAMILY RESIDENTIAL LOTS:

TABLE 3(d)(iii)

DEVELOPER ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN PHASE 2 OF THE DISTRICT					
	Number of Platted Lots	[New Home Starts] [Closed to Homebuilder]	Increase from <i>[insert prior Quarterly Ending Date]</i>	Under Contract w/ Homebuilder	Not Closed or Under Contract
Quarter Ending _____, 20__					
SF __,					
Total SF Units:					
Total Absorption:					
SF __,			N/A	N/A	N/A
Total SF Units:			N/A	N/A	N/A
Notation: - Explanation as to any changes to the number of lots planned to be developed in Phase 2 of the District by the Developer or Subsequent Third Party Owner					

[Remainder of page intentionally left blank]

TABLE 3(d)(iv)

HOMEBUILDER ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN PHASE 2 OF THE DISTRICT							
	Under Construction	Fully Constructed	Under Contract w/ End-User	Closed to End-user	Increase from [insert prior <i>Quarterly Ending Date</i>]	Average Sales Price of Home	Inventory not Closed or Under Contract
Quarter Ending _____, 20__							
[Homebuilder]							
SF __'							
Total Units:						N/A	
Total Absorption:							
SF __'							
Total Units:						N/A	
Notation: - Create table for each Homebuilder							

STATUS OF DEVELOPMENT:

TABLE 3(d)(v)

STATUS OF PRIVATE IMPROVEMENTS				
Private Improvement	Expected Construction Budget	Total Costs Spent to Date	Status of Construction	Expected or Actual Completion Date

TABLE 3(d)(vi)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vii)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Terms

STATUS OF PHASE 2 IMPROVEMENTS:**TABLES 3(e)**

PHASE 2 IMPROVEMENTS OVERVIEW		
	Budgeted	Actual
Total Costs required to complete Phase 2 Improvements:	\$ _____	\$ _____
Cost of Phase 2 Improvements Financed with the Bonds:	\$ _____	\$ _____
Cost of Phase 2 Improvements Financed with other Sources of Funds (non-bond financed):	\$ _____	\$ _____
Notations (information pursuant to 3(e)(ii) – (vii)): <ul style="list-style-type: none"> - Total construction budget - Total expected costs for design and engineering to be completed after delivery of the Bonds - List of construction milestones - Forecast completion date for each construction milestones - Construction budget allocated to such milestones - Forecast completion date - Issuer acceptance date 		

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EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Princeton, Texas
Name of Bond Special Assessment Revenue Bonds, Series 2023
Issue: (Whitewing Trails Public Improvement District No. 2 Phase 2 Project)
(the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“Subsequent Third Party Owner”]) has not
provided the [Quarterly Information][Quarterly Report] for the period ending on [Insert
Quarterly Filing Date] with respect to the Bonds as required by the Continuing Disclosure
Agreement of Developer dated February 15, 2023, by and among MM Princeton 854, LLC, a
Texas limited liability company (the “Developer”), 30 Three Sixty Public Finance, Inc., as the
“Administrator” and Regions Bank, an Alabama state banking corporation, as “Dissemination
Agent.” The [Developer][Subsequent Third Party Owner] anticipates that the [Quarterly
Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

REGIONS BANK, on behalf of the Developer
(as Dissemination Agent)

By: _____

Title: _____

cc: Developer
City of Princeton, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Princeton, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2023
(Whitewing Trails Public Improvement District No. 2 Phase 2 Project)
(the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

FMSbonds, Inc. [TRUSTEE]
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

City of Princeton, Texas [Developer][Subsequent Third Party Owner]
123 West Princeton Rd.
Princeton, Texas 75407

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“Subsequent Third Party Owner”]) is no longer
responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the
Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure
Agreement of Developer dated February 15, 2023, by and among MM Princeton 854, LLC, a
Texas limited liability company (the “Developer”), 30 Three Sixty Public Finance, Inc., (the
“Administrator”) and Regions Bank, an Alabama state banking corporation, (the “Dissemination
Agent”).

Dated: _____

30 Three Sixty Public Finance, Inc.,
on behalf of the Developer
(as Administrator)

By: _____

Title: _____

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Princeton, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2023
(Whitewing Trails Public Improvement District No. 2 Phase 2
Project)
CUSIP Nos. [insert CUSIP NOs.]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Whitewing Trails Public Improvement District No. 2

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Developer dated February 15, 2023 by and among MM Princeton 854, LLC, a Texas limited liability company (the “Developer”), 30 Three Sixty Public Finance, Inc., (the “Administrator”) and Regions Bank, an Alabama state banking corporation, (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][Subsequent Third Party Owner], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Subsequent Third Party Owner], constitutes the [portion of the] Quarterly Report required to be furnished by [Developer][Subsequent Third Party Owner]. Any and all Quarterly Information, provided by the [Developer][Subsequent Third Party Owner], 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.

MM PRINCETON 854, LLC
a Texas limited liability company
(as Developer)

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

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

By: _____
Name: Mehrdad Moayed
Title: Manager

OR

[Subsequent Third Party Owner

By: _____

Title: _____]

APPENDIX F

FORM OF CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

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**WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2
IMPROVEMENTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

THIS WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 PHASE 2 IMPROVEMENTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this “Agreement”), dated as of _____, is by and between the **CITY OF PRINCETON, TEXAS**, a home rule municipality of the State of Texas (the “City”), and **MM PRINCETON 854, LLC**, a Texas limited liability company, (the “Developer”).

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means the costs of the Authorized Improvements actually paid or incurred for construction and installation of the Authorized Improvements.

“**Administrator**” means, initially, 30 Three Sixty Public Finance, or any other individual or entity designated by the City to administer the District.

“**Authorized Improvements**” means improvements authorized by Section 372.003 of the Act, including and as listed in Section IV of the Service and Assessment Plan. An individual Authorized Improvement, including a completed segment, section or part, shall be referred to as an Authorized Improvement.

“**Authorized Improvements Costs**” means the “Authorized Improvements Costs” in the Service and Assessment Plan.

“**Bond Ordinance**” means the ordinance adopted by the City Council on _____ authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated "City of Princeton, Texas, Special Assessment Revenue Bonds, Series [2023] (Whitewing Trails Public Improvement District No. 2 Phase 2 Project)".

“**Budgeted Costs**” means the anticipated, agreed upon costs of the Authorized Improvements as shown in Section V of the Service and Assessment Plan.

“**Certificate for Payment**” means a certificate substantially in the form of Exhibit A attached to the Indenture approved by the Developer and the City Representative executed by a Person approved by the City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed with respect to the Authorized Improvements and the Actual Costs of the Authorized Improvements, and requesting payment for such costs or, as

appropriate, for the Budgeted Costs, in accordance with this Agreement, from money on deposit in the Project Fund as further described in the Indenture.

“City Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“City Regulations” means City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City.

“City Representative” means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

“Construction Contracts” means the contracts for the construction of an Authorized Improvement. “Construction Contract” means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the Actual Cost of an Authorized Improvement as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Costs of Issuance Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Cost Overrun” means, with respect to each Authorized Improvement, the Actual Cost, as appropriate, of such Authorized Improvement in excess of the Budgeted Cost.

“Development Agreement” means that certain First Amended and Restated Whitewing Trails Development Agreement executed by and among the City and the Developer, dated June 10, 2019, as amended.

“Development Standards” means the standards for Development set forth in the Development Agreement.

“District” shall mean Whitewing Trails Public Improvement District No. 2 created June 10, 2019.

“Final Completion” means completion of an Authorized Improvement in compliance with applicable City Regulations and Development Standards.

“Indenture” means that certain Indenture of Trust between the City and Regions Bank, an Alabama state banking corporation with offices in Houston, Texas, as trustee, dated as of _____ relating to the Bonds.

“Phase 2 Bond Improvement Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“PID Bond Proceeds” means proceeds of the Bonds, net of costs of issuance, capitalized interest, reserve funds and other financing costs, that are deposited to the Phase 2 Bond Improvement Account of the Project Fund.

“Plans” means the plans, specifications, schedules and related construction contracts for the Authorized Improvements, respectively, approved pursuant to the applicable standards,

ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where PID Bond Proceeds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means the Whitewing Trails Public Improvement District No. 2 Service and Assessment Plan (Phase 2 Project) adopted on _____ by the City Council, prepared pursuant to the Act.

ARTICLE II RECITALS

Section 2.01. The District and the Authorized Improvements.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Authorized Improvements.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture. The PID Bond Proceeds shall be used, in part, to finance all or a portion of the Authorized Improvements in accordance with the terms and limitations of the Development Agreement and the Service and Assessment Plan.

(c) The Authorized Improvements as set forth in the Service and Assessment Plan are eligible to be financed with PID Bond Proceeds, to the extent specified therein.

(d) The PID Bond Proceeds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Authorized Improvements for acquisition and acceptance by the City in accordance with the terms and conditions contained in the Development Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, intends to proceed with the issuance and delivery of the Bonds.

(b) The projects to be partially financed with the PID Bond Proceeds are the Authorized Improvements. The payment of costs from the PID Bond Proceeds for such Authorized Improvements shall be made from the Phase 2 Bond Improvement Account of the Project Fund, established under the Indenture pursuant to the terms of the Indenture.

(c) The City has no obligation to provide any funds to finance the Authorized Improvements. The Developer agrees and acknowledges that it is solely responsible for funding all Cost Overruns for the Authorized Improvements, as qualified, however, by the distribution of Cost Underrun (as defined in Section 4.03 hereof) monies, as detailed in Section 4.03.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to partially fund the Authorized Improvements Costs. The Developer's, or any other owners of property in the District, obligation to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Authorized Improvements Costs.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the costs of the Authorized Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Authorized Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

ARTICLE IV CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Authorized Improvements shall be constructed by, or at the direction of, the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken and with applicable City Regulations and Development Standards. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements, to be acquired and accepted by the City, from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Authorized Improvement and, upon completion, inspection, and acceptance, convey each such Authorized Improvement to the City in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to

which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Authorized Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Remaining Funds After Completion of an Authorized Improvement. Upon the Final Completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the Budgeted Cost (a “Cost Underrun”), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Authorized Improvement. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, the City Representative, in consultation with the Developer and the Administrator, will determine how to use such moneys to secure the payment and performance of the work for other Authorized Improvement. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement.

Section 4.04. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Authorized Improvements. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available, or become available, pursuant to Section 4.03. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the change order.

ARTICLE V ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. The costs of issuance of the Bonds shall be paid from the PID Bond Proceeds at closing pursuant to a City Directive. Costs of the Developer relating to the creation of the District (as set forth in the Service and Assessment Plan) shall be paid from PID Bond Proceeds at closing pursuant to a fully executed Certificate for Payment, substantially in the form as attached to the Indenture as Exhibit A, or otherwise agreed to by the Developer, Administrator, and the City Representative, submitted by the Developer to the City and the Trustee in advance of the closing of the Bonds.

Section 5.02. Certificate for Payment for an Authorized Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Authorized Improvement until a Certificate for Payment is received from the Developer. Upon receipt of a Certificate for Payment substantially in the form attached to the Indenture, the City shall review each Certificate for Payment in order to confirm compliance with all applicable governmental laws, rules and regulations, the Service and Assessment Plan, the

applicable Plan, and this Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review.

(b) The City shall review each Certificate for Payment within ten (10) Business Days of receipt thereof and upon approval, certify the Certificate for Payment pursuant to the provisions of the Indenture, and payment shall be made to the Developer pursuant to the terms of the Indenture provided that funds are available under the Indenture. If a Certificate for Payment is approved only in part, the City shall specify the extent to which the Certificate for Payment is approved and payment for such partially approved Certificate for Payment shall be made to the Developer pursuant to the terms of the Indenture, provided that funds are available under the Indenture.

(c) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Certificate for Payment, the City shall deliver a detailed notice to the Developer within ten (10) Business Days of receipt thereof, and payment with respect to disputed portion(s) of the Certificate for Payment shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction. A denial of any portion of a Certificate for Payment may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative.

Section 5.03. Payment for an Authorized Improvement.

(a) Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment as set forth in the Indenture.

(b) Each approved Certificate for Payment that await reimbursement shall not accrue interest.

(c) The Trustee shall make payment as set forth in the Certificate for Payment. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Authorized Improvement identified in such request for payment being paid, then Trustee shall hold the payment until Final Completion of the work with respect to that Authorized Improvement and acceptance of same by the City.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Authorized Improvement to foreclosure, forfeiture, or sale.

ARTICLE VI

OWNERSHIP AND TRANSFER OF THE AUTHORIZED IMPROVEMENTS

Section 6.01. Authorized Improvements to be Owned by the City – Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Authorized Improvement including any related rights-of-way, easements, and open spaces if any, to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Authorized Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Authorized Improvement until the Developer has cured such objections to title to the reasonable satisfaction of the City.

Section 6.02. Authorized Improvements Constructed on City Land or Developer Land. If the Authorized Improvement is on land owned by the City, the City hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance by the City) of the Authorized Improvement. If the Authorized Improvement is on land owned by the Developer, the Developer shall dedicate easements by plat or shall execute and deliver to the City such access and maintenance easements as the City may reasonably require in recordable form, and the Developer hereby grants to the City a nonexclusive access and maintenance easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance by the City) of the Authorized Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Authorized Improvement as required by this Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement. The provisions for inspection and acceptance of such Authorized Improvement otherwise provided herein shall apply to such Authorized Improvement.

ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer consists of one limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer. The consummation by the Developer of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any term or provision of the organizational documents of the

Developer, or any of the terms of any agreement or instrument to which the Developer is a Party, or by which the Developer is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Authorized Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Authorized Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition, construction or installation of any improvements that are not part of the costs associated with the Authorized Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

(g) Financial Records. For a period of two years after completion of the Authorized Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Authorized Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the City or its agent at any reasonable time during regular business hours on reasonable notice.

Section 7.02. Indemnification and Hold Harmless. The Developer shall assume the defense of, and indemnify by reason of, or resulting from Developer's breach of any provision of this Agreement and shall hold harmless the City Inspector, the City, employees, officials, officers, representatives and agents of the City, and each of them (each an "Indemnified Party"), from and against all actions, damages, claims, losses or expense of every type and description (including without limitation attorney's fees and related expenses) to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Agreement by the Developer, the negligent design, engineering and/or construction by the Developer or any architect, engineer or contractor hired by the Developer of any of the Authorized Improvements, the Developer's nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Authorized Improvements, or any claims of persons employed by the Developer or its agents to construct such projects. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable to the willful misconduct or gross negligence of any Indemnified Party.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Authorized Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the costs of Authorized Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise adversely affected in any manner.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, and the Developer shall have no claim or right to any further payments for the Authorized Improvements Cost hereunder, which has not been accepted by the City or as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such breach or default described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such breach or default to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice). Upon receipt of such notice, Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to available options to assure timely completion, subject to the terms of this Agreement, of the Authorized Improvements. The City shall allow the Developer a minimum of ninety (90) days to eliminate or to mitigate such breach or default to the reasonable satisfaction of the City ("Cure Period"). The Cure Period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such breach or default. If at the end of the Cure Period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the reasonable satisfaction of the City, the City may then terminate this Agreement. Upon termination of this Agreement, the City shall (i) provide written notice of such termination the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) and (ii) instruct the Trustee to cease making payments for the Actual Costs and/or Budgeted Costs, as appropriate, of Authorized Improvements, provided that the Developer shall receive payment of the Actual Costs or Budgeted Costs, as appropriate, of any Authorized Improvements that were accepted by the City at the time of termination, so long as the Developer has complied with the requirements of the Development Agreement, this Agreement and the Indenture.

(c) Except as set forth in subsection (b), above, if this Agreement is terminated by the City, the Developer shall have no claim or right to any further payments for the Authorized Improvements hereunder and the City shall have no obligation to perform any work related to Authorized Improvements or to incur any associated expense or cost.

Section 8.03. Termination Upon Payment of Authorized Improvements. This Agreement will terminate upon the Final Completion of the Authorized Improvements and payment to the Developer as provided for in the Indenture.

Section 8.04. Construction of the Authorized Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Authorized Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted), then the specified time for performance shall be extended by the amount of the delay actually so caused.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager
	City of Princeton
	2000 E Princeton Drive
	Princeton, Texas 75407

With a copy to: Attn: City Attorney
Wolfe, Tidwell & McCoy, LLP
City of Princeton Attorney
2591 Dallas Parkway, Suite 205
Frisco, TX 75034

To the Developer: Attn: Mehrdad Moayed
MM Princeton 854, LLC
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

With a copy to: Attn: Travis Boghetich
Boghetich Law, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.03. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.04. Audit. The City Inspector or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.02 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lienholder on the Property, without prior written consent of the City Representative. A lienholder is not a party to this Agreement unless this Agreement is amended, with the consent of the lienholder, to add the lienholder as a Party. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Representative (which consent shall not be unreasonably withheld if assignee demonstrates financial ability to perform), except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Authorized Improvement. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate

writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, City Regulations, Development Standards, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.14 Term. The term of this Agreement, other than the provisions contained herein which survive the termination of this Agreement, shall be pursuant to Section 8.03 of this Agreement.

Section 9.15. No Boycott Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel,’ a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, 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 Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 9.16. Not a Listed Company. The Developer 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/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 enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer 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. As used in this Section, the Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.17. Verification Regarding Energy Company Boycotts. To the extent this Agreement 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 Developer 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 Agreement. The foregoing verification is made solely to enable the City 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,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), 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. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.18. Verification Regarding Discrimination Against Firearm Entity or Trade Association.

To the extent this Agreement 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 Developer 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 against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the City 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 and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (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;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as 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 (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) ‘firearm trade association,’ a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any 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.

As used in this Section, the Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.19. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer’s participation in the execution of this 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 City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City 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 Developer; and, neither the City nor its consultants have verified such information.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of _____, 2023.

ATTEST:

CITY OF PRINCETON

Name: Amber Anderson
Title: City Secretary

By: _____
Name: Brianna Chacon
Title: Mayor

APPROVED AS TO FORM:

Name: Clark McCoy
Title: City Attorney

DEVELOPER:

MM Princeton 854, LLC,
a Texas limited liability company

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

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

By: _____
Name: Mehrdad Moayed
Its: Manager

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APPENDIX G

APPRAISAL OF PROPERTY WITHIN PHASE 2 OF THE DISTRICT

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Integra Realty Resources

Dallas

Appraisal of Real Property

Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)

Phases 2A, 2B, and 2C

East side of Beauchamp Boulevard and north and south sides of Princeton Parkway
Princeton, Collin County, Texas 75407

Prepared For:

City of Princeton and FMSbonds, Inc.

Date of the Report:

January 30, 2023

Report Format:

Appraisal Report

IRR - Dallas

File Number: 191-2022-0902



Concept Plan



Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)

East side of Beauchamp Boulevard and north and south sides of Princeton Parkway
Princeton, Collin County, Texas

Aerial Photograph





January 30, 2023

City of Princeton
Mr. Derek Borg
City Manager
2000 E Princeton Drive
Princeton, TX 75407

FMSbonds, Inc.
Mr. R. R. "Tripp" Davenport, III
Director
5 Cowboys Way, Suite 300-25
Frisco, TX 75034

SUBJECT: Market Value Appraisal
 Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)
 East side of Beauchamp Boulevard and north and south sides of Princeton
 Parkway
 Princeton, Collin County, Texas 75407
 IRR - Dallas File No. 191-2022-0902

Dear Messrs. Borg and Davenport, III:

Integra Realty Resources – Dallas is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the fee simple prospective market values as completed in the property as of the effective date of the appraisal. The following opinions of value are provided:

- Prospective Market Value As Completed (Phase 2A, 227 Lots) as of March 1, 2023
- Prospective Market Value As Completed (Phase 2B, 225 Lots) as of March 1, 2023
- Prospective Market Value As Completed (Phase 2C, 120 Lots) as of March 1, 2023

The clients for the assignment are the City of Princeton and FMSbonds, Inc., and the intended use is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID".

The subject represents three proposed phases of lot development located within the Whitewing Trails Public Improvement District No. 2, Phase 2 Project ("PID") located in the city of Princeton, Collin County, Texas. This portion of the PID represents Phases 2A, 2B, and 2C which are platted with a total of 572 single-family lots with two typical dimensions (50'/60' x 120'). The lots are designed for front access. The property in the PID is zoned under the guidelines of the PD-10 District (Planned Development -10) which allows for a wide range of mixed-uses with the subject's Phase 2 Project limited to single-family use according to the approved concept plan relative to Phases 2A, 2B, and 2C. Substantial completion of Phases 2A, 2B, and 2C in the PID is expected by March 1, 2023. The unit mix for the three subject phases follows:

Whitewing Trails Public Improvement District No. 2 (Phase 2 Project), Princeton, Texas								
Phase	Location	Acres	Density		Open Space		Typical Lot Dimensions	
			Per Acre	Acres	Acres		50' x 120'	60' x 120'
2A	NEQ of Beauchamp Blvd. and Monte Carlo Blvd.	51.660	4.4	5.22	227	0	227	March 1, 2023
2B	S/S Princeton Pkwy., west of Beauchamp Blvd.	54.291	4.1	7.41	225	0	225	March 1, 2023
2C	N/S Princeton Pkwy., west of Beauchamp Blvd.	33.710	3.6	1.89	0	120	120	March 1, 2023
Totals		139.661	4.1	14.52	452	120	572	
					79%	21%	100%	

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions, Whitewing Public Improvement District No. 2 (Phase 2 Project)			
Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed (Phase 2A)	Fee Simple	March 1, 2023	\$16,730,000
Prospective Market Value As Completed (Phase 2B)	Fee Simple	March 1, 2023	\$16,590,000
Prospective Market Value As Completed (Phase 2C)	Fee Simple	March 1, 2023	\$10,735,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property (Whitewing Public Improvement District No. 2, Phase 2 Project) including land areas, lot totals, lot sizes, and other pertinent data that was provided by USA Professional Services Group, Inc. (engineering/surveyors), MM Princeton 854, LLC (developer/owner), and the Collin Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of March 1, 2023, the effective appraisal date.
4. According to the engineer, the LOMR that takes the lots out of the flood plain has not actually been approved yet. The work has been done and has been submitted to FEMA; however, a portion of the lots, 57 lots located in Phase 2A and seven (7) lots in Phase 2C, currently remain in the regulatory flood plain. Our valuation is based upon the lots not being in the flood plain.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

City of Princeton
Mr. Derek Borg
January 30, 2023
Page 4

FMSbonds, Inc.
Mr. R. R. "Tripp" Davenport, III

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Dallas



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Table of Contents

Quality Assurance	1	Valuation	62
Executive Summary	2	Valuation Methodology	62
Identification of the Appraisal Problem	5	50' Frontage Lots (50' x 120'; 6,000 SF)	64
Subject Description	5	60' Frontage Lots (60' x 120'; 7,200 SF)	71
Sale History	5	Cumulative Retail Lot Values	77
Pending Transactions	5	Summary of Net/Gross Value Conclusion	78
Appraisal Purpose	6	Subdivision Development Approach (As Complete)	80
Value Type Definitions	6	Discount Rate	83
Appraisal Premise Definitions	7	Reconciliation and Conclusion of Values	89
Property Rights Definitions	7	Conclusion of Values	90
Client and Intended User(s)	7	Exposure Time	92
Intended Use	7	Marketing Time	92
Applicable Requirements	8	Certification	93
Report Format	8	Assumptions and Limiting Conditions	95
Prior Services	8		
Appraiser Competency	8	Addenda	
Scope of Work	9	A. Appraiser Qualifications	
Economic Analysis	11	B. IRR Quality Assurance Survey	
Collin County Area Analysis	11	C. Definitions	
Surrounding Area Analysis	20	D. Property Information	
Residential Analysis	27	E. Land Sales – 50' Frontage Lots	
Property Analysis	36	Land Sales - 60' Frontage Lots	
Land Description and Analysis	36		
General Description - Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)	40		
Allocation of Authorized Improvements	56		
Real Estate Taxes	59		
Highest and Best Use	60		

Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

The IRR Certified Reviewer who provided the quality assurance assessment for this assignment is Jimmy H. Jackson, MAI.

Executive Summary

Property Name	Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)		
Location	East side of Beauchamp Boulevard and north and south sides of Princeton Parkway Princeton, Collin County, Texas 75407		
School District	Princeton ISD		
Property Type	Land - Residential Subdivision		
Owner of Record	MM Princeton 854 LLC		
Tax ID	Part of 2658194		
Total Land Areas:			
Phase 2A	51.660 acres; 2,250,328 SF		
Phase 2B	54.291 acres; 2,364,918 SF		
Phase 2C	33.710 acres; 1,468,393 SF		
Total Single-Family Lots:			
Phase 2A Lots	227 lots (50' x 120'; 6,000 SF)		
Phase 2B Lots	225 lots (50' x 120'; 6,000 SF)		
Phase 2C Lots	120 lots (60' x 120'; 7,200 SF)		
Zoning Designation	PD-10 (Planned Development), Mixed-use		
Highest and Best Use	Single-family residential use		
Highest and Best Use - As Improved	As Proposed		
Exposure Time; Marketing Period	6 - 9 months; 6 - 9 months		
Effective Date of the Appraisal	March 1, 2023		
Date of the Report	January 30, 2023		
Property Interest Appraised	Fee Simple		
Cumulative Retail Values*			
Phase 2A	\$18,160,000	(\$80,000/lot)	
Phase 2B	\$18,000,000	(\$80,000/lot)	
Phase 2C	\$11,520,000	(\$96,000/lot)	
Value Conclusions			
50' Frontage Lots	\$80,000	(\$1,600/Front Footage)	
60' Frontage Lots	\$96,000	(\$1,600/Front Footage)	
Value Conclusions - Whitewing Public Improvement District No. 2 (Phase 2 Project)			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed (Phase 2A)	Fee Simple	March 1, 2023	\$16,730,000
Prospective Market Value As Completed (Phase 2B)	Fee Simple	March 1, 2023	\$16,590,000
Prospective Market Value As Completed (Phase 2C)	Fee Simple	March 1, 2023	\$10,735,000
*It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.			
The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Princeton and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.			

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property (Whitewing Public Improvement District No. 2, Phase 2 Project) including land areas, lot totals, lot sizes, and other pertinent data that was provided by USA Professional Services Group, Inc. (engineering/surveyors), MM Princeton 854, LLC (developer/owner), and the Collin Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of March 1, 2023, the effective appraisal date.
4. According to the engineer, the LOMR that takes the lots out of the flood plain has not actually been approved yet. The work has been done and has been submitted to FEMA; however, a portion of the lots, 57 lots located in Phase 2A and seven (7) lots in Phase 2C, currently remain in the regulatory flood plain. Our valuation is based upon the lots not being in the flood plain.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats. The overall valuation influences are summarized in the following table.

Valuation Influences

Strengths

- Limited amount of available developed lots in market area
- High demand for residential lots in market area
- The property is located in a fast-growing area
- The property is located within a Public Improvement District

Weaknesses

- Potential competition from other developments
- Large supply of vacant undeveloped land

Opportunities

- Profit from lot sales
- Demand for new housing continues to grow

Threats

- The housing market continues to be affected by supply, labor, and lot shortages
 - Next 1 – 2 years will likely be volatile, given the interplay of inflation and monetary policy and expected increases in interest rates
 - Possible economic downturn
 - Inflation
 - Rising interest rates
-

Identification of the Appraisal Problem

Subject Description

The subject represents three proposed phases of lot development located within the Whitewing Trails Public Improvement District No. 2, Phase 2 Project ("PID") located in the city of Princeton, Collin County, Texas. This portion of the PID represents Phases 2A, 2B, and 2C which are platted with a total of 572 single-family lots with two typical dimensions (50'/60' x 120'). The lots are designed for front access. The property in the PID is zoned under the guidelines of the PD-10 District (Planned Development -10) which allows for a wide range of mixed-uses with the subject's Phase 2 Project limited to single-family use according to the approved concept plan relative to Phases 2A, 2B, and 2C. Substantial completion of Phases 2A, 2B, and 2C in the PID is expected by March 1, 2023. Legal descriptions of the property are provided in the addendum.

Property Identification

Property Name	Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)
Address	East side of Beauchamp Boulevard and north and south sides of Princeton Parkway Princeton, Texas 75407
Tax ID	Part of 2658194
Owner of Record	MM Princeton 854 LLC

Sale History

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date. The subject as a whole is not currently under contract to purchase. However, the proposed lots are contracted as follows:

Lot Contract Summary - Whitewing Trails PID No. 2 (Phase 2 Project)

	Typical Lot Dimensions			Base Lot Price		Base Price/FF		Overall Absorption Period	
	50' x 120'	60' x 120'	Total Lots	50' Lots	60' Lots	50' Lots	60' Lots	Absorption/ Month	Total Absorption Period (Months ±)
Home Builder									
Beazer Homes Texas, L.P.	110*	46*	156	\$57,500	\$68,500	\$1,150	\$1,142	5.7	27.2
TSHH, LLC (Greenbrick Homes)	111	75	186	\$58,000	\$69,000	\$1,160	\$1,150	9.6	19.3
DRHI, Inc. (D.R. Horton Homes)	112	0	112	\$57,500	N/A	\$1,150	N/A	6.7	16.8
Pulte Homes of Texas, L.P.	112	0	112	\$57,500	N/A	\$1,150	N/A	6.7	16.8
Totals	445	121	566					28.7	

*The developer indicates that a lot split is being negotiated with Beazer Homes to lose one 60' lot and gain a 50' lot.

All lots are contracted with an annual 6% escalation and a \$500/lot marketing fee. Amenity fees of \$1,500/lot apply to Beazer Homes and Greenbrick Homes and \$1,000/lot to D.R. Horton Homes and Pulte Homes. PID fees of \$1,800/lot apply to Beazer Homes, Greenbrick Homes, and D.R. Horton Homes and Pulte Homes.

It is noted that six lots are considered to be model lots contracted at the same lot prices for similar frontage lots to the homebuilders. The contracted lot prices are below current market lot sales data and our opinions of value (\$70,000/lot for the 50' lots and \$84,000/lot for the 60' lots).

Appraisal Purpose

The purpose of the appraisal is to develop an opinion of the fee simple prospective market values as completed in the property as of the effective date of the appraisal. The following opinions of value are provided:

- Prospective Market Value As Completed (Phase 2A, 227 Lots) as of March 1, 2023
- Prospective Market Value As Completed (Phase 2B, 225 Lots) as of March 1, 2023
- Prospective Market Value As Completed (Phase 2C, 120 Lots) as of March 1, 2023

The date of the report is January 30, 2023. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. [Chicago: Appraisal Institute, 2022])

Prospective Market Value As Completed

The market value of a property as of a future date when all construction is expected to be completed. It is based on market conditions forecasted to exist as of the completion date. This value premise assumes the project is complete and ready to sale to individuals/builders.²

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Client and Intended User(s)

The clients and intended users are the City of Princeton and FMSbonds, Inc. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report; provided that it is acknowledged that this appraisal will be included in a limited offering memorandum for PID bonds.

Intended Use

The intended use of the appraisal is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID". The appraisal is not intended for any other use.

² Compiled and summarized from several industry sources

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute
- Applicable state appraisal regulations

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

The financial data of the subject, including statistics reports, historical absorption figures, and tax and assessment records was analyzed. This information, as well as trends established by confirmed market indicators, is used to forecast future performance of the subject property.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Shelley Sivakumar	On-site	October 8, 2022
Jimmy H. Jackson, MAI	None	N/A
Ernest Gatewood	On-site	October 8, 2022

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized
Subdivision Development Approach	Applicable	Utilized

The Sales Comparison Approach involves research, verification, and comparison of sales of other vacant lots. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file.

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file. Cost figures were obtained from the developer and compared to cost figures on competing developments. The cost figures are based on actual costs provided by the developer. Developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

In the Income Capitalization Approach, specific appraisal techniques are applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

In the Subdivision Development Approach, the retail value of the lots has been estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. The indicated value by the Income Capitalization Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

Economic Analysis

Collin County Area Analysis

Collin County is 841 square miles in size and has a population density of 1,314 persons per square mile.

Population

Collin County has an estimated 2022 population of 1,105,764, which represents an average annual 2.9% increase over the 2010 census of 782,341. Collin County added an average of 26,952 residents per year over the 2010-2022 period, and its annual growth rate exceeded the Dallas MSA rate of 1.7%.

Looking forward, Collin County's population is projected to increase at a 1.4% annual rate from 2022-2027, equivalent to the addition of an average of 16,022 residents per year. Collin County's growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.2%.

Population Trends					
	Population			Compound Ann. % Chng	
	2010 Census	2022 Estimate	2027 Projection	2010 - 2022	2022 - 2027
Collin County, TX	782,341	1,105,764	1,185,875	2.9%	1.4%
Dallas-Fort Worth-Arlington, TX Metro	6,366,542	7,826,862	8,291,685	1.7%	1.2%
Texas	25,145,561	29,801,205	31,381,561	1.4%	1.0%
USA	308,745,538	334,279,739	344,999,336	0.7%	0.6%

Source: Claritas

Employment

Total employment in Collin County was estimated at 484,103 jobs at year-end 2021. Between year-end 2011 and 2021, employment rose by 181,778 jobs, equivalent to a 60.1% increase over the entire period. There were gains in employment in nine out of the past ten years. Consistent with national trends, there were losses in 2020, with the onset of the COVID-19 pandemic, followed by a return to positive growth in 2021. Collin County's rate of employment growth over the last decade surpassed that of the Dallas MSA, which experienced an increase in employment of 29.9% or 879,305 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Collin County unemployment rate has been consistently lower than that of the Dallas MSA, with an average unemployment rate of 4.6% in comparison to a 5.1% rate for the Dallas MSA. A lower unemployment rate is a positive indicator.

Recent data shows that the Collin County unemployment rate is 3.3% in comparison to a 3.8% rate for the Dallas MSA, a positive sign that is consistent with the fact that Collin County has outperformed the Dallas MSA in the rate of job growth over the past two years.

Employment Trends

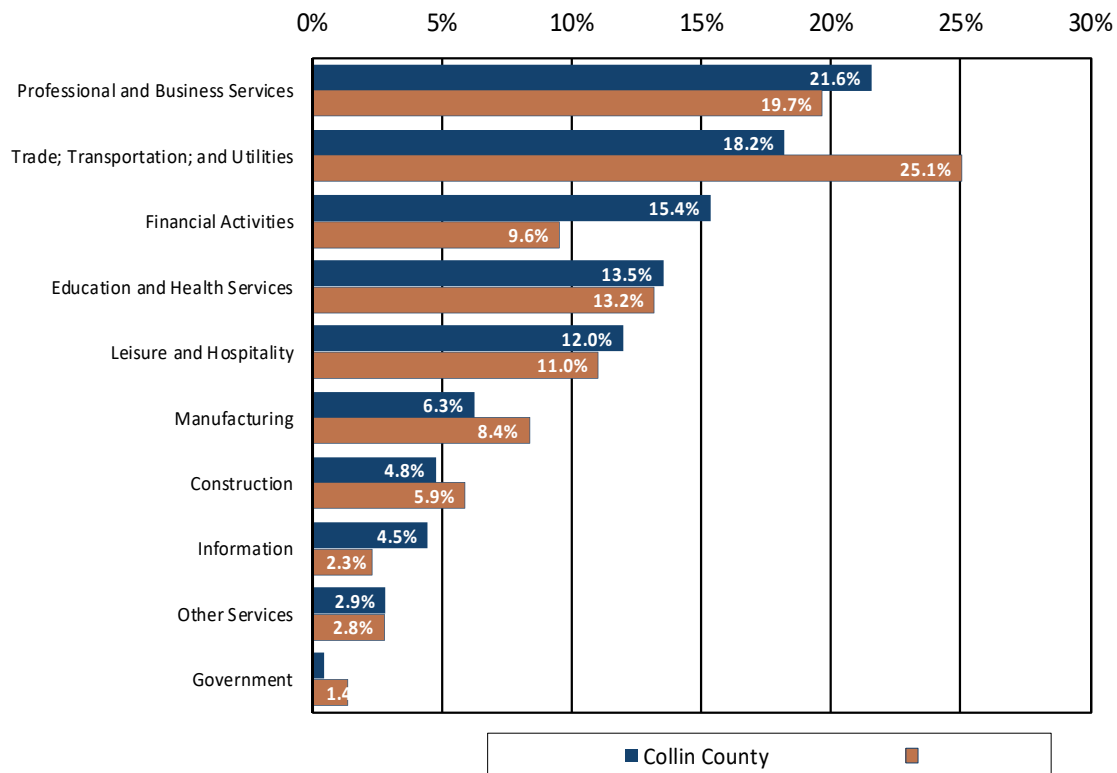
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Collin County	% Change	Dallas MSA	% Change	Collin County	Dallas MSA
2011	302,325		2,943,465		7.0%	7.8%
2012	320,125	5.9%	3,044,114	3.4%	5.9%	6.5%
2013	336,727	5.2%	3,127,712	2.7%	5.6%	6.2%
2014	355,381	5.5%	3,254,583	4.1%	4.6%	5.1%
2015	375,692	5.7%	3,360,668	3.3%	3.7%	4.1%
2016	389,832	3.8%	3,441,839	2.4%	3.6%	3.9%
2017	409,754	5.1%	3,526,930	2.5%	3.5%	3.7%
2018	425,738	3.9%	3,606,436	2.3%	3.4%	3.6%
2019	443,718	4.2%	3,719,023	3.1%	3.1%	3.3%
2020	440,181	-0.8%	3,595,494	-3.3%	6.3%	7.1%
2021	484,103	10.0%	3,822,770	6.3%	4.3%	5.1%
Overall Change 2011-2021	181,778	60.1%	879,305	29.9%		
Avg Unemp. Rate 2011-2021					4.6%	5.1%
Unemployment Rate - June 2022					3.3%	3.8%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Collin County job market is depicted in the following chart, along with that of the Dallas MSA. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Collin County jobs in each category.

Employment Sectors - 2021



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Collin County has greater concentrations than the Dallas MSA in the following employment sectors:

1. Professional and Business Services, representing 21.6% of Collin County payroll employment compared to 19.7% for the Dallas MSA as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Financial Activities, representing 15.4% of Collin County payroll employment compared to 9.6% for the Dallas MSA as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Education and Health Services, representing 13.5% of Collin County payroll employment compared to 13.2% for the Dallas MSA as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

4. Leisure and Hospitality, representing 12.0% of Collin County payroll employment compared to 11.0% for the Dallas MSA as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Collin County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 18.2% of Collin County payroll employment compared to 25.1% for the Dallas MSA as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Manufacturing, representing 6.3% of Collin County payroll employment compared to 8.4% for the Dallas MSA as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
3. Construction, representing 4.8% of Collin County payroll employment compared to 5.9% for the Dallas MSA as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Government, representing 0.5% of Collin County payroll employment compared to 1.4% for the Dallas MSA as a whole. This sector includes employment in local, state, and federal government agencies.

Major Employers

Major employers in Collin County are shown in the following table.

Major Employers - Collin County, TX		
	Name	Number of Employees
1	Texas Instruments	9,100
2	Bank of America Home Loans	8,000
3	Plano Independent School District	6,500
4	Frisco Independent School District	5,000
5	Capital One Finance	4,500
6	LifeCare	4,500
7	HP Enterprise Services	4,500
8	AT&T	4,300
9	Nortel	4,300
10	Toyota Motor Corp.	4,000

Source: collincountytx.gov

Major employers in the DFW metro area are shown in the following table.

Major Employers - DFW Metro		
	Name	Number of Employees
1	AMR Corporation	24,700
2	Bank of America Corporation	20,000
3	Texas Health Resources Inc.	19,230
4	Dallas ISD	18,314
5	Baylor Health Care System	17,097
6	AT&T	15,800
7	Lockheed Martin Aeronautics	14,126
8	JP Morgan Chase & Co.	13,500
9	UT-Southwestern Medical Center	13,122
10	City of Dallas	12,836

Source: <http://www.destinationdfw.com/Largest-Employers-in-Dallas-Fort-Worth-Texas/>

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been considerably higher in Collin County than the Dallas MSA overall during the past ten years. Collin County has grown at a 5.8% average annual rate while the Dallas MSA has grown at a 3.0% rate. Collin County appears to be less affected by the recent downturn than the Dallas MSA. The area's GDP rose by 1.6% in 2020 while the Dallas MSA's GDP fell by 2.2%. GDP figures for 2021 are not yet available at the local level, but GDP on a national level increased 5.7% in 2021, in contrast to the pandemic-related decrease of 3.4% in 2020.

Collin County has a per capita GDP of \$60,722, which is 2% less than the Dallas MSA's GDP of \$61,998. This means that Collin County industries and employers are adding relatively less value to the economy than their counterparts in the Dallas MSA.

Gross Domestic Product				
Year	(\$,000s) Collin County	% Change	(\$,000s) Dallas MSA	% Change
2011	39,315,089		365,601,169	
2012	42,783,345	8.8%	377,846,407	3.3%
2013	45,111,721	5.4%	388,536,307	2.8%
2014	48,042,251	6.5%	402,787,824	3.7%
2015	52,123,618	8.5%	422,048,089	4.8%
2016	56,132,046	7.7%	435,497,728	3.2%
2017	59,054,882	5.2%	451,716,926	3.7%
2018	62,749,137	6.3%	470,511,767	4.2%
2019	64,095,670	2.1%	487,604,849	3.6%
2020	65,098,585	1.6%	477,022,901	-2.2%
Compound % Chg (2011-2020)		5.8%		3.0%
GDP Per Capita 2020	\$60,722		\$61,998	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2021. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Household Income

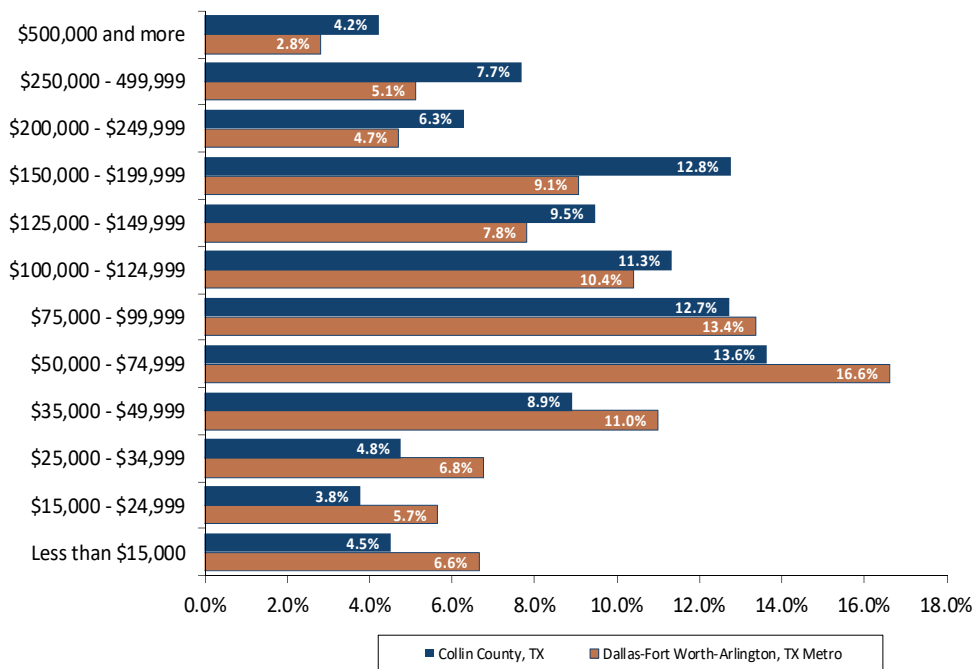
Collin County is more affluent than the Dallas MSA. Median household income for Collin County is \$103,590, which is 28.4% greater than the corresponding figure for the Dallas MSA.

Median Household Income - 2022

	Median
Collin County, TX	\$103,590
Dallas-Fort Worth-Arlington, TX Metro	\$80,687
Comparison of Collin County, TX to Dallas-Fort Worth-Arlington,	+ 28.4%
Source: Claritas	

The following chart shows the distribution of households across twelve income levels. Collin County has a greater concentration of households in the higher income levels than the Dallas MSA. Specifically, 64% of Collin County households are at the \$75,000 or greater levels in household income as compared to 53% of Dallas MSA households. A lesser concentration of households is apparent in the lower income levels, as 13% of Collin County households are below the \$35,000 level in household income versus 19% of Dallas MSA households.

Household Income Distribution - 2022

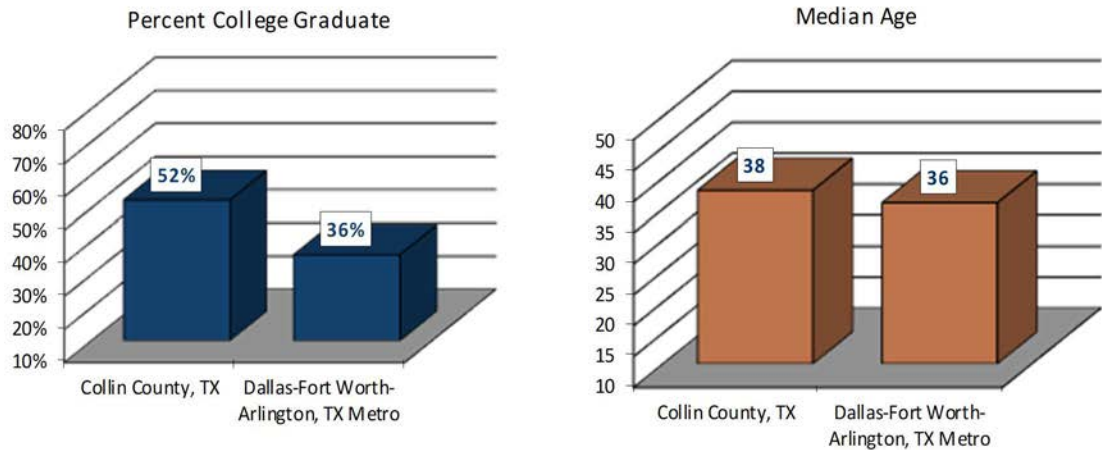


Source: Claritas

Education and Age

Residents of Collin County have a higher level of educational attainment than those of the Dallas MSA. An estimated 52% of Collin County residents are college graduates with four-year degrees, versus 36% of Dallas MSA residents. People in Collin County are older than their Dallas MSA counterparts. The median age for Collin County is 38 years, while the median age for the Dallas MSA is 36 years.

Education & Age - 2022



Source: Claritas

Conclusion

The Collin County economy will benefit from a growing population base and higher income and education levels. Collin County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than the Dallas MSA over the past decade. It is anticipated that the Collin County economy will improve, and employment will grow, strengthening the demand for real estate.

Surrounding Area Analysis

Boundaries

The subject is located in the city of Princeton in central Collin County, Texas and is within the Whitewing Trails Public Improvement District, Improvement Area #2. This area is generally delineated as follows:

Boundaries & Delineation	
Boundaries	
Market Area	Dallas-Fort Worth, TX
Submarket	Princeton
Area Type	Suburban
Delineation	
North	City of Princeton Boundary Lines
South	City of Princeton Boundary Lines
East	SH-75
West	US-75

A map identifying the location of the property follows this section.

Access and Linkages

Access & Linkages	
Vehicular Access	
Major Highways	US-380, US-75
Primary Corridors	SH-75, Monte Carlo Boulevard, N. Beauchamp Boulevard
Vehicular Access Rating	Average
Public Transit	
Providers	Collin County Area Regional Transit
Transit Access Rating	Average
Airport(s)	
	DFW International
Distance	42 miles
Driving Time	50 minutes
Primary Transportation Mode	Automobile

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2022 Estimates	3-Mile Radius	5-Mile Radius	10-Mile Radius	Collin County, TX	Dallas-Fort Worth-Arlington, TX Metro
Population 2010	9,693	14,900	140,948	782,341	6,366,542
Population 2022	15,800	22,970	201,032	1,105,764	7,826,862
Population 2027	16,923	24,602	216,007	1,185,875	8,291,685
Compound % Change 2010-2022	4.2%	3.7%	3.0%	2.9%	1.7%
Compound % Change 2022-2027	1.4%	1.4%	1.4%	1.4%	1.2%
Households 2010	3,322	5,079	47,471	283,759	2,296,410
Households 2022	5,496	7,989	67,251	394,890	2,795,625
Households 2027	5,917	8,606	72,165	422,341	2,955,954
Compound % Change 2010-2022	4.3%	3.8%	2.9%	2.8%	1.7%
Compound % Change 2022-2027	1.5%	1.5%	1.4%	1.4%	1.1%
Median Household Income 2022	\$81,875	\$83,309	\$92,245	\$103,590	\$80,687
Average Household Size	2.9	2.9	3.0	2.8	2.8
College Graduate %	25%	25%	40%	52%	36%
Median Age	37	38	38	38	36
Owner Occupied %	76%	78%	75%	68%	62%
Renter Occupied %	24%	22%	25%	32%	38%
Median Owner Occupied Housing Value	\$269,987	\$287,870	\$387,006	\$412,932	\$293,805
Median Year Structure Built	2005	2005	2003	2001	1991
Average Travel Time to Work in Minutes	36	35	33	32	31
Source: Claritas					

As shown above, the current population within a five-mile radius of the subject is 22,970, and the average household size is 2.9. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Collin County overall, the population within a five-mile radius is projected to grow at a similar rate.

Median household income is \$83,309, which is lower than the household income for Collin County. Residents within a five-mile radius have a considerably lower level of educational attainment than those of Collin County, while median owner-occupied home values are considerably lower.

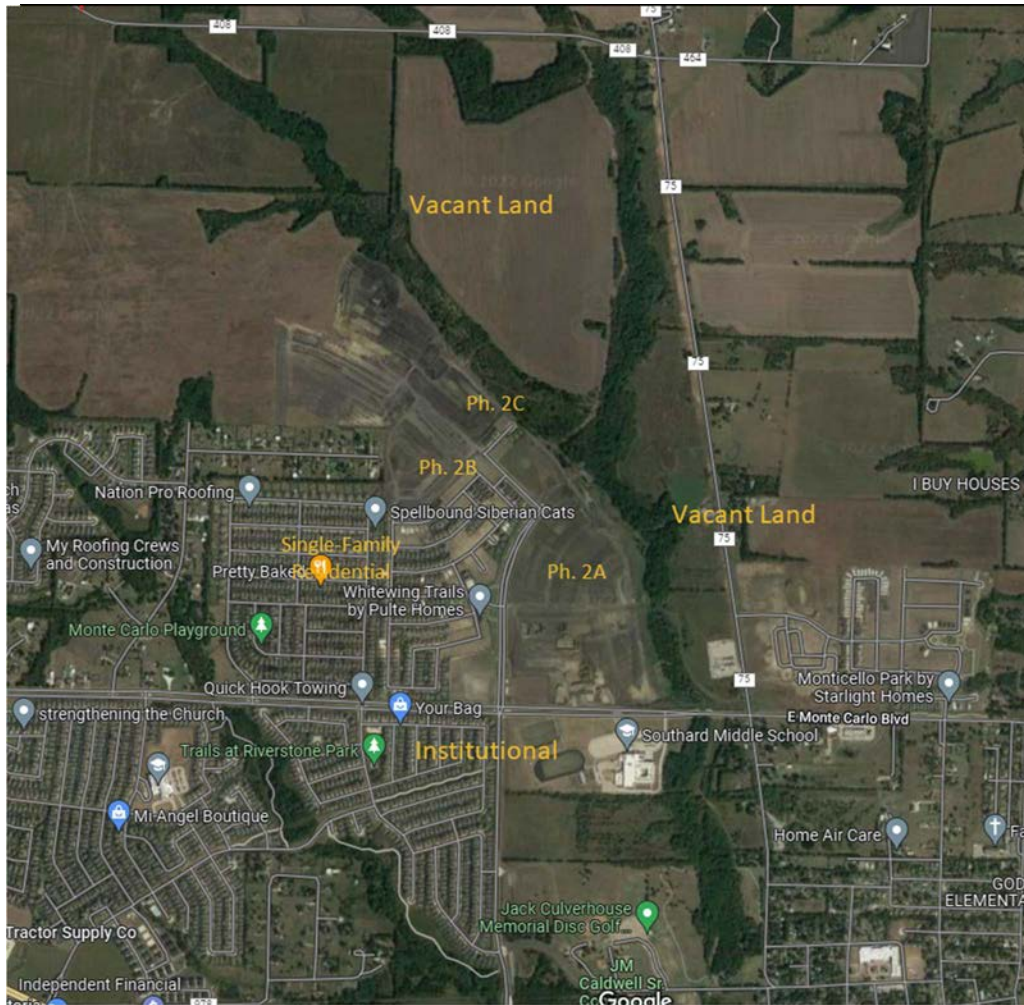
Land Use

In the immediate vicinity of the subject, land uses include a mix of single-family residential with commercial along major thoroughfares. Other land use characteristics are summarized as follows:

Surrounding Area Land Uses

Character of Area	Suburban
Predominant Age of Improvements	50± years
Predominant Quality and Condition	Average
Approximate Percent Developed	55%
Infrastructure/Planning	Average

Subject's Immediate Surroundings

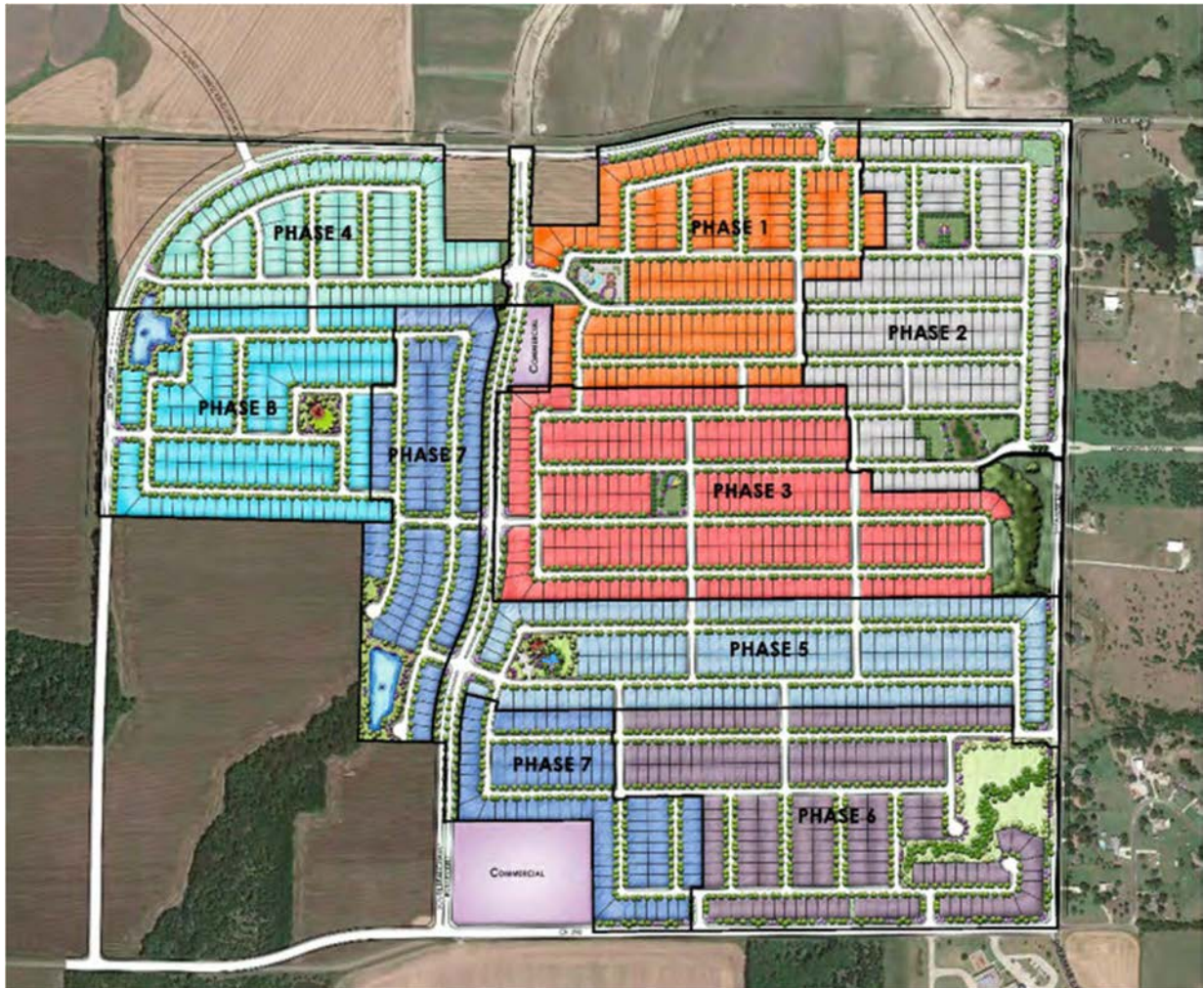


Development Activity and Trends

During the last five years, development has been predominantly of residential uses with supportive commercial uses. The pace of development has generally been increasing over this time. Following is a summary of recent development trends which affect the neighborhood area within and near the city of Princeton as follows.

Whitewing Trails Public Improvement District is an 853.536-acre, mixed-use development currently under construction at the northwest corner of Monte Carlo Boulevard and FM-75 (Longneck Road) which will eventually be developed with a total of 2,866 residential units (2,466 detached, single-family lots and 400 multifamily units) within six phases. Phase 1 was developed with 366 lots on approximately 88.28 acres.

Winchester Crossing – This master-planned residential development is located at the southwest corner of CR-400 and CR-447 in Princeton and is within a public improvement district. This property has been developed with a total of 1,476 single-family lots with 55' frontages by D. R. Horton Homes. Home prices are ranging from \$310,000 - \$367,000.



Morning Ridge (aka Harper Springs) – Is a residential development located at the southeast corner of CR-447 and CR-398 in Princeton being developed by Cavender Homes. A total of 79 lots have been developed with an additional 169 lots planned in future phases. All of the lots are designed with a typical lot dimension of 55' x 110' or 6,050 square feet. Home prices are ranging from \$272,000 to \$334,000.

Lavon Lake is a freshwater impoundment located in Collin County on the East Fork of the Trinity River off of SH-78 operated by the U.S. Army Corps of Engineers. The lake serves as a water source for various north Texas cities. The Lake offers 121 miles of shoreline length with a maximum depth of 38 feet. Lavon Lakes' dominant fish species are the largemouth bass, white bass, blue catfish, and crappie. The Army Corps of Engineers operate 15 lakeside parks with boat ramps and other facilities.

Crossroads Project is a project facilitated by Princeton Land Partners has been working to develop Princeton Crossroads located on US-380 and Boorman Road near Princeton High School and includes tracts on the north and south sides of the highway. The 297 acres includes single-family residences, retail, future city hall, medical, future city park and more.

Sister Grove Park provides a 5.4-mile loop trail for biking/hiking trails.

Collin County was ranked No. 14 in the "Top 20 of the Best Places to Raise a Family" according to Forbes.com.

Collin County Outer Loop - In its current state the Outer Loop runs 4.6 miles from US-75 in Anna to SH-121 just northeast of Melissa. This section was built at a cost of \$21 million. This section of road runs as a bi-directional two-lane road, which will eventually be the north frontage road. The Outer Loop is planned to run for approximately 50 miles from the future northern extension of the Dallas North Tollway in Celina to IH-30 near Royse City. The loop will be built in five segments (including Section 1 which is already open).

Segment 1 is the section of road already opened, running from US-75 to SH-121. This section will eventually become the north frontage road as tolled main lanes are added.

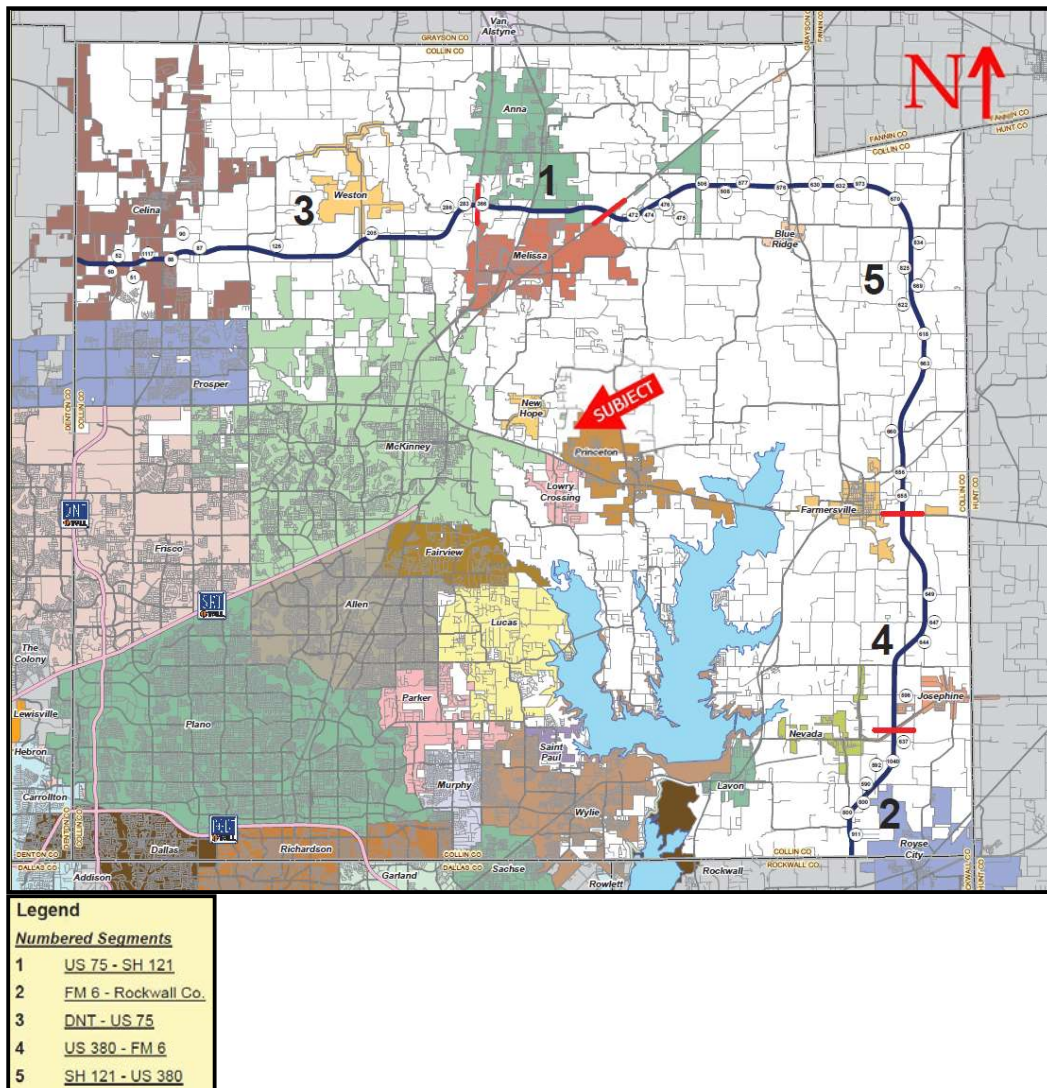
Segment 2 will run from FM-6, between Nevada and Josephine, to the Rockwall County line near Royse City. This segment could possibly be extended further south past IH-30 through Rockwall, Kaufman, and Dallas counties as part of a much larger outer loop.

Segment 3 will run past US-75 to the future north extension of the Dallas North Tollway in Celina. This section will run through extreme north McKinney, close to Weston and cross SH-289 (Preston Road) before ending at the Dallas North Tollway. This section could possibly be extended further west through Denton County as part of a larger outer loop.

Segment 4 will run from US-380 near Farmersville to FM-6 between Nevada and Josephine.

Segment 5 will connect Segments 1 and 4, running through sparsely populated areas of the county.

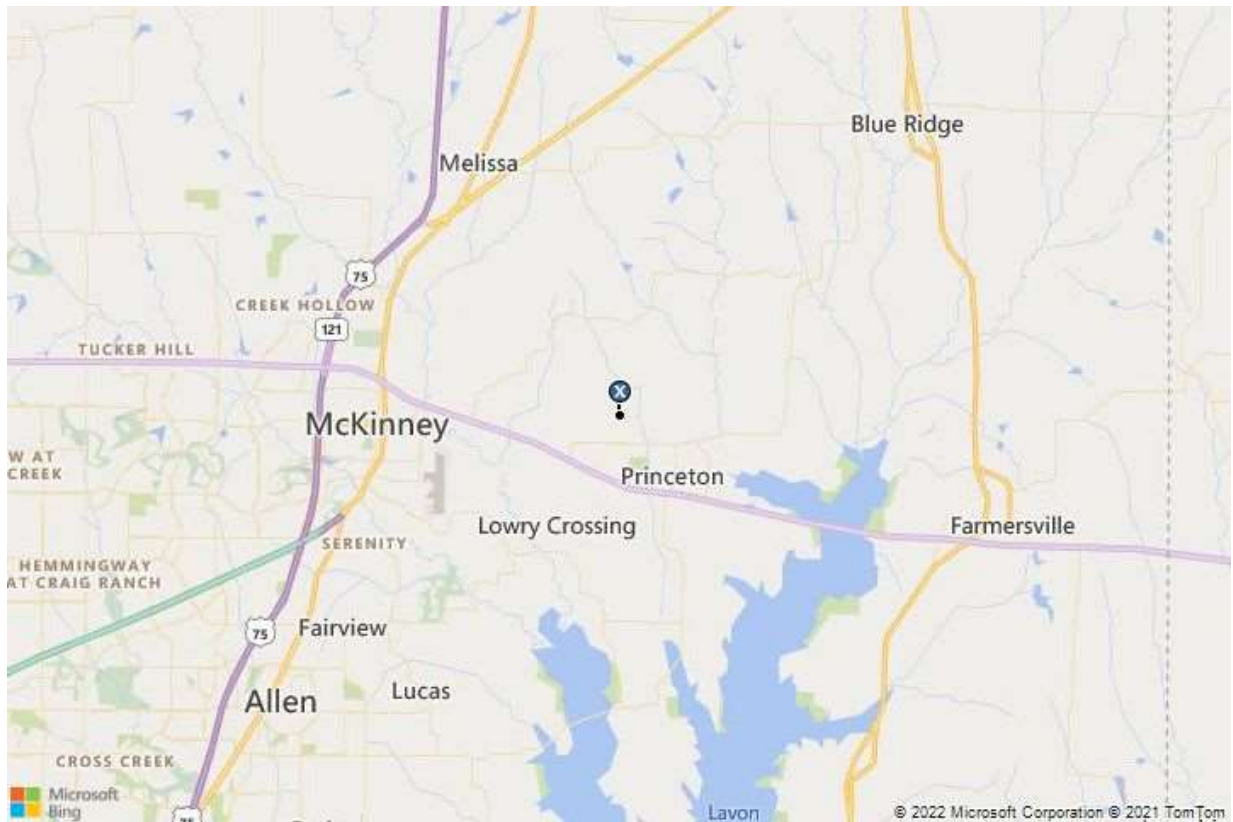
The Princeton area will be accessed from Segment Nos. 4 & 5 and shown in the following exhibit:



Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

Surrounding Area Map

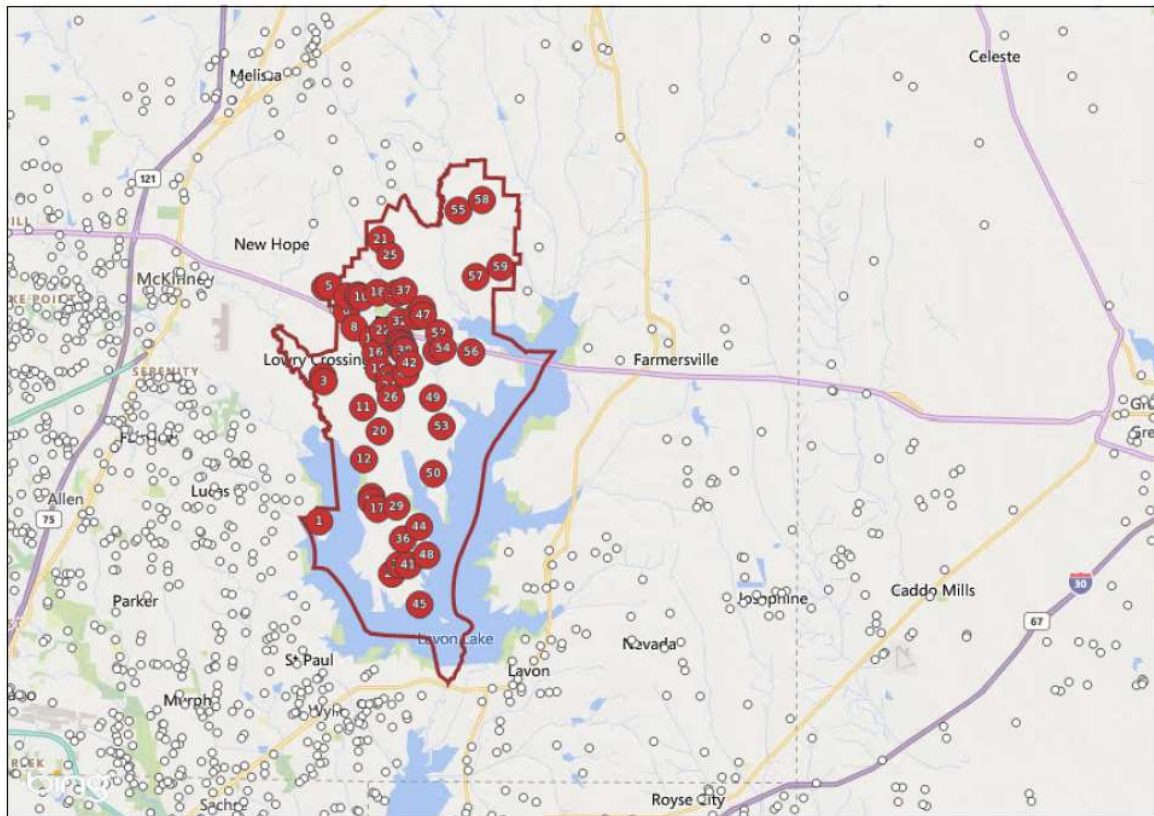


Residential Analysis

When analyzing the financially feasible and maximally productive use of the site, all of the uses that are both physically possible and legally permissible must be considered. For the subject, the primary potential use is considered to be single-family residential development. As mentioned, the subject is proposed to be developed with single-family lots. Thus, an important factor affecting development of the subject is the surrounding land usage. The neighborhood is predominantly vacant land that is being developed into single-family residential uses. The immediate area surrounding the subject is residential in nature.

During the past decade, the residential real estate market has seen many positive changes. With the steady increase in multifamily residential rental rates, coupled with the low interest rates and the large numbers pertaining to job growth, there has been a trend of individuals choosing to purchase homes rather than to rent apartments and multifamily housing. Furthermore, with the decline in the availability of vacant developable land, population growth has quickly expanded into the suburban areas of the Dallas/Fort Worth area. As such, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Metrostudy/Zonda, a nationally recognized information provider, as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends. Inasmuch as we are forecasting an economy for this area that is at least equal to recent trends, using these historical trends is felt to be quite justifiable. The subject development is physically located within the city of Princeton in Collin County and is within the Princeton Independent School District. Therefore, data obtained from Metrostudy/Zonda as of Second Quarter 2022 for this defined area of "Princeton ISD", as shown in the following map, will be analyzed with a summary of the details following.

Defined Submarket Map Area – Princeton ISD



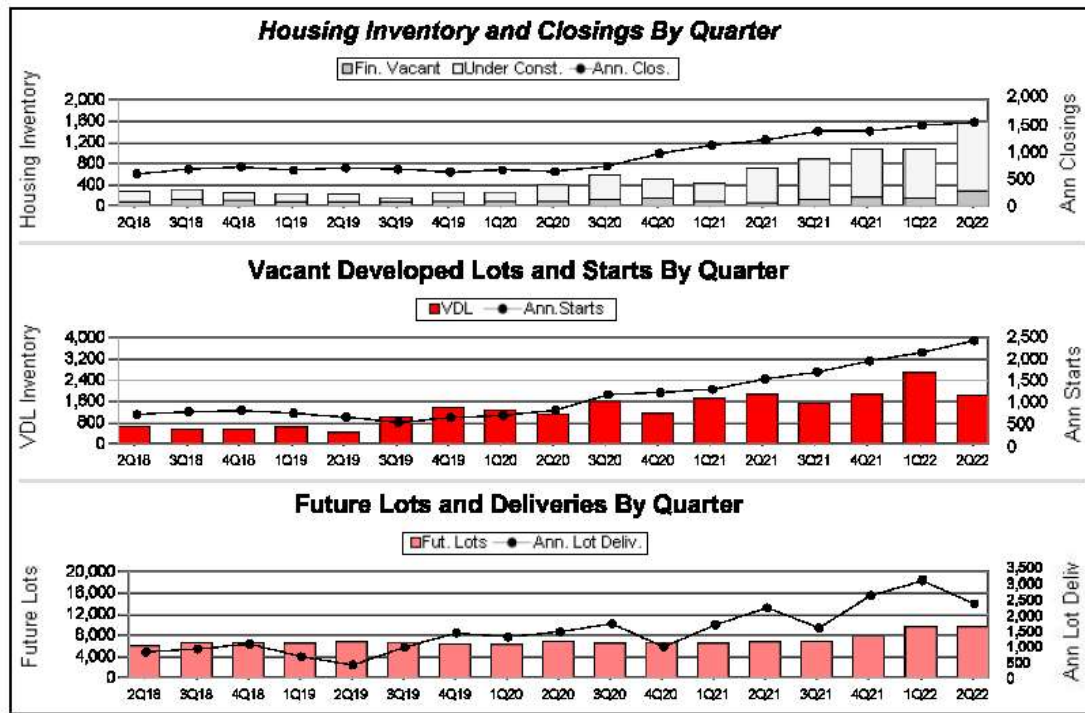
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Following is a chart provided by Metrostudy/Zonda summarizing the historical home/lot absorption from the past several years for the defined submarket area (Princeton ISD):

Historical Housing Chart – Princeton ISD

Historical Housing Activity Summary													
Current Selections													
Qtr	Qtr Clos	Ann Clos	Model	FinVac	UC	Total Inv	Total Supply	Qtr Starts	Ann Starts	VDL	VDL Supply	Fut Lots	Ann Lot Deliv
2Q18	159	603	5	82	206	293	5.8	291	725	660	10.9	6,061	864
3Q18	184	692	6	123	189	318	5.5	209	790	552	8.4	6,640	967
4Q18	214	733	6	107	148	261	4.3	157	820	551	8.1	6,581	1,123
1Q19	114	671	7	83	156	246	4.4	99	756	646	10.3	6,474	719
2Q19	207	719	8	83	148	239	4.0	200	665	446	8.0	6,834	451
3Q19	157	692	8	81	81	170	2.9	88	544	1,026	22.6	6,723	1,018
4Q19	161	639	9	91	176	276	5.2	267	654	1,369	25.1	6,388	1,472
1Q20	152	677	11	92	170	273	4.8	149	704	1,289	22.0	6,319	1,347
2Q20	180	650	15	86	315	416	7.7	323	827	1,131	16.4	6,903	1,512
3Q20	254	747	20	130	454	604	9.7	442	1,181	1,612	16.4	6,508	1,767
4Q20	392	978	20	152	363	535	6.6	323	1,237	1,160	11.3	6,659	1,028
1Q21	309	1,135	19	89	335	443	4.7	217	1,305	1,716	15.8	6,506	1,732
2Q21	276	1,231	18	60	654	732	7.1	565	1,547	1,862	14.4	6,775	2,278
3Q21	416	1,393	23	125	765	913	7.9	597	1,702	1,543	10.9	6,866	1,633
4Q21	395	1,396	22	170	908	1,100	9.5	582	1,961	1,863	11.4	7,930	2,664
1Q22	411	1,498	25	155	920	1,100	8.8	411	2,155	2,695	15.0	9,571	3,134
2Q22	335	1,557	22	282	1,305	1,609	12.4	844	2,434	1,826	9.0	9,571	2,398



Dallas/Ft. Worth Residential Survey (2Q22)
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Defined Submarket Area

As shown in the chart on the previous page, the absorption of homes/lots within the submarket area was stable from early 2018 to Third Quarter 2020 and has been steadily increasing thereafter. According to Metrostudy/Zonda, the submarket area absorbed the following total homes/lots from 2018 to Second Quarter 2022:

MetroStudy Analysis	Historical Absorption	
	Annual	Past 2 QTR
2018	820	
2019	654	
2020	1,237	
2021	1,961	
Past 12 Months	2,434	1,255
Historical Annual Average		1,317
Existing VDL	1,826	
Historical Absorption Average	1,317	
Past 12 Months Absorption	2,434	
Lot Supply (4.5± Year Historical)	1.4	Years Supply
Lot Supply (12 Months)	0.8	Years Supply

As can be seen, since 2018 (4.5 years), the annual average of homes/lots absorbed was 1,317 homes/lots. Utilizing the more recent 12-month absorption of homes/lots, the number of homes/lots absorbed significantly increases to 2,434 homes/lots in the submarket. According to Metrostudy/Zonda, the existing supply of available housing is currently below ideal levels in the submarket. The number of vacant developed lots in the submarket has substantially increased from a low of 446 lots in Second Quarter 2019 to a high of 2,695 vacant lots in First Quarter 2022 due to increasing demand. The current vacant lot level is 1,826 lots in Second Quarter 2022.

Based upon the Metrostudy/Zonda absorption figures of the past 4.5 years, there is currently only a 1.4±-year ($1,826 \text{ lots} \div 1,317 \text{ lots} = 1.4\pm\text{-years}$) total supply of existing lots available in the submarket. This total supply is considered to be well below the optimum lot supply levels of 2.0 to 2.5 years per Metrostudy/Zonda. Also, when utilizing the more current 12-month absorption of 2,434 home/lots, the total supply of existing lots available in the subject's defined submarket decreases further to only 0.8±-years ($1,826 \text{ lots} \div 2,434 \text{ lots/year} = 0.8\pm\text{-years}$), which is substantially below the low end of optimum lot supply levels in the submarket.

Thus, the total lot supply within the subject's submarket is estimated to be between 0.8±-years to 1.4± years (9± to 17± months). Currently, this total lot supply is considered to be well below the optimum supply levels. Also, taking into consideration that new developments require a typical nine to 12-month construction period, with increasing demand and dwindling lot supply, it appears that additional lot product in the submarket is feasible at the current time.

We will now narrow our residential analysis to the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption and feasibility of the subject's proposed lots as follows.

Subject Market Area

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots. Our analysis will be presented beginning with the 50' frontage lots followed by the 60' frontage lots. All data is per Metrostudy/Zonda as of Second Quarter 2022.

Competitive Supply – 50' Frontage Lots

The competitive supply presented recognizes residential developments which are located in the subject's immediate and surrounding vicinity. The lot sizes, home prices, and amenities in the subdivisions shown are generally similar relative to the subject's 50' frontage lots. Thus, the competing residential developments are considered to be the immediate competition for the subject's proposed lots and are believed to accurately reflect the potential absorption levels for the subject's lots at this time.

Competitive Supply		50' Frontage Lots			
Subdivisions	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
Arcadia Farms Princeton, Texas	Princeton	\$350-\$540	94	50' x 110'	5,500
Bridgewater Princeton, Texas	Princeton	\$230-\$402	120	50' x 110'/115'	5,500 - 5,750
Brookside Princeton, Texas	Princeton	\$311-\$478	1	55' x 120'/125'	6,600 - 6,875
Monticello Park Princeton, Texas	Princeton	\$351-\$408	9	50' x 115'	5,750
Whitewing Trails* Princeton, Texas	Princeton	\$290-\$427	13	50' x 110'	5,500
Winchester Crossing Princeton, Texas	Princeton	\$310-\$385	403	55' x 115' 57' x 110'	6,325 6,270
Total			640		
*Represents Phase 1					
Subject: Whitewing Trails PID No. 2 (Phase 2 Project)	Princeton ISD			50' x 120'	6,000
Source: Metrostudy as of Second Quarter 2022					

Having addressed the immediate competition, we will estimate the approximate absorption time frame for the subject by analyzing absorption trends of the previously shown developments.

Absorption Analysis – 50' Frontage Lots

The following table outlines the monthly absorption of the residential developments listed in the competitive supply. It should be noted that all data is as of Second Quarter 2022.

Monthly Absorption Performance		50' Frontage Lots			
Subdivisions	Available Lots	Building Starts	No. Months	Units/Month	Months Supply
Arcadia Farms	94	308	15	20.5	4.6
Bridgewater	120	177	15	11.8	10.2
Brookside	1	230	15	15.3	0.1
Monticello Park	9	32	9	3.6	2.5
Whitewing Trails*	13	341	18	18.9	0.7
Winchester Crossing	403	668	12	55.7	7.2
Totals/Averages	640	1,756		125.8	5.1
Average Units/Month				21.0	

Subject: Whitewing Trails PID No. 2 (Phase 2 Project)
Source: Metrostudy as of Second Quarter 2022

Based upon the number of available lots and average absorption per month, the 640 lots remaining within these residential developments indicates only a 5.1±-month supply (0.4± years). This appears to be representative of a significant under-supply of lots within the subject's projected price/lot size range.

Overall, the competing residential developments indicate an absorption range of 3.6 units to 55.7 units per month, with an overall average of 21.0 units per month. To summarize, it is important to note the following facts:

- All of the residential developments presented are projected to be sold out within 10.2± months. Thus, it is reasonable that the subject, upon completion, may capture a portion of the demand that these projects currently enjoy.
- The subject's competitive supply is significantly under-supplied with only a 5.1± month-supply of developed lots.
- At the effective date of this appraisal, following is a summary of the current lot contracts including the subject's 50' lots:

Lot Contract Summary - Whitewing Trails PID No. 2 (Phase 2 Project)									
Home Builder	Typical Lot Dimensions			Base Lot Price		Base Price/FF		Overall Absorption Period	
	50' x 120'	60' x 120'	Total Lots	50' Lots	60' Lots	50' Lots	60' Lots	Absorption/ Month	Total Absorption Period (Months ±)
Beazer Homes Texas, L.P.	110*	46*	156	\$57,500	\$68,500	\$1,150	\$1,142	5.7	27.2
TSHH, LLC (Greenbrick Homes)	111	75	186	\$58,000	\$69,000	\$1,160	\$1,150	9.6	19.3
DRHI, Inc. (D.R. Horton Homes)	112	0	112	\$57,500	N/A	\$1,150	N/A	6.7	16.8
Pulte Homes of Texas, L.P.	112	0	112	\$57,500	N/A	\$1,150	N/A	6.7	16.8
Totals	445	121	566					28.7	

*The developer indicates that a lot split is being negotiated with Beazer Homes to lose one 60' lot and gain a 50' lot.

All lots are contracted with an annual 6% escalation and a \$500/lot marketing fee. Amenity fees of \$1,500/lot apply to Beazer Homes and Greenbrick Homes and \$1,000/lot to D.R. Horton Homes and Pulte Homes. PID fees of \$1,800/lot apply to Beazer Homes, Greenbrick Homes, and D.R. Horton Homes and Pulte Homes.

- The overall lot supply within the defined submarket (Princeton ISD) is estimated to range from 0.8± to 1.4± years (9± to 17± months) which is below equilibrium lot supply levels of 2.0 – 2.5 years.

Absorption Projection – 50'

Thus, the preceding data supports a projected absorption for the subject's lots with 50' frontages at 20.0 units per month which is supported by the overall average of the competitive supply (21.0 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 50' frontage lots.

Competitive Supply – 60' Frontage Lots

The competitive supply presented below recognizes residential developments which are located in the subject's immediate and surrounding vicinity. The lot sizes, home prices, and amenities in the subdivisions shown are generally similar relative to the subject's 60' frontage lots. Thus, the competing residential developments are considered to be the immediate competition for the subject's proposed lots and are believed to accurately reflect the potential absorption levels for the subject's lots at this time.

Competitive Supply		60' Frontage Lots			
Subdivisions	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
<u>Arcadia Farms</u> Princeton, Texas	Princeton	\$394-\$540	0	60' x 110'	6,600
<u>Brookside</u> Princeton, Texas	Princeton	\$311-\$478	1	55' x 120'/125'	6,600 - 6,875
<u>Winchester Crossing</u> Princeton, Texas	Princeton	\$310-\$385	403	55' x 115' 57' x 110'	6,325 6,270
<u>LakePointe</u> Lavon, Texas	Community	\$273-\$657	130	60' x 120'	7,200
<u>Liberty</u> Melissa, Texas	Melissa	\$492-\$779	3	60' x 120'	7,200
Total			537		
Subject: Whitewing Trails PID No. 2 (Phase 2 Project)		Princeton ISD		60' x 120'	7,200
Source: Metrostudy as of Second Quarter 2022					

Having addressed the immediate competition, we will estimate the approximate absorption time frame for the subject by analyzing absorption trends of the previously shown developments.

Absorption Analysis – 60' Frontage Lots

The following table outlines the monthly absorption of the residential developments listed in the competitive supply. It should be noted that all data is as of Second Quarter 2022.

Monthly Absorption Performance		60' Frontage Lots			
Subdivisions	Available Lots	Building Starts	No. Months	Units/Month	Months Supply
Arcadia Farms	0	63	12	5.3	0.0
Brookside	1	230	15	15.3	0.1
Winchester Crossing	403	668	12	55.7	7.2
LakePointe	130	92	12	7.7	17.0
Liberty	3	91	12	7.6	0.4
Totals/Averages	537	1,144		91.5	5.9
Average Units/Month				18.3	
Subject: Whitewing Trails PID No. 2 (Phase 2 Project)					
Source: Metrostudy as of Second Quarter 2022					

Based upon the number of available lots and average absorption per month, the 537 lots remaining within these residential developments indicates only a 5.9±-month supply (0.5± years). This appears to be representative of a significant under-supply of lots within the subject's projected price/lot size range.

Overall, the competing residential developments indicate an absorption range of 5.3 units to 55.7 units per month, with an overall average of 18.3 units per month. To summarize, it is important to note the following facts:

- Four of the five residential developments presented (except for LakePointe) are projected to be sold out within 7.2± months with one development sold out in First Quarter 2022. Thus, it is reasonable that the subject, upon completion, may capture a portion of the demand that these projects currently enjoy.
- The subject's competitive supply is significantly under-supplied with only a 5.9± month-supply of developed lots.
- At the effective date of this appraisal, all of the subject's 60' lots are under contract to two volume homebuilders summarized as follows:

Lot Contract Summary - Whitewing Trails PID No. 2 (Phase 2 Project)									
Home Builder	Typical Lot Dimensions		Total Lots	Base Lot Price		Base Price/FF		Overall Absorption Period	
	50' x 120'	60' x 120'		50' Lots	60' Lots	50' Lots	60' Lots	Absorption/ Month	Total Absorption Period (Months ±)
Beazer Homes Texas, L.P.	110*	46*	156	\$57,500	\$68,500	\$1,150	\$1,142	5.7	27.2
TSHH, LLC (Greenbrick Homes)	111	75	186	\$58,000	\$69,000	\$1,160	\$1,150	9.6	19.3
DRHI, Inc. (D.R. Horton Homes)	112	0	112	\$57,500	N/A	\$1,150	N/A	6.7	16.8
Pulte Homes of Texas, L.P.	112	0	112	\$57,500	N/A	\$1,150	N/A	6.7	16.8
Totals	445	121	566					28.7	
<i>*The developer indicates that a lot split is being negotiated with Beazer Homes to lose one 60' lot and gain a 50' lot.</i>									
All lots are contracted with an annual 6% escalation and a \$500/lot marketing fee. Amenity fees of \$1,500/lot apply to Beazer Homes and Greenbrick Homes and \$1,000/lot to D.R. Horton Homes and Pulte Homes. PID fees of \$1,800/lot apply to Beazer Homes, Greenbrick Homes, and D.R. Horton Homes and Pulte Homes.									

- The overall lot supply within the defined submarket (Princeton ISD) is estimated to range from 0.8± to 1.4± years (9± to 17± months) which is below equilibrium lot supply levels of 2.0 – 2.5 years.

Absorption Projection – 60'

Thus, the preceding data supports a projected absorption for the subject's lots with 60' frontages at 15.0 units per month which is slightly below the overall average of the competitive supply (18.3 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 60' frontage lots.

Overall Absorption Summary Projections

Our monthly absorption projections are summarized as follows for the subject's Whitewing Public Improvement District No. 2 (Phase 2 Project) comprised of Phases 2A, 2B, and 2C:

Phase 2A

Projected Absorption Summary - Phase 2A													Total Aborp. Period
Lot Type	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	(Months±)
50' Lots	20	20	20	20	20	20	20	20	20	20	20	7	11.4

As shown, the overall absorption for the subject's 227 lots in Phase 2A is estimated to be 11.4± months (50' lots).

Phase 2B

Projected Absorption Summary - Phase 2B													Total Aborp. Period
Lot Type	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	(Months±)
50' Lots	20	20	20	20	20	20	20	20	20	20	20	5	11.3

As shown, the overall absorption for the subject's 225 lots in Phase 2B is estimated to be 11.3± months (50' lots).

Phase 2C

Projected Absorption Summary - Phase 2C										Total Aborp. Period
Lot Type	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Lots	(Months±)
60' Lots	15	15	15	15	15	15	15	15	120	8.0

As shown, the overall absorption for the subject's 120 lots in Phase 2C is estimated to be 8.0± months (60' lots).

Property Analysis

Land Description and Analysis

Location

The Whitewing Trails Public Improvement District No. 2 (Phase 2 Project) is comprised of three phases of single-family residential development being Phases 2A, 2B, and 2C. Phase 2A is located at the northeast quadrant of Beauchamp Boulevard and Monte Carlo Boulevard. Phase 2B is located on the south side of Princeton Parkway, west of Beauchamp Boulevard. Phase 2C is located on the north side of Princeton Parkway, west of Beauchamp Boulevard. The property is located in the city of Princeton, Collin County, Texas and is within the Princeton Independent School District.

Land Area

The following table summarizes the subject's land areas within Phases 2A, 2B, and 2C:

Whitewing Trails Public Improvement District No. 2 (Phase 2 Project), Princeton, Texas				
			Density	Open Space
Phase	Location	Acres	Per Acre	Acres
2A	NEQ of Beauchamp Blvd. and Monte Carlo Blvd.	51.660	4.4	5.22
2B	S/S Princeton Pkwy., west of Beauchamp Blvd.	54.291	4.2	7.41
2C	N/S Princeton Pkwy., west of Beauchamp Blvd.	33.710	3.6	1.89
Totals		139.661	4.1	14.52

Shape and Dimensions

The sites are irregular in shape, with site utility based upon shape and dimensions considered to be average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Environmental Hazards

An environmental assessment report was not provided for review, and during the inspection, no obvious signs of contamination on or near the subject were observed. However, environmental issues are beyond the scope of expertise of the assignment participants. It is assumed the property is not adversely affected by environmental hazards.

Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	
Community Panel Number	48085C0285J
Date	June 2, 2009
Zone*	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Comments	*According to the engineer, the LOMR that takes the lots out of the flood plain has not actually been approved yet. The work has been done and has been submitted to FEMA; however, a portion of the lots, 57 lots located in Phase 2A and seven (7) lots in Phase 2C, currently remain in the regulatory flood plain. Our valuation is based upon the lots not being in the flood plain.

According to the engineer, the LOMR that takes the lots out of the flood plain has not actually been approved yet. The work has been done and has been submitted to FEMA; however, a portion of the lots, 57 lots located in Phase 2A and seven (7) lots in Phase 2C, currently remain in the regulatory flood plain. Our valuation is based upon the lots not being in the flood plain.

Ground Stability

A soils report was not provided for review. Based on the inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, soils analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage			
Street	N. Beauchamp Boulevard	Monte Carlo Boulevard	Princeton Parkway
Frontage Feet (±)	1,744 (Ph. 2A)	879 (Ph. 2A)	2,747 (Ph. 2B); 1,850 (Ph. 2C)
Paving	Concrete	Concrete	Concrete
Curbs	Yes	Yes	Yes
Sidewalks	Yes	Yes	Yes
Lanes	2 way, 2 lanes each way	2 way, 2 lanes each way	2 way, 1 lane each way
Direction of Traffic	North/South	East/West	Northeast/Northwest
Condition	Good	Average	Good
Traffic Levels	Low	Moderate	Low
Signals/Traffic Control	Stop sign	Stop sign	Stop sign
Access/Curb Cuts	Yes	Yes	Yes
Visibility	Average	Average	Average

Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	City of Princeton, Texas
Sewer	City of Princeton, Texas

Zoning

The subject is zoned within the Planned Development – 10 District which allows for a wide range of mixed-uses in the PID with the subject's Phases 2A, 2B, and 2C limited to single-family residential use according to the approved concept plan. The following table summarizes the applicable zoning requirements affecting the subject.

Zoning Summary	
Zoning Jurisdiction	City of Princeton, Texas
Zoning Designation	PD-10 (Planned Development)
Description	Mixed-use
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Various mixed-uses in the PID relative to the subject's Phases 2A, 2B, and 2C is limited to single-family residential use according to the accepted concept plan

According to the local planning department, there are no pending or prospective zoning changes.

Interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

There are no other known land use regulations that would affect the property.

Easements, Encroachments and Restrictions

Based upon a review of the property plats provided, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning limit the Whitewing Trails PID No. 2 (Phase 2 Project) to single-family residential use according to the approved concept plan relative to Phases 2A, 2B, and 2C. No other restrictions on development are apparent.

General Description - Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)

The subject represents three proposed phases of lot development located within the Whitewing Trails Public Improvement District No. 2, Phase 2 Project ("PID") located in the city of Princeton, Collin County, Texas. This portion of the PID represents Phases 2A, 2B, and 2C which are platted with a total of 572 single-family lots with two typical dimensions (50'/60' x 120'). The lots are designed for front access. The property in the PID is zoned under the guidelines of the PD-10 District (Planned Development -10) which allows for a wide range of mixed-uses with the subject's Phase 2 Project limited to single-family use according to the approved concept plan relative to Phases 2A, 2B, and 2C. Substantial completion of Phases 2A, 2B, and 2C in the PID is expected by March 1, 2023.

The Whitewing Trails Public Improvement District No. 2 (Phase 2 Project) is summarized in the following exhibit:

Whitewing Trails Public Improvement District No. 2 (Phase 2 Project), Princeton, Texas								
Phase	Location	Acres	Density	Open Space	Typical Lot Dimensions		Total Lots	Expected
			Per Acre	Acres	50' x 120'	60' x 120'		Completion Date
2A	NEQ of Beauchamp Blvd. and Monte Carlo Blvd.	51.660	4.4	5.22	227	0	227	March 1, 2023
2B	S/S Princeton Pkwy., west of Beauchamp Blvd.	54.291	4.1	7.41	225	0	225	March 1, 2023
2C	N/S Princeton Pkwy., west of Beauchamp Blvd.	33.710	3.6	1.89	0	120	120	March 1, 2023
Totals		139.661	4.1	14.52	452	120	572	
					79%	21%	100%	



Entrance Signage



Phase 2A Land



Phase 2A Land



Phase 2A Land



Beauchamp Boulevard



Intersection of Beauchamp Boulevard and Princeton Parkway



Princeton Parkway



Phase 2B Land



Phase 2B Land



Phase 2C Land



Phase 2C Land

Aerial Photograph

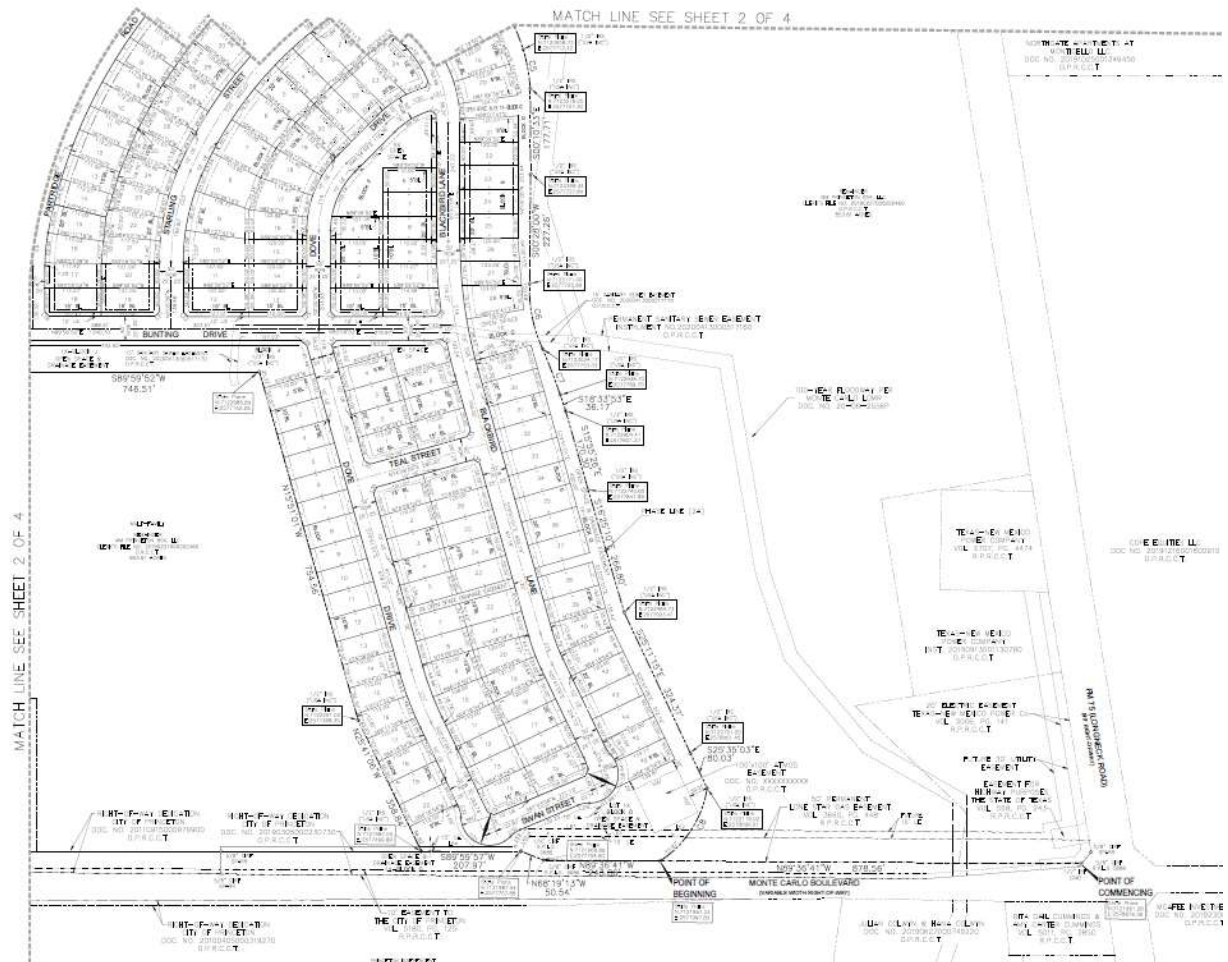


Preliminary Concept Plan – Whitewing Trails



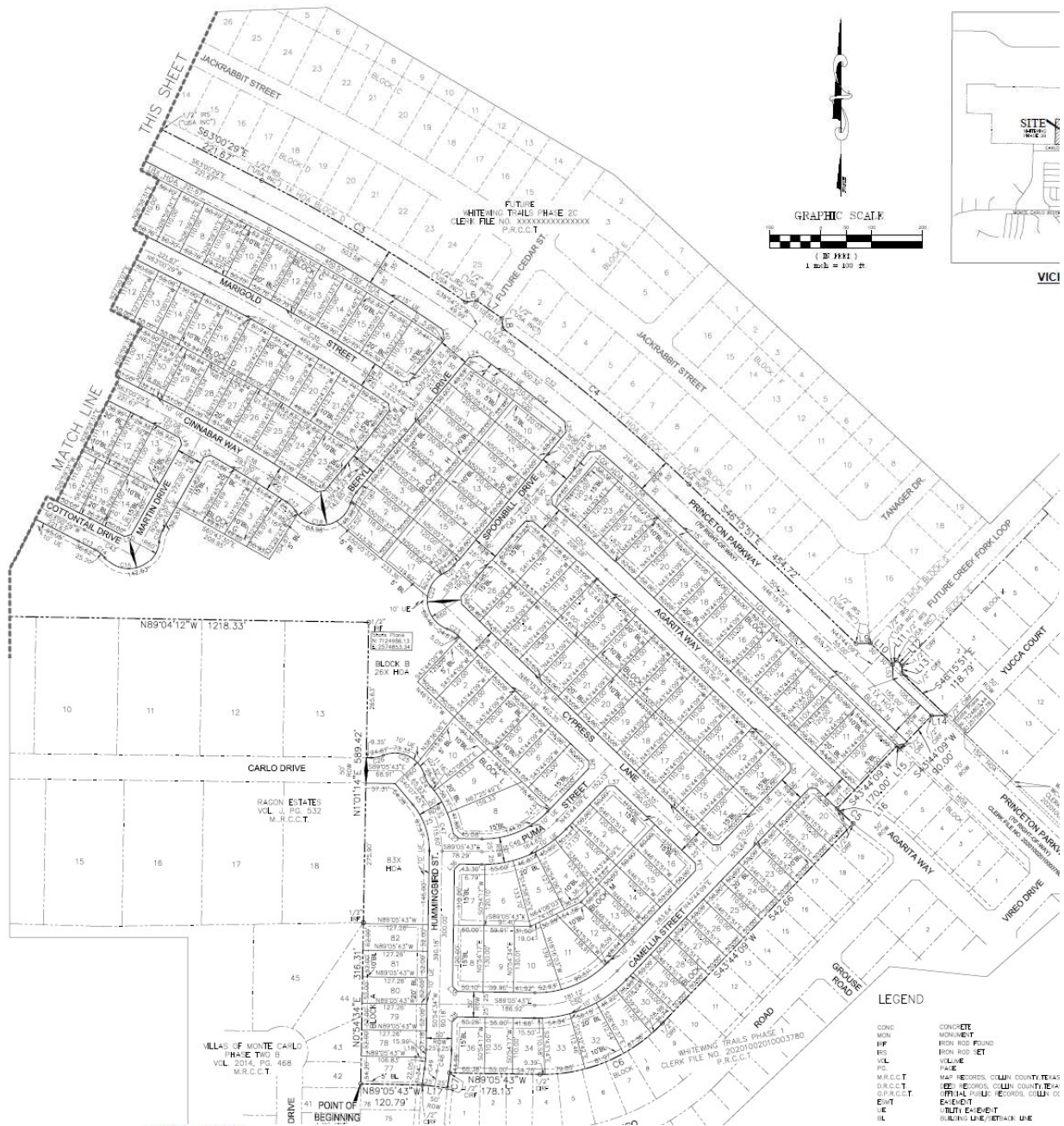
Final Plat Maps

Phase 2A





Phase 2B



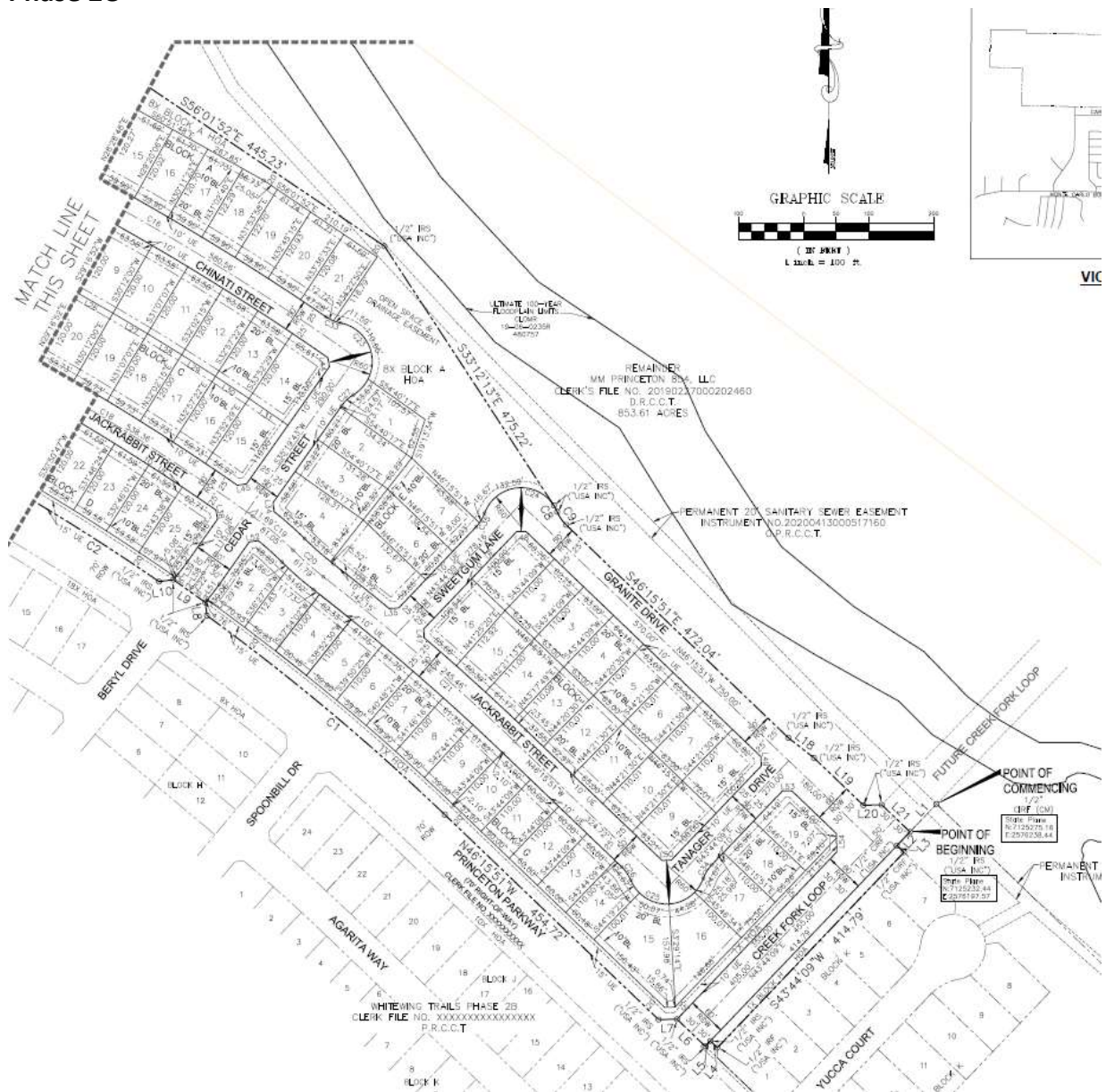
FINAL PLAT
WHITewing TRAILS PHASE 2B
 228 RESIDENTIAL LOTS 6 OPEN SPACE

BEING 54.291 ACRES OF LAND SITUATED IN THE DAVID CHERRY SURVEY, ABSTRACT NO. 166
 BLOCK A, LOTS 77-82, 83X, BLOCK B, LOTS 1X, 2-25, 26X
 BLOCK C, LOTS 1-17, 18X, BLOCK D, LOTS 1-42,
 BLOCK E, LOTS 1-25, BLOCK F, LOTS 1-7
 BLOCK G, LOTS 1-4, BLOCK H, LOT 1-6, 9X, 10-17,
 BLOCK I, LOTS 20-36, BLOCK J, LOTS 9, 10X, 11-24,
 BLOCK K, LOTS 1-26, BLOCK L, LOTS 1-10,
 BLOCK M, LOTS 1-16, BLOCK N, LOT 1X

CITY OF PRINCETON, COLLIN COUNTY, TEXAS



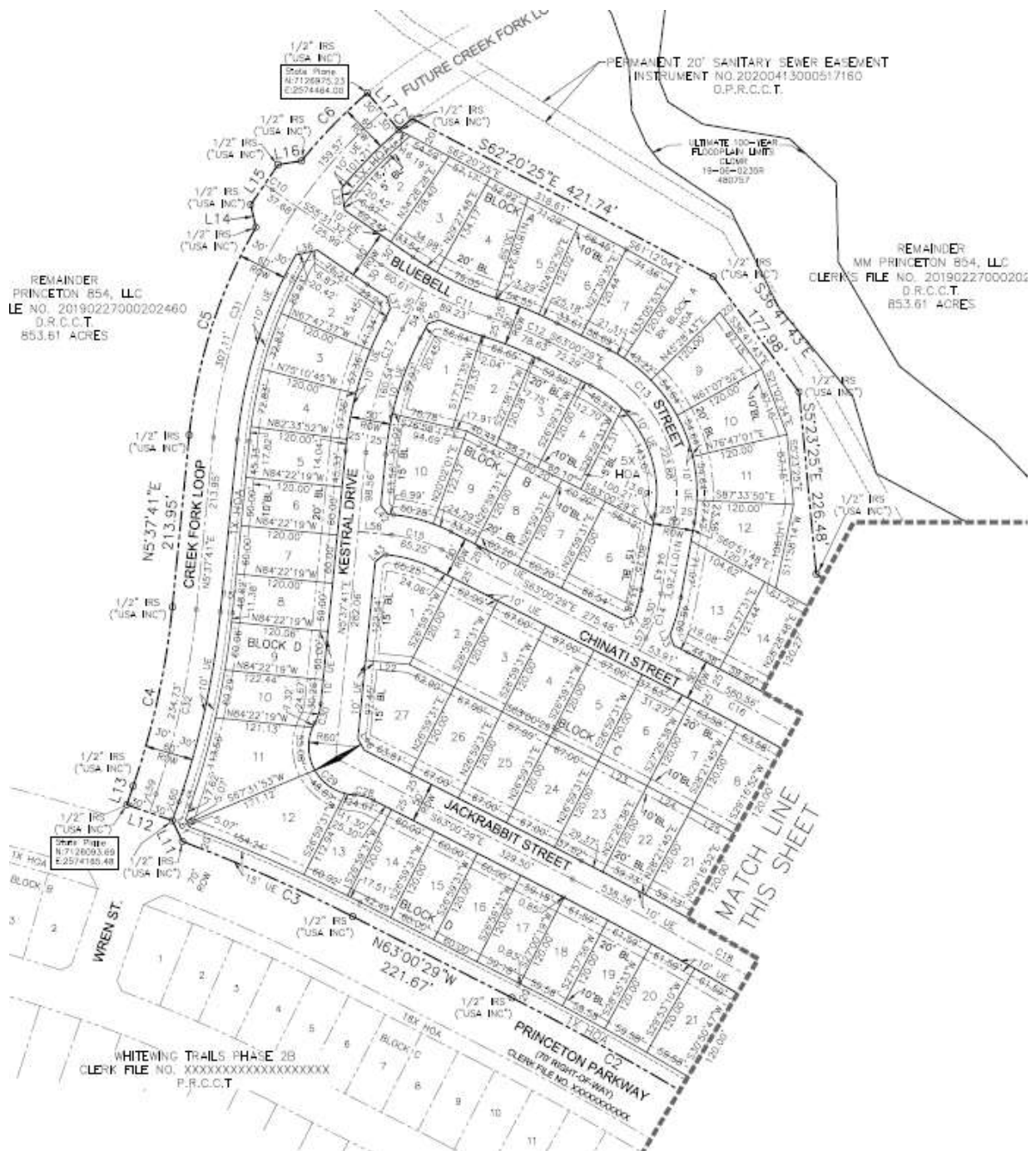
Phase 2C



FINAL PLAT
WHITewing TRAILS PHASE 2C
 120 RESIDENTIAL LOTS 8 OPEN SPACE

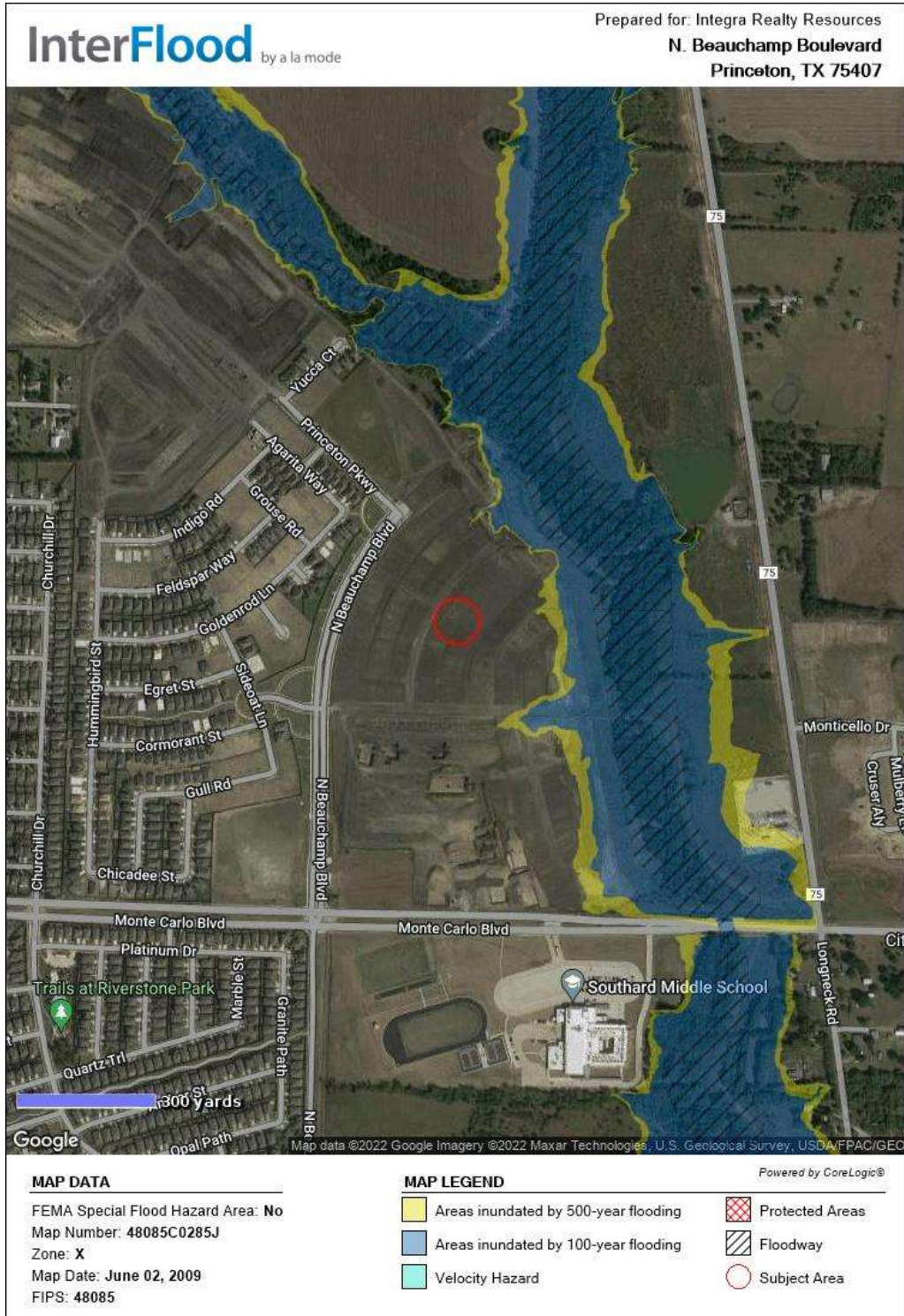
BEING 33.710 ACRES OF LAND SITUATED IN THE
 DAVID CHERRY SURVEY, ABSTRACT NO. 166
 BLOCK A, LOTS 1X, 2-7, 8X, 9-21
 BLOCK B, LOTS 1-4, 5X, 6-10
 BLOCK C, LOTS 1-27, BLOCK D, LOTS 1X, 2-25,
 BLOCK E, LOTS 1-7,
 BLOCK F, LOTS 1-16
 BLOCK G, LOTS 1X, 2-19,
 BLOCK H LOT 1X

CITY OF PRINCETON, COLLIN COUNTY, TEXAS

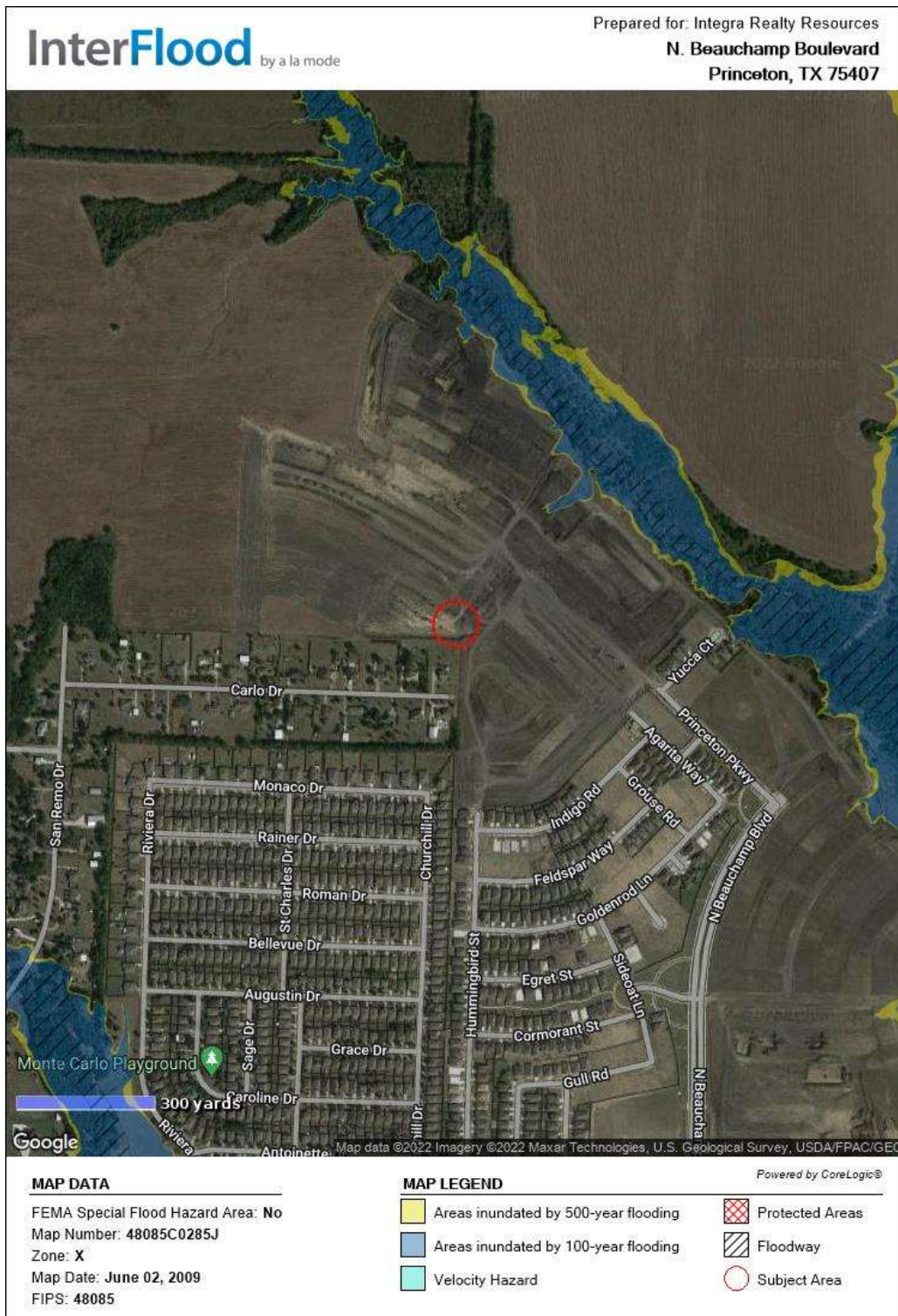


Flood Hazard Maps

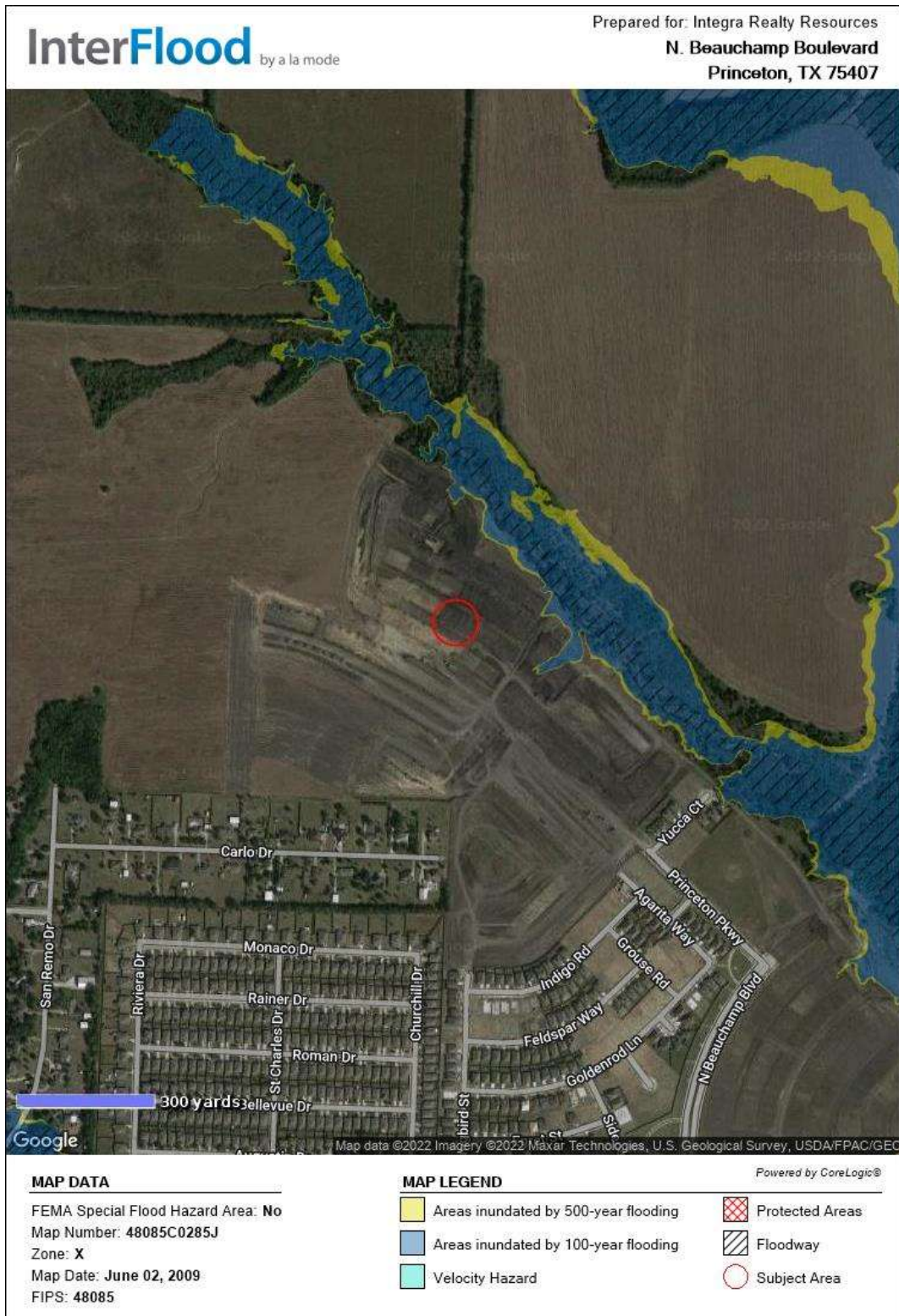
Phase 2A

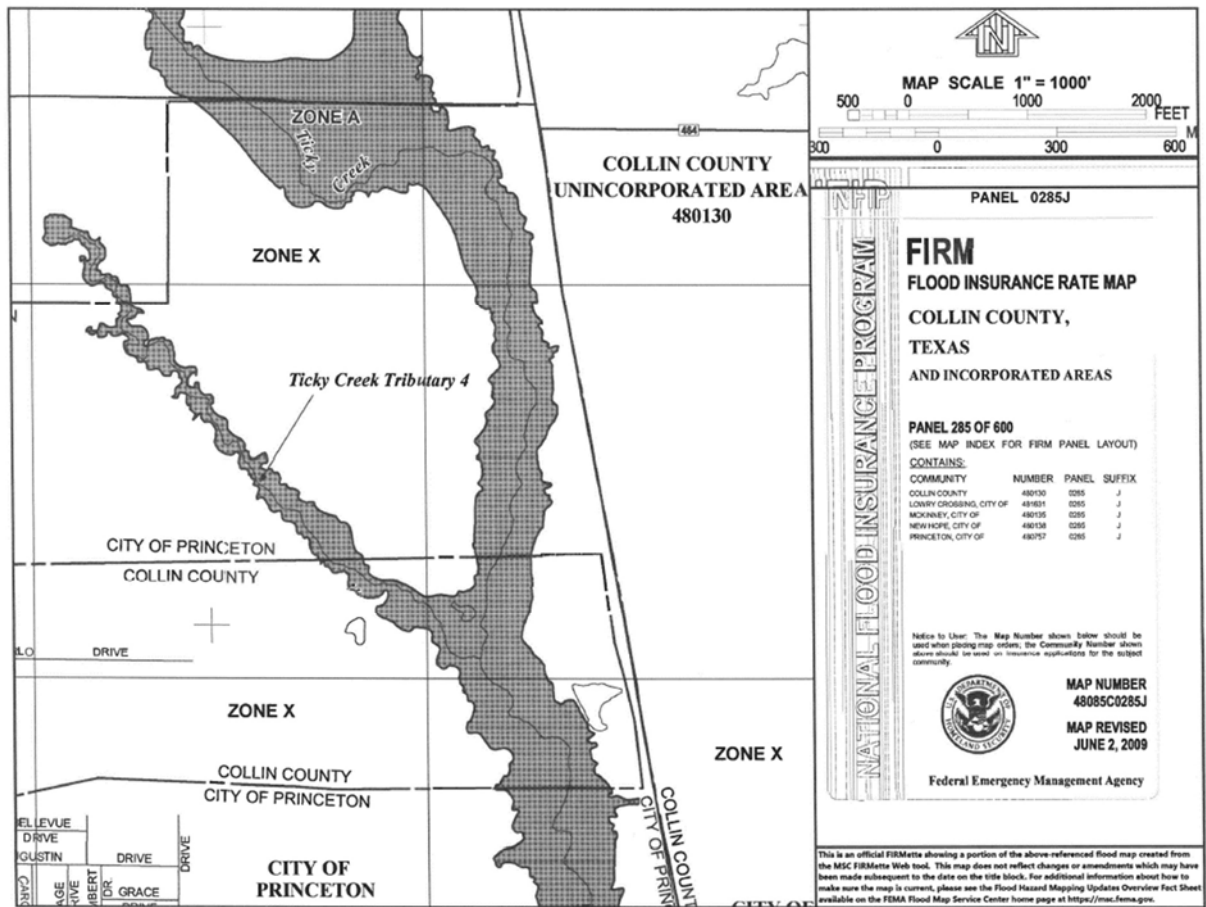


Phase 2B

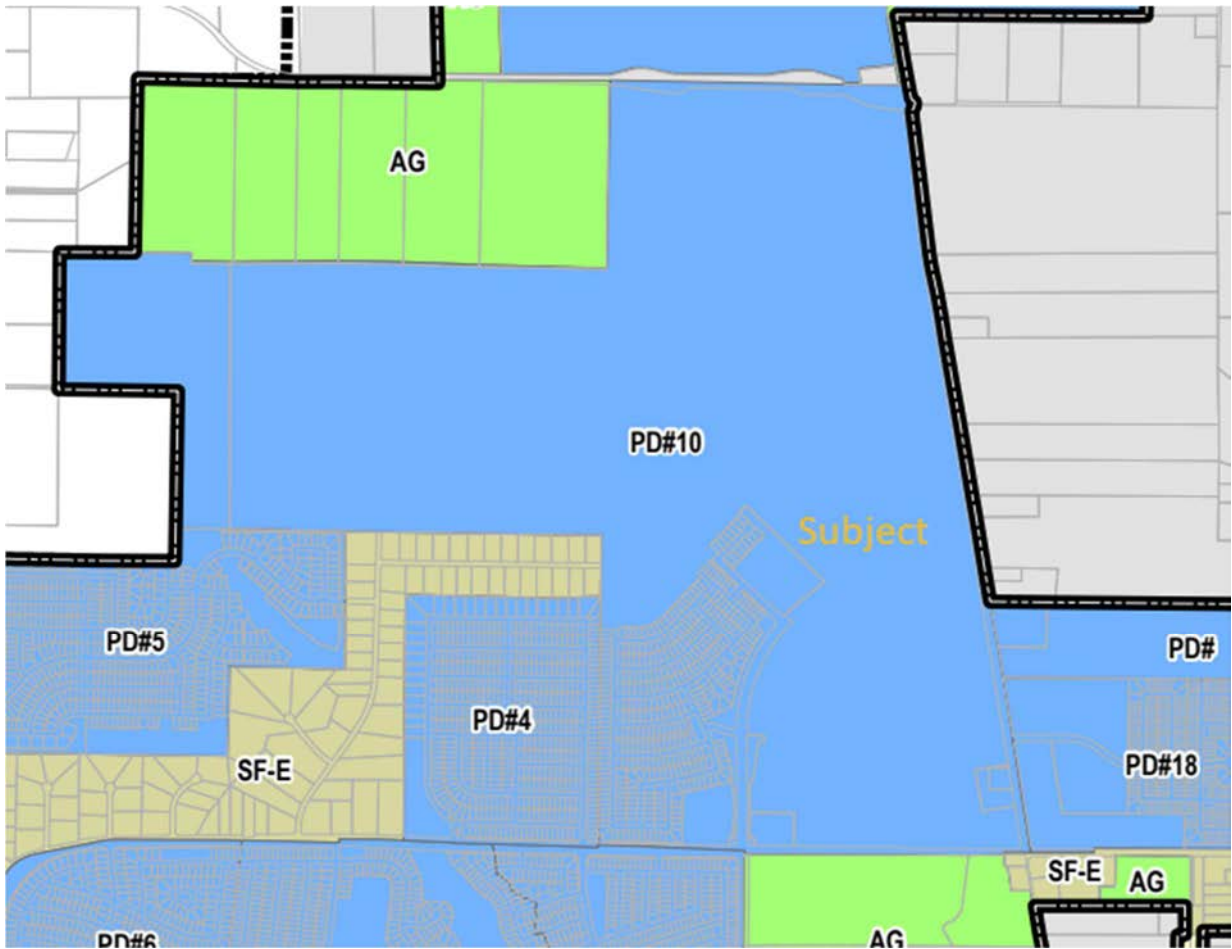


Phase 2C





Zoning Map



Allocation of Authorized Improvements

The Authorized Improvements consist of certain public improvements necessary for the development of Phase 2. The authorized improvements include, but are not limited to, the following:

- Road improvements, including but not limited to, subgrade, paving, ramps, sidewalks, curbs, hardscape, streetlights and poles, signs, testing, and bonds;
- Water facilities, including but not limited to, lines, valves, fittings, fire hydrants, testing and chlorination, trench safety, bonds, and all other works, equipment, and services for the transmission of water;
- Sanitary sewer facilities, including but not limited to, lines, manholes, system testing and inspection, trench safety, bonds, and all other works, equipment, and services for the collection and transportation of wastewater;
- Storm drainage improvements, including but not limited to, storm drain lines and pipes, inlets, manholes; headwalls, rip rap, testing, trench safety, bonds, and all other works, equipment, and services for the collection, detention, and transportation of storm water;
- Earthwork; and
- Soft costs, including but not limited to, engineering, surveying, construction staking, construction administration, testing, plan check and inspection fees, PID creation services including legal, financial and other consulting services costs incurred in connection with the creation of the PID and the levy of assessments.

The sources and uses of funds for the authorized improvements, additional public improvements, and private improvements are summarized in the following exhibit.

TABLE V-1 WHITEWING TRAILS PID NO. 2 PHASE 2 PROJECT SOURCES AND USES OF FUNDS				
DESCRIPTION	AUTHORIZED IMPROVEMENT COSTS	ADDITIONAL PUBLIC IMPROVEMENTS	PRIVATE IMPROVEMENTS	TOTAL
SOURCES OF FUNDS				
BOND PROCEEDS	\$13,593,000	\$0	\$0	\$13,593,000
OWNER CONTRIBUTION	\$3,940,558	\$0	\$3,069,765	\$7,010,323
CITY IMPACT FEES	\$0	\$4,329,062	\$0	\$4,329,062
CITY PID FEE	\$0	\$1,495,780	\$0	\$1,495,780
TOTAL SOURCES OF FUNDS	\$17,533,558	\$5,824,842	\$3,069,765	\$26,428,165
USES OF FUNDS				
BUDGETED COSTS				
AUTHORIZED IMPROVEMENTS	\$14,731,707	\$0	\$0	\$14,731,707
DEBT SERVICE RESERVE	\$1,160,993	\$0	\$0	\$1,160,993
CAPITALIZED INTEREST	\$389,598	\$0	\$0	\$389,598
COSTS OF ISSUANCE	\$755,970	\$0	\$0	\$755,970
UNDERWRITER'S DISCOUNT	\$407,790	\$0	\$0	\$407,790
ADMINISTRATIVE FUND	\$87,500	\$0	\$0	\$87,500
ADDITIONAL PUBLIC IMPROVEMENTS				
CITY IMPACT FEES	\$0	\$4,329,062	\$0	\$4,329,062
CITY PID FEES	\$0	\$1,495,780	\$0	\$1,495,780
PRIVATE IMPROVEMENTS	\$0	\$0	\$3,069,765	\$3,069,765
TOTAL USES	\$17,533,558	\$5,824,842	\$3,069,765	\$26,428,165

TABLE V-2				
WHITEWING TRAILS PID				
PHASE 2 PROJECT				
BUDGETED COSTS AND INDEBTEDNESS				
DESCRIPTION	AUTHORIZED IMPROVEMENT COSTS	ADDITIONAL PUBLIC IMPROVEMENTS	PRIVATE IMPROVEMENTS	TOTAL
PUBLIC AND PRIVATE IMPROVEMENTS				
ENGINEERING/SOFT COSTS	\$1,243,446	\$0	\$188,002	\$1,431,449
EXCAVATION	\$348,520	\$0	\$2,877,724	\$3,226,244
WATER	\$2,368,707	\$0	\$0	\$2,368,707
SEWER	\$1,888,513	\$0	\$0	\$1,888,513
OFF-SITE SEWER	\$244,551	\$0	\$0	\$244,551
STORMWATER	\$2,363,407	\$0	\$0	\$2,363,407
PAVING	\$5,739,562	\$0	\$0	\$5,739,562
MISCELLANEOUS	\$0	\$0	\$4,039	\$4,039
PID CREATION, LEGAL, AND CONSULTING	\$535,000	\$0	\$0	\$535,000
TOTAL PUBLIC AND PRIVATE IMPROVEMENTS	\$14,731,707	\$0	\$3,069,765	\$17,801,472
ADDITIONAL PUBLIC IMPROVEMENTS				
ROAD IMPACT FEES	\$0	\$1,691,570	\$0	\$1,691,570
WATER IMPACT FEES	\$0	\$1,650,972	\$0	\$1,650,972
SEWER IMPACT FEES	\$0	\$986,700	\$0	\$986,700
CITY PID FEES	\$0	\$1,495,780	\$0	\$1,495,780
TOTAL CITY PID AND IMPACT FEES	\$0	\$5,824,842	\$0	\$5,824,842
TOTAL ASSESSED COSTS	\$10,791,149	\$0	\$0	\$10,791,149
BOND RELATED COSTS				
DEBT SERVICE RESERVE	\$1,160,993	\$0	\$0	\$1,160,993
CAPITALIZED INTEREST	\$389,598	\$0	\$0	\$389,598
COSTS OF ISSUANCE	\$755,970	\$0	\$0	\$755,970
UNDERWRITER'S DISCOUNT	\$407,790	\$0	\$0	\$407,790
ADMINISTRATIVE FUND	\$87,500	\$0	\$0	\$87,500
PRINCIPAL ASSESSED	\$13,593,000	\$0	\$0	\$13,593,000

Real Estate Taxes

Real estate tax assessments are administered by the Collin Central Appraisal District and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The tax rates are certified in October. Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2022								
Assessed Value					Taxes and Assessments			
Tax ID	Total Acres	Land	Improvements	Total	Tax Rate	2022 Ad	Ag Assessments	Total
						Valorem		
2658194	660.83333	\$11,702,033	\$0	\$11,702,033	2.211106%	\$258,744	\$1,050,683	\$23,232

The subject is currently assessed by the tax district as part of a larger tract of land comprised of 660.8333 acres. The assessed value of the vacant land is irrelevant to our prospective valuations as the estimated taxes for the subject's developed lots will be based upon our market value opinions within the subdivision development approach within this report.

However, it is also important to note that all of the undeveloped land is presently taxed under an agricultural exemption which serves to limit the taxable value of the site. As such, under development, the developer of the site may be liable for three years of back real estate taxes, plus interest annually. This is considered typical of properties located in growth corridors such as the subject. However, the subject lots will not have this exemption upon completion.

Texas is a non-disclosure State with a mandate to assess property at 100% of market value. Some Texas County Assessors are more successful at achieving the mandate than others. In Texas Counties with little or no transaction activity, values can lag the market. However, there is no limit on increases in the event of a re-assessment.

Property owners in Texas may protest ad valorem assessments using the one of two tests, 1) Market Value or 2) "Equal Appraisal". Market Value is self-explanatory. "Equal Appraisal" means there is a burden on the District's Assessor to ensure mass appraisal methods produce consistent results from property to property. To measure equality, the Appraisal Review Board will consider the assessed values of competing properties in the District. The process involves generation of "ratio study" in which, after appropriate adjustments, the "median value" is the conclusion of "Equal Appraisal".

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The subject is zoned under the guidelines of the PD-10 (Planned Development) District which allows for a wide range of mixed-uses in the PID with the subject's Phases 2A, 2B, and 2C limited to single-family residential use according to the approved concept plan. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only single-family residential use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for single-family residential use in the subject's area. It appears a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than single-family residential use. Accordingly, single-family residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for single-family residential use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

Most Probable Buyer

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is a homebuilder.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized
Subdivision Development Approach	Applicable	Utilized

To develop an opinion of the subject's lot values within Improvement Area #2, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As discussed previously, the property is divided for valuation purposes relative to the two lot types being 50-feet and 60-feet in lot width summarized as follows:

Land Parcels				
Name	SF	Acres	Units	Unit of Comparison
50' Frontage Lots	6,000	0.14	50	Front Footages
60' Frontage Lots	7,200	0.17	60	Front Footages

50' Frontage Lots (50' x 120'; 6,000 SF)

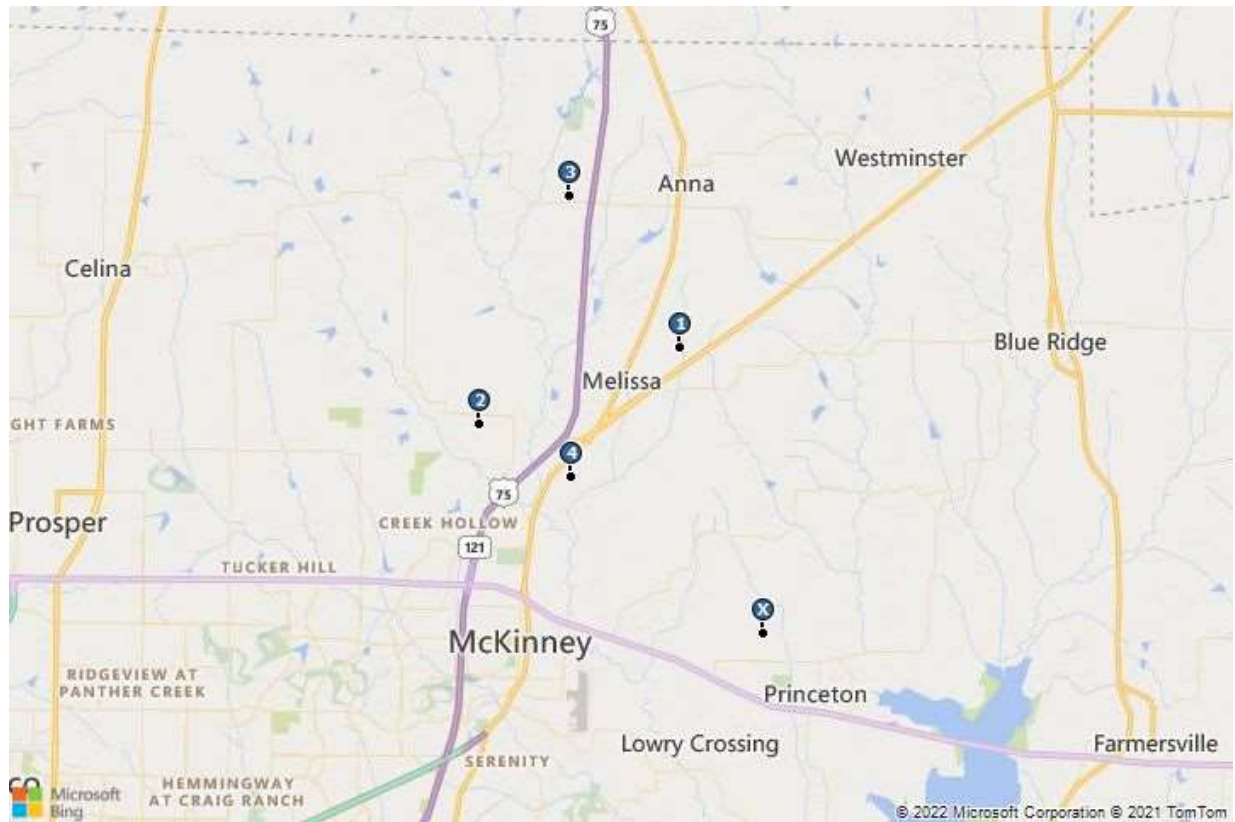
To apply the sales comparison approach to the 50' Frontage Lots, the research focused on transactions within the following parameters:

- Location: Surrounding market areas
- Size: 50' frontage lots
- Use: Single-family residential
- Transaction Date: January 2022+

For this analysis, price per front footage is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - 50' Frontage Lots								
No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Front Footage	Zoning	\$/Front Footage	\$/SF Land
1	Liberty, Phase 8A - 50' lots North side of Hunters Run Parkway, east of Macarthur Drive Melissa Collin County TX Comments: Lots in this multiphase development are located in the Melissa ISD. Home prices are ranging from \$492,000 to \$717,000.	May-22 Closed	\$85,000	6,000 0.14	50	PD (Planned Development)	\$1,700	\$14.17
2	Shaded Tree (Proposed) - 50' Lots Southeast corner of FM-543 (Weston Road) and CR-202 McKinney Collin County TX Comments: This proposed development is located in the McKinney ISD. Home prices are projected to range from \$380,000 to \$475,000.	Aug-23 In-Contract	\$95,278	5,500 0.13	50	PD	\$1,906	\$17.32
3	Villages of Hurricane Creek, North - 50' Lots West side of CR-368, northwest of FM-455 and US-75 Anna Collin County TX Comments: Phase 1 of this development is being developed with 499 lots with 69 lots with 40' frontages, 340 lots with 50' frontages, 18 lots with 60' frontages, and 72 townhome lots.	Nov-22 In-Contract	\$55,000	5,500 0.13	50	Development Agreement	\$1,100	\$10.00
4	Willow Wood, Phase 7 - 50' Lots Northeast corner of North Telephone Road and Parkdale Drive McKinney Collin County TX Comments: Lots in this master-planned development are located in the Melissa ISD. Home prices are ranging from \$473,000 - \$670,000.	Mar-22 Closed	\$100,000	6,000 0.14	50	PD	\$2,000	\$16.67
Subject				6,000	50	PD-10 (Planned Development)		
Whitewing Trails Public Improvement District No. 2 (Phase 2 Project) Princeton, TX				0.14				

Comparable Land Sales Map – 50' Frontage Lots





Sale 1
Liberty, Phase 8A - 50' lots



Sale 2
Shaded Tree (Proposed) - 50' Lots



Sale 3
Villages of Hurricane Creek, North - 50' Lots



Sale 4
Willow Wood, Phase 7 - 50' Lots

Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related-parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between parcel size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

The sales took place in March 2022 and May 2022 with expected closings in November 2022 and August 2023. Market conditions through the introduction of the COVID-19 environment have generally been strengthening. The adjustment grid accounts for this trend with upward adjustments over this period.

Analysis and Adjustment of Sales

The analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a 6,000 square-foot lot located in Liberty, Phase 8A located on the north side of Hunters Run Parkway, east of Macarthur Drive, Melissa, Collin County, TX, with 50 front footages. The property sold in May 2022 for \$85,000, or \$1,700 per front footage. An upward adjustment of 5% is indicated for market conditions. A downward adjustment of 10% is indicated for access/exposure. Overall, a slight downward adjustment is indicated.

Land Sale 2 is a 5,500 square-foot lot located in Shaded Tree (proposed) located at the southeast corner of FM-543 (Weston Road) and CR-202, McKinney, Collin County, TX, with 50 front footages. The property is under contract with closing expected in August 2023 for \$95,278, or \$1,906 per front footage. A downward adjustment is indicated for location (15%). Overall, a downward adjustment is indicated.

Land Sale 3 is a 5,500 square-foot lot located in Villages of Hurricane Creek, North located on the west side of CR-368, northwest of FM-455 and US-75, Anna, Collin County, TX, with 50 front footages. The property is under contract with closing expected at substantial completion in November 2022 for \$55,000, or \$1,100 per front footage. Upward adjustments are indicated for market conditions (2%) and location (40%). Overall, a substantial upward adjustment is indicated.

Land Sale 4 is a 6,000 square-foot lot located in Willow Wood, Phase 7 located at the northeast corner of North Telephone Road and Parkdale Drive, McKinney, Collin County, TX, with 50 front footages. The property sold in March 2022 for \$100,000, or \$2,000 per front footage. An upward adjustment of 6% is indicated for market conditions. Downward adjustments are indicated for location (10%) and access/exposure (10%). Overall, a downward adjustment is indicated.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - 50' Frontage Lots					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)	Liberty, Phase 8A - 50' lots	Shaded Tree (Proposed) - 50' Lots	Villages of Hurricane Creek, North - 50' Lots	Willow Wood, Phase 7 - 50' Lots
Address	East side of Beauchamp Boulevard and north and south sides of Princeton Parkway	North side of Hunters Run Parkway, east of Macarthur Drive	Southeast corner of FM-543 (Weston Road) and CR-202	West side of CR-368, northwest of FM-455 and US-75	Northeast corner of North Telephone Road and Parkdale Drive
City	Princeton	Melissa	McKinney	Anna	McKinney
County	Collin	Collin	Collin	Collin	Collin
State	Texas	TX	TX	TX	TX
Sale Date		May-22	Aug-23	Nov-22	Mar-22
Sale Status		Closed	In-Contract	In-Contract	Closed
Sale Price		\$85,000	\$95,278	\$55,000	\$100,000
Square Feet	6,000	6,000	5,500	5,500	6,000
Acres	0.138	0.138	0.126	0.126	0.138
Number of Front Footages	50	50	50	50	50
Price per Front Footage		\$1,700	\$1,906	\$1,100	\$2,000
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		-	-	-	-
% Adjustment		-	-	-	-
Market Conditions	3/1/2023	May-22	Aug-23	Nov-22	Mar-22
Annual % Adjustment	6%	5%	-	2%	6%
Cumulative Adjusted Price		\$1,785	\$1,906	\$1,122	\$2,120
Location		-	-15%	40%	-10%
Access/Exposure		-10%	-	-	-10%
Size		-	-	-	-
Shape and Topography		-	-	-	-
Zoning		-	-	-	-
Net \$ Adjustment		-\$179	-\$286	\$449	-\$424
Net % Adjustment		-10%	-15%	40%	-20%
Final Adjusted Price		\$1,607	\$1,620	\$1,571	\$1,696
Overall Adjustment		-6%	-15%	43%	-15%
Range of Adjusted Prices		\$1,571 - \$1,696			
Average		\$1,623			
Indicated Value		\$1,600			

Land Value Conclusion – 50' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,100 - \$2,000 per front footage. After adjustment, the range is narrowed to \$1,571 - \$1,696 per front footage, with an average of \$1,623 per front footage. To arrive at an indication of value, we place more emphasis on Sales 1, 2, and 4 due to their similarity to the subject.

Based upon the preceding analysis, we reach a land value conclusion as follows:

Land Value Conclusion	
Indicated Value per Front Footage	\$1,600
Subject Front Footages	<u>50</u>
Indicated Value	\$80,000
Rounded	\$80,000

60' Frontage Lots (60' x 120'; 7,200 SF)

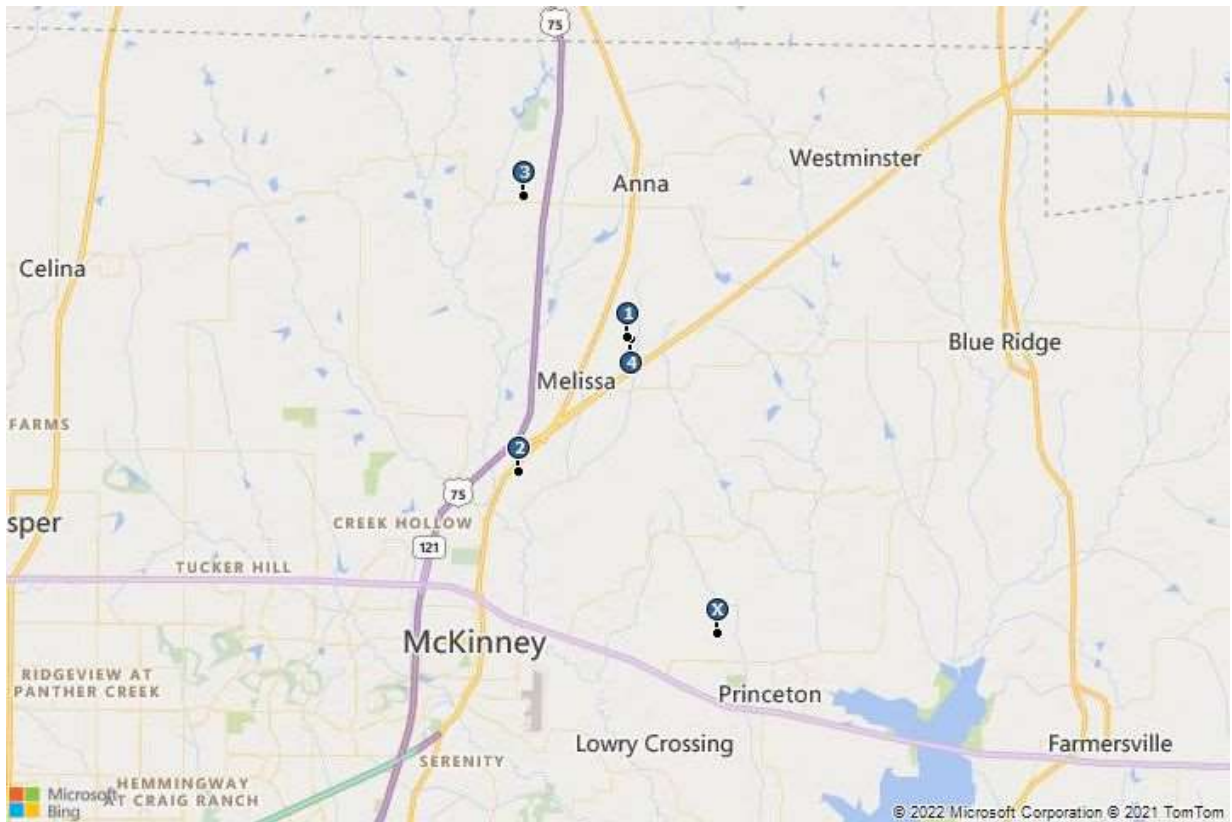
To apply the sales comparison approach to the 60' Frontage Lots, the research focused on transactions within the following parameters:

- Location: Surrounding market areas
- Size: 60' – 70' frontage lots
- Use: Single-family residential
- Transaction Date: March 2021+

For this analysis, price per front footage is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - 60' Frontage Lots								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	\$/Front Footage	\$/SF Land
1	Liberty, Phase 8A - 60' Lots North of Sam Rayburn Highway (SH-121), north side of Hunters Run Parkway Melissa Collin County TX	May-22 Closed	\$102,000	7,200 0.17	60	PD (Planned Development)	\$1,700	\$14.17
Comments: Lots in this master-planned development are located in the Melissa ISD. Home prices are ranging from \$526,000 to \$717,000.								
2	Willow Wood, Phase 6 - 62' Lots Northwest corner of North Telephone Road and Parkdale Drive McKinney Collin County TX	Apr-22 Closed	\$124,000	7,440 0.17	62	PD	\$2,000	\$16.67
Comments: Lots in this master-planned development are located in the Melissa ISD. Home prices are ranging from \$554,000 - \$684,000.								
3	Villages of Hurricane Creek, Phase 1 - 70' Lots North of FM-455, west of US-75 Anna Collin County TX	Mar-21 Closed	\$70,000	8,400 0.19	70	PD	\$1,000	\$8.33
Comments: Phase 1 lots were completed in First Quarter 2021. All lots are located in the Anna ISD. Home prices are ranging from \$377,000 to \$484,000.								
4	Liberty, Phase 8 - 70' lots Southwest corner of Hunters Run Parkway and Melissa Collin County TX	Nov-22 In-Contract	\$119,000	9,100 0.21	70	PD (Planned Development)	\$1,700	\$13.08
Comments: Lots in this phase within this multiphase subdivision are located in the Melissa ISD. Home prices are ranging from \$727,000 to \$825,000.								
Subject				7,200	60	PD-10 (Planned Development)		
Whitewing Trails Public Improvement District No. 2 (Phase 2 Project) Princeton, TX				0.17				

Comparable Land Sales Map – 60' Frontage Lots





Sale 1
Liberty, Phase 8A - 60' Lots



Sale 2
Willow Wood, Phase 6 - 62' Lots



Sale 3
Villages of Hurricane Creek, Phase 1 - 70' Lots



Sale 4
Liberty, Phase 8 - 70' lots

Analysis and Adjustment of Sales

The analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a 7,200 square-foot lot located in Liberty, Phase 8A located north of Sam Rayburn Highway (SH-121), north side of Hunters Run Parkway, Melissa, Collin County, TX, with 60 front footages. The property sold in May 2022 for \$102,000, or \$1,700 per front footage. An upward adjustment of 5% is indicated for market conditions. A downward adjustment of 10% is indicated for access/exposure. Overall, a slight downward adjustment is indicated.

Land Sale 2 is a 7,440 square-foot lot located in Willow Wood, Phase 6 located at the northwest corner of North Telephone Road and Parkdale Drive, McKinney, Collin County, TX, with 62 front footages. The property sold in April 2022 for \$124,000, or \$2,000 per front footage. An upward adjustment of 5% is indicated for market conditions. Downward adjustments are indicated for location (10%) and access/exposure (10%). Overall, a downward adjustment is indicated.

Land Sale 3 is an 8,400 square-foot lot located in Villages of Hurricane Creek, Phase 1 located north of FM-455, west of US-75, Anna, Collin County, TX with 70 front footages. The property sold in March 2021 for \$70,000, or \$1,000 per front footage. Upward adjustments are indicated for market conditions (12%) and location (25%). Overall, a significant upward adjustment is indicated.

Land Sale 4 is a 9,100 square-foot lot located in Liberty, Phase 8 located at the southwest corner of Hunters Run Parkway and Clemons Trail, Melissa, Collin County, TX, with 70 front footages. The property is under contract with closing expected in November May 2022 for \$119,000, or \$1,700 per front footage. An upward adjustment of 1% is indicated for market conditions. A downward adjustment of 10% is indicated for access/exposure. Overall, a slight downward adjustment is indicated.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 60' Frontage Lots					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)	Liberty, Phase 8A - 60' Lots	Willow Wood, Phase 6 - 62' Lots	Villages of Hurricane Creek, Phase 1 - 70' Lots	Liberty, Phase 8 - 70' lots
Address	East side of Beauchamp Boulevard and north and south sides of Princeton Parkway	North of Sam Rayburn Highway (SH-121), north side of Hunters Run Parkway	Northwest corner of North Telephone Road and Parkdale Drive	North of FM-455, west of US-75	Southwest corner of Hunters Run Parkway and Clemons Trail
City	Princeton	Melissa	McKinney	Anna	Melissa
County	Collin	Collin	Collin	Collin	Collin
State	Texas	TX	TX	TX	TX
Sale Date		May-22	Apr-22	Mar-21	Nov-22
Sale Status		Closed	Closed	Closed	In-Contract
Sale Price		\$102,000	\$124,000	\$70,000	\$119,000
Effective Sale Price		\$102,000	\$124,000	\$70,000	\$119,000
Square Feet	7,200	7,200	7,440	8,400	9,100
Acres	0.165	0.165	0.171	0.193	0.209
Number of Front Footages	60	60	62	70	70
Price per Front Footage		\$1,700	\$2,000	\$1,000	\$1,700
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		-	-	-	-
% Adjustment		-	-	-	-
Market Conditions	3/1/2023	May-22	Apr-22	Mar-21	Nov-22
Annual % Adjustment	6%	5%	5%	12%	1%
Cumulative Adjusted Price		\$1,785	\$2,100	\$1,120	\$1,717
Location		-	-10%	40%	-
Access/Exposure		-10%	-10%	-	-10%
Size		-	-	-	-
Shape and Topography		-	-	-	-
Zoning		-	-	-	-
Net \$ Adjustment		-\$179	-\$420	\$448	-\$172
Net % Adjustment		-10%	-20%	40%	-10%
Final Adjusted Price		\$1,607	\$1,680	\$1,568	\$1,545
Overall Adjustment		-6%	-16%	57%	-9%
Range of Adjusted Prices		\$1,545 - \$1,680			
Average		\$1,600			
Indicated Value		\$1,600			

Land Value Conclusion – 60' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,000 - \$2,000 per front footage. After adjustment, the range is narrowed to \$1,545 - \$1,680 per front footage, with an average of \$1,600 per front footage. To arrive at an indication of value, primary weight is given to Sales 1, 2, and 4 due to their similarity to the subject.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Footage	\$1,600
Subject Front Footages	<u>60</u>
Indicated Value	\$96,000
Rounded	\$96,000

Cumulative Retail Lot Values

Following is the calculation for the total cumulative retail lot values for the subject's Whitewing PID No. 2 (Phase 2 Project) comprised of Phases 2A, 2B, and 2C. **It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.**

Cumulative Retail Lot Value Calculations

Phase	Total Lots	Front Footage	Average Price/Lot	Price/FF	Total Cumulative Retail Value
2A	227	50	\$80,000	\$1,600	\$18,160,000
2B	225	50	\$80,000	\$1,600	\$18,000,000
2C	120	60	\$96,000	\$1,600	\$11,520,000

Summary of Net/Gross Value Conclusion

The preceding value was based on a retail sale of small batches of lots (less than 20 lots at a time). However, frequently entire subdivisions are sold to builders, or other investors, at a discount. These builders will then warehouse the land themselves, or the investors will resell the lots to builders over a longer-term takedown schedule. Thus, to determine the appropriate discount for the subject, we have assembled a number of bulk sales of other developed subdivision lots located throughout North Texas. The comparables presented represent the bulk sale of developed lots to homebuilders and/or investors. As shown below, the discount for the sales presented ranged from 3.9% to 18.6% of the retail value from 2019 to 2022. The data indicates that discounts for bulk lot sales were decreasing through 2021 in many submarket areas. However, with the recent rise in interest rates suggest that larger discounts may be supportable.

Our bulk sale comparables from 2019 - 2022 are listed in the following summary table.

Bulk Lot Sale Summary							
Subdivision	Date of Sale	Total Lots	Lot Dimensions	Total SF	Bulk Price/Lot	Retail Price/Lot	N/G Ratio
Sutton Fields	Jul-19	100	50' x 115'	5,750	\$50,000	\$61,000	82.0%
Celina, Texas		85	60' x 115'	6,900	\$57,000	\$70,000	81.4%
LakePointe	Jul-19	114	50' x 120'	6,000	\$47,500	\$51,000	93.1%
Lavon, Texas		109	60' x 120'	7,200	\$54,900	\$58,000	94.7%
Massey Meadows, Ph. 1	May-19	186	70' x 120'	8,400	\$70,000	\$77,000	90.9%
Midlothian, Texas							
Ventana, Ph. 2	May-20	62	50' x 120'	6,000	\$60,000	\$66,250	90.6%
Fort Worth, Texas							
Inspiration, Ph. 9	Mar-20	125	50' x 120'	6,000	\$76,125	\$79,170	96.1%
St. Paul, Texas							
The Highlands	Feb-21	34	50' x 140'	7,000	\$109,000	\$115,000	94.8%
Rockwall, Texas							
LakePointe, Phase 2	Dec-21	118	50' x 120'	6,000	\$48,825	\$52,500	93.0%
Lavon, Texas		142	60' x 120'	7,200	\$56,265	\$60,500	93.0%
Painted Tree Village	Oct-22	74	40' x 110'	4,400	\$84,000	\$94,000	89.4%
McKinney, Texas		111	50' x 118'	5,900	\$105,000	\$117,500	89.4%

Source: Developers 2019-2022

Thus, when consideration is given to the subject's shorter projected marketing periods summarized below, a net to gross sales price ratio (average bulk sale value per lot/average retail sales price per lot) of 90% is deemed appropriate for the subject's Whitewing PID (Phase 2 Project) comprised of Phases 2A, 2B, and 2C as follows.

- **Phase 2A**: Absorption period of 11.4± months
- **Phase 2B**: Absorption period of 11.3± months
- **Phase 2C**: Absorption period of 8.0± months

Net/Gross Value Conclusions

Based upon the preceding, it is our opinion that the net/gross market values for the subject's Whitewing PID (Phase 2 Project) comprised of Phases 2A, 2B, and 2C utilizing a net/gross ratio of 90% is as follows:

Net/Gross Ratio Market Value Summary - Whitewing PID No. 2 (Phase 2 Project)			
	Phase 2A	Phase 2B	Phase 2C
Average Lot Value	\$80,000	\$80,000	\$96,000
Total Lots	227	225	120
N/G Ratio %	90%	90%	90%
Total Market Value (R)	\$16,340,000	\$16,200,000	\$10,370,000
Average/Lot	\$71,982	\$72,000	\$86,417

Subdivision Development Approach (As Complete)

Having completed the retail valuation section of the assignment, we will now provide an opinion of the market value of the property to a single purchaser, as of this date. Obviously, this value will include a provision for compensating the developer/sponsor, i.e., profit for risk and expenditure of time. This value contemplates that the developer/sponsor of the subject would sell the subject property to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of this date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future time period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are considered to be those which reflect all expenses associated with the disposition of the realty, as of the date of completion, as well as the cost of capital and entrepreneurial profit. This latter item of entrepreneurial profit is accounted for herein as part of the discount rate. Based on our experience, profit is not expensed as a line item as it is not realized until the project's expenses (including debt) are paid.

The various assumptions necessary to complete our Discounted Cash Flow Analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the "Single-Family Analysis" section of our analysis, we have projected the overall monthly absorption for the subject's Whitewing PID (Phase 2 Project) comprised of Phases 2A, 2B, and 2C as follows:

Phase 2A

Projected Absorption Summary - Phase 2A													Total Aborp. Period
Lot Type	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Lots (Months±)
50' Lots	20	20	20	20	20	20	20	20	20	20	20	7	227 11.4

As shown, the overall absorption for the subject's 227 lots in Phase 2A is estimated to be 11.4± months (50' lots).

Phase 2B

Projected Absorption Summary - Phase 2B													Total Aborp. Period
Lot Type	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Lots (Months±)
50' Lots	20	20	20	20	20	20	20	20	20	20	20	5	225 11.3

As shown, the overall absorption for the subject's 225 lots in Phase 2B is estimated to be 11.3± months (50' lots).

Phase 2C

Projected Absorption Summary - Phase 2C									Total Absorp. Period	
Lot Type	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Lots	(Months±)
60' Lots	15	15	15	15	15	15	15	15	120	8.0

As shown, the overall absorption for the subject's 120 lots in Phase 2C is estimated to be 8.0± months (60' lots).

Price/Value Increases Over the Sellout Period

An ongoing spike in home sales has reduced home inventories in North Texas to record lows. At the same time, the strong residential price gains that metro Dallas witnessed during the latter half of 2020 has persisted into 2021 - 2022. The pandemic is encouraging potential buyers to move from urban apartments to suburban homes with demand driven by strong job creation over the past decade, demographic trends, and significant in-migration from out-of-state buyers. The annual inflation rate for the United States is 8.3% for the 12 months ended April 2022 after rising 8.5% previously, according to U.S. Labor Department data published May 11, 2022. The inflation rate is expected to ease further over the rest of the year but will likely end 2022 at a still high rate of about 6.3%. The average fixed rate on a 30-year mortgage reached 5.27% in early May, the highest level in more than a decade. Higher mortgage rates will inevitably pull home sales down in the coming months and slow home price appreciation.

Trends in National Inflation and Interest Rates

Year	U.S. Prime Rate	Increase in	
		U.S. CPI	Real Rate of Return
2010	3.25%	1.50%	1.75%
2011	3.25%	3.00%	0.25%
2012	3.25%	1.70%	1.55%
2013	3.25%	1.50%	1.75%
2014	3.25%	1.30%	1.95%
2015	3.50%	0.70%	2.80%
2016	3.75%	1.40%	2.35%
2017	4.25%	2.11%	2.14%
2018	5.50%	1.95%	3.55%
2019	4.75%	2.29%	2.46%
2020	3.25%	0.13%	3.12%
2021	3.25%	0.07%	3.18%
08/22	5.50%	6.23%	-0.73%

Source: Federal Reserve Bank of St. Louis, U.S. Financial Data

All increases are compared to the previous December figures

As shown in the preceding table, CPI increases ranged from 0.70% to 6.23% from 2010 through August 2022 with 3.25% to 5.50% prime rates resulting in real annual rates of returns ranging from -0.73% - 3.55% (with the most current real rate of return at -0.73% with a 5.50% prime rate). Thus, the real rates of return are substantially affected with fluctuations in the prime rates and the increases/decreases in the consumer price index. (The increase is calculated relative to the previous year-to-year December index rates).

Historically, in the sales contracts of the volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the prime rate (5.50%) to the prime rate, plus one percent (annually) up to 8.0%. Thus, for valuation purposes herein, we have estimated an annual appreciation on the sale of the subject units at 6% per year for the subject lots. This is considered reasonable given the supply of available housing product in the area and the historical collection of interest carry/appreciation by developers within the Dallas/Fort Worth and surrounding market areas.

Expenses

Cost of Sales has been estimated at 2.5% of gross sales proceeds for various closing costs and title policies.

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the premise that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. Based upon our experience and information gathered from numerous reputable builders/developers and taxing authorities, this methodology and percentage estimate (2.0%) is well founded. Rollback taxes are not deducted herein.

Marketing expense is not included in this analysis as all of the subject lots are contracted to volume homebuilders who traditionally provide for marketing.

HOA Dues – In a newly constructed subdivision, the developer controls the property until a certain percentage of lots are sold, then the fees are turned over to the HOA. As such, new home buyers pay HOA, but not the developers. There may be minimal maintenance fees over the absorption period, but this would not significantly affect value.

Management Expense/Entrepreneurial Coordination/Remuneration: The last major deduction is that for Entrepreneurial (i.e., the developer/sponsor)/coordination talent expenditure. The Dictionary of Real Estate Appraisal defines entrepreneurial profit as a market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. Inasmuch as the discount rate will include a provision for return on the equity investment, this deduction will be for actual time and expenses only.

Typically, the developer will allow a budgeted line item equal to 0.5% to 2.0% of sales and/or costs, depending on the size of the project, expertise required, and management developmental time involved. Based upon these items, an expense of 1.0% is deemed appropriate and will be a direct line-item deduction from the gross sales proceeds.

Discount Rate

According to the Dictionary of Real Estate Appraisal, 7th Addition, Discount Rate is defined as “a rate of return on capital used to convert future payments or receipts into present value.” The discount rate may or may not be the same as the internal rate of return (IRR), or yield rate, depending on how it is extracted from the market and/or used in the analysis. Furthermore, Internal Rate of Return (IRR) is defined as “the annualized yield rate or rate of return on capital that is generated within an investment or portfolio over a period of ownership.” The IRR is the rate of discount that makes the net present value of the investment equal to zero. The IRR discounts all returns from the investment, including returns from its reversion, to equal the original capital outlay. This rate is similar to the equity yield rate. As a measure of investment performance, the IRR is the rate of discount that produces a profitability index of one and a net present value of zero. It may be used to measure profitability after income taxes, i.e., the after-tax equity yield rate. In other words, it is a rate of profit (or loss) or a measure of performance. It is literally, an interest rate. The effective interest rate on a real estate investment is the equity investor's IRR. The yield to maturity on a bond is the bond holder's IRR, when the bond is held for its full term. The IRR is the rate of return on capital expressed as a ratio per unit of time; for example, 10% per annum. The discount rate utilized herein is essentially an anticipated IRR for the subject property, as estimated from investment performance realized by market participants. Although the investment vehicle being analyzed herein is real property, competition for investment dollars in other investment media is intense, and the prudent investment manager must carefully consider all options. Because of the element of risk involved in real estate investment versus alternative investment vehicles, the prudent investment manager must compare rates of return. The performance of real estate is dependent upon and could fluctuate with the degree of quality of management, unexpected competition, disasters, or economic cycles, particularly in the subject's market area. Therefore, it entails a greater degree of risk than instruments such as government-backed bonds or fixed-rate mortgages.

Following is a summary of yield comparisons as of April 1, 2022, provided by PwC Real Estate Investor, as published by PricewaterhouseCoopers in Second Quarter 2022.

YIELD COMPARISON

April 1, 2022

	2017 AVERAGE	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 JANUARY	2022 APRIL
PwC Yield Indicator (PYI) ^a	7.65%	7.58%	7.47%	7.56%	7.51%	7.37%	7.36%
Long-Term Mortgages ^b	4.59%	4.95%	4.71%	3.95%	4.53%	4.76%	5.13%
10-Year Treasuries ^c	2.37%	2.79%	2.21%	0.97%	1.40%	1.63%	2.39%
Consumer Price Index Change ^d	2.03%	2.50%	1.76%	1.19%	6.09%	6.59%	11.33%
SPREAD TO PYI (Basis Points)							
Long-Term Mortgages	306	263	276	361	298	261	223
10-Year Treasuries	528	479	526	659	611	574	497
Consumer Price Index Change	562	508	571	755	142	78	(397)

a. A composite IRR average of all markets surveyed (excluding hotels, development land, self storage, and student housing).

b. Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 60% to 80% LTV loans; fixed rates; 6- to 30-year terms.

c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

The subject's discount rate should be less than a typical land project, as the value to be determined is for a fully developed project that is available for immediate resale, and which will ultimately possess less risk than that of the total development process. Therefore, a "risk-adjusted discount rate" is deemed appropriate herein.

RealtyRates.com in their most recent Second Quarter 2022 "Developer Survey" with First Quarter 2022 data summarizes discount rates for conventionally financed (interest-only interim or construction financing) subdivisions and Planned Development Districts (PUDs) in the State of Texas. Actual Rates are historical rates achieved by survey respondents, while Pro-Forma Rates reflect forward-looking revenue and development costs. Subdivision rates do include provisions for developer's profit, i.e., profit is not treated as a line-item expense.

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2022 ^a						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	13.59%	31.39%	20.85%	13.05%	30.13%	20.01%
-100 Units	13.59%	27.06%	19.92%	13.05%	25.98%	19.12%
100-500 Units	13.93%	29.76%	20.98%	13.38%	28.57%	20.14%
500+ Units	14.27%	31.12%	21.33%	13.70%	29.87%	20.48%
Mixed Use	14.61%	31.39%	21.16%	14.03%	30.13%	20.31%
Manufactured Housing	13.90%	34.25%	22.31%	13.35%	32.88%	21.42%
-100 Units	13.90%	29.78%	21.41%	13.35%	28.59%	20.55%
100-500 Units	14.25%	32.76%	22.56%	13.68%	31.45%	21.66%
500+ Units	14.60%	34.25%	22.96%	14.02%	32.88%	22.04%
Business Parks	13.86%	31.72%	21.15%	13.31%	30.45%	20.30%
-100 Acres	13.86%	27.59%	20.31%	13.31%	26.48%	19.50%
100-500 Acres	14.21%	30.34%	21.39%	13.64%	29.13%	20.53%
500+ Acres	14.56%	31.72%	21.75%	13.98%	30.45%	20.88%
Industrial Parks	13.95%	27.27%	19.18%	13.39%	26.18%	18.42%
-100 Acres	13.95%	23.72%	18.46%	13.39%	22.77%	17.72%
100-500 Acres	14.30%	26.09%	19.39%	13.73%	25.04%	18.61%
500+ Acres	14.65%	27.27%	19.70%	14.06%	26.18%	18.92%

^a1st Quarter 2022 Data

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As shown above, the minimum actual rates in Texas range from 13.59% for less than 100 units; 13.93% for 100 to 500+ units; and 14.27% for 500+ units with minimum pro-forma rates ranging from 13.05% to 13.70%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk”.⁴ Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has a purchaser of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an IRR that is slightly below the minimum rates provided by the RealtyRates “Developer Survey” for Texas of 13.59% for less than 100 units; 13.93% for 100 to 500+ units; and 14.27% for 500+ units with minimum pro-forma rates ranging from 13.05% to 13.70% is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject’s submarket area, we have selected a discount rate of 12% for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject, as well as the current market conditions. It should be noted that our cash flow also deducts a straight 1.0% entrepreneurial coordination/remuneration (management cost) from all sales proceeds, which effectively increases the discount rate to approximately 13.0% for the subject. To be consistent with the timing of the cash flows, the annual income stream is discounted monthly. With each of the required elements now identified, we are able to analyze the subject in the DCF analyses as shown on the following pages.

Subdivision Development Approach Conclusion – Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)

Phase 2A

Based upon the preceding, and the cash flow presented on the following page, our prospective opinion as completed opinion of value for the subject’s Phase 2A is \$16,730,000 or \$73,700/lot.

Phase 2B

Based upon the preceding, and the cash flow presented on the following page, our prospective opinion as completed opinion of value for the subject’s Phase 2B is \$16,590,000, or \$73,733/lot.

Phase 2C

Based upon the preceding, and the cash flow presented on the following page, our prospective opinion as completed opinion of value for the subject’s Phase 2C is \$10,735,000, or \$89,458/lot.

⁴ The Dictionary of Real Estate Appraisal, 7th Edition, the Appraisal Institute, Chicago, Illinois

[illegible]

Phase 2C

Whitewing Trails, Phase 2C Princeton, Texas Scenario:		Prepared By: S. Sivakumar	120 Monthly																
As Complete		Periods:	Number of Units:																
Cash Flows Beginning	Mar-2023	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales	No.	Unit Sales
Inventory	15	\$96,480	15	\$96,480	15	\$96,480	15	\$96,480	15	\$96,480	15	\$96,480	15	\$96,480	15	\$96,480	15	\$96,480	15
Average/Lot	1.0%	\$96,000	15	\$96,000	15	\$96,000	15	\$96,000	15	\$96,000	15	\$96,000	15	\$96,000	15	\$96,000	15	\$96,000	15
Revenues				Period 1				Period 2				Period 3				Period 4			
Revenues				\$1,440,000				\$1,447,200				\$1,454,436				\$1,461,708			
Expenses				Period 1				Period 2				Period 3				Period 4			
Taxes on Developed Lots				\$19,200				\$16,884				\$14,544				\$12,181			
COST OF SALES				\$36,000				\$36,180				\$36,361				\$36,543			
MARKETING				0.0%				0.0%				0.0%				0.0%			
REMUNERATION				1.0%				1.0%				1.0%				1.0%			
Total Expenses				\$69,600				\$67,536				\$65,449				\$63,341			
Net Income				\$1,370,400				\$1,379,664				\$1,388,987				\$1,398,367			
Annual Discount Rate:				12.00%				12.00%				12.00%				12.00%			
Discounted Value				\$1,356,832				\$1,352,479				\$1,348,137				\$1,343,804			
Net Present Value				\$10,735,335				\$10,735,335				\$10,735,335				\$10,735,335			
Rounded				\$10,735,000				\$10,735,000				\$10,735,000				\$10,735,000			
Period 5				Period 6				Period 7				Period 8				Period 9			
Revenues				\$1,469,017				\$1,476,362				\$1,483,744				\$1,491,162			
Expenses				\$61,209				\$59,055				\$56,877				\$54,676			
Net Income				\$1,407,808				\$1,417,307				\$1,426,867				\$1,436,487			
Annual Discount Rate:				12.00%				12.00%				12.00%				12.00%			
Discounted Value				\$1,339,481				\$1,335,167				\$1,330,864				\$1,326,571			
Net Present Value				\$10,735,335				\$10,735,335				\$10,735,335				\$10,735,335			
Rounded				\$10,735,000				\$10,735,000				\$10,735,000				\$10,735,000			

Reconciliation and Conclusion of Values

Reconciliation involves the weighting of alternative value indications, based on the judged reliability and applicability of each approach to value, to arrive at a final value conclusion. Reconciliation is required because different value indications result from the use of multiple approaches and within the application of a single approach.

In the previous sections, we have provided an opinion of the market value of the fee simple interest in the subject's Whitewing PID (Phase 2 Project) comprised of Phases 2A, 2B, and 2C using three approaches. Following is a summary of the values indicated by these approaches.

The first approach used was the Sales Comparison Approach to value the subject property by developed lot. This approach is based on the theory of substitution and implies that a purchaser would pay no more for an individual property/lot than it would cost to buy, or build, a substitute property. This approach is the most common technique for valuing individual lots, and it is the preferred method when comparable sales are available and is considered to provide a very good indication of value.

As previously discussed, the Cost Approach is judged to be inapplicable and is not utilized.

The third approach used was the Net/Gross Ratio Approach to value. This is also sometimes known as a Sales Ratio study. This is a ratio study that uses sales prices as proxies for market values. In this instance we utilized market data to estimate value as a percentage of gross (or retail) sales price.

The final approach used was the Subdivision Development Approach (Discounted Cash Flow method) utilizing a projection of the future individual lot sales, historical absorption data upon the development, and deducting taxes on the developed lots, costs of sales, marketing, and management expenses. In conclusion, the Development Approach is considered to provide a generally good indication of value for the subject.

The values indicated by our analyses are as follows:

Reconciliation of Opinions of Value – Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)

Summary of Prospective Market Value at Completion Indications			
Whitewing Public Improvement District No. 2 (Phase 2 Project)			
	Phase 2A	Phase 2B	Phase 2C
Net/Gross Ratio Market Value	\$16,340,000	\$16,200,000	\$10,370,000
Subdivision Development Approach	\$16,730,000	\$16,590,000	\$10,735,000
Final Opinion of Prospective Values	\$16,730,000	\$16,590,000	\$10,735,000

Conclusion of Values

Based upon the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinions follow:

Value Conclusions, Whitewing Public Improvement District No. 2 (Phase 2 Project)			
Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed (Phase 2A)	Fee Simple	March 1, 2023	\$16,730,000
Prospective Market Value As Completed (Phase 2B)	Fee Simple	March 1, 2023	\$16,590,000
Prospective Market Value As Completed (Phase 2C)	Fee Simple	March 1, 2023	\$10,735,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property (Whitewing Public Improvement District No. 2, Phase 2 Project) including land areas, lot totals, lot sizes, and other pertinent data that was provided by USA Professional Services Group, Inc. (engineering/surveyors), MM Princeton 854, LLC (developer/owner), and the Collin Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of March 1, 2023, the effective appraisal date.
4. According to the engineer, the LOMR that takes the lots out of the flood plain has not actually been approved yet. The work has been done and has been submitted to FEMA; however, a portion of the lots, 57 lots located in Phase 2A and seven (7) lots in Phase 2C, currently remain in the regulatory flood plain. Our valuation is based upon the lots not being in the flood plain.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are

considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6 - 9 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 - 9 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Shelley Sivakumar and Ernest Gatewood made a personal inspection of the property that is the subject of this report. Jimmy H. Jackson, MAI has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Jimmy H. Jackson, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, Ernest Gatewood has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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Certified General Real Estate Appraiser
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Ernest Gatewood
Senior Director
Certified General Real Estate Appraiser
Texas Certificate # TX 1324355 G
Telephone: (972) 725-7755
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Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report, but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Dallas, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. **IRR - Dallas is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Dallas. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Dallas is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property (Whitewing Public Improvement District No. 2, Phase 2 Project) including land areas, lot totals, lot sizes, and other pertinent data that was provided by USA Professional Services Group, Inc. (engineering/surveyors), MM Princeton 854, LLC (developer/owner), and the Collin Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of March 1, 2023, the effective appraisal date.
4. According to the engineer, the LOMR that takes the lots out of the flood plain has not actually been approved yet. The work has been done and has been submitted to FEMA; however, a portion of the lots, 57 lots located in Phase 2A and seven (7) lots in Phase 2C, currently remain in the regulatory flood plain. Our valuation is based upon the lots not being in the flood plain.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications

Jimmy H. Jackson, MAI

Experience

Senior Managing Director with the Dallas, Lubbock/West Texas and Oklahoma City offices of Integra Realty Resources, a full-service real estate consulting and appraisal firm.

Jimmy H. Jackson, MAI has over 35 years of experience as a commercial appraiser as well as years of experience as a seasoned real estate investor. Prior to joining Integra Realty Resources, Jackson was one of the original two founding partners of Jackson Claborn, Inc. (JCI), a real estate consulting/valuation firm that was established in 1992. JCI grew to have one of the largest staffs of commercial and residential appraisers in the Southwest and has performed valuation and consulting on a vast number of commercial property types across Texas as well as the United States. Mr. Jackson holds the MAI designation and has been involved in the analysis of virtually all types of commercial and residential properties. Mr. Jackson's experience includes consultation and valuation of a wide array of property types including apartment developments, industrial facilities, retail developments, office buildings, single-family subdivisions, single-family residences, condominiums, hotels, golf courses, mixed-use developments, special-use projects and vacant land. In addition to typical real estate valuations and consultations, Mr. Jackson has experience in state and federal courts as an expert witness. Testimony has involved such varied issues as bankruptcy, taxation and condemnation. Mr. Jackson has also been involved in numerous real estate developments and personal real estate investments which includes land acquisition & development, ground-up office build-to-suit development, garden apartment development, student housing development, and single-family lot development.

A major philanthropic achievement for Mr. Jackson was consulting with and influencing family members to provide the start-up expertise as well as the seed funding in 1994 for the formation of The Parent Project for Muscular Dystrophy/PPMD (www.parentprojectmd.org). The PPMD organization has developed into a worldwide non-profit centered to provide research funds for children suffering from Duchenne Muscular Dystrophy. Since inception, the PPMD organization has directly funded more than \$50 million in direct research and assisted and helped leverage more than \$500 million of other research related to other genetic diseases through government grants and other private funding sources. In 2008, Mr. Jackson received a Humanitarian Award from Texas Gov. Rick Perry for charitable work with National Jewish Hospital in Denver. Mr. Jackson currently serves as a national trustee for the hospital which is the #1 respiratory care hospital in the world.

Mr. Jackson graduated from Texas Tech University in 1984 with a B.B.A. in Finance with a Real Estate Emphasis. Mr. Jackson has served on numerous professional boards, including serving on the Ethics and Counseling Panel of the North Texas Chapter of the Appraisal Institute as well as serving on the Board of Directors as well as being Chair and Co-Chair of the Public Relations Committee.

As a college student, Mr. Jackson was a member of Phi Delta Theta social fraternity and the Texas Tech Finance Association. Mr. Jackson currently serves on the Advisory Board for the Jerry Rawls College of Business Administration (COBA) at Texas Tech University. Mr. Jackson has also served as a guest lecturer on real estate entrepreneurship to upper-level COBA students at Texas Tech over the years. Mr. Jackson and his wife Cherylon Harman Jackson (1984/Finance COBA/Texas Tech University) reside in Plano, Texas and are active members of Parkway Hills Baptist Church in Plano, Texas.

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Jimmy H. Jackson, MAI

Experience (Cont'd)

Basic Core Real Estate Appraisal Services:

Feasibility Studies, Absorption Studies & Demographic Studies
Highest & Best Use Studies for All Property Types
3rd Party Appraisal Reviews
Detrimental Conditions Valuation & Consulting
Encroachment Analysis
Land Use Studies & Planning/Zoning Studies
Litigation/Litigation Support
In-Depth Market Analysis for All Property Types
Tax Assessment & Mass Appraisal Analysis
Fair & Equitable Appraisal Analysis
Right of Way Analysis Appraisals
Mediation, Arbitration, & Dispute Resolution
Portfolio Valuation & Analysis
Retrospective Valuation Opinions

Appraisal of All Property Types including The Following:

Residential

High-Rise Condominium and Garden-Style Multi-Family and Townhome Projects
High-End Residential Property
Historical Residential Property
All types of Single-Family Appraisals (Conventional, Relocation, Unique / Historical Property)

Land

Acreage (Commercial Mixed-Use)
Subdivided Land (Mixed-Use, Commercial and Industrial)
Standard Single-Family Subdivision Lot development appraisals
PID/MUD Single-Family Subdivision Lot development appraisals

Commercial, Office & Retail

Branch Banks / Financial Building
Convenience Stores / Service Stations
Convention Center / Hotel / Resort /Motel
Office Building (High Rise, over three stories)
Office Building (Low Rise, three stories or less)
Parking Facility (Lot or Garage)
Retail (Single Tenant or Free Standing)
Shopping Center (Local, Strip, Neighborhood, Community, Etc.)
Shopping Center (Power Center, Outlet Center, Lifestyle, Etc.)
Shopping Center (Super Regional, Regional Mall)

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Jimmy H. Jackson, MAI

Experience (Cont'd)

Industrial

Industrial (Heavy (Manufacturing)
Industrial (Small Office Warehouse / Mfg.)
Industrial Light (Distribution, Storage)

Special Purpose

Automobile Dealerships
Church Facilities
Collegiate Student Housing
Self-Serve and Full-Service Car Wash Facilities
Self-Storage Facilities

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324004 G, Expires November 2024
Oklahoma, Certified General Real Estate Appraiser, 13279CGA, Expires September 2023
New Mexico, Certified General Real Estate Appraiser, 03819-G, Expires April 2023

Education

Mr. Jackson is a graduate of Texas Tech University where he received a Bachelor of Business Administration in Finance with a Real Estate Emphasis.

Miscellaneous

Member of Region 8 Ethics and Counseling Regional Panel (1992-1995)
Chair - Public Relations North Texas Chapter (2003, 2004)
Co-Chair - Public Relations North Texas Chapter (2005)
Board Member - North Texas Chapter (2005-2007)

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Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)





Shelley M. Sivakumar

Experience

Shelley Sivakumar, Director with the Dallas office of Integra Realty Resources - Dallas, has over 24 years of experience as a commercial appraiser. This extensive experience has formed a knowledge of the Texas real estate market with an understanding of the dynamics of market forces in both increasing, as well as declining markets. After graduating from the University of Texas at Dallas with a Bachelor of Science degree with a double major of Accounting/Finance, Ms. Sivakumar began her career in tax accounting. For the next 20 years, she managed a private multi-million-dollar individual asset portfolio. Since 1998, she has specialized in appraising master-planned residential developments and subdivisions including Public Improvement Districts in the Dallas/Fort Worth metroplex as well as outlying areas in Dallas, Collin, Rockwall, Ellis, Tarrant, Grayson, and Denton Counties. Ms. Sivakumar's appraisal experience also includes single and multi-tenant office/medical buildings, retail developments, industrial facilities, educational centers, religious facilities, townhome developments, right-of-ways (road), as well as vacant land.

In her spare time, Ms. Sivakumar enjoys equestrian riding and working out. She has competed in the 100-mile "Hotter'N Hell Hundred" bike ride, one of the oldest and largest cycling events in the nation held in Wichita Falls, Texas every August.

Licenses

Licensed Residential Real Estate Appraiser (Certificate No. TX 1333354-L)

Education

University of Texas at Dallas, Dallas, Texas: Bachelor of Science 1978

University of North Texas, Denton, Texas 1977

Marshall University, Huntington, West Virginia: A.S. Degree 1974

Appraisal Institute Courses

A Review of Disciplinary Cases	Market Analysis/STDB
Workfile Documentation for Appraisers	USPAP
Basic Appraisal Procedures	Expert Witness for Commercial Appraisers
General Appraiser Market Analysis Highest and Best Use	General Appraiser Site Valuation & Cost Approach
General Appraiser Sales Comparison Approach	Commercial Appraisal Review
General Report Writing and Case Studies	Fair Housing
A Review of Disciplinary Cases	Market Analysis/STDB
Workfile Documentation for Appraisers	USPAP
Appraising Residential Properties	Environmental Issues
Income Property Appraisal	Texas Real Estate Contracts
Real Estate Appraisal	Texas Real Estate Agency
Basic Income Capitalization	Modern Real Estate Practice in Texas
	Statistics, Modeling and Finance
	General Appraiser Income Approach
Appraisal Math & Statistics	
Owner-Occupied Commercial Properties	
Residential Report Writing	
Modern Green Building Concepts	
Ad Valorem Tax Consultation	
The Dirty Dozen	
Essential Elements of Disclosure & Disclaimer	
Land & Site Valuation	
Commercial Clients Want Appraisers to Know	

ssivakumar@irr.com - (972) 696-0687

Whitewing Trails Public Improvement District No. 2 (Phase 2 Project)

Integra Realty Resources

Dallas

1100 Mira Vista Boulevard
Suite 300
Plano, TX 75093

T (972) 881-7191

F (972) 733-1403

irr.com





Licensed Residential Real Estate Appraiser

Appraiser: **Shelley Marie Sivakumar**

License #: **TX 1333354 L**

License Expires: **02/29/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

Ernest Gatewood

Experience

Senior Director PID/MUD/SF Lot Development Valuation Specialist with the Dallas office of Integra Realty Resources DFW, a full-service real estate consulting and appraisal firm.

Mr. Gatewood has been in the appraisal field for over 40 years. This extensive experience has formed knowledge of the Texas real estate market as well as select areas throughout the entire United States. This experience has formed an understanding of the dynamics of market forces in both increasing, as well as declining markets. Mr. Gatewood began his appraisal career in 1980 at Crosson Dannis, Inc. where he spent 10 years specializing in master-planned communities. Mr. Gatewood's appraisals were utilized in the funding of Legacy Business Park in Plano, Texas as well as Stonebridge Ranch in McKinney, Texas. In 1991, Mr. Gatewood joined Heartland (Seattle, Washington) as Acquisitions Director for Texas. In this role, Mr. Gatewood was key to the development of several single-family subdivisions, a property type which he still specializes into this day. From 1992 until 2017, Mr. Gatewood represented Jackson Claborn, Inc. as the Vice President of the Commercial Division where he has helped manage the production of the commercial appraisal practice which has enhanced JCI's strong commitment to client services.

Mr. Gatewood has experience in appraising commercial, industrial, multifamily, and investment-grade real property and related tangible assets to provide opinions of value for purposes of mortgage lending, sale or purchase, financial reporting, federal tax, capital lease testing, litigation support, allocation of purchase price, estate tax planning/settlement, ad valorem taxation, property exchange, internal planning, and partial taking/just compensation by eminent domain agencies.

Property types include vacant land, agricultural land, rights of way (road and pipeline), shopping centers, single-tenant retail buildings, CBD and suburban office projects, air rights, truck terminals, light industrial facilities, heavy manufacturing plants, corporate headquarters, hospitals, surgery centers, medical office buildings, self-storage facilities, religious facilities, hotels, mixed-use developments, apartment projects, convenience stores, and, single-family subdivision analyses.

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324355 G, Expires December 2024

Texas, Licensed Real Estate Salesman, 277705-32, Expires December 2023

Idaho, Certified General Real Estate Appraiser, CGA-5642, Expires February 2023

Education

Richland Junior College, Dallas, Texas

The University of North Texas, Denton, Texas

Miscellaneous

An affiliate of the Appraisal Institute

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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! The members of this team are listed below. You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Integra Regional Quality Managers		
Region	Regional Quality Manager	Title
Northeast Region	William Kimball, MAI	Senior Managing Director
Southeast Region	Leslie North, MAI, AI-GRS	Managing Director
Central Region	Gary Wright, MAI, SRA	Senior Managing Director
Southwest Region	Rusty Rich, MAI, MRICS	Senior Managing Director
West Region	Larry Close, MAI	Senior Managing Director
Corporate	Rob McPherson, MAI, CCIM	Director of Product Development and Quality

Addendum C

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

Entitlement

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive

The amount an entrepreneur expects to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives (may also be known as worth). (IVS).

Lease

A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.

7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: 12 C.F.R. Part 34.42[g]; 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Definition of Aggregate of Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Sale

The sale of multiple parcels of real estate to one buyer in one transaction. A bulk sale may include dissimilar properties in different locations or a group of lots or units in the same project. Typically, the bulk sale price is less than the sum of the values of the individual parcels.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Development Procedure

In land valuation, a technique for valuing undeveloped acreage that involves discounting the cost of development and the probable proceeds from the sale of developed sites.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Subdivision Development Method

A method of estimating land value when subdividing and developing a parcel of land is the highest and best use of that land. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or the completed improvements on those lots), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Allocation

1) The process of separating the contributory value of a component or part of an asset from the total value of the asset. 2) A method of estimating land value in which sales of improved properties are analyzed to establish a typical ratio of land value to total property value and this ratio is applied to the property being appraised or the comparable sale being analyzed."

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Extraction

1) A method of estimating land value in which the depreciated cost of the improvements on an improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land. 2) A method of deriving capitalization rates from property sales when sale price and net operating income are known.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Residual

The quantity left over; in appraising, a term used to describe the result of an appraisal procedure in which known components of value are accounted for, thus solving for the quantity that is left over, such as land residual or building residual.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Addendum D

Property Information

Tax Data - Part of 2658194



10/6/22, 3:51 PM

Collin CAD - Property Search


Property Search

Property ID: 2658194 - Tax Year: **2022**

General Information

Property ID	2658194
Property Status	Active
Geographic ID	R-6166-002-1370-1
Property Type	Real
Property Address	W Monte Carlo Blvd Princeton, TX 75407
Total Land Area	660.8333 acres
Total Improvement Main Area	n/a
Abstract/Subdivision	 David Cherry Survey
Primary State Code	D1 (Qualified Open-space Ag Land)
Legal Description	ABS A0166 DAVID CHERRY SURVEY, SHEET 2, TRACT 137, 660.8333 ACRES
Tax Agent	 Brown & Griffin Real Estate Advisors, Lp

Owner Information

Owner ID	1098657
Owner Name(s)	 Mm Princeton 854 LLC
Exemptions	None
Percent Ownership	100.00%
Mailing Address	1800 Valley View Ln Ste 300 Dallas, TX 75234-8945

2022 Value Information

Improvement Homesite Value	\$0
Improvement Non-Homesite Value	\$0
Total Improvement Market Value	\$0
Land Homesite Value	\$0
Land Non-Homesite Value	\$964,835
Land Agricultural Market Value	\$10,737,198
Total Land Market Value	\$11,702,033
Total Market Value	\$11,702,033
Agricultural Use Loss	(-) \$10,651,350
Total Appraised Value	\$1,050,683
Homestead Cap Loss	\$0
Total Assessed Value	\$1,050,683

Entities

Taxing Entity	Tax Rate	Collected By
CPN (Princeton City)	0.534543 (2022 Rate)	Collin County Tax Office
GCN (Collin County)	0.152443 (2022 Rate)	Collin County Tax Office
JCN (Collin College)	0.081220 (2022 Rate)	Collin County Tax Office
SPN (Princeton ISD)	1.442900 (2022 Rate)	Collin County Tax Office

Improvements

Our records don't show any improvement data for Property ID 2658194 in the year 2022.

Land Segments

Land Segment #1	Cropland
State Code	D1 (Qualified Open-space Ag Land)
Homesite	No
Market Value	\$6,618,726
Ag Use Value	1D1

Land Size	367.7070 acres 16,017,317 sq. ft.
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Land Segment #2	Improved Pasture
State Code	D1 (Qualified Open-space Ag Land)
Homesite	No
Market Value	\$4,118,472
Ag Use Value	1D1
Land Size	228.8040 acres 9,966,702 sq. ft.

Land Segment #3	Undeveloped
State Code	E (Rural Non-ag Land (Not Platted, Not In City))
Homesite	No
Market Value	\$964,835
Ag Use Value	n/a
Land Size	64.3223 acres 2,801,879 sq. ft.

Value History

Year	Improvement	Land	Market	Ag Loss	Appraised	HS Cap Loss	Assessed
2022	\$0	\$11,702,033	\$11,702,033	\$10,651,350	\$1,050,683	\$0	\$1,050,683
2021	\$0	\$8,172,040	\$8,172,040	\$7,072,929	\$1,099,111	\$0	\$1,099,111
2020	\$0	\$8,188,360	\$8,188,360	\$7,072,243	\$1,116,117	\$0	\$1,116,117
2019	\$3,975	\$8,212,348	\$8,216,323	\$7,928,097	\$288,226	\$0	\$288,226
2018	\$3,975	\$9,408,208	\$9,412,183	\$7,946,428	\$1,465,755	\$0	\$1,465,755

Deed History

Deed Date	Seller	Buyer	Instr #	Volume/Page
02/26/2019	MACAVITY COMPANY LLC	MM PRINCETON 854 LLC	20190227000202460	
06/24/2016	CR 407 & FM 75 LLLP	MACAVITY COMPANY LLC	20160627000808950	
05/21/2007	PRINCETON MEADOWS LP	CR 407 & FM 75 LLLP	20070524000705480	

SB 541 – Amends Section 25.027 of the Property Tax Code, effective September 1, 2005

RESTRICTION ON POSTING DETAILED IMPROVEMENT INFORMATION ON INTERNET WEBSITE:

Information in appraisal records may not be posted on the Internet if the information is a photograph, sketch, or floor plan of an improvement to real property that is designed primarily for use as a human residence. This section does not apply to an aerial photograph that depicts five or more separately owned buildings.

HB 394 – Amends Section 25.027 of the Property Tax Code, effective September 1, 2015

RESTRICTION ON POSTING AGE RELATED INFORMATION ON INTERNET WEBSITE:

Information in appraisal records may not be posted on the Internet if the information indicates the age of a property owner, including information indicating that a property owner is 65 years of age or older.

Legal Descriptions

Phase 2A

WHEREAS MM PRINCETON 854, LLC., is the owner of a 51.660 acres tract or parcel of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas and being a part of an 853.61 acre tract of land described in Trustee's Deed Without Warranty to MM Princeton 854, LLC, as recorded in County Clerk's File No. 20190227000202460 in the Deed Records of Collin County, Texas and being more particularly described as follows:

COMMENCING at 1/2" capped "R.P.L.S. 5686" iron rod found at the southwesterly end of a corner clip at the northwesterly intersection of FM 75 (Longneck Road a 90' Right-of-way) and the North line of Monte Carlo Boulevard (County Road No. 407) (a variable width Right-of-way) as described in deed to the City of Princeton, Texas as recorded in County Clerk's File No. 20190305000230730, said point being the most Southeasterly corner of said MM Princeton 854, LLC, tract;

THENCE North 89 degrees 36 minutes 41 seconds West along said Northerly Right-of-way of said Monte Carlo Boulevard and the Southerly line of said MM Princeton LLC, tract a distance of 878.56 feet to the POINT OF BEGINNING;

THENCE North 89 degrees 36 minutes 41 seconds West continuing along said common line a distance of 243.06 feet to a 1/2" capped "R.P.L.S. 5686" iron rod found for corner;

THENCE North 68 degrees 19 minutes 13 seconds West continuing along said common line a distance of 50.54 feet to a 1/2" capped "R.P.L.S. 5686" iron rod found for corner;

THENCE South 89 degrees 59 minutes 57 seconds West continuing along said common line a distance of 207.97 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

THENCE Crossing said MM Princeton LLC, tract the following courses and distances:

North 25 degrees 41 minutes 06 seconds West a distance of 358.84 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 15 degrees 51 minutes 01 seconds West a distance of 754.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 89 degrees 59 minutes 52 seconds West a distance of 746.51 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 00 degree 00 minutes 08 seconds West a distance of 62.83 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 87 degrees 08 minutes 01 seconds West a distance of 60.48 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 89 degrees 59 minutes 52 seconds West a distance of 90.01 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 00 degree 03 minutes 27 seconds West a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being a corner clip of proposed Easterly right-of-way line North Beauchamp Boulevard (100' right-of-way);

North 44 degrees 17 minutes 22 seconds West along said corner clip a distance of 27.93 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a curve to the right whose chord bears North 23 degrees 20 minutes 26 seconds East, a chord distance of 1,116.14 feet;

In a Northeasterly direction along said curve to the right having a central angle of 43 degrees 04 minutes 48 seconds, a radius of 1520.00 feet, an arc length of 1,142.87 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

North 45 degrees 07 minutes 10 seconds West a distance of 100.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being the Westerly right-of-way line for the North Beauchamp Boulevard, said point also being at the beginning of a non-tangent curve to the right whose chord bears North 48 degrees 25 minutes 20 seconds East, a chord distance of 200.14 feet;

In a Northeasterly direction along said curve to the right having a central angle of 07 degrees 04 minutes 59 seconds, a radius of 1620.00 feet, an arc length of 200.27 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 51 degrees 57 minutes 49 seconds East a long said proposed Westerly right-of-way line a distance of 321.49 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 31 degrees 35 minutes 34 seconds East a distance of 93.17 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 37 degrees 04 minutes 41 seconds East a chord distance of 208.08 feet;

In a Southeasterly direction along said curve to the right having a central of 02 degrees 43 minutes 15 seconds, a radius of 4382.14 feet, an arc length 208.10 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 37 degrees 54 minutes 01 seconds East a distance of 297.69 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 43 minutes 24 seconds East a distance of 198.34 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 59 minutes 02 seconds East a distance of 140.89 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 28 degrees 17 minutes 34 seconds East a chord distance of 200.22 feet;

In a Southeasterly direction along said curve to the right having a central angle of 20 degrees 10 minutes 39 seconds, a radius of 571.48 feet, an arc length of 201.25 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a compound curve to the right whose chord bears South 10 degrees 11 minutes 59 seconds East, a chord distance of 84.01 feet;

In a Southeasterly direction along said curve to the right having a central angle of 13 degrees 13 minutes 48 seconds, a radius of 364.64 feet, an arc length of 84.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 00 degree 10 minutes 33 seconds East a distance of 177.71 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 00 degree 28 minutes 00 second West a distance of 227.26 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the left whose chord bears South 11 degrees 17 minutes 24 seconds East a chord distance of 139.62 feet;

In a Southeasterly direction along said curve to the left having a central angle of 27 degrees 52 minutes 11 seconds, a radius of 289.89 feet, an arc length 141.01 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 20 degrees 52 minutes 59 seconds East a chord distance of 102.18 feet;

In a Southeasterly direction along said curve to the right having a central angle of 03 degrees 38 minutes 20 seconds, a radius of 1609.18 feet, an arc length of 102.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 18 degrees 33 minutes 53 seconds East a distance of 36.17 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 15 degrees 55 minutes 26 seconds East a distance of 170.30 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 16 degrees 25 minutes 10 seconds East a distance of 266.80 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 25 degrees 11 minutes 15 seconds East a distance of 324.37 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 25 degrees 35 minutes 03 seconds East a distance of 80.03 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a curve to the right whose chord bears South 32 degrees 53 minutes 26 seconds West a chord distance of 180.75 feet;

In a Southwesterly direction along said curve to the right having a central angle of 48 degrees 32 minutes 45 seconds, a radius of 219.85 feet, an arc length of 186.27 feet to the POINT OF BEGINNING, and containing 2,250,327.68 square feet or 51.660 acres of land more or less.

Phase 2B

WHEREAS MM PRINCETON 854, LLC., is the owner of a 54.291 acres tract or parcel of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas and being a part of an 853.61 acre tract of land described in Trustee's Deed Without Warrant to MM Princeton 854, LLC, as recorded in County Clerk's File No. 20190227000202460 in the Deed Records of Collin County, Texas and being more particularly describe as follows:

BEGINNING at 1/2" cap iron rod with red cap stamped found for corner at the most Northwesterly corner of Whitewing Trails Phase 1, an addition to the City of Princeton, Collin County, Texas as recorded in County Clerk's File No. 20202002010003780 in the Plat Records of Collin County, Texas, said point also being in the Westerly line of the Villas of Monte Carlo Phase Two B, an addition to the City of Princeton, Collin County, Texas as recorded in Volume 2014, Page 468 of the Map Records of Collin County, Texas;

THENCE North 0 degrees 54 minutes 34 seconds East departing the most Northwesterly corner of said Whitewing Trails Phase 1 tract and along the Easterly line of said Villas of Monte Carlo Phase Two B tract a distance of 316.31 feet to a 1/2" iron rod found for corner, said point being the most Northeasterly corner of said Villas of Monte Carlo Phase Two B and the most Southeasterly corner of Ragon Estates an addition to the City of Princeton, Collin county, Texas as recorded in Volume J, Page 532 of the Map Records, Collin County, Texas;

THENCE North 1 degree 01 minutes 14 seconds East along said common line a distance of 589.42 feet to a 1/2" iron rod found for corner, said point being the most Northeasterly corner of said Ragon Estates tract;

THENCE North 89 degrees 04 minutes 12 seconds West along the Northerly line of said Ragon Estates a distance of 1218.33 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

THENCE departing the Northerly line of said Ragon Estates and crossing said MM Princeton 854, LLC tract the following courses and distances;

North 0 degree 56 minutes 46 seconds East a distance of 1077.73 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 5 degrees 37 minutes 41 seconds East a distance of 90.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 84 degrees 22 minutes 19 seconds East a distance of 60.32 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 78 degrees 21 minutes 04 seconds East a chord distance of 426.90 feet;

In a Southeasterly direction along said curve to the right having a central angle of 12 degrees 02 minutes 29 seconds, a radius of 2035.00 feet, an arc length of 427.68 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 63 degrees 30 minutes 51 seconds East a distance of 28.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 70 degrees 55 minutes 21 seconds East a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 25 degrees 21 minutes 34 seconds East a distance of 28.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at a non-tangent curve to the right whose chord bears South 66 degrees 15 minutes 41 seconds East a chord distance of 230.98 feet;

In a Southeasterly direction along said curve to the right having a central angle of 6 degrees 30 minutes 25 seconds, a radius of 2035.00 feet, an arc length of 231.11 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 63 degrees 00 minutes 29 seconds East a distance of 221.67 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 59 degrees 13 minutes 43 seconds East a chord distance of 466.02 feet;

In a Southeasterly direction along said curve to the right having a central angle of 7 degrees 33 minutes 32 seconds, a radius of 3534.97 feet, an arc length of 466.36 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 82 degrees 17 minutes 22 seconds East a distance of 22.16 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 54 degrees 43 minutes 05 seconds East a distance of 60.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 7 degrees 06 minutes 04 seconds East a distance of 20.46 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the right whose chord bears South 50 degrees 07 minutes 33 seconds East a chord distance of 476.12 feet;

In a Southeasterly direction along said curve to the right having a central angle of 7 degrees 43 minutes 23 seconds, a radius of 3535.00 feet, an arc length of 476.48 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 454.72 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 88 degrees 44 minutes 09 seconds East a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 43 degrees 44 minutes 09 seconds East a distance of 11.21 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 15.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being in the most Northerly line of said Whitewing Trails Phase 1;

THENCE along the Northerly line of said Whitewing Trails Phase 1 the following courses and distances;

South 1 degree 15 minutes 51 seconds East a distance of 15.86 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
South 46 degrees 15 minutes 51 seconds East a distance of 118.79 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
South 88 degrees 44 minutes 10 seconds West a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
South 43 degrees 44 minutes 09 seconds West a distance of 90.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
North 46 degrees 15 minutes 51 seconds West a distance of 8.28 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
South 43 degrees 44 minutes 09 seconds West a distance of 170.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
South 46 degrees 15 minutes 51 seconds East a distance of 12.05 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a tangent curve to the left whose chord bears South 47 degrees 57 minutes 38 seconds East a chord distance of 31.08 feet;
In a Southeasterly direction along said curve to the left having a central angle of 3 degrees 23 minutes 33 seconds, a radius of 525.00 feet, an arc length of 31.09 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
South 43 degrees 44 minutes 09 seconds West a distance of 542.66 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 67 degrees 19 minutes 14 seconds West a chord distance of 260.07 feet;
In a Southwesterly direction along said curve to the right having a central angle of 47 degrees 10 minutes 12 seconds, a radius of 325.00 feet, an arch length of 267.56 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
North 89 degrees 05 minutes 43 seconds West a distance of 178.13 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears South 7 degrees 57 minutes 35 seconds West a distance of 29.81 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
North 82 degrees 54 minutes 58 seconds West a distance of 50.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;
North 89 degrees 05 minutes 43 seconds West a distance of 120.79 feet to the **POINT OF BEGINNING**, and containing 2,364,918 square feet or 54.291 acres of land more or less.

Phase 2C

WHEREAS MM PRINCETON 854, LLC., is the owner of a 33.710 acres tract or parcel of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas and being a part of an 853.61 acre tract of land described in Trustee's Deed Without Warrant to MM Princeton 854, LLC, as recorded in County Clerk's File No. 20190227000202460 in the Deed Records of Collin County, Texas and being more particularly describe as follows:

COMMENCING at 1/2" cap iron rod with red cap stamped found for corner at the most Northerly corner of Whitewing Trails Phase 1, an addition to the City of Princeton, Collin County, Texas as recorded in County Clerk's File No. 20202002010003780 in the Plat Records of Collin County, Texas;

THENCE South 43 degrees 44 minutes 09 seconds West along the Northerly line of said Whitewing Trails Phase 1 tract a distance of 59.14 feet to the **POINT OF BEGINNING**;

THENCE along the Northerly line of said Whitewing Trails Phase 1 tract the following courses and distances;

South 43 degrees 44 minutes 09 seconds West a distance of 29.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 15.00 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 414.79 feet to a 1/2" iron rod with red cap stamped "USA INC" found for corner;

THENCE departing the Northerly line of said Whitewing Trails Phase 1 tract a crossing said MM Princeton 854 LLC tract the following courses and distances;

North 46 degrees 15 minutes 51 seconds West a distance of 15.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 43 degrees 44 minutes 09 seconds West a distance of 11.21 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 46 degrees 15 minutes 51 seconds West a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 88 degrees 44 minutes 09 seconds West a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 46 degrees 15 minutes 51 seconds West a distance of 454.72 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the left whose chord bears North 50 degrees 07 minutes 33 seconds West a chord distance of 476.12 feet;

In a Northwesterly direction along said curve to the left having a central angle of 7 degrees 43 minutes 23 seconds, a radius of 3535.00 feet, an arc length of 476.48 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 7 degrees 06 minutes 04 seconds West a distance of 20.16 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 54 degrees 43 minutes 05 seconds West a distance of 60.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 82 degrees 17 minutes 22 seconds West a distance of 22.16 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears North 59 degrees 13 minutes 42 seconds West a chord distance of 466.07 feet;

In a Northwesterly direction along said curve to the left having a central angle of 7 degrees 33 minutes 34 seconds, a radius of 3535.00 feet, an arc length of 466.40 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 63 degrees 00 minutes 29 seconds West a distance of 221.67 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the left whose chord bears North 66 degrees 15 minutes 41 seconds West a chord distance of 230.98 feet;

In a Northwesterly direction along said curve to the left having a central angle of 6 degrees 30 minutes 25 seconds, a radius of 2035.00 feet, an arc length of 231.11 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 25 degrees 21 minutes 34 seconds West a distance 28.56 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 70 degrees 55 minutes 21 seconds West a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 19 degrees 04 minutes 39 seconds East a distance of 24.44 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the left whose chord bears North 12 degrees 21 minutes 10 seconds East a chord distance of 227.17 feet;

In a Northeasterly direction along said curve to the left having a central angle of 13 degrees 26 minutes 58 seconds, a radius of 970.00 feet, an arc length of 227.69 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 5 degrees 37 minutes 41 seconds East a distance of 213.95 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears North 17 degrees 48 minutes 45 seconds East a chord distance of 270.16 feet;

In a Northeasterly direction along said curve to the right having a central angle of 24 degrees 22 minutes 08 seconds, a radius of 640.00 feet, an arc length of 272.20 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 12 degrees 45 minutes 21 seconds West a distance of 28.94 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;
North 34 degrees 28 minutes 24 seconds East a distance of 60.07 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;
North 80 degrees 55 minutes 13 seconds East a distance of 29.32 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the right whose chord bears North 44 degrees 12 minutes 25 seconds East a chord distance of 117.24 feet;

In a Northeasterly direction along said curve to the right having a central angle of 10 degrees 30 minutes 39 seconds, a radius of 640.00 feet, an arc length of 117.41 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 40 degrees 32 minutes 15 seconds East a distance of 60.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a non-tangent curve to the left whose chord bears North 50 degrees 32 minutes 05 seconds East a chord distance of 21.71 feet;

In a Northeasterly direction along said curve to the left having a central angle of 2 degrees 08 minutes 40 seconds, a radius of 580.00 feet, an arc length of 21.71 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 62 degrees 20 minutes 25 seconds East a distance of 421.74 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 36 degrees 41 minutes 43 seconds East a distance of 177.98 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 5 degrees 23 minutes 25 seconds East a distance of 226.48 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 56 degrees 01 minutes 52 seconds East a distance of 445.23 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 33 degrees 12 minutes 13 seconds East a distance of 475.22 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a tangent curve to the right whose chord bears South 27 degrees 57 minutes 21 seconds East a chord distance of 10.98 feet;

In a Southeasterly direction along said curve to the right having a central angle of 10 degrees 29 minutes 47 seconds, a radius of 60.00 feet, an arc length of 10.99 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner, said point being at the beginning of a reverse curve to the left whose chord bears South 34 degrees 29 minutes 10 seconds East a chord distance of 24.49 feet;

In a Southeasterly direction along said reverse curve to the left having a central angle of 23 degrees 33 minutes 23 seconds, a radius of 60.00 feet, an arc length of 24.67 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 472.04 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 51 degrees 58 minutes 29 seconds East a distance of 50.25 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 105.00 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

North 88 degrees 44 minutes 09 seconds East a distance of 28.28 feet to a 1/2" iron rod with red cap stamped "USA INC" set for corner;

South 46 degrees 15 minutes 51 seconds East a distance of 60.00 feet to the **POINT OF BEGINNING**, and containing 1,468,393 square feet or 33.710 acres of land more or less.

Flood Designation – Whitewing Trails

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) 48085C0285J, dated June 2, 2009, a majority of the overall approximately 854-acre property in Whitewing Trails is located in Zone X. Zone X corresponds to areas outside of the 500-year flood plain. According to estimates made by the original Engineer, an approximate 206-acre portion of the District was located in Zone A with no base flood elevations determined. Zone A corresponds to special flood hazard areas subject to inundation by the 100-year flood, with no Base Flood Elevations determined. Mandatory flood insurance purchase requirements apply in areas designated as Zone A. **FIRM attached Effective June 2, 2009.**

The original Engineer submitted and was granted a Conditional Letter of Map Revision (CLOMR) for the Whitewing Trails Project, (“Project”) Case No.19-06-0235R dated July 17, 2019. The Project was then put on hold prior to any proposed reclamation activity per this CLOMR.

The City of Princeton submitted a Letter of Map Revision (LOMR) for Tickey Creek and Tickey Creek Tributary 4 which affects the Project and was approved as LOMR Case No. 19-06-0798P, which became effective on February 3, 2020, as part of the City of Princeton’s Overall Master Drainage Plan (“MDP”). This LOMR established FEMA Regulatory 100-year Base Flood Elevations (“BFE’s”) as well as FEMA Regulatory Floodway. **Updated FIRM attached Reflecting LOMR Effective February 3, 2020.**

In addition, The City of Princeton submitted a new LOMR, as part of the updated MDP and identified as the Monte Carlo Bridge LOMR to reflect any changes to Tickey Creek caused by the expansion of the said Bridge. This LOMR was approved as Case No. 20-06-2556P which became Effective on April 30, 2021. This LOMR increased and decreased the 100-year BFE’s and widened and narrowed the Regulatory Floodway and Regulatory Floodplain for an area approximately 104 feet upstream of the eastbound Monte Carlo Bridge Expansion affecting the project. **Updated FIRM attached Reflecting LOMR Effective February 3, 2020.**

The Developer authorized an updated Hydrologic and Hydraulic Flood Study to be performed to update the City of Princeton’s MDP. These studies required the computation of the 100-year FEMA Regulatory, Interim and Fully Developed Flood Plains as well as the Regulatory Floodway and to provide a Downstream Assessment as it relates to Tickey Creek and Tickey Creek Tributary 4, as required by the City of Princeton, for the limits that affect Whitewing Trails - Phases 2A, 2B and 2C. These studies were required to be provided to the City of Princeton and be approved by the City prior to placing the necessary fills required for reclamation of the Regulatory FEMA 100-year Flood Plain for Phases 2A and 2C and the modification of the Regulatory Floodway affecting Phase 2A. The lot pad elevations and storm drainage systems for Phases 2A, 2B and 2C were designed with the Fully Developed 100 Year Flows for the entire 854-acre development, as being in a developed condition, as required by the City of Princeton.

A LOMR request is being submitted to FEMA, by the developer, now that this reclamation fill work has been completed and certified, for the approximate 57 Phase 2A lots to remove them from the FEMA Regulatory Floodplain and Floodway.

No assurance can be made that FEMA will issue a Full LOMR.

A Final Plat Exhibit for Phase 2A showing these lots is attached.

A LOMR-F request will be submitted to FEMA, by the developer now that the reclamation work has been completed and certified for the approximate 7 lots in Phase 2C. This Can be done as no change to the Floodway is being requested from the approved LOMR, Case No. 19-06-0798P. **A Final Plat Exhibit for Phase 2C showing these lots is attached.**

As each future Phase is engineered the same process will take place as described above to remove the necessary lots from the Regulatory Floodplain.

Addendum E



Land Sales – 50' Frontage Lots



Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name: Liberty, Phase 8A - 50' lots
Sub-Property Type: Residential, Single Family Lot

Address: North side of Hunters Run Parkway, east of Macarthur Drive

City/State/Zip: Melissa, TX 75454
County: Collin
Submarket: Melissa
Market Orientation: Suburban
Property Location: 3012 Campbell Drive
IRR Event ID: 2798133



Sale Information

Sale Price: \$85,000
Effective Sale Price: \$85,000
Sale Date: 05/31/2022
Contract Date: 04/14/2021
Sale Status: Closed
\$/Acre(Gross): \$617,284
\$/Land SF(Gross): \$14.17
\$/Unit: \$1,700 /Unit
Grantor/Seller: Liberty Phase 8 LLC
Grantee/Buyer: Highland Homes - Dallas LLC
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale Comments: The base lot price was negotiated in April 2021 at \$85,000/lot (\$1,700/FF) with an annual 6.0% escalation at substantial completion in May 2022.

Document Type: Deed
Recording No.: 2022000087810
Verified By: Shelley Sivakumar

Verification Date: 10/12/2022
Confirmation Source: Elaine Ford (Centurion American)
Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Liberty Phase 8A, Block A, Lot 6/Tax ID 2856086
Acres(Gross): 0.14
Land-SF(Gross): 6,000
No. of Units (Potential): 50
Shape: Rectangular
Topography: Level
Frontage Feet: 50
Frontage Desc.: 50' x 120'
Zoning Code: PD (Planned Development)
Zoning Desc.: Single Family Residential
Flood Plain: No
Utilities: Water Public, Sewer
Source of Land Info.: Public Records

Comments

Lots in this multiphase development are located in the Melissa ISD. Home prices are ranging from \$492,000 to \$717,000.

Liberty, Phase 8A - 50' lots



Comments (Cont'd)

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Shaded Tree (Proposed) - 50' Lots
Sub-Property Type:	Residential, Single Family Lot
Address:	Southeast corner of FM-543 (Weston Road) and CR-202
City/State/Zip:	McKinney, TX 75071
County:	Collin
Submarket:	McKinney
Market Orientation:	Suburban
IRR Event ID:	2912656



Sale Information

Sale Price:	\$95,278
Effective Sale Price:	\$95,278
Sale Date:	08/30/2023
Sale Status:	In-Contract
\$/Acre(Gross):	\$754,378
\$/Land SF(Gross):	\$17.32
\$/Unit:	\$1,906 /Unit
Grantor/Seller:	TCL Land Bk 4 (2022) LP
Grantee/Buyer:	Lennar Homes of Texas Land & Construction LTD
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at \$95,278 for substantial completion expected by August 2023 with an annual 6% escalation.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	08/23/2022
Confirmation Source:	Greg Urech (469-587-5335)
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Meredith Hart Survey, Abstract No. 371/Tax ID 2117965 and 2850247 (as vacant land)
Acres(Gross):	0.13
Land-SF(Gross):	5,500
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	50' x 110'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This proposed development is located in the McKinney ISD. Home prices are projected to range from \$380,000 to \$475,000.

Shaded Tree (Proposed) - 50' Lots



Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Villages of Hurricane Creek, North - 50' Lots
Sub-Property Type:	Residential, Single Family Lot
Address:	West side of CR-368, northwest of FM-455 and US-75
City/State/Zip:	Anna, TX 75409
County:	Collin
Submarket:	Anna
Market Orientation:	Suburban
IRR Event ID:	2734677



Sale Information

Sale Price:	\$55,000
Effective Sale Price:	\$55,000
Sale Date:	11/15/2022
Sale Status:	In-Contract
\$/Acre(Gross):	\$435,471
\$/Land SF(Gross):	\$10.00
\$/Unit:	\$1,100 /Unit
Grantor/Seller:	MM Anna 325, LLC
Grantee/Buyer:	New Syngery Homes
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set in April 2021 with substantial completion expected in November 2022.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	04/30/2021
Confirmation Source:	Centurion American Group
Verification Type:	Confirmed-Seller

Legal/Tax/Parcel ID:	The Villages of Hurricane Creek, North (Proposed)
Acres(Gross):	0.13
Land-SF(Gross):	5,500
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Feet:	50
Frontage Desc.:	50' x 110'/120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement, City of Anna
Flood Plain:	No
Utilities:	Water Public, Sewer
Utilities Desc.:	Public Improvement District
Source of Land Info.:	Engineering Report

Comments

Phase 1 of this development is being developed with 499 lots with 69 lots with 40' frontages, 340 lots with 50' frontages, 18 lots with 60' frontages, and 72 townhome lots.

Improvement and Site Data

Villages of Hurricane Creek, North - 50' Lots



Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name: Willow Wood, Phase 7 - 50' Lots
Sub-Property Type: Residential, Single Family Lot
Address: Northeast corner of North Telephone Road and Parkdale Drive
City/State/Zip: McKinney, TX 75071
County: Collin
Submarket: McKinney
Market Orientation: Suburban
IRR Event ID: 2798032



Sale Information

Sale Price: \$100,000
Effective Sale Price: \$100,000
Sale Date: 03/18/2022
Sale Status: Closed
\$/Acre(Gross): \$726,216
\$/Land SF(Gross): \$16.67
\$/Acre(Usable): \$726,216
\$/Land SF(Usable): \$16.67
\$/Unit: \$2,000 /Unit
Grantor/Seller: McKinney Partners 306, LP
Grantee/Buyer: Bloomfield Homes, LP
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale Comments: The base lot price was set in late 2021 for substantial completion in March 2022. All lots are contracted with an annual 6.0% escalation.
Document Type: Deed
Recording No.: 20220328000485750
Verified By: Shelley Sivakumar

Verification Date: 03/22/2022
Confirmation Source: Don Dykstra
(don@bloomfieldhomes.net)

Verification Type: Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID: Willow Wood, Phase 7, Block GG, Lot 4/Tax ID 2844446
Acres(Usable/Gross): 0.14/0.14
Land-SF(Usable/Gross): 6,000/6,000
Usable/Gross Ratio: 1.00
No. of Units (Potential): 50
Shape: Rectangular
Topography: Level
Frontage Feet: 50
Frontage Desc.: 50' x 120"
Zoning Code: PD
Zoning Desc.: Planned Development
Flood Plain: No
Utilities: Water Public, Sewer
Source of Land Info.: Engineering Report

Comments

Willow Wood, Phase 7 - 50' Lots



Comments (Cont'd)

Lots in this master-planned development are located in the Melissa ISD. Home prices are ranging from \$473,000 - \$670,000.

Land Sales - 60' Frontage Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name: Liberty, Phase 8A - 60' Lots
Sub-Property Type: Residential, Single Family Lot
Address: North of Sam Rayburn Highway (SH-121), north side of Hunters Run Parkway
City/State/Zip: Melissa, TX 75454
County: Collin
Submarket: Melissa
Market Orientation: Suburban
Property Location: 3110 Milton Drive
IRR Event ID: 2798140



Sale Information

Sale Price: \$102,000
Effective Sale Price: \$102,000
Sale Date: 05/31/2022
Contract Date: 04/14/2021
Sale Status: Closed
\$/Acre(Gross): \$617,060
\$/Land SF(Gross): \$14.17
\$/Unit: \$1,700 /Unit
Grantor/Seller: Liberty Phase 8 LLC
Grantee/Buyer: Highland Homes Dallas LLC
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale Comments: The base lot price was set at \$102,000/lot (\$1,700/FF) for completion in May 2022 with an annual 6.0% escalation.
Document Type: Deed
Recording No.: 2022000087810
Verified By: Shelley Sivakumar
Verification Date: 08/10/2022
Confirmation Source: Elaine Ford

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Liberty Phase 8A, Block B, Lot 12/Tax ID 2856108
Acres(Gross): 0.17
Land-SF(Gross): 7,200
No. of Units (Potential): 60
Shape: Rectangular
Topography: Level
Frontage Feet: 60
Frontage Desc.: 60' x 120'
Zoning Code: PD (Planned Development)
Zoning Desc.: Single Family Residential
Flood Plain: No
Utilities: Water Public, Sewer
Source of Land Info.: Public Records

Comments

Lots in this master-planned development are located in the Melissa ISD. Home prices are ranging from \$526,000 to \$717,000.

Liberty, Phase 8A - 60' Lots



Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Willow Wood, Phase 6 - 62' Lots
Sub-Property Type:	Residential, Single Family Lot
Address:	Northwest corner of North Telephone Road and Parkdale Drive
City/State/Zip:	McKinney, TX 75071
County:	Collin
Submarket:	McKinney
Market Orientation:	Suburban
Property Location:	916 Lathrop Drive
IRR Event ID:	2788323



Sale Information

Sale Price:	\$124,000
Effective Sale Price:	\$124,000
Sale Date:	04/06/2022
Sale Status:	Closed
\$/Acre(Gross):	\$725,995
\$/Land SF(Gross):	\$16.67
\$/Acre(Usable):	\$725,995
\$/Land SF(Usable):	\$16.67
\$/Unit:	\$2,000 /Unit
Grantor/Seller:	McKinney Partners 306, LP
Grantee/Buyer:	Bloomfield Homes, LP
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set in 2Q21 for substantial completion in April 2022. All lots are contracted with an annual 6.0% escalation.
Document Type:	Deed
Recording No.:	20220406000557330
Verified By:	Shelley Sivakumar

Verification Date:	10/12/2022
Confirmation Source:	Don Dykstra (don@bloomfieldhomes.net)

Verification Type:	Confirmed-Buyer
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Improvement and Site Data

Legal/Tax/Parcel ID:	Willow Wood, Phase 6, Block A, Lot 7/Tax ID 2846932
Acres(Usable/Gross):	0.17/0.17
Land-SF(Usable/Gross):	7,440/7,440
Usable/Gross Ratio:	1.00
No. of Units (Potential):	62
Shape:	Rectangular
Topography:	Level
Frontage Feet:	62
Frontage Desc.:	62' x 120"
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Willow Wood, Phase 6 - 62' Lots



Comments (Cont'd)

Lots in this master-planned development are located in the Melissa ISD. Home prices are ranging from \$554,000 - \$684,000.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name: Villages of Hurricane Creek,
Phase 1 - 70' Lots

Sub-Property Type: Residential, Single Family Lot

Address: North of FM-455, west of
US-75

City/State/Zip: Anna, TX 75409

County: Collin

Submarket: Anna

Market Orientation: Suburban



IRR Event ID: 2444408

Sale Information

Sale Price: \$70,000

Effective Sale Price: \$70,000

Sale Date: 03/31/2021

Sale Status: Closed

\$/Acre(Gross): \$363,071

\$/Land SF(Gross): \$8.33

\$/Unit: \$1,000 /Unit

Grantor/Seller: MM Hurricane Creek FL 1, LLC

Grantee/Buyer: First Texas Homes, Inc.

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$70,000/lot (\$1,000/FF) at substantial completion in 1Q2021. All lots are contracted at an annual 6% escalation with a \$500/lot marketing fee and \$1,500/lot amenity center fee.

Document Type: Deed

Recording No.: 20210401000646670

Verified By: Shelley Sivakumar

Verification Date: 04/26/2021

Confirmation Source: Centurion American (Roy Magno)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: The Villages of Hurricane Creek, Phase 1, Block J, Lot 1/Tax ID 2822029

Acres(Gross): 0.19

Land-SF(Gross): 8,400

No. of Units (Potential): 70

Shape: Rectangular

Topography: Level

Frontage Feet: 70

Frontage Desc.: 70' x 120'

Zoning Code: PD

Zoning Desc.: Planned Development

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Public Improvement District

Source of Land Info.: Engineering Report

Comments

Villages of Hurricane Creek, Phase 1 - 70' Lots



Comments (Cont'd)

Phase 1 lots were completed in First Quarter 2021. All lots are located in the Anna ISD. Home prices are ranging from \$377,000 to \$484,000.

Sale No. 4

Verified By: Ernest Gatewood
Verification Date: 04/11/2022
Confirmation Source: Elaine Ford
Verification Type: Confirmed-Seller

Legal/Tax/Parcel ID:	Liberty Phase 8, Block TBD, Lot TBD/Tax ID TBD
Acres(Usable/Gross):	0.21/0.21
Land-SF(Usable/Gross):	9,100/9,100
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Feet:	70
Frontage Desc.:	70' x 130'
Zoning Code:	PD (Planned Development)
Zoning Desc.:	Single Family Residential
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Lots in this phase within this multiphase subdivision are located in the Melissa ISD. Home prices are ranging from \$727,000 to \$825,000.

Liberty, Phase 8 - 70' lots



Comments (Cont'd)



APPENDIX H

PHOTOGRAPHS OF COMPLETED DEVELOPMENT WITHIN THE DISTRICT

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