

NEW ISSUE

NOT RATED

THE BONDS ARE INITIALLY OFFERED ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

In the opinion of Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.



\$4,324,000*

**CITY OF ROYSE CITY, TEXAS,
(a municipal corporation of the State of Texas located in Rockwall, Collin and Hunt Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2-B PROJECT)**

**Dated Date: Delivery Date (defined below)
Interest to Accrue from Delivery Date**

Due: September 15, as shown on the inside cover

The City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project) (the “Bonds”), are being issued by the City of Royse City, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 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 15 and September 15, commencing September 15, 2024*, 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 UMB Bank, N.A., Dallas, Texas, as trustee (the “Trustee”), to DTC 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 May 28, 2024, and an Indenture of Trust, dated as of June 1, 2024 (the “Indenture”), expected to be entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the actual costs of the Improvement Area #2-B Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2-B Projects, (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 Creekside Public Improvement District (the “District”) and (v) paying the costs of issuance of the Bonds. See “Improvement Area #2-B AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Trust Estate, consisting primarily of the Assessments levied against assessed parcels in Improvement Area #2-B of the District in accordance with a Service and Assessment Plan 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.” The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the Bonds. 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, 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 TRUST ESTATE, 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 the Underwriter (identified below), 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 the City Attorney, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP and for the Developer by its special counsel, Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about June 20, 2024 (the “Delivery Date”).



* Preliminary; subject to change.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

CUSIP Prefix: _____ (a)

\$4,324,000*

CITY OF ROYSE CITY, TEXAS,

(a municipal corporation of the State of Texas located in Rockwall, Collin and Hunt Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2-B PROJECT)

\$ _____ % Term Bonds, Due September 15, 20 __, Priced to Yield ____%; CUSIP ____ (a)(b)(c)

\$ _____ % Term Bonds, Due September 15, 20 __, Priced to Yield ____%; CUSIP ____ (a)(b)(c)

-
- (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 (“CGS”), managed by FactSet Research Systems Inc. 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 service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City’s Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, on any date on or after September 15, 20 __, such redemption date or dates to be fixed by the City, at the redemption price of 100% of principal amount thereof, plus accrued 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.”

* Preliminary; subject to change.

CITY OF ROYSE CITY, TEXAS

CITY COUNCIL

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires (May)</u>
Clay Ellis, Mayor	16 Years	2025
James Branch, Deputy Mayor Pro-Term	15 Years	2025
Michael Holder	5 Years	2025
Bruce Bradley, Mayor Pro Tem	9 Years	2025
Matt Wheatley	13 Years	2026
Janet Nichol	0 Years ⁽¹⁾	2026
Thomas Crowley	14 Years	2026

⁽¹⁾ Effective May 14, 2024. Previous service on the City Council: 1995-2005 (councilmember), 2009-2015 (councilmember) and 2015-2021(Mayor).

CITY MANAGER

Carl Alsbrook

CITY SECRETARY

Deborah Sorensen

FINANCE DIRECTOR

Shannon Raymond

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

FINANCIAL ADVISOR

Specialized Public Finance Inc.
Dallas, Texas

PID ADMINISTRATOR

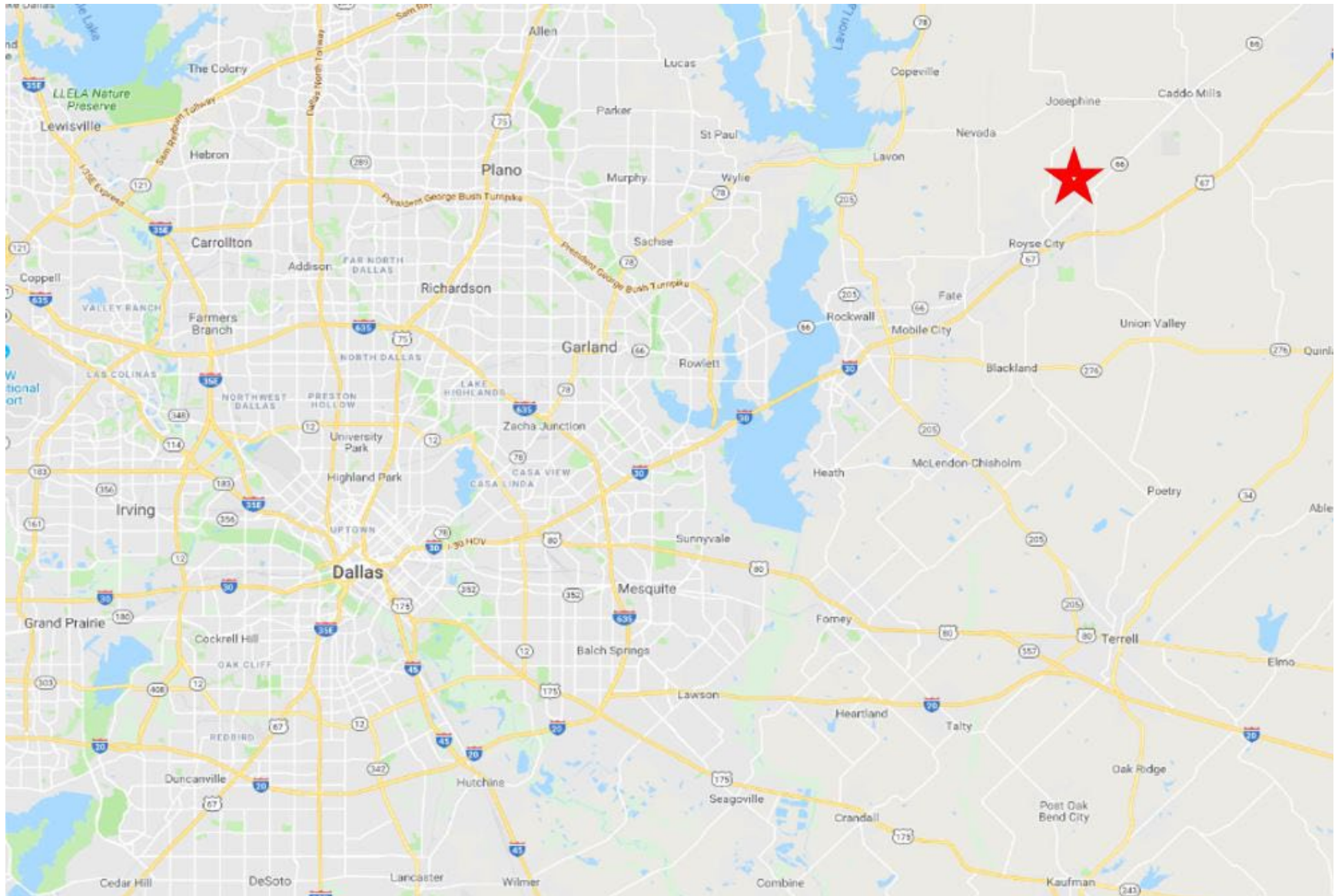
P3Works, LLC
Austin, Houston and North Richland Hills, Texas

For additional information regarding the City, please contact:

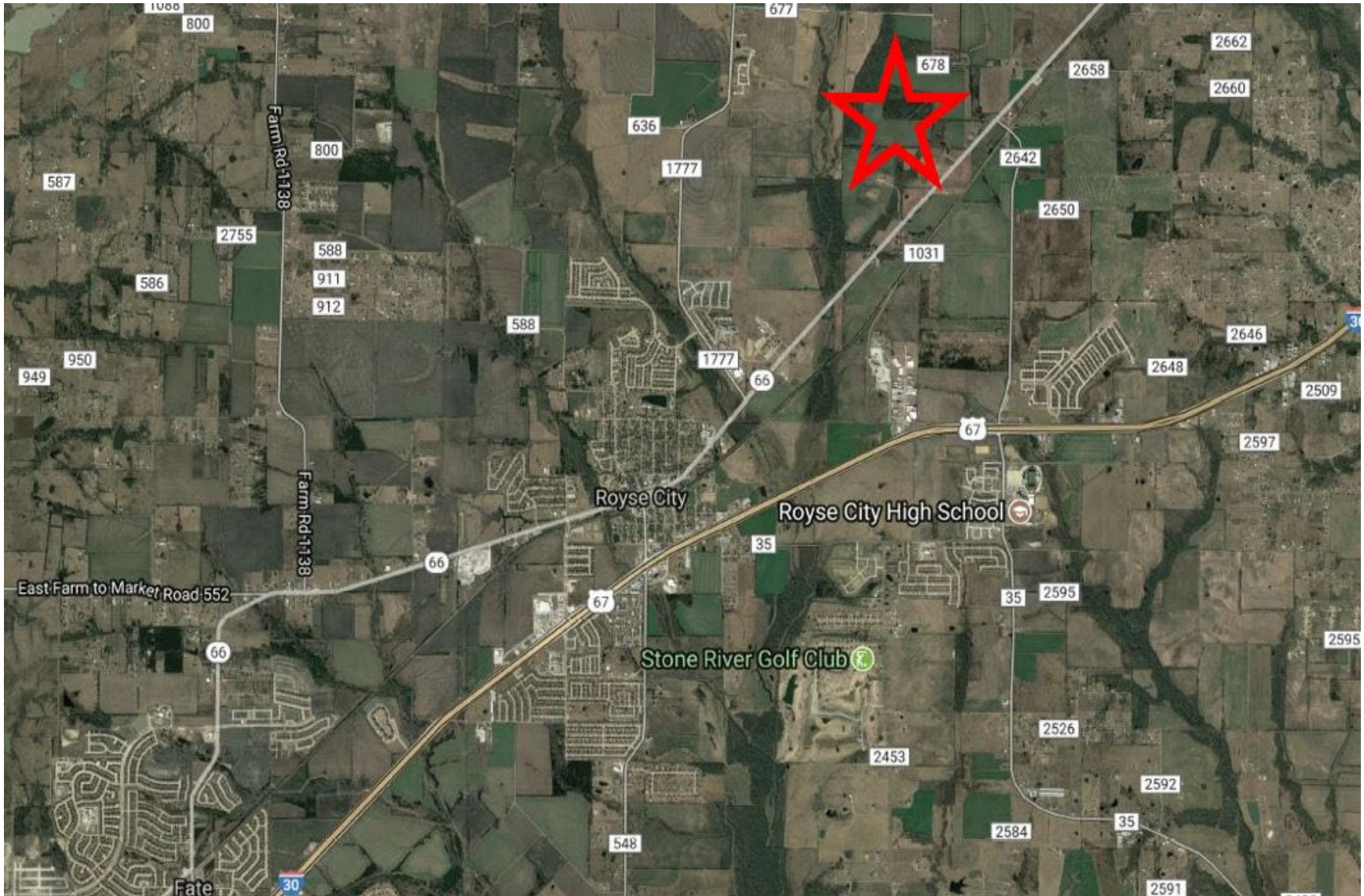
Ms. Shannon Raymond
Finance Director
City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189
(972) 524-4844

Steven A. Adams, CFA
Paul Jasin
Specialized Public Finance Inc.
4295 Greenville Avenue, Suite 1350
Dallas, Texas 75206
(214) 373-3911

REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



**MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #1 (PHASES 1A AND 1B),
IMPROVEMENT AREA #2-A (PHASE 2A), IMPROVEMENT AREA #2-B (PHASE 2B) AND THE
MAJOR IMPROVEMENT AREA (PHASES 3, 4 AND 5) WITHIN THE DISTRICT**



MAP SHOWING CONCEPT PLAN FOR THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM ("RULE 15C2-12"), THIS DOCUMENT CONSTITUTES AN "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.

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 INITIAL PURCHASERS ARE 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 OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE INITIAL 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 INITIAL 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 INITIAL PURCHASERS."

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 UNDERWRITER OR THE DEVELOPER 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 NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS TO REQUEST THAT THE DEVELOPER PROVIDE 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.

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

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, RULE 15C2-12.

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TABLE OF CONTENTS

INTRODUCTION	1	THE CITY	30
PLAN OF FINANCE	2	Background	30
Development Plan	2	City Government	30
Homebuilder Lot Purchase Agreements.....	3	THE DISTRICT	30
The Bonds	4	General	30
Additional Indebtedness	4	Powers and Authority of the City	31
LIMITATIONS APPLICABLE TO INITIAL		Utilities	31
PURCHASERS	5	District Collection and Delinquency of	
DESCRIPTION OF THE BONDS	6	Assessments	31
General Description.....	6	THE IMPROVEMENT AREA #2-B AUTHORIZED	
Redemption Provisions.....	6	IMPROVEMENTS.....	32
BOOK-ENTRY-ONLY SYSTEM	8	General	32
SECURITY FOR THE BONDS.....	10	Improvement Area #2-B Authorized	
General	10	Improvements.....	32
Pledged Revenues.....	11	Costs of Improvement Area #2-B	
Collection and Deposit of Assessments.....	11	Authorized Improvements.....	33
Unconditional Levy of Assessments	12	Ownership and Maintenance of	
Perfected Security Interest.....	12	Improvement Area #2 Improvements	34
Pledged Revenue Fund.....	13	THE DEVELOPMENT.....	34
Bond Fund.....	14	Overview	34
Project Fund	14	Development Plan	34
Reserve Account of the Reserve Fund.....	15	Development in Improvement Area #1	36
Delinquency and Prepayment Reserve		Development in Improvement Area #2	36
Account of the Reserve Fund	16	Development in the Major	
Administrative Fund.....	16	Improvement Area.....	38
Defeasance.....	16	The Development Agreement.....	39
Events of Default.....	17	Amenities	40
Remedies in Event of Default.....	18	Photographs of the Development	41
Restriction on Owner’s Actions	18	Zoning/Permitting	46
Application of Revenues and Other		Education.....	46
Moneys after Event of Default	19	Environmental	46
Investment or Deposit of Funds.....	19	Mineral Rights.....	47
Against Encumbrances	20	Final Geotechnical Exploration	47
Other Obligations or Other Liens;		Utilities	47
Refunding Bonds.....	20	THE DEVELOPER	47
SOURCES AND USES OF FUNDS.....	21	General	47
DEBT SERVICE REQUIREMENTS	22	Description of the Developer.....	48
OVERLAPPING TAXES AND DEBT.....	23	Senior Management Biography	48
Overlapping Taxes and Debt	23	Local Management Biography	48
Homeowners’ Association.....	23	History and Financing of the District	49
ASSESSMENT PROCEDURES.....	24	PID ADMINISTRATOR.....	51
General	24	APPRAISAL OF PROPERTY WITHIN	
Assessment Methodology.....	24	IMPROVEMENT AREA #2-B	52
Collection and Enforcement of		The Appraisal	52
Assessment Amounts	25	BONDHOLDERS’ RISKS.....	53
Assessment Amounts.....	26	Deemed Representations and	
Prepayment of Assessments	28	Acknowledgment by Purchasers	53
Priority of Lien	29	Infectious Disease Outbreak.....	54
Foreclosure Proceedings.....	29	Assessment Limitations.....	54
		PACE Lien Priority	55

Recent Changes in State Law Regarding Public Improvement Districts.....	55	LEGAL MATTERS	67
Potential Future Changes in State Law Regarding Public Improvement Districts	55	Legal Proceedings	67
General Risks of Real Estate Investment and Development.....	56	Legal Opinions	67
Risks Related to the Current Residential Real Estate Market	57	Litigation — The City	68
Risks Related to Recent Increase in Costs of Building Materials.....	57	Litigation — The Developer.....	68
Competition	57	SUITABILITY FOR INVESTMENT	68
Lien Foreclosure and Bankruptcy.....	57	ENFORCEABILITY OF REMEDIES	68
Direct and Overlapping Indebtedness, Assessments and Taxes	58	NO RATING	69
Depletion of Reserve Account of the Reserve Fund.....	58	CONTINUING DISCLOSURE.....	69
Hazardous Substances	58	The City.....	69
Regulation	58	The City’s Compliance with Prior Undertakings	69
100-Year Flood Plain	59	The Developer	69
Risk from Weather Events.....	59	The Developer’s Compliance with Prior Undertakings	70
Exercise of Mineral Rights	59	UNDERWRITING	70
Bondholders’ Remedies and Bankruptcy of Property Owners.....	59	REGISTRATION AND QUALIFICATION OF BONDS FOR SALE.....	70
Judicial Foreclosures	60	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	70
No Acceleration.....	61	INVESTMENTS	71
Limited Secondary Market for the Bonds.....	61	INFORMATION RELATING TO THE TRUSTEE	73
No Credit Rating	61	SOURCES OF INFORMATION	73
Chapter 9 Bankruptcy Limitation to Bondholders’ Rights.....	61	General	73
Tax-Exempt Status of the Bonds	62	Developer	74
Management and Ownership.....	62	Experts.....	74
Availability of Utilities.....	62	Updating of Limited Offering Memorandum	74
Dependence upon Developer.....	62	FORWARD-LOOKING STATEMENTS.....	74
Defaults of Affiliates of Hines.....	63	AUTHORIZATION AND APPROVAL.....	75
Chapter 11 Bankruptcy of a Hines- Affiliated General Contractor.....	63	APPENDIX A	General Information Regarding the City and Surrounding Area
Adverse Developments Affecting the Financial Services Industry	64	APPENDIX B	Form of Indenture
TAX MATTERS	64	APPENDIX C	Form of Service and Assessment Plan
Opinion.....	64	APPENDIX D	Form of Opinion of Bond Counsel
Federal Income Tax Accounting Treatment of Original Issue Discount	65	APPENDIX E-1	Form of Disclosure Agreement of Issuer
Collateral Federal Income Tax Consequences.....	66	APPENDIX E-2	Form of Disclosure Agreement of Developer
State, Local and Foreign Taxes	66	APPENDIX F	Reimbursement Agreement
Information Reporting and Backup Withholding.....	67	APPENDIX G	Appraisal of Improvement Area #2-B
Future and Proposed Legislation	67		

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$4,324,000*

CITY OF ROYSE CITY, TEXAS,

(a municipal corporation of the State of Texas located in Rockwall, Collin and Hunt Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2-B PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Royse City, Texas (the “City”), of its \$4,324,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.” THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE BONDS. 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, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “BONDHOLDERS’ RISKS” AND “SUITABILITY FOR INVESTMENT.”

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 May 28, 2024 (the “Bond Ordinance”), and an Indenture of Trust, dated as of June 1, 2024 (the “Indenture”), expected to be entered into by and between the City and UMB Bank, N.A., Dallas, Texas, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) levied pursuant to a separate ordinance expected to be adopted by the City Council on May 28, 2024 (the “Assessment Ordinance”) against assessed parcels (the “Improvement Area #2-B Assessed Property”) located within Improvement Area #2-B (as defined herein) of the Creekside Public Improvement District (the “District”) all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

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, except as otherwise noted in “ASSESSMENT PROCEDURES,” 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 PID Administrator (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement 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, Frisco, Texas 75034, telephone number (214) 302-2246. The form of Indenture appears in APPENDIX B and the form of

* Preliminary; subject to change.

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

PLAN OF FINANCE

Development Plan

The District consists of approximately 287.28 acres making up the master planned residential community known as Creekside (the “Development”). On November 7, 2019, HT Hwy 66 Development LP, a Texas limited partnership (the “Developer”) acquired the property comprising the Development for a long-term residential development project. See “THE DEVELOPMENT — Overview” and “THE DEVELOPER — History and Financing of the District.”

The Developer plans to develop the District in three improvement areas (“Improvement Areas”), which began in 2020 with the construction of certain public improvements benefitting the entire District (the “Major Improvements”) and certain public improvements benefitting only the first improvement area (“Improvement Area #1”) within the District (the “Improvement Area #1 Improvements”) and was followed by the construction of additional public improvements benefitting the entire District (the “Future Major Improvements”), the Development Agreement Improvements (as defined herein) and certain public improvements benefitting only the second improvement area (“Improvement Area #2”) within the District (as further described herein, the “Improvement Area #2 Improvements”). The Developer anticipates that it will follow with the construction of additional public improvements benefitting only the third improvement area (“Improvement Area #3”) within the District (the “Future Improvement Area Improvements” and, together with the Major Improvements, the Improvement Area #1 Improvements, the Improvement Area #2 Improvements, the Future Major Improvements and the Development Agreement Improvements, the “Public Improvements”) over a period of approximately seven years. The Developer is also constructing certain additional improvements within Improvement Area #2 that are necessary to complete construction of Improvement Area #2, including individual lot grading, retaining walls, ornamental fence, watering for vegetated areas, electrical service installation, gas service installation, performance and payment bonds and associated soft costs (the “Improvement Area #2 Private Improvements”). The land within the District other than Improvement Area #1 and Improvement Area #2 is hereinafter referred to as the “Major Improvement Area.” See “THE DEVELOPMENT.” The boundaries of the District and the concept plan for the District are shown in the “MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #1 (PHASES 1A AND 1B), IMPROVEMENT AREA #2-A (PHASE 2A), IMPROVEMENT AREA #2-B (PHASE 2B) AND THE MAJOR IMPROVEMENT AREA (PHASES 3, 4 AND 5) WITHIN THE DISTRICT” and “MAP SHOWING CONCEPT PLAN FOR THE DISTRICT” on pages iv and v.

In addition to the Public Improvements, pursuant to the Development Agreement (Creekside Public Improvement District) effective as of September 26, 2019 (the “Development Agreement”) between the City and Criswell College, Richard Donaho and Sandra Donaho (collectively, the “Original Owners”), as assigned to the Developer by the Assignment & Assumption of Development Agreement effective as of November 7, 2019, the Developer will construct the Amenities (as defined herein), which will be dedicated to the Homeowners’ Association (as defined herein). See “THE DEVELOPMENT — The Development Agreement” and “— Amenities.”

The Developer estimates the costs of (i) the Improvement Area #1 Improvements to be approximately \$7,976,851; (ii) the Improvement Area #2 Improvements to be approximately \$13,660,106; (iii) the Major Improvements and the Future Major Improvements to be approximately \$11,776,979; (iii) the Development Agreement Improvements and the Future Improvement Area Improvements to be approximately \$4,495,592; (iv) the Improvement Area #2 Private Improvements to be approximately \$4,360,576; and (v) the Amenities to be approximately \$5,600,000 (collectively, the “Total Budgeted Costs”).

Improvement Area #2 has been divided into two areas: “Improvement Area #2-A” and “Improvement Area #2-B.” The Improvement Area #2 Improvements benefit the land within Improvement Area #2-A and Improvement Area #2-B and such improvements have been allocated, accordingly. However, no assessment will be levied for the costs of the Improvement Area #2 Improvements allocable to Improvement Area #2-A at this time. The City expects to levy assessments on the land within Improvement Area #2-A in the future to finance the costs of the

Improvement Area #2 Improvements allocable to Improvement Area #2-A (the “Improvement Area #2-A Projects”). See “ASSESSMENT PROCEDURES — Assessment Methodology,” “THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS” and “APPENDIX C — Form of Service and Assessment Plan.”

The Developer estimates the costs of the Improvement Area #2 Improvements allocable to Improvement Area #2-B (the “Improvement Area #2-B Projects”) to be approximately \$8,415,187. The City will finance and/or reimburse the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Improvement Area #2-B Projects in the approximate amount of \$3,423,607*. The balance of the costs of the Improvement Area #2-B Projects, in the approximate amount of \$4,991,580*, will be funded by the Developer without reimbursement by the City. As of March 31, 2024, the Developer has spent approximately \$4,119,985 on the construction of the Improvement Area #2-B Projects. See “THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS” and “THE DEVELOPER — History and Financing of the District.”

The City and the Developer entered into the PID Reimbursement Agreement Creekside Public Improvement District, effective as of October 27, 2020 (the “Reimbursement Agreement”), which provides, in part, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Improvement Area #2-B Projects. See “SECURITY FOR THE BONDS,” “THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Reimbursement Agreement.”

The costs of the Major Improvements, Future Major Improvements, Development Agreement Improvements, and the Amenities will be financed by the Developer. The Developer anticipates that a portion of the costs of the Major Improvements and Future Major Improvements will be reimbursed to the Developer through impact fees, while the costs to construct the Development Agreement Improvements and Amenities will not be reimbursed. See “THE DEVELOPMENT — Development Plan,” “— The Development Agreement” and “— Amenities” and “THE DEVELOPER — History and Financing of the District.”

As of March 31, 2024, the Developer has finished construction of the Improvement Area #1 Improvements and the majority of the Major Improvements and has begun construction of the Improvement Area #2 Improvements, Future Major Improvements and the Development Agreement Improvements. The Developer expects to complete construction of the Improvement Area #2-B Projects by June 2024, the Improvement Area #2-A Projects by the third quarter of 2025, the Future Major Improvements and the remaining Major Improvements by the fourth quarter of 2025 and all of the Development Agreement Improvements by the fourth quarter of 2028.

In accordance with the Development Agreement, prior to delivery of the Improvement Area #1 Bonds (as defined herein), the Developer provided evidence of a letter of credit (the “Wastewater Letter of Credit”) which represents the costs to construct the New Wastewater Line (as defined herein). See “THE DEVELOPMENT — The Development Agreement” and “THE DEVELOPER — History and Financing of the District.”

Homebuilder Lot Purchase Agreements

Overview. The Development is planned to include approximately 1,123 single-family lots, consisting of the following three residential product types: 40’ lots, 50’ lots and 60’ lots, all of which will consist of detached single-family homes. The Developer anticipates that Improvement Area #1 will include approximately 389 single-family lots, Improvement Area #2-A will include approximately 140 single-family lots, Improvement Area #2-B will include approximately 221 single-family lots, and the Major Improvement Area will include approximately 373 single-family lots.

Improvement Area #1. The Developer has entered into lot purchase and sale agreements (the “IA #1 Lot Purchase Agreements”) with Highland Homes-Dallas, LLC (“Highland Homes”), Gehan Homes, Ltd. (“Gehan Homes”), TSHWS, LLC, an affiliate of Green Brick Partners (“Greenbrick”), William Ryan Homes Texas, Inc. (“William Ryan Homes”) and Unionmain Homes, LLC (“Unionmain Homes” and, together with Highland Homes, Gehan Homes, Greenbrick and William Ryan Homes, the “IA #1 Homebuilders”) for all lots within Improvement Area #1. As of March 31, 2024, the IA #1 Homebuilders have purchased 369 completed lots, finished construction of 234 homes and sold 259 homes (including homes under contract, but not yet closed on) to individual homeowners. See “THE DEVELOPMENT — Development in Improvement Area #1.”

* Preliminary, subject to change.

Improvement Area #2-A. As of March 31, 2024, the Developer has not entered into any lot purchase and sale agreements for lots within Improvement Area #2-A.

Improvement Area #2-B. As of March 31, 2024, the Developer has entered into lot purchase and sale agreements (the “IA #2-B Lot Purchase Agreements”) with William Ryan Homes, Rockwell TX, LLC (“Rockwell Homes”) and Unionmain Homes (together with William Ryan Homes and Rockwell Homes, the “IA #2-B Homebuilders”) for all 221 lots within Improvement Area #2-B. The IA #2-B Homebuilders, collectively, have put down \$1,930,225 in earnest money with respect to the lots purchased within Improvement Area #2-B. The Developer expects that the IA #2-B Homebuilders will begin to take down lots upon completion of the Improvement Area #2-B Projects in June of 2024. See “THE DEVELOPMENT — Development in Improvement Area #2 – Homebuilders and Lot Purchase Agreements within Improvement Area #2-B.”

The Bonds

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the actual costs of the Improvement Area #2-B Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2-B Projects, (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. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of Assessments levied against the Improvement Area #2-B Assessed Property, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

The 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.

Additional Indebtedness

Improvement Area #1 Authorized Improvements. To finance the costs of the Improvement Area #1 Improvements, the City previously issued its \$7,485,000 “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2020 (Creekside Public Improvement District Improvement Area #1 Project)” (the “Improvement Area #1 Bonds”). The Improvement Area #1 Bonds are secured by assessments on assessable property in Improvement Area #1 of the District (the “Improvement Area #1 Assessments”). **The Improvement Area #1 Assessments are not security for the Bonds.**

Future Improvement Area Improvements. The City expects to issue one or more series of future phased bonds (each such series of bonds a “Future Improvement Area Bond”) to finance the cost of the Improvement Area #2-A Projects and/or Future Improvement Area Improvements within each improvement area following Improvement Area #1 and Improvement Area #2 (collectively, the “Future Improvement Areas”), as the development proceeds. The estimated costs of the Future Improvement Area Improvements will be determined as the Future Improvement Areas of the District are developed, and the Service and Assessment Plan will be updated to identify the improvements authorized by the PID Act to be financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within Improvement Area #2-A and/or the applicable Future Improvement Area of the District that benefit from the Future Improvement Area Improvements being financed.

The Bonds, the Improvement Area #1 Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The Improvement Area #1 Bonds and any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.

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 of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. 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 of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, 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 of 1933 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 Improvement Area #2-B Projects, 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 gross negligence, fraud or willful misconduct. 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 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.

At least 30 days prior to each sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 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 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 pursuant to the Indenture shall be reduced on a pro rata basis among Sinking Fund Installments in integral multiples of \$1,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption

Partial Redemption. If less than all of the Bonds are to be redeemed pursuant to the Indenture, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are called for optional redemption pursuant to the Indenture, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption pursuant to the Indenture, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption pursuant to the Indenture, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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.

Notice of Redemption. Upon written direction of the City to the Trustee of the exercise of any redemption provision under 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 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, and subject to the Indenture, 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.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of such notice of redemption, such notice may state that the City may condition redemption on receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional

notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds, such events shall not constitute an Event of Default under the Indenture, and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The City has the right to rescind any optional redemption or extraordinary optional redemption 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. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee 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 (as defined herein), 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 (the "SEC"), 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"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the 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 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 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 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.

SECURITY FOR THE BONDS

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B — Form of Indenture."

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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, 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 "APPENDIX B — FORM OF INDENTURE."

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 Assessments expected to be levied against the Improvement Area #2-B Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of an Amended and Restated Service and Assessment Plan (as updated, amended and supplemented from time to time, the "Service and Assessment Plan"), expected to be approved by the City on May 28, 2024, which, among other things, amends and restates the 2020 SAP (as defined herein) in its entirety, describes the special benefit received by the property within the District, including Improvement Area #2-B, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated at least annually (each, an "Annual Service Plan Update") 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 the District. See "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 applicable law to finance the Improvement Area #2-B Authorized Improvements (as defined herein) by levying Assessments upon the Improvement Area #2-B Assessed Property. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in Improvement Area #2-B, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, the following terms are assigned the following meanings:

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act.

“Annual Installment” means, with respect to the Improvement Area #2-B Assessed Property, each annual payment of: (i) the principal of and interest on the Assessments as shown on the Assessment Roll (as defined herein) attached to the Service and Assessment Plan, as the same may be updated from time to time, or in an Annual Service Plan Update, and as shown in Exhibit G-1 to the Service and Assessment Plan, and calculated as provided in the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

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

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #2-B in accordance with the PID Act.

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

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs (as defined herein) and Delinquent Collection Costs, as set forth in the Service and Assessment Plan and any Assessments or Annual Installments in excess of the amounts required to be deposited into the Pledged Revenue Fund pursuant to the Indenture), (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.

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

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for 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. See “SECURITY FOR THE BONDS — Pledged Revenue 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 City fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay debt service requirements attributable to the Bonds in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

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

Unconditional Levy of Assessments

The City is expected to impose Assessments on the property within Improvement Area #2-B sufficient 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 shall be 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, interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest rate calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, will be calculated annually during the Annual Service Plan Update and will be due when billed, expected to be 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. The initial Annual Installments will be due on or about October 1, 2024, and will be delinquent if not paid prior to February 1, 2025.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, and as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of Improvement Area #2-B (the “Annual Collection Costs”). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs will 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 amount collected to pay Annual Collection Costs will be due when billed, expected to be on or about October 1 of each year, in the manner set forth in the Assessment Ordinance, and will be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.**

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

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 Improvement Area #2-B Assessed Property, superior to all other liens and claims, except liens and claims for the 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. 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. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

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) will 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, security interest in and pledge of the Trust Estate will be valid and binding and fully perfected from and after the Delivery 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 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 the 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 the Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners

of the Bonds the perfection of the lien on and 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, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

Immediately upon receipt thereof, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with the Indenture. Following the initial deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred pursuant to a City Order provided to the Trustee the following amounts from the Pledged Revenue Fund to the following Accounts: (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, and (ii) *second*, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made under this paragraph, if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred 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 pursuant to the Indenture, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this paragraph, the full amount of Rebatale Arbitrage owed by the City, as further described in the Indenture. 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 Improvement Area #2-B Projects, (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.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five 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 under the subcaptions "Reserve Account of the Reserve Fund" and "Delinquency and Prepayment Account of the Reserve Fund" below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described 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 to be used to redeem Bonds 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 transfer such Foreclosure Proceeds *first* to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Improvement Area #2-B Assessed Property to which the Foreclosure Proceeds relate (first to replenish the Reserve Account Requirement, and second to replenish the Delinquency and Prepayment Reserve Requirement), and *second*, 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 transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the first paragraph under this subheading, as directed by the City in a City Order.

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 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. 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 of the Bond Fund shall be used for the payment of all interest due on the Bonds on _____, 20___. Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Bond Improvement Account of the Project Fund, or if the Bond Improvement Account of the Project Fund 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

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. 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 Orders.

Disbursements from the Bond Improvement Account of the Project Fund to pay actual costs of the Improvement Area #2-B Projects shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from the Bond Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment as described in the Reimbursement Agreement. Each such Certificate for Payment 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 Certificate for Payment or in the invoices submitted therewith and the Trustee may 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. For the form of Certificate for Payment see Exhibit A to "APPENDIX F — Reimbursement Agreement."

Except as provided in the following two paragraphs, money on deposit in the Bond Improvement Account shall be used solely to pay actual costs of the Improvement Area #2-B Projects.

If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Bond Improvement Account 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 Improvement Area #2-B Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Bond Improvement Account will ever be expended for the purposes of the Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Bond Improvement Account that are not expected to be used for purposes of the Bond Improvement Account. If such City Order is so filed, the identified amounts on deposit in the Bond Improvement Account shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a city Order filed with the Trustee. Upon such transfers, the Bond Improvement Account of the Project Fund shall be closed.

Upon the filing of a City Order stating that all Improvement Area #2-B Projects have been completed and that all actual costs have been paid, or that any actual costs are not required to be paid from the Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Bond Improvement Account to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfer, the Bond Improvement Account 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 Bond Improvement Account and used to pay actual costs of the Improvement Area #2-B Projects or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

In the event the Developer has not completed the Improvement Area #2-B Projects by June 20, 2027, then the City shall provide written direction to the Trustee to transfer all funds on deposit in the Bond Improvement Account of the Project Fund to the Redemption Fund.

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 is the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, and (iii) 10% of the proceeds of the Bonds; provided, 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) a mandatory sinking fund redemption, (2) an optional redemption, or (3) 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. As of the Delivery Date, the Reserve Account Requirement is \$_____ which is an amount equal to the Reserve Account Requirement defined above.

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, the Trustee, pursuant to a City Order, 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 or any additional amounts to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 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, 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. 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.

Whenever, on any Interest Payment Date, or on any other date at the written 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 the Indenture, unless within 30 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 to the Rebate Fund, in accordance with the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Bond Improvement Account of the Project Fund to pay actual costs of the Improvement Area #1 Improvements 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.

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 Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2025, an amount the City confirms to the Trustee is equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. The “Delinquency and Prepayment Reserve Requirement” means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds. If 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 the 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 a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. Whenever a transfer is made from the Reserve Account 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 of said funds. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds are no longer Outstanding.

Upon an extraordinary optional redemption of Bonds due to Prepayments, after transferring funds from the Reserve Account of the Reserve Fund to the Redemption Fund, if 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 such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund. In the event that the Trustee does not receive a City Order 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 to redeem Bonds.

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 the Delinquency and Prepayment Reserve Account of the Reserve Fund.

Administrative Fund

The City will create under the Indenture an Administrative Fund held by the Trustee. Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Annual Collection Costs 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 Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE 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 that 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 and shall not be a part of the Trust Estate. 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 (the “PFIA”); 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 will 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 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 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 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 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 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 Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, 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, 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 as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with 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 reasonable 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 received prior notice 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 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 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 60 days after such prior written 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 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 been taken.

Application of Revenues and Other Moneys after Event of Default

All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate 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 fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture during the continuance of an Event of Default, 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.

The Trustee shall make payments to the Owners of the Bonds pursuant to the Indenture 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.

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 in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; 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 Order 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 as directed by the City in writing.

Against Encumbrances

Other than refunding bonds issued to refund all or a portion of the Bonds (“Refunding 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, 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 any 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, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Other Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue or incur bonds, notes or Other 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 the Trust Estate, or any portion thereof.

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, or any portion thereof, 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 the Indenture or the priority hereof might or could be lost or impaired; provided, however, that the City has reserved the right to issue bonds or other obligations secured by and payable from the Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of 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 Trust Estate 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.

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SOURCES AND USES OF FUNDS⁽¹⁾

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 Bond Improvement Account of Project Fund	\$
Deposit to Cost of Issuance Account of Project Fund	
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Reserve Account of Reserve Fund	
Deposit to Administrative Fund	
Underwriter's Discount ⁽²⁾	
Total Uses	\$

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ Includes Underwriter's counsel fee of \$_____.

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DEBT SERVICE REQUIREMENTS⁽¹⁾

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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024 ⁽²⁾	\$	\$	\$
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			
2054			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ Interest due September 15, 2024 will be paid from funds on deposit in the Capitalized Interest Account.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within Improvement Area #2-B has been, and is expected to continue to be, subject to taxes imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. Improvement Area #2-B is located within the City, Collin County (the “County”), Royse City Independent School District (“Royse City ISD”) and Collin County Community College District (“Collin Co CCD”), all of which may levy ad valorem taxes upon land within Improvement Area #2-B 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 levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #2-B.

<u>Taxing Entity</u>	<u>Tax Year 2023 Ad Valorem Tax Rate⁽¹⁾</u>
City of Royse City	\$0.584000
Collin County	0.149343
Royse City Independent School District	1.257500
Collin County Community College District	<u>0.081220</u>
Total Current Tax Rate	<u>\$2.072063</u>
 Estimated Average Annual Installment in Improvement Area #2-B as an Equivalent Tax Rate	 <u>\$0.443061⁽²⁾</u>
 Estimated Total Tax Rate and Average Annual Installment in Improvement Area #2-B as an Equivalent Tax Rate	 <u>\$2.515124⁽²⁾</u>

⁽¹⁾ As reported by the Collin Central Appraisal District. Per \$100 taxable appraised value.

⁽²⁾ Includes Assessments levied for payment of the Bonds. Derived from information in the Service and Assessment Plan. As set forth in the Service and Assessment Plan, the Assessments for each Lot within Improvement Area #2-B may not exceed the Maximum Assessment (as defined herein). See “ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Improvement Area #2-B Value to Lien Ratios,” “— Assessment Amounts – Assessment Amounts” and “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.

Source: Collin Central Appraisal District, Appraisal and the Service and Assessment Plan.

As noted above, Improvement Area #2-B includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #2-B, and City debt secured by the Assessments.

<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt as of March 31, 2024</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (Assessments - The Bonds)	\$ 4,324,000 ⁽²⁾	100.00%	\$4,324,000 ⁽²⁾
The City (Ad Valorem)	91,310,000	10.31%	9,414,061
Collin County	658,360,000	0.06%	395,016
Royse City Independent School District	535,709,910	3.99%	21,374,825
Collin County Community College District	<u>480,350,000</u>	0.06%	<u>288,210</u>
Total	<u>\$1,770,053,910</u>		<u>\$35,796,112</u>

⁽¹⁾ Based on the Tax Year 2023 Net Taxable Assessed Valuations for the taxing entities and an appraised value for Improvement Area #2-B of \$15,610,000, as set forth in the Appraisal (as defined herein). See “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #2-B” and “APPENDIX G — Appraisal of Improvement Area #2-B.”

⁽²⁾ Assumes the Bonds are issued. Preliminary; subject to change.

Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Collin Central Appraisal District and the Service and Assessment Plan.

Homeowners’ Association.

In addition to the taxes and the Assessments, the Developer anticipates that each owner of a single-family lot within Improvement Area #2-B will pay an annual maintenance and operation fee and/or a property owners’

association fee (the “HOA Fee”) to a homeowners’ association (the “Homeowners’ Association”) formed by the Developer. The HOA Fee for 2024 is \$550 per lot.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this 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 Improvement Area #2-B Authorized Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #2-B Authorized Improvements and the land within Improvement Area #2-B to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the “Assessment Roll”), which Assessment Roll shows the land within Improvement Area #2-B 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 will be filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2-B Authorized Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance on May 28, 2024, after which the Assessments will become legal, valid, and binding liens upon the Improvement Area #2-B Assessed Property.

Under the PID Act, the costs of Improvement Area #2-B Authorized Improvements may be assessed by the City against the Improvement Area #2-B Assessed Property so long as the special benefit conferred upon the Improvement Area #2-B Assessed Property by the Improvement Area #2-B Authorized Improvements equals or exceeds the Assessments. The costs of the Improvement Area #2-B Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Improvement Area #2-B Assessed Property similarly benefited. The allocation of benefits and assessments to the benefited land within 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 Improvement Area #2-B Assessed Property as a result of the Improvement Area #2-B Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #2-B Authorized 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 Improvement Area #2-B Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Trust Estate consisting of the Pledged Revenues, including primarily the Assessments.

As set forth in the Service and Assessment Plan, the costs of the Improvement Area #2 Improvements shall be allocated to each Parcel within Improvement Area #2-A and Improvement Area #2-B based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2-A or Improvement Area #2-B Assessed Property to the Estimated Buildout Value of all Improvement Area #2-A and Improvement Area #2-B Assessed Property. Currently, Improvement Area #2-A is allocated 38.40% of the Improvement Area #2 Improvements and Improvement Area #2-B is allocated 61.60% of the Improvement Area #2 Improvements. Improvement Area #2-A and Improvement Area #2-B’s shares of the Improvement Area #2 Improvements are illustrated in Exhibit B-2 to the Service and Assessment Plan. While a proportionate share of the Improvement Area #2 Improvements are allocated to Improvement Area #2-A, no assessment will be levied on property within Improvement Area #2-A at this time. The City expects to levy assessments on the land within Improvement Area #2-A in the future to finance the costs of the Improvement Area #2-A Projects.

As further set forth in the Service and Assessment Plan, the benefits received by the Improvement Area #2-B Authorized Improvements are currently allocated entirely to the “Improvement Area #2-B Initial Parcel,” which consists of the Improvement Area #2-B Assessed Property. Upon division or subdivision, the PID Administrator shall reallocate the Assessment for each newly formed Assessed Property based on Estimated Buildout Value.

The City has determined that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly situated within 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, all other current owners of property within the District and all future owners and developers within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

The table below shows the estimated value to lien analysis in Improvement Area #2-B based on Lot Type.

Estimated Improvement Area #2-B Value to Lien Ratios⁽¹⁾

<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	<u>Average Base Lot Price⁽³⁾</u>	<u>Estimated Buildout Value Per Lot⁽⁴⁾</u>	<u>Total Estimated Buildout Value⁽⁴⁾</u>	<u>Maximum Assessment Per Lot⁽⁵⁾</u>	<u>Ratio of Value of Base Lot Price to Assessment⁽⁶⁾</u>	<u>Ratio of Estimated Buildout Value to Assessment⁽⁶⁾</u>
40'	108	\$70,000	\$385,951	\$41,682,708	\$18,995.36	3.69 : 1	20.32 : 1
50'	87	83,750	399,421	34,749,627	19,658.31	4.26 : 1	20.32 : 1
60'	26	96,000	439,363	11,423,441	21,624.15	4.44 : 1	20.32 : 1
Total/Avg.	221	\$78,472	\$397,537	\$87,855,776	\$19,565.61	4.01 : 1	20.32 : 1

⁽¹⁾ Preliminary; subject to change.

⁽²⁾ Based on the concept plan for the District. Derived from information in the Service and Assessment Plan.

⁽³⁾ Based on actual lot prices from the IA #2-B Lot Purchase Agreements. See “THE DEVELOPMENT — Development in Improvement Area #2.”

⁽⁴⁾ Derived from information in the Service and Assessment Plan.

⁽⁵⁾ Pursuant to the Service and Assessment Plan, the maximum Assessment (the “Maximum Assessment”) that can be levied on a Lot within Improvement Area #2-B is equal to the lesser of (i) the amount calculated pursuant to the assessment methodology described in Section VI.A of the Service and Assessment Plan and (ii) the amount shown in Exhibit E to the Service and Assessment Plan. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes and Debt,” “ASSESSMENT PROCEDURES — Assessment Amounts — Assessment Amounts” and “APPENDIX C — Form of Service and Assessment Plan.”

⁽⁶⁾ Includes only the Assessments securing the Bonds.

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 municipal ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City will covenant 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 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. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree and warrant 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.

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 Improvement Area #2-B Assessed Property.

The City expects that it will implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Disclosure Agreement of Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

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 with funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed 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 increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition 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 Assessment has been established by the methodology described in Section VI.A of, and shown in Exhibit E to, the Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Improvement Area #2-B Value to Lien Ratios” above. See “OVERLAPPING TAXES AND DEBT — Overlapping Taxes and Debt” and “APPENDIX C — Form of Service and Assessment Plan.”

The Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to principal and interest on the Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Annual Collection Costs. The Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Parcels comprising the Improvement Area #2-B Assessed Property as indicated on the Assessment Roll. See “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, the Additional Interest, and actual Annual Collection Costs (as provided for in the definition of such term).

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall initially be allocated entirely to the Improvement Area #2-B Initial Parcel.

Upon the division of any Improvement Area #2-B Assessed Property without the recording of a subdivision plat, the PID Administrator shall reallocate the Assessment for the Improvement Area #2-B Assessed Property prior to the subdivision among the newly divided Improvement Area #2-B Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meaning:

A = the Assessment for the newly divided Improvement Area #2-B Assessed Property

B = the Assessment for the Improvement Area #2-B Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Improvement Area #2-B Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Improvement Area #2-B Assessed Properties

Upon the subdivision of any Improvement Area #2-B Assessed Property based on a recorded subdivision plat, the PID Administrator shall reallocate the Assessment for the Improvement Area #2-B Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of newly subdivided Lots with the same Lot Type

The sum of the Assessment for all newly subdivided Lots shall not exceed the Assessment for the portion of the Improvement Area #2-B Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Improvement Area #2-B Assessed Property. The reallocation of an Assessment for an Improvement Area #2-B Assessed Property that is a homestead under State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council. See "APPENDIX C — Form of Service and Assessment Plan."

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The following table reflects the estimated allocation of Assessments for Improvement Area #2-B to be levied and collected based on Lot Type.

Estimated Allocation of Assessments⁽¹⁾						
<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	Estimated		<u>Total Assessment</u>	Estimated	<u>Equivalent Tax Rate per \$100 Assessed Value</u>
		<u>Buildout Value Per Lot</u>	<u>Maximum Assessment Per Lot⁽³⁾</u>		<u>Average Annual Installment per Lot</u>	
40'	108	\$385,951	\$18,995.36	\$2,051,499	\$1,710.00	\$0.4431
50'	87	399,421	19,658.31	1,710,273	1,769.68	0.4431
60'	26	439,363	21,624.15	562,228	1,946.65	0.4431
Total/Avg.⁽⁴⁾	221	\$397,537	\$19,565.61	\$4,324,000	\$1,761.33	\$0.4431

⁽¹⁾ Preliminary; subject to change. Derived from information in the Service and Assessment Plan.

⁽²⁾ Based on the concept plan for the District.

⁽³⁾ Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot within Improvement Area #2-B is equal to the lesser of (i) the amount calculated pursuant to the assessment methodology described in Section VI.A of the Service and Assessment Plan and (ii) the amount shown in Exhibit E to the Service and Assessment Plan. See "OVERLAPPING TAXES AND DEBT — Overlapping Taxes and Debt," "ASSESSMENT PROCEDURES — Assessment Amounts — Assessment Amounts" and "APPENDIX C — Form of Service and Assessment Plan."

⁽⁴⁾ Total Assessments may not add due to rounding.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Assessments. See "SECURITY FOR THE BONDS" and "APPENDIX C — Form of Service and Assessment Plan."

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Improvement Area #2-B 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 (see "DESCRIPTION OF THE BONDS — Redemption Provisions – Extraordinary Optional Redemption"). 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. If an Improvement Area #2-B Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Improvement Area #2-B Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat for Improvement Area #2-B, the PID Administrator will certify that such plat will not cause the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the PID Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

Prepayment as a Result of an Eminent Domain Proceeding or Taking. Subject to applicable law, if any portion of any Parcel of Improvement Area #2-B Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Improvement Area #2-B Assessed Property is made to an entity with the authority to condemn all or a portion of the Improvement Area #2-B Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Improvement Area #2-B

Assessed Property that was taken or transferred (the “Taken Property”) shall be reclassified as Non-Benefitted Property.

For the Improvement Area #2-B Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Improvement Area #2-B Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Improvement Area #2-B Assessed Property (the Improvement Area #2-B Assessed Property less the Taken Property) (the “Remaining Property”), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay, pursuant to the terms of the Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Remaining Property notifies the City and the PID Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding Bonds.

Reduction of Assessments. If, as a result of cost savings or an Improvement Area #2-B Project not being constructed, the Actual Costs of completed Improvement Area #2-B Projects are less than the Assessments, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess Bond proceeds shall be applied to redeem outstanding Bonds. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding Bonds.

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 municipal 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 Improvement Area #2-B Assessed Property 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 the Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Improvement Area #2-B 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 of 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.” See also “APPENDIX E-1 — Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Annual Collection Costs are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “APPENDIX B — Form of Indenture” and “APPENDIX C — Form of Service and Assessment Plan.”

THE CITY

Background

The City is primarily located in the northeast corner of Rockwall County, with portions in Hunt and Collin Counties, and sits approximately 35 miles northeast of Dallas. Access to the City is provided by Interstate 30. The City covers approximately 16.1 square miles. The City’s 2010 census population was 9,347. The City’s current population estimate is 19,984.

City Government

The City is a political subdivision and is a home rule municipality of the State, duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six City Council members who are elected at-large for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page i hereof. 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 district to pay for certain improvements. The District includes approximately 287.28 acres and lies entirely within the corporate limits of the City. The District was created by a resolution of the City adopted on June 23, 2020 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 Improvement Area #2-B Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

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, including Improvement Area #2-B, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in Improvement Area #2-B, or portions thereof, payable in full or in 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 Improvement Area #2-B Authorized Improvements. See “THE IMPROVEMENT AREA #2-B AUTHORIZED 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 roadway, water, sanitary sewer, and drainage improvements within Improvement Area #2-B comprising the Improvement Area #2-B Authorized 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 the Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Utilities

Pursuant to the Development Agreement, the City has agreed to be the retail provider of both water and wastewater service to the District. The City contracts with the North Texas Municipal Water District (“NTMWD”) to meet the City’s water supply and sewage treatment and disposal needs. The City also owns various facilities including storage and pump facilities, water distribution and sewage collection lines, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City then charges its customers such rates that are sufficient to pay the City’s obligations to NTMWD and to pay for the maintenance, operation, and improvement of the City’s water and sewer facilities. 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. Upon final plat of Improvement Area #2-B, the City will reserve such capacity for Improvement Area #2-B.

District Collection and Delinquency of Assessments

The City levied the Improvement Area #1 Assessments on assessable property in Improvement Area #1, through the City Council’s adoption of an assessment ordinance and approval of the initial service and assessment plan for the District (the “2020 SAP”). The initial annual installments of Improvement Area #1 Assessments were billed in October of 2020 and became due and payable on or before January 31, 2021.

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The following table shows the collection and delinquency history of the Improvement Area #1 Assessments.

Collection and Delinquency History of Improvement Area #1 Assessments							
Assessments	Total Annual Installments	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Annual Installments
<u>Due 1/31⁽¹⁾</u>	<u>Levied</u>	<u>Levied</u>	<u>as of 2/1</u>	<u>as of 2/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽²⁾</u>
2021	\$220,665.63	2	-	-	-	-	\$220,665.63
2022	\$527,731.26	2	-	-	-	-	\$527,731.26
2023	\$513,102.47	215	\$24,755.28	4.82%	\$7,659.56	1.49%	\$513,102.47 ⁽³⁾
2024	\$513,203.73	387	\$82,144.82	16.01%	N/A	N/A	\$508,064.96 ⁽³⁾

⁽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⁾ Excludes penalties and interest and any prepayments of Improvement Area #1 Assessments.

⁽³⁾ Collections as of April 30, 2024.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS. THE IMPROVEMENT AREA #1 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS

General

The “Improvement Area #2-B Authorized Improvements” consist of the (i) Improvement Area #2-B Projects, (ii) Bond Issuance Costs (as defined below) and (iii) the initial deposit to the Administrative Fund to pay first year’s Annual Collection Costs. A portion of the costs the Improvement Area #2-B Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #2-B Authorized Improvements will be paid by the Developer under the terms of the Reimbursement Agreement and the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.” The Improvement Area #2 Improvements will be dedicated to the City.

Improvement Area #2-B Authorized Improvements

Improvement Area #2 Improvements. The Improvement Area #2-B Authorized Improvements consist of Improvement Area #2-B’s allocable share of the following Improvement Area #2 Improvements:

Onsite Paving. Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #2.

Onsite Water. Improvements including trench excavation and embedment, trench safety, PVC piping, (gate valves, air release valves, irrigation meters, automatic flushing valves, fire hydrant assemblies), manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2.

Onsite Sanitary Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2.

Onsite Drainage. Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, (splitter structures and appurtenances, manholes), concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #2.

Soft Costs. Improvements including Improvement Area #2’s pro rata share of the costs incurred in the formation, establishment, administration, and operation of the District; costs related to designing, constructing, and installing the Improvement Area #2 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, inspection, testing, and contingency.

Bond Issuance Costs. The Improvement Area #2-B Authorized Improvements also consist of the following “Bond Issuance Costs”: (i) initial deposit to the Reserve Account, (ii) any capitalized interest on the Bonds, (iii) the Underwriter’s discount, and (v) costs related to issuing the Bonds, including attorney’s fees.

First Year’s Annual Collection Costs. The Improvement Area #2-B Authorized Improvements also consist of the initial deposit to the Administrative Fund to pay for the first year’s Annual Collection Costs related to the Bonds.

Costs of Improvement Area #2-B Authorized Improvements

The following table reflects the expected total costs of the Improvement Area #2-B Authorized Improvements. A portion of the costs of the Improvement Area #2-B Authorized Improvements are expected to be financed with proceeds of the Bonds.

<u>Expected Costs of Improvement Area #2-B Authorized Improvements⁽¹⁾</u>	
<u>Improvement Area #2-B Authorized Improvement</u>	<u>Total Expected Costs⁽¹⁾</u>
Improvement Area #2-B Projects⁽²⁾	
Onsite Paving	\$2,799,111
Onsite Water	997,775
Onsite Sanitary Sewer	1,353,753
Onsite Drainage	1,690,976
Soft Costs	<u>1,573,572</u>
<i>Subtotal</i>	<i>\$8,415,187</i>
Bond Issuance Costs	
Debt Service Reserve	\$ 327,250
Capitalized Interest	122,363
Costs of Issuance	281,060
Underwriter’s Discount	<u>129,720</u>
<i>Subtotal</i>	<i><u>\$ 860,393</u></i>
Deposit to Administration Fund	<u>\$ 40,000</u>
Total⁽³⁾	<u>\$9,315,580</u>

- ⁽¹⁾ Derived from information in the Service and Assessment Plan. Preliminary; subject to change.
- ⁽²⁾ Only inclusive of the Improvement Area #2 Improvements allocable to Improvement Area #2-B. Does not include approximately \$5,244,919 of costs allocated to Improvement Area #2A.
- ⁽³⁾ Totals may not add due to rounding.

The total costs of all of the Improvement Area #2-B Authorized Improvements are expected to be approximately \$9,315,580*. Only a portion of the costs of the Improvement Area #2-B Authorized Improvements,

* Preliminary; subject to change.

in the approximate amount of \$4,324,000*, are expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Area #2-B Authorized Improvements, in the total approximate amount of \$4,991,580*, will be financed by the Developer and will not be reimbursed by the City. As of March 31, 2024, the Developer has spent approximately \$4,119,985 on constructing the Improvement Area #2-B Projects.

The Appraisal (as defined below) estimates that the “prospective market value at completion” of the fee simple interest in the property within Improvement Area #2-B under certain conditions, including the completion of all the Major Improvements and Future Major Improvements necessary to produce finished lots in Improvement Area #2-B and the Improvement Area #2-B Projects installed as of June 15, 2024 is \$15,610,000. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property’s actual market value. Investors should not assume that the disposition of the property within Improvement Area #2-B in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #2-B” for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Improvement Area #2 Improvements

The Improvement Area #2 Improvements will be dedicated to and accepted by the City and will constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing maintenance and repair of the Improvement Area #2 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 287.28-acre project located approximately 2 miles north of Interstate Highway 30 and west of the intersection of FM 66 and FM 2642. The City, located in the northeast region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the “DFW MSA”), is poised for growth as the overall DFW MSA continues its growth trajectory.

On November 7, 2019, the Developer purchased the property comprising the Development from the Original Owners. See “THE DEVELOPER — History and Financing of the District.”

Development Plan

Public Improvements. The Developer expects to complete the Development in three phases or Improvement Areas over a period of approximately seven years. As of March 31, 2024, the Developer has finished construction of the Improvement Area #1 Improvements and the majority of the Major Improvements and has begun construction of the Improvement Area #2 Improvements, Future Major Improvements and the Development Agreement Improvements. The Developer expects to complete construction of the Improvement Area #2-B Projects by June 2024, the Improvement Area #2-A Projects by the third quarter of 2025, the Future Major Improvements and the remaining Major Improvements by the fourth quarter of 2025 and all of the Development Agreement Improvements by the fourth quarter of 2028. The Developer expects construction of the Future Improvement Area Improvements within Phase 3, Phase 4 and Phase 5 will be complete by the fourth quarter of 2025, the second quarter of 2027 and the fourth quarter of 2028, respectively. The Developer is currently constructing the Improvement Area #2 Private Improvements and expect to complete such construction by June 2024.

In addition to the Public Improvements, the Developer agreed, pursuant to the Development Agreement, to construct the Amenities. See “— Amenities” below.

Single-Family Lot Development. The Development is planned to include approximately 1,123 single-family lots, which the Developer expects to consist of the following three residential product types: 40' x 110' lots, 50' x 110' lots, and 60' x 120' lots, all of which will consist of detached single-family homes. The following table shows the expected number and type of lots within each improvement area of the District.

Expected Single-Family Lots within the Development⁽¹⁾					
<u>Lot Size</u>	<u>Improvement Area #1</u>	<u>Improvement Area #2-A</u>	<u>Improvement Area #2-B</u>	<u>Improvement Area #3⁽²⁾</u>	<u>Total number of Lots</u>
40'	193	104	108	169	574
50'	180	30	87	141	438
60'	<u>16</u>	<u>6</u>	<u>26</u>	<u>63</u>	<u>111</u>
Total	389	140	221	373	1,123

⁽¹⁾ Numbers include three lots on which the Homebuilders will build model homes.

⁽²⁾ Improvement Area #3 is part of the Major Improvement Area. Lot counts with such Improvement Area are estimated, preliminary and subject to change.

The Developer's current expectations regarding buildout of the single-family lots and expected final sale dates are shown in the following tables.

Expected Buildout of Single-Family Lots within the Development⁽¹⁾					
<u>Improvement Area</u>	<u>Lot Size</u>	<u>Number of Lots</u>	<u>Expected Infrastructure Completion Date</u>	<u>Expected Initial Sale Date of Single-Family Lots to Homebuilders</u>	<u>Expected Final Sale Date of Single-Family Lots to Homebuilders</u>
1	40'	193	Q1 of 2021	Q1 of 2021	Q4 of 2023
	50'	180	Q1 of 2021	Q1 of 2021	Q4 of 2023
	60' ⁽²⁾	<u>16</u>	Q1 of 2021	Q1 of 2021	Q4 of 2023
	<i>Subtotal</i>	<u>389</u>			
2-A	40'	104	Q4 of 2024	Q2 of 2025	Q1 of 2027
	50'	30	Q4 of 2024	Q2 of 2025	Q2 of 2026
	60'	<u>6</u>	Q4 of 2024	Q2 of 2025	Q3 of 2025
	<i>Subtotal</i>	<u>140</u>			
2-B	40'	108	Q2 of 2024	Q2 of 2024	Q2 of 2026
	50'	87	Q2 of 2024	Q2 of 2024	Q2 of 2026
	60'	<u>26</u>	Q2 of 2024	Q2 of 2024	Q2 of 2026
	<i>Subtotal</i>	<u>221</u>			
3 ⁽³⁾	40'	169	Q4 of 2028	Q4 of 2025	Q1 of 2030
	50'	141	Q4 of 2028	Q4 of 2025	Q1 of 2030
	60'	<u>63</u>	Q4 of 2028	Q4 of 2025	Q1 of 2030
	<i>Subtotal</i>	<u>373</u>			
Total		1,123			

⁽¹⁾ These projections regarding final buildout and final sale dates were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary.

⁽²⁾ 16 60' lots in Improvement Area #1 will be sold to the applicable Homebuilders as oversized 50' lots. The IA #1 Lot Purchase Agreements do not make a distinction between the 50' lots and 60' lots.

⁽³⁾ Improvement Area #3 is part of the Major Improvement Area. Lot counts with such Improvement Area are estimated, preliminary and subject to change.

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Development in Improvement Area #1

The Developer entered into the IA #1 Lot Purchase Agreements with the IA #1 Homebuilders, Highland Homes, Gehan Homes, Greenbrick, Rockwell Homes and Unionmain Homes for all single-family lots within Improvement Area #1. As of March 31, 2024, the IA #1 Homebuilders have purchased 269 completed lots, finished construction of 234 homes and sold 259 homes (including homes under contract, but not yet closed on) to individual homeowners.

The single-family residential lot and average home prices in Improvement Area #1, as of March 31, 2024, are as follows:

Single-Family Lot and Home Prices in Improvement Area #1

<u>Lot Size</u>	<u>Quantity</u>	<u>Average Base Lot Price⁽¹⁾</u>	<u>Average Base Home Price⁽²⁾</u>
40'	193	\$42,000	\$370,674
50'	180	52,500	389,341
60' ⁽³⁾	<u>16</u>	52,500	390,515
Total	389		

⁽¹⁾ Average base lot prices are based on the actual base lot prices in the IA #1 Lot Purchase Agreements.

⁽²⁾ Average base home prices have been provided by the Developer.

⁽³⁾ 16 60' lots in Improvement Area #1 will be sold to the applicable Homebuilders as oversized 50' lots. The IA #1 Lot Purchase Agreements do not make a distinction between the 50' lots and 60' lots.

Development in Improvement Area #2

Improvement Area #2-A. As of March 31, 2024, the Developer has not entered into any lot purchase and sale agreements for lots within Improvement Area #2-A. The Developer's current expectations regarding lot and home prices in Improvement Area #2-A are as follows:

Single-Family Lot and Home Prices in Improvement Area #2-A⁽¹⁾

<u>Lot Size</u>	<u>Quantity</u>	<u>Average Base Lot Price⁽²⁾</u>	<u>Estimated Average Base Home Price</u>
40'	104	\$ 74,671	\$395,765
50'	30	88,356	407,241
60'	<u>6</u>	100,440	440,375
Total	140		

⁽¹⁾ Information has been provided by the Developer and is estimated, preliminary and subject to change.

⁽²⁾ Estimated base lot prices are based on the average base lot prices in the IA #2-B Lot Purchase Agreements with an estimated 6% annual lot price escalation.

Homebuilders and Lot Purchase Agreements within Improvement Area #2-B. The Developer entered into the IA #2 -B Lot Purchase Agreements with the IA #2-B Homebuilders for all of the 221 single-family lots within Improvement Area #2-B. The following table provides the number of lots on which the Developer anticipates the foregoing IA #2-B Homebuilders will construct homes within Improvement Area #2-B, pursuant to the IA #2-B Lot Purchase Agreements.

Improvement Area #2-B Lot Purchase Agreements

<u>Homebuilder</u>	<u>40' Lot</u>	<u>50' Lot</u>	<u>60' Lot</u>	<u>Total</u>
Unionmain Homes	56	0	0	56
Rockwell Homes	0	43	0	43
William Ryan Homes	<u>52</u>	<u>44</u>	<u>26</u>	<u>122</u>
Total Under Contract	108	87	26	221

Pursuant to IA #2-B Lot Purchase Agreement with Unionmain Homes, Unionmain Homes has the option, which it must elect in writing to the Developer prior to the initial closing, to either (a) purchase all lots at the initial closing or (b) take down (i) at least 7 lots within 20 days of substantial completion of the Improvement Area #2-B Projects ("Substantial Completion") and (ii) at least 7 lots every 90 days thereafter, until all 56 lots under contract have been taken down.

Pursuant to IA #2-B Lot Purchase Agreement with Rockwell Homes, Rockwell Homes is obligated to take down (i) at least 7 lots within 20 days of Substantial Completion, (ii) at least 7 lots within 120 days after initial closing and (iii) at least 7 lots every 90 days thereafter, until all 43 lots under contract have been taken down.

Pursuant to IA #2-B Lot Purchase Agreement with William Ryan Homes, William Ryan Homes is obligated to take down (i) at least 7 40' lots, 7 50' lots, and 3 60' lots within 20 days of Substantial Completion and (ii) at least 7 40' lots, 7 50' lots, and 3 60' lots every 90 days thereafter, until all 122 lots under contract have been taken down.

The IA #2-B Homebuilders collectively have put down \$1,930,225 in earnest money, of which \$588,000 was provided by Unionmain Homes, \$360,125 was provided by Rockwell Homes, and \$982,100 was provided by William Ryan Homes. The earnest money will be credited back to the IA #2-B Homebuilders as lots are purchased by each respective IA #2-B Homebuilder.

There are circumstances described in the IA #2-B Lot Purchase Agreements the existence of which may result in the termination of the agreements. Pursuant to IA #2-B Lot Purchase Agreements with Unionmain Homes and Rockwell Homes, the Developer agreed to achieve Substantial Completion on or before June 30, 2024 (the "Outside Completion Date"), subject to force majeure. If Substantial Completion is not achieved by the Outside Completion Date, as the same may be extended by force majeure events, Unionmain Homes or Rockwell Homes may elect to either (i) terminate their IA #2-B Lot Purchase Agreement for all lots not yet closed by providing written notice to the Developer and the title company within 30 days of the Outside Completion Date, (ii) extend such date or (iii) waive any unfulfilled conditions as a condition to such IA #2-B Homebuilder's obligation to close. Failure to terminate shall be deemed an extension. In the event of a termination, the earnest money that has not been applied to previous closing shall be returned to the applicable IA #2-B Homebuilder.

There are circumstances described in the IA #2-B Lot Purchase Agreements the existence of which may result in the termination of the agreements. Pursuant to IA #2-B Lot Purchase Agreement with William Ryan Homes, the Developer agreed to achieve Substantial Completion on or before July 31, 2024 (the "William Ryan Outside Completion Date"), subject to force majeure. If Substantial Completion is not achieved by the William Ryan Outside Completion Date, as the same may be extended by force majeure events, William Ryan Homes may elect to either (i) terminate its IA #2-B Lot Purchase Agreement for all lots not yet closed by providing written notice to the Developer and the title company within 30 days of the William Ryan Outside Completion Date, (ii) extend such date or (iii) waive any unfulfilled conditions as a condition to William Ryan Homes' obligation to close. Failure to terminate shall be deemed an extension. In the event of a termination, the earnest money that has not been applied to previous closing shall be returned to William Ryan Homes.

Pursuant to the IA #2-B Lot Purchase Agreement with William Ryan Homes, the Developer agreed not to request that the Assessments be levied in an amount greater than an equivalent tax rate equal to \$0.50 per \$100 assessed average valuation (the "PID Assessment Cap"). The Developer shall pay for, and indemnify, defend and hold harmless William Ryan Homes and its successors and assigns from any and all Assessments levied on the lots under its IA #2-B Lot Purchase Agreement in excess of the PID Assessment Cap. Currently, the equivalent tax rate for the Assessments is equal to \$.4431.

Buildout and Sale Schedule of Lots within Improvement Area #2-B. The anticipated schedule for sale of single-family lots to the IA #2-B Homebuilders by Lot Type in Improvement Area #2-B, pursuant to the anticipated IA #2-B Lot Purchase Agreements, is shown in the following table.

<u>Expected Sale of Single-Family Lots to Homebuilders by Lot Type in Improvement Area #2-B⁽¹⁾</u>				
<u>Expected Sale Date</u>	<u>40' Lot</u>	<u>50' Lot⁽²⁾</u>	<u>60' Lot</u>	<u>Total Lots</u>
2024	42	42	9	93
2025	56	45	12	113
2026	<u>10</u>	<u>0</u>	<u>5</u>	<u>15</u>
Total	108	87	26	221

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

The anticipated schedule for sale of single-family homes to homeowners by Lot Type within Improvement Area #2-B is shown in the following table.

**Expected Sale of Single-Family Homes to Homeowners by
Lot Type in Improvement Area #2-B⁽¹⁾**

<u>Expected Sale Date</u>	<u>40' Lot</u>	<u>50' Lot⁽²⁾</u>	<u>60' Lot</u>	<u>Total Lots</u>
2025	55	45	15	115
2026	<u>53</u>	<u>42</u>	<u>11</u>	<u>106</u>
Total	108	87	26	221

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

The Developer's current expectations regarding lot and home prices in Improvement Area #2-B are as follows:

Single-Family Lot and Home Prices in Improvement Area #2-B

<u>Lot Size</u>	<u>Quantity</u>	<u>Average Base Lot Price⁽¹⁾</u>	<u>Estimated Average Base Home Price⁽²⁾</u>
40'	169	\$72,819 ⁽³⁾	\$385,951
50'	141	86,660	399,421
60'	<u>63</u>	100,209	439,363
Total	373		

⁽¹⁾ Average base lot prices are based on the average base lot prices in the IA #2-B Lot Purchase Agreements over the contracted takedown schedules with the contracted 6% annual lot price escalation.

⁽²⁾ Estimated base home prices have been provided by the Developer.

⁽³⁾ If Unionmain Homes elects to purchase all of its lots under contract at the initial closing, the base lot price will be \$65,100.

Development in the Major Improvement Area

The Major Improvement Area is expected to consist of only one improvement area, Improvement Area #3, which is expected to consist of Phase 3, Phase 4 and Phase 5. In its IA #2-B Lot Purchase Agreement, William Ryan Homes also agreed to purchase 172 lots within Improvement Area #3, consisting of 69 40' lots, 81 50' lots and 22 60' lots. William Ryan Homes has put down \$1,372,575 in earnest money. The earnest money will be credited back to William Ryan Homes as lots are purchased by William Ryan Homes in Improvement Area #3. In the event the Developer is unable to cause substantial completion of Phase 3 or Phase 4 by the date that is 24 months following substantial completion of Improvement Area #2B or Phase 3, respectively, subject to force majeure events, then William Ryan Homes shall have the right to terminate its purchase agreement with respect to all unpurchased lots within the Major Improvement Area and receive back any unapplied portion of its earnest money.

The Developer's current expectations regarding estimated lot and home prices in Improvement Area #3 are as follows:

Estimated Single-Family Lot and Home Prices in Improvement Area #3⁽¹⁾

<u>Lot Size</u>	<u>Quantity</u>	<u>Estimated Average Base Lot Price⁽²⁾</u>	<u>Estimated Average Base Home Price</u>
40'	128	\$ 79,320	\$434,195
50'	158	92,668	460,000
60'	<u>9</u>	106,754	494,283
Total	295		

⁽¹⁾ Information has been provided by the Developer and is estimated, preliminary and subject to change.

⁽²⁾ Estimated base lot prices are based on the average base lot prices in the IA #2-B Lot Purchase Agreements with an estimated 6% annual lot price escalation.

The Development Agreement

The Development Agreement provides, among other things, (i) certain rules and regulations for the design and construction of the Public Improvements, including the Improvement Area #2 Improvements, (ii) the Developer's intent for the development of property within the District, (iii) the issuance of bonds to fund certain of the Public Improvements, and (iv) each party's rights and obligations related to development of the property within the District.

The Development Agreement permits the City to issue bonds in one or more series to fund certain of the Public Improvements in a maximum principal amount of \$30,000,000. Such bonds must have a 30-year maturity.

Pursuant to the Development Agreement, the Developer will fund the construction of the below described improvements required to develop the District, a portion of which constitute Major Improvements or Future Major Improvements. The below listed improvements that do not constitute Major Improvements or Future Major Improvements are referred to herein as the "Development Agreement Improvements." The City will reimburse the Developer for a portion of the costs of the Major Improvements and Future Major Improvements through impact fees. The Development Agreement Improvements will not be reimbursed by the City.

Roadway Improvements. The Developer is required to dedicate the following rights-of-way and construct the following roadway improvements (collectively, the "Roadway Improvements"):

CR 677. Dedicate 60 feet of right-of-way from the existing centerline of CR 677 along the boundary of the District. *This is expected to be complete with Phase 4 in the second quarter of 2027.*

Avenue A [Existing CR 678 (North/South)]. Dedicate 60 feet of right-of-way for the north/south portion of CR 678 along the boundary of the District. *This is expected to be complete with Phase 4 in the second quarter of 2027.*

CR 678 (East/West). Dedicate 40 feet of right-of-way for the east/west portion of CR 678 along the boundary of the District. *This is expected to be complete with Phase 5 in the fourth quarter of 2028.*

Avenue B (Onsite Avenue). Dedicate 120 feet of right-of-way for the proposed on-site portion of Avenue B from the eastern boundary of the District to the proposed intersection of Avenue B with CR 678. *A portion of this has been dedicated. The remaining portion is expected to be complete with Phase 3 in the fourth quarter of 2025.*

Avenue C (Offsite Avenue). Construct the offsite portion of the road labeled "Offsite Avenue — Second Point of Access" on Exhibit E-1 to the Development Agreement prior to the issuance of the 401st building permit within the District, subject to the right-of-way being dedicated by that time. The Developer shall obtain the right-of-way for Avenue C. *The Developer expects to begin construction of this Roadway Improvement in the third quarter of 2024 and complete such construction by the first quarter of 2025.*

The Developer's construction of the Roadway Improvements shall include both paving and storm drain improvements. Unless otherwise noted above, all Roadway Improvements shall be constructed concurrently with the development of the portion of the District adjacent to such Roadway Improvement. The Developer shall dedicate such rights-of-way located within the District concurrently with the Developer's development of lots adjacent to the right-of-way to be dedicated. All of the Roadway Improvements constitute Development Agreement Improvements, except for the Avenue C improvements and a portion of the Avenue B improvements, which constitute Major Improvements or Future Major Improvements.

Wastewater Line Improvements. The Developer is required to construct the following wastewater improvements (collectively, the "Wastewater Line Improvements"):

Existing Wastewater Line Extension. Construct a wastewater line and related improvements ("Wastewater Line Extension") to connect the District to the existing 15-inch sewer line at manhole 1582 (P-1659) (the "Existing Wastewater Line"). The Wastewater Line Extension

constitutes a Major Improvement, as shown in Exhibit B to the Service and Assessment Plan. *The Wastewater Line Extension is complete.*

New Wastewater Line. Design and construct a new wastewater line (the “New Wastewater Line”), parallel to the Existing Wastewater Line, before the Existing Wastewater Line reaches full capacity. The Developer will begin construction of the New Wastewater Line when needed to serve the 401st dwelling unit and complete construction nine months after commencing construction. The New Wastewater Line constitutes a Development Agreement Improvement.

As required by the Development Agreement, the Developer provided the City the Wastewater Letter of Credit issued by Chase Bank in the amount of \$2,866,967.42, which represented the costs to construct the New Wastewater Line, before the Developer could connect to the Existing Wastewater Line. In replacement of the Wastewater Letter of Credit, the Developer provided the City the Third Coast LOC (as defined herein). See “THE DEVELOPER — History and Financing of the District – The Property Acquisition and Development Financing.” The Developer must complete the New Wastewater Line before September 26, 2024. If construction of the New Wastewater Line is not completed by September 26, 2024, the City may draw on the Third Coast LOC to complete construction of the New Wastewater Line. *The New Wastewater Line is under construction and the Developer expects to complete such construction by the third quarter of 2024.*

Waterline Improvements. The Developer shall construct the following water improvements:

Water Line Extensions. Water main extensions (the “Water Line Extensions”) sufficient to serve each phase of the development of the District, sized in accordance with the City’s master plan for water facilities. The Water Line Extensions constitutes a Major Improvement, as shown in Exhibit B to the Service and Assessment Plan. *The extension along highway 66 is complete. Construction of the extension along Avenue C is expected to be complete by the fourth quarter of 2024.*

Water System. A looped water system (the “Water System”), which shall be required prior to the issuance of the 401st building permit within the District. The Water System constitutes a Major Improvement, as shown in Exhibit B to the Service and Assessment Plan. *The Water System is expected to be complete by the first quarter of 2025.*

Amenities

Pursuant to the Development Agreement, the Developer is required to construct an amenity center, pool and hike and bike trail concurrently with the construction of Improvement Area #1 (collectively, the “Improvement Area #1 Amenities”). The Developer completed the amenity and pool in March of 2022 for an approximate cost of \$1,200,000. With respect to the hike and bike trail, Atmos Energy has not yet approved the Developer’s proposed trail construction encroachment. If the Developer is unable to obtain such approval, the Developer will work with City staff to identify a new trail location.

In addition to the Improvement Area #1 Amenities, the Developer must construct eight of the following thirteen amenities, at least one of which must be within Improvement Area #2 and three of which must be located in Improvement Area #3: (i) swimming pool; (ii) aquatic play feature; (iii) playground (2-5 years); (iv) playground (5-12 years); (v) sport court; (vi) disc golf course; (vii) bocce ball court; (viii) outdoor workout equipment; (ix) covered meeting area; (x) hike and bike trails (minimum 5,500 linear foot in length and 8 feet in width (any hike and bike trail in excess of the initial 5,500 linear feet may be 6 feet in width)); (xi) pocket park (with seating); (xii) corn hole tournament area professionally designed and approved by the City, and (xiii) creative play equipment. Additional amenities may include the following: a pond, decorative fountain, an outdoor shower, restroom facilities, playground, walking paths and trails, decorative lighting, outdoor furniture, pocket parks with seating areas, trail heads for the trail system, a large monument feature at the community entrance, monument signage for the neighborhood, landscaping, and other similar improvements. All amenities will be constructed concurrently with the adjacent residential phase of development. For purposes of the above requirement, multiple swimming pools count as a single swimming pool and multiple hike and bike trails or hike and bike trails in excess of 5,500 linear feet count as a single hike and bike trail.

The Developer is currently constructing hike and bike trails and a pocket park within Improvement Area #2 (the “Improvement Area #2 Amenities”) and expects such Amenities to cost approximately \$1,116,945. The

Developer anticipates that construction of the Improvement Area #2 Amenities will be complete by the fourth quarter of 2024.

Currently, the Developer anticipates that Improvement Area #3 will contain hike and bike trails, a playground and outdoor workout equipment, a pool, corn hole tournament area, bocce ball, and a sport court (collectively, and together with the Improvement Area #1 Amenities and the Improvement Area #2 Amenities, the “Amenities”). The list above represents the Developer’s current expectations. While the Amenities within each Improvement Area are subject to change, the Developer plans to include each of the above-listed Amenities within the District.

The Developer anticipates that the total cost to construct the currently anticipated Amenities is approximately \$5,600,000. The Amenities will be available to all single-family residents within the District and will be owned, operated, and maintained by the Homeowners’ Association.

The Development Agreement also requires the Developer to dedicate at least fifteen percent of the gross acreage of the Development as privately owned and maintained open space areas (the “Parkland”). In addition to dedicating the Parkland, within fifteen days of each recording of a final plat, the Developer agreed to pay the City a park fee equal to the number of single-family residential lots within the final plat divided by 75 then multiplied by \$20,000.

Photographs of the Development

The following photographs show the current development within the District.



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The following photographs show model homes within the District.







Zoning/Permitting

The development of property within the District is governed by the Concept Plan and the City's Comprehensive Zoning Ordinance, as modified by the Development Regulations (each as defined in the Development Agreement), solely as set forth in the Development Agreement.

Education

The Development is served by Royse City ISD. Royse City ISD encompasses 74.48 square miles and claims a tri-county boundary: Rockwall, Collin, and Hunt Counties. Royse City ISD operates one early childhood learning center, seven elementary schools, two middle schools and one high school. Ruth Cherry Elementary School, which is approximately 1.8 miles from the District, Ouida Baley Middle School, which is approximately 2.0 miles from the District, and Royse City High School, which is approximately 2.5 miles from the District, are expected to serve residents in the District.

GreatSchools.org rated Royse City High School "average." GreatSchools.org did not provide a rating for Ruth Cherry Elementary School or Ouida Baley Middle School. According to the Texas Education Agency annual report cards for 2021-2022, Royse City ISD and Ruth Cherry Elementary were rated as "A," Royse City High School was rated as "B," and Ouida Baley Middle School was rated as "C." The 2022-2023 annual report cards are not yet available. The categories for public school districts and public schools are A, B, C, D or Not Rated.

On February 15, 2024, the Developer sold approximately 11.23 acres within the Major Improvement Area to Royse City ISD for approximately \$561,500. Royse City ISD has begun construction of an elementary school on such property. In the purchase agreement for the land, the Developer agreed to construct (i) the water and sanitary sewer improvements necessary to serve such land by August 31, 2024, (ii) the grading and paving improvements required for the construction of paving for such land by March 31, 2025, and (iii) the drainage improvements necessary to serve such land by August 31, 2024. Royse City ISD agreed to construct certain sidewalk improvements by March 31, 2025.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of the property within the District, including Improvement Area #2 (the "Phase One ESA"), was completed on February 6, 2023. Based on the information presented in the Phase One ESA, there was no evidence that the reviewed property in the District contained any

recognized environmental conditions, historical recognized environmental conditions, controlled recognized environmental conditions or de minimis conditions.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the whooping crane is an endangered species in Collin County. The Developer is not aware of any endangered or threatened species located on District property.

Mineral Rights

There may be certain mineral rights reservations of a prior owner of real property within the District (the “Mineral Owner”) pursuant to one or more deeds in the chain of title for the property in the District. While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owner, if any, will take action in the future to explore or develop the above-described mineral rights, if any. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owner to explore or develop the property due to well density, acreage, or location.

Although the Developer does not expect the above-described mineral rights, if any, or the exercise of such rights or any other mineral rights or related property rights in or around the District, to have a material adverse effect on the property within the District or the ability of landowners within Improvement Area #2 to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Mineral Rights.”

Final Geotechnical Exploration

A final geotechnical exploration report covering the property in Improvement Area #2 of the District (the “Geotech”) was performed by Alpha Testing, Inc. on March 9, 2022. The Geotech made recommendations for subgrade and foundation preparation, pavement thickness and construction relating to subsurface drainage. The Developer is following all such recommendations.

Utilities

Water and Wastewater. The City will provide both water and wastewater service to the Development. The City contracts with NTMWD to meet the City’s water supply and sewage treatment and disposal needs. See “THE DISTRICT — Utilities.”

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – AT&T; (2) Electric – a local service provider; and (3) Natural Gas – Atmos.

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

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 internet, gas 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 revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. 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

HT Hwy 66 Development LP, referred to herein as the “Developer,” is a Texas limited partnership, the general partner of which is HT Hwy 66 Development LLC, a Delaware limited liability company (“Hwy 66 Development LLC”). The limited partner of the Developer and the sole member of Hwy 66 Development LLC is HT Hwy 66 LP, a Delaware limited partnership (“Hwy 66 LP”). Hwy 66 LP’s general partner is Hines Hwy 66 LLC, a Delaware limited liability company (“Hwy 66 LLC”) and limited partner is Trez Capital Yield Trust US (Canadian \$) Sub-trust, a British Columbia trust (“TREZ Capital”). The sole member of Hwy 66 LLC is Hines Hwy 66 Associates LP, a Texas limited partnership, of which the general partner is Hines Investment Management Holdings Limited Partnership (“Hines”).

Hines is a privately owned global real estate investment, development and management firm, founded in 1957, with a presence in 205 cities in 24 countries and \$133.3 billion of assets under management—\$71 billion in assets for which Hines serves as investment manager, including non-real estate assets, and \$62.3 billion for which Hines provides third-party property-level services. Hines has 165 developments currently underway around the world, and historically, has developed, redeveloped, or acquired 1,393 properties, totaling over 459 million square feet. The firm’s current property and asset management portfolio includes 539 properties, representing over 232 million square feet. With extensive experience in investments across the risk spectrum and all property types, and a pioneering commitment to sustainability, Hines is one of the largest and most respected real estate organizations in the world.

Hines has extensive experience in residential master planned community development. Hines’ master planned communities include First Colony (Houston, TX), Cool Springs (Nashville, TN), Palencia (Jacksonville, FL), River Valley Ranch (Carbondale, CO), Las Colinas (Irving, TX) and Carillon (Southlake, TX). In the DFW MSA, Hines has completed over 15 single-family communities with 3,000 lots and is currently developing 11 communities with over 7,000 lots.

Senior Management Biography

Mark Cover is the Executive Vice President and Senior Managing Director of Hines responsible for Hines Southwest Region, which includes Texas, Arizona, New Mexico, Colorado, Mexico and Central America. Mark Cover joined the firm in 1983. In his career with Hines, he has contributed to the development, acquisition and/or management of more than 28 million square feet of commercial real estate totaling \$2 billion of value in Texas, Colorado, New Mexico, Arizona, Utah and Mexico. Mr. Cover is currently responsible for key investment partner relationships and related property in the Southwest United States and general asset management of 16 million square feet. He received his Bachelor of Science in Accounting from Bob Jones University in 1982 and became a Certified Public Accountant in 1987 (retired).

Robert W. Witte is a Senior Managing Director of Hines. Mr. Witte joined Hines in 1993. He is the Project Officer responsible for all land development activity in the Hines Southwest Region, including the 700-acre Las Colinas and 300-acre Southlake projects noted above. See “— Description of the Developer.” Prior to Hines, he had three years of experience in real estate at KPMG Peat Marwick. Mr. Witte is a Certified Public Accountant in the State of Texas. He has been involved in the development of approximately 4 million square feet of commercial development and is currently overseeing approximately 2,300 acres of residential land development.

Local Management Biography

Dustin Davidson is a Managing Director who has been with Hines for 8 years, responsible for land development and new business opportunities in the Dallas/Fort Worth market. Dustin has worked in underwriting, due diligence, and project management roles on the original Las Colinas land developments of Riverside Village and The Lakes of Las Colinas, as well as oversight of recapitalization efforts for Champion Hollows and Bridges at Las Colinas. He also has been involved in public improvement districts, tax increment financings, municipal utility districts and HOA Districts totaling north of \$175 million on various developments around the metroplex. Dustin’s project portfolio includes projects totaling over \$750 million in project costs.

History and Financing of the District

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. The Total Budgeted Costs to complete development of the District is approximately \$47,870,104. As of March 31, 2024, the Developer has finished construction of the Improvement Area #1 Improvements, and the majority of the Major Improvements and has begun construction of the Improvement Area #2 Improvements, Future Major Improvements and the Development Agreement Improvements. The Developer expects to complete construction of the Improvement Area #2-B Projects by June 2024, the Improvement Area #2-A Projects by the third quarter of 2025, the Future Major Improvements and the remaining Major Improvements by the fourth quarter of 2025 and all of the Development Agreement Improvements by the fourth quarter of 2028.

The Developer will be reimbursed for a portion of the costs of the Improvement Area #2-B Projects from proceeds of the Bonds. The costs of the Major Improvements, Future Major Improvements, Development Agreement Improvements, and the Amenities will be financed by the Developer. The Developer anticipates that a portion of the costs of the Major Improvements and Future Major Improvements will be reimbursed to the Developer through impact fees, while the costs to construct the Development Agreement Improvements and Amenities will not be reimbursed. A portion of the costs of the Improvement Area #1 Improvements were reimbursed to the Developer with proceeds of the Improvement Area #1 Bonds. The Developer expects that assessments will be levied in Improvement Area #2-A in the future and that Future Improvement Area Bonds may be issued to finance the costs of the Improvement Area #2-A Projects.

In order to finance the acquisition and development of the District, the Developer and certain third parties, including the IA #2-B Homebuilders, have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within the District, including Improvement Area #2, that are subordinate to the lien associated with the Assessments securing the Bonds.

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A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Capital at Risk⁽¹⁾

<u>Entity at Risk</u>	<u>Capital Description</u>	<u>Funding Purpose</u>	<u>Capital Security</u>	<u>Position to Assessment Lien</u>	<u>Balance at Risk as of March 31, 2024</u>
Developer	Developer Equity Spent ⁽²⁾	Land Purchase	N/A	Subordinate	\$ 1,141,887 ⁽³⁾
TREZ Capital ⁽⁴⁾	Developer Partner Equity Spent ⁽²⁾	Land Purchase	N/A	Subordinate	\$ 1,141,887 ⁽³⁾
Third Coast	Promissory Note	Development Loan	Lien on Real Property within Improvement Area #2-B	Subordinate	\$ 6,942,140 ⁽⁵⁾
Unionmain Homes	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Improvement Area #2-B Lots	Subordinate	\$ 588,000
William Ryan Homes	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Improvement Area #2-B Lots	Subordinate	\$ 982,100
Rockwell Homes	Cash	Single-Family Lot Earnest Money	Lien on Contracted Single-Family Improvement Area #2-B Lots	Subordinate	\$ 360,125
Total At-Risk Capital					\$11,156,139

⁽¹⁾ As of March 31, 2024.

⁽²⁾ While Developer and Partner (as defined below) equity is not considered a loan or note, the Developer and Partner’s equity investment within the District is subordinate to the lien securing the Bonds.

⁽³⁾ The full purchase price of the land within the District was \$6,150,000. The Developer funded the purchase price with a combination of (i) \$2,283,774 in cash, of which 50% was provided by the Developer and 50% was provided by TREZ Capital, (ii) the initial advance under the Acquisition and Development Loan (as defined herein), and (iii) the IA #1 Homebuilders’ earnest money.

⁽⁴⁾ TREZ Capital is the limited partner (“Partner”) of Hwy 66 LP and, as the Partner, is required to provide 50% of the equity required.

⁽⁵⁾ Represents the outstanding balance as of March 31, 2024. Pursuant to the IA #2 Loan (as defined herein), upon meeting certain conditions thereunder, Third Coast (as defined herein) will make advances to the Developer up to and not exceeding \$15,000,000. As of March 31, 2024, the Developer has received advances totaling \$11,257,845.

The Property Acquisition. The Developer was formed on October 23, 2019 for the purpose, among other things, of acquiring and developing the property within the District. Arrowhead Holdings II, LLC, (“Arrowhead”) initially was under contract to purchase the property in two separate transactions from (i) Criswell College and (ii) Richard Donaho and Sandra Donaho. Pursuant to the Assignment Agreement dated October 12, 2018, Arrowhead assigned the purchase contract to Highland Acquisitions LLC, an affiliate of the Developer. On November 7, 2019, Highland Acquisitions LLC assigned the purchase contract to the Developer and then the Developer purchased the property from the Original Owners for a purchase price of \$6,150,000.

The Property Acquisition and Development Financing. In order to finance a portion of the purchase price of the land within the District and costs of the Improvement Area #1 Improvements and the Major Improvements, the Developer obtained a loan in the amount of \$9,000,000 (the “Initial Portion”) from Texas Capital Bank, National Association (“Texas Capital Bank”), pursuant to a Promissory Note dated November 7, 2019 (the “Acquisition and Development Loan”). The Acquisition and Development Loan has been paid in full and is no longer outstanding.

In order to finance the costs of the Improvement Area #2-B Projects, the Developer obtained a loan in the amount of \$15,000,000 (the “Initial Portion”) from Third Coast Bank SSB (“Third Coast”), pursuant to a Promissory Note dated March 8, 2023 (the “IA #2 Loan”), which is secured by, among other things, a lien on all of the real property within Improvement Area #2-B and improvements thereon owned by the Developer. Pursuant to the IA #2 Loan, upon meeting certain conditions thereunder, Third Coast will make advances to the Developer up to and not exceeding \$21,149,443. Once the Initial Portion has been advanced to the Developer, the Developer may reborrow \$4,334,476 for the development of Improvement Area #2-B and \$1,814,967 for the development of the Major Improvement Area; provided, however, in no event may the total amount of outstanding loan proceeds ever exceed \$15,000,000 at any one time. As of March 31, 2024, the Developer has received advances under the IA #2 Loan totaling \$11,257,845 and the IA #2 Loan has an outstanding balance of \$6,942,140. The IA #2 Loan bears interest at a rate equal to the lesser of (i) the “Maximum Rate,” or (ii) the greater of (a) the “Prime Rate” as it may vary from day to day or (b) 4.50% per annum and has a maturity date of March 8, 2026, with a one-year extension option. In connection with the IA #2 Loan, in order to further guarantee the availability of funds to complete the Improvement Area #2 Improvements, Hines Investment Management Holdings Limited Partnership, a Texas limited partnership (“Hines Investment”), an affiliate of Hines and the Developer, entered into a guaranty agreement with Third Coast, whereby Hines Investment guarantees the payment of any out-of-pocket losses, damages, costs, expenses, and liabilities, suffered or incurred by Third Coast in connection with various obligations under the IA #2 Loan.

Additionally, in the first amendment to the loan agreement for the IA #2 Loan, Third Coast agreed to make advances for the benefit of the Developer under one or more letters of credit (the “Third Coast LOC”), not to exceed \$15,000,000. Each Third Coast LOC shall have an expiration date not to exceed 24 months and no later than March 8, 2026. Any advance by Third Coast pursuant to a drawing under a Third Coast LOC shall be an advance under the IA #2 Loan.

Third Coast issued a Third Coast LOC to the City on June 23, 2023, in the amount of \$3,262,413.03, which expires on June 23, 2025. If construction of the New Wastewater Line is not completed by September 26, 2024, the City may draw on the Third Coast LOC to complete construction of the New Wastewater Line.

The PID Act provides that the Assessment Lien is a first and prior lien against the Improvement Area #2-B Assessed Property 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, Third Coast agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the IA #2 Loan to the assessment liens on property within Improvement Area #2-B securing payment of the Assessments. As a result, the lien on the property within Improvement Area #2-B securing the Assessments will have priority over any liens on the property within Improvement Area #2-B securing the IA #2 Loan.

PID ADMINISTRATOR

The following information has been provided by the PID Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

The City has selected P3Works, LLC as the initial “PID Administrator.” The City has entered into an agreement with the PID Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The PID Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston and North Richland Hills, Texas.

The PID Administrator’s duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for county billing and collection;
- Establishing and maintaining a database of all County Parcel identification numbers within the District;
- Trust account analysis and reconciliation;
- Property owner inquires;

- Determination of prepayment amounts;
- Preparation and review of disclosure notices with Dissemination Agent; and
- Review of developer draw requests for reimbursement of public improvement costs.

APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #2-B

The Appraisal

General. Integra Realty Resources – Dallas (the “Appraiser”) prepared an appraisal report (the “Appraisal”) for the City and the Underwriter dated as of May 1, 2024, based upon a physical inspection of the District conducted on February 4, 2024. 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 Improvement Area #2-B 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 Improvement Area #2-B.”

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in the tracts of land comprising Improvement Area #2-B under certain hypothetical conditions. The Appraisal does not reflect the value of Improvement Area #2-B as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumption that all of the Future Major Improvements and the Improvement Area #2-B Projects have been completed in accordance with plans and specifications of April 30, 2024. See “THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS” and “THE DEVELOPMENT — Development Plan.” The Appraisal does not reflect the as-is condition of Improvement Area #2-B. See “APPENDIX G — Appraisal of Improvement Area #2-B.”

The value estimate for the Improvement Area #2-B Assessed Property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of June 15, 2024, is \$15,610,000. None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions, or information contained in the Appraisal. The assumptions or 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.

The Appraiser confirms that the valuations included in the Appraisal were prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Caution should be exercised in the evaluation and use of appraisal results. An 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. It 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 the properties in the District is considered by the Appraiser 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 analyses, an 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 to 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.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the

Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

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.

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 AND OTHER FUNDS COMPRISING THE TRUST ESTATE, 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 Improvement Area #2-B to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #2-B, (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 property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Improvement Area #2-B Assessed Property, 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 Improvement Area #2-B. 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.

Deemed Representations and Acknowledgment by Purchasers

Each purchaser of Bonds (each a "Purchaser") 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 each Purchaser, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the

Securities Act of 1933), 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 Purchaser can afford a complete loss of its investment in the Bonds.

Infectious Disease Outbreak

In March 2020, the World Health Organization and the President of the United States (the “President”) separately declared the outbreak of a respiratory disease caused by a novel coronavirus (“COVID-19”) to be a public health emergency (the “Pandemic”). On April 10, 2023, the President signed a resolution terminating the national emergency related to the Pandemic, and on May 5, 2023, the World Health Organization declared COVID-19 no longer represented a global health emergency. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. The City has not experienced any decrease in property values or unusual tax delinquencies as a result of COVID-19. However, the City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions.

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Improvement Area #2-B Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth 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, interest and the Annual Collection Costs 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 Improvement Area #2-B, 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 of Property Owner” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #2-B, any Assessment that is also 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, Section 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 Section 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 State 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 State 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 owns 100% of the land within Improvement Area #2-B is not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Improvement Area #2-B 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 the 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 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 IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #2-B OF THE DISTRICT.

PACE Lien Priority

Pursuant to Chapter 399, Texas Local Government Code, as amended, (the “Property Assessed Clean Energy Act” or “PACE”) commercial property owners in Texas may obtain long-term financing for water conservation, energy-efficiency, and renewable energy projects. Such financing would be repaid through a contractual assessment placed on the property pursuant to a program established by a city or county. This assessment is a first and prior lien against the property and has the same lien priority as ad valorem taxes, from the time the lien is recorded in the County real property records. As such, to the extent that a property subject to both a PACE assessment and an Assessment, and a PACE assessment is foreclosed on for nonpayment of taxes or assessments, the proceeds from the foreclosure sale of the property would be used first to pay any delinquent ad valorem taxes and the PACE lien.

Recent Changes in State Law Regarding Public Improvement Districts

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 of purchase and sale. If the Developer or homebuilders within Improvement Area #2-B do not provide the required notice and prospective purchasers of property within Improvement Area #2-B 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 should be paid. 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, if the Developer or homebuilders within Improvement Area #2-B 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 forms of notice to be provided to homebuyers are attached as Appendix B to the Service and Assessment Plan. See “Appendix C — Form of Service and Assessment Plan.”

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative 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 to 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 (the “88th Regular Session”) concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor’s direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. 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.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size, and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or if made will provide the necessary assessment revenues required to service debt on the Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer and homebuilders to develop lots and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

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, including the schedule for and/or the costs of the various improvements to be constructed within the District necessary to serve residents therein, 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.

The Development cannot be 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 each phase 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.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, the IA #2-B Homebuilders and any subsequent owners to pay the

Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #2-B in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Area #2-B. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, 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 costs of the remaining Improvement Area #2 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #2 Improvements or pay the Assessments when due. Additionally, if the costs of material continue to increase, it may affect the ability of the IA #2 Homebuilders to construct within Improvement Area #2-B. 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. See “THE DEVELOPER — History and Financing of the District.”

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 ever commence or 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.

Competitive projects in the area include:

<u>Project Name</u>	<u># of Units</u>	<u>Proximity to Development</u>	<u>Developer</u>	<u>Date Started</u>	<u>Expected Date of Completion</u>	<u>Prices</u>	<u># of Units Remaining</u>
Valor Farms Clearview Ranch	257	< 1 Mile	DR Horton	N/A	Complete	\$300,000	0
Ranch	725	< 1 Mile	S2	N/A	2031	N/A	725
Fikes Farms	174	< 1 Mile	Forestar	N/A	2028	N/A	174

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 become able to compete with the Development.

Lien Foreclosure and 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 Improvement Area #2-B 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 Improvement Area #2-B currently impose ad valorem taxes on the property within Improvement Area #2-B and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #2-B. 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 Improvement Area #2-B to pay the Assessments when due could result in the rapid, total depletion of the 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 will provide 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 Account 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 the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner of any of the parcels within the District has such a current liability with respect to such parcel; 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 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. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency.

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

Regulation

Development within the District may become 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.

100-Year Flood Plain

Approximately 14.31 acres within the District, including approximately 0.62 acres within Improvement Area #2-B, are located within an official FEMA 100-year flood plain, as shown on the current Federal Emergency Management Agency's Flood Insurance Rate Map Community Panel No. 48085C0470J, Collin County, Texas dated June 2, 2019 (the "Floodplain"). The portion of the District within the Floodplain will be used as open space and no single family lots will be located within the Floodplain.

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 exceed the Flood Plain.

Risk from Weather Events

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

Exercise of Mineral Rights

As described herein under "THE DEVELOPMENT— Mineral Rights," there may be certain mineral rights reservations located within the District, including Improvement Area #2 not owned by the Developer, 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 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 Improvement Area #2 to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Bondholders' Remedies and Bankruptcy of Property Owners

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least fifty-one percent (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 Improvement Area #2-B of the District or sell property within Improvement Area #2-B 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 — Chapter 9 Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within 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).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted 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 Improvement Area #2-B 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 Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

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.

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 Improvement Area #2-B subject to the Assessments, existing real estate and financial market conditions and other factors.

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.

Chapter 9 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 State 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 State 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. The City cannot predict a Bankruptcy Court’s treatment of the Bond holders’ creditor claim and whether a Bond holder would be repaid in full.

Tax-Exempt Status of the Bonds

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,” 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.

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. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. 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 disagrees 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 projects comparable to the Development.

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 within the District, the development of the land in the District could be adversely affected. See “THE DISTRICT — Utilities.”

Dependence upon Developer

The Developer currently has the obligation for payment of 100% of the total 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. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. 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 Improvement Area #2-B Projects within Improvement Area #2-B. See "THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Improvement Area #2-B Projects or any other improvements.

Defaults of Affiliates of Hines

During the past ten years, affiliates of Hines Interests Limited Partnership have transferred three (3) U.S. properties to the lender via a negotiated transfer by non-judicial foreclosure due to failure to make payments on the applicable loan.

The Sheraton Georgetown Texas Hotel and Conference Center (2020). Hines and a partner developed a 222-room hotel including a 35,000-square-foot conference center and three-level parking garage which opened in 2016. Woodforest National Bank provided senior financing for the hotel and mezzanine financing was provided by Hospitality Fund of Central Texas, LLC. The senior note was later purchased by an affiliate of Black Forest Ventures. The onset of the COVID-19 pandemic resulted in a dramatic decrease in room bookings and revenue from the hotel to the point debt service obligations could no longer be met. Hines and its partner successfully negotiated the terms of a debt-to-equity conversion with the mezzanine lender but were unable to negotiate an acceptable loan restructuring with the senior lender, Black Forest Ventures, who took title to the property through a non-judicial foreclosure in November 2020.

Greenspoint Place (2016). Hines and a partner purchased the 2.1 million square foot office campus in north Houston in 1994 and 1996. From the time the property was acquired, the major tenant was Exxon who occupied 67% of the office space in addition to owning a 200,000 square foot office building adjacent to the campus. In 2011, Exxon announced that it was building a new campus and elected to phase out of its occupancy at Greenspoint Place. Leasing the space vacated by Exxon proved to be very challenging, particularly given the economic environment in Houston. Hines and its partner were unable to either refinance the loan on the property or agree on a loan restructuring with the lender, Northwestern Mutual, prior to maturity. Title was transferred through a non-judicial foreclosure on July 5, 2016. Northwestern Mutual retained Hines to manage the property following the foreclosure.

Douglas Corporate Center (2013). This property in Roseville (Sacramento), California, was purchased by the Hines US Core Office Fund in 2007 as part of an office portfolio acquisition. This suburban Sacramento office market was severely impacted by the economic downturn due to its high concentration of smaller tenants such as home builders and mortgage companies. Occupancy at this building significantly declined and cash flow was insufficient to service the debt on the loan provided by Key Bank. Although continuing to fund TIs and operating expenses, the fund team was unable to negotiate an acceptable restructuring with the special servicer. Title was transferred in January 2013 through a non-judicial foreclosure. Hines was retained to manage the property.

Chapter 11 Bankruptcy of a Hines-Affiliated General Contractor

In February 2018, Urban Oaks Builders ("UOB"), a Hines-affiliated general contractor, along with other Hines-affiliated entities ("Hines Affiliates") were sued by affiliates of Southstar Capital Group ("Southstar"), the purchaser of a multifamily project developed by Hines in Celebration, Florida, alleging the existence of certain construction defects and the concealment of those defects prior to the sale of the project (the "Southstar Litigation"). None of UOB nor the Hines Affiliates, or any persons employed by those entities, had any knowledge of the alleged defects. Consequently, UOB and the Hines Affiliates vigorously defended themselves against these claims. The Southstar Litigation, as it relates to UOB, was consolidated with UOB's Chapter 11 bankruptcy proceedings and a related coverage action filed by UOB against its insurance carriers, both of which were a result of the Southstar Litigation. The bankruptcy court found no evidence of fraud on the part of UOB but ruled that Southstar's claim for damages for repairs relating to the alleged construction defects was valued at \$26.1 million plus interest.

UOB immediately demanded that the carriers pay this judgment on its behalf, a covered loss well within policy limits. Thus far, the carriers have refused. In response, they have raised multiple legal arguments, the resolution of which would have a fundamental impact on how the loss would be spread among the carriers in the insurance tower. However, none of these arguments have any bearing on coverage of the UOB judgment, which the carriers have never disputed. Accordingly, UOB has made repeated demands that the carriers settle with Southstar on UOB's behalf and continue their intramural dispute separately since the carriers' infighting has caused multiple mediations to be unsuccessful. Recognizing the insurance dispute as the primary hurdle to recovery, Southstar agreed to abate the Southstar Litigation as it relates to UOB until the conclusion of the insurance coverage litigation. In late 2021, the UOB and the Hines Affiliates filed motions for summary judgment against the carriers to force the legal questions at issue to a decision. In Q1 2022, the Court ruled on several of these issues, adopting UOB and the Hines Affiliates' view of the insurance policies. As expected, this ruling has caused discussion among some of the upper-tier carriers about another global mediation. A mediation among all parties, including Southstar, took place on September 20, 2022. Though a settlement was not reached, discussions with the carriers are ongoing.

All the while, Southstar continued its misguided pursuit of a lawsuit in Florida state court solely against the Hines Affiliates primarily relating to Southstar's spurious allegation (disproven once already in the UOB proceeding) that Hines was aware of defects at the project but concealed them from Southstar prior to the sale. Notably, the trial court dismissed Southstar's claims against the Hines entities twice, the final time after being given opportunity to amend its pleadings. An appellate court affirmed the trial court's dismissal and granted the Hines Affiliates their attorney's fees.

While the Developer, UOB, and the Hines Affiliates are under common control of Hines, UOB and the Hines Affiliates do not own property in the District and are not associated with the Development or with the Bonds. The Developer does not expect the Southstar Litigation to have any material adverse effect on the ability of the Developer to develop and sell the Lots in the District.

Adverse Developments Affecting the Financial Services Industry

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, or SVB, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or the FDIC, as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In March of 2023, UBS agreed to acquire the troubled Credit Suisse and troubled First Republic Bank received a \$30 billion rescue package from 11 of the biggest U.S. banks in an effort to prevent its collapse; however, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with SVB, Signature Bank or any other financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder.

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 IRS. 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 foreign investors, 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 the unqualified approving legal opinion of the Attorney General of the State 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, 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. Orrick, Herrington & Sutcliffe 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 the State, 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, limited 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, limited 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 of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. 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." 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 herein under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT" (except for the subcaption "District Collection and Delinquency of Assessments"), "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only), "LEGAL MATTERS — Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE

PUBLIC FUNDS IN TEXAS,” “INVESTMENTS” 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 and legal issues contained under such captions and subcaptions 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 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 best knowledge of the Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, or the Reimbursement Agreement, or otherwise described in this Limited Offering Memorandum or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”). Additionally, Hines and its affiliates, including the Developer, 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. See “BONDHOLDERS’ RISKS — Chapter 11 Bankruptcy of a Hines-Affiliated General Contractor.”

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 of Property Owners.” 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 governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

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 SEC (the “Rule”), the City, the PID Administrator and UMB Bank, N.A., as dissemination agent (in such capacity, the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), 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 Issuer, 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 Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer 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 Disclosure Agreement of Issuer. 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 Disclosure Agreement of Issuer. 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 Disclosure Agreement of Issuer or from any statement made pursuant to the Disclosure Agreement of Issuer.

The City’s Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with its continuing disclosure agreements made by it in accordance with the Rule, except as follows. The dissemination agent for the City’s Special Assessment Revenue Bonds, Series 2017 (Waterscape Public Improvement District Major Improvement Area Project) failed to file a notice of optional redemption on behalf of the City for a September 15, 2022 redemption. The notice along with a late notice was filed on August 18, 2023.

The Developer

The Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of 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 Developer, certain information regarding the Development and the Improvement Area #2-B Projects (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 Developer.” Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of 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 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 has agreed to provide (i) certain updated information to the PID 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 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 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 Developer or from any statement made pursuant to the Disclosure Agreement of Developer.

The Developer's Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with its continuing disclosure agreements made by it in accordance with the Rule. In certain instances, during the last five years, certain affiliates of the Developer have failed to timely file quarterly reports and certain quarterly reports were substantively deficient. The affiliates of the Developer have implemented additional policies and procedures and are working closely with the administrator of such public improvement districts and respective dissemination agents to implement such policies and procedures to ensure that in the future they fully comply with their continuing disclosure undertakings.

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 a reoffering discount of \$_____ less an underwriting discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. 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, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of 1933 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

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that 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, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and 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 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 State law in accordance with investment policies approved by the City Council. Both State 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 this 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 SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of 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 Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, 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 or 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. 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 ten (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.

Political subdivisions such as the City 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 (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name 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 State 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, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. 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 State 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 the 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, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the 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 by written instrument 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 City 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 entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (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 no-load mutual funds in the aggregate to no more than fifteen percent (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 UMB Bank, N.A., a national banking association 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 <https://www.umb.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

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.

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Developer, the Development and the Improvement Area #2-B Projects generally and, in particular, the information included in the maps on pages (ii) – (v) and in the sections captioned “PLAN OF FINANCE — Development Plan” and “— Homebuilder Lot Purchase Agreements,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #2-B AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #2-B Authorized Improvements and the Development), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings,” “APPENDIX E-2” and “APPENDIX F” has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were 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.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources – Dallas and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. The Appraiser has consented to the inclusion of the Appraisal herein.

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 ninety (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. 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

The City Council has authorized the use of this Preliminary Limited Offering Memorandum 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.

General Information

The City is primarily located in the northeast corner of Rockwall County, with portions in Hunt and Collin Counties, and sits approximately 35 miles northeast of Dallas. Access to the City is provided by Interstate 30. The City covers approximately 16.1 square miles. The City’s 2010 census population was 9,347. The City’s current population estimate is 19,984.

Historical Employment in Collin County (Average Annual)

	Average Annual				
	2024 ⁽¹⁾	2023	2022	2021 ⁽²⁾	2020 ⁽²⁾
Civilian Labor Force	651,652	644,705	625,323	600,965	579,527
Total Employed	626,796	622,134	605,500	574,762	547,851
Total Unemployed	24,652	22,571	19,823	26,203	31,676
Unemployment Rate	3.8%	3.5%	3.2%	4.4%	5.5%

⁽¹⁾ Data through March 2024.

⁽²⁾ The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak.”

Source: Texas Labor Market Information.

Major Employers in the City

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

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Royse City ISD	Education	1,205
Wal-mart	Retail	260
Buc-ee’s	Retail/Fuel	230
Dust Free	Industrial Air Purification	125
City of Royse City	Municipal Government	118
Artisan/AA Granite	Industrial/Retail	100
OMI Crane	Crane Manufacturer	80
Whataburger	Restaurant	65
Four Brothers Farm Equipment	Retail Farm Equipment/Repair	50
J&M Plastics	Axle Manufacturer	40

Source: Royse City Economic Development Corporation

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Surrounding Economic Activity

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

City of Rockwall		City of Greenville		City of Dallas	
Approximately 9 miles from the City		Approximately 18 miles from the City		Approximately 29 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Rockwall ISD	1,985	L-3 Communications	6,500	Dallas ISD	23,271
L-3 Harris Technologies	700	McKesson	500	City of Dallas	13,000
Texas Health Presbyterian Hospital	611	Solvay	350	AT&T Inc.	12,600
Pegasus Food	480	Masonite Corp.	250	Medical City Dallas	10,864
Channell Commercial	460	Weatherford International	225	Parkland Health & Hop System	10,406
Rockwall County	358	Innovations First	225	Texas Instruments Inc.	9,800
City of Rockwall	353	Raytheon	200	Dallas County Community College	8,230
Wal-Mart Superstore	350	West Rock	130	Methodist Dallas Medical Center	6,887
Texas Star Express	275	Texas Book Co	80	Dallas County	6,500
Karat by Lolicup USA	260	Fritz Industries	40	Children's Health	6,276

City of Plano	
Approximately 33 miles from the City	
Employer	Employees
JP Morgan Chase	9,500
Capital One Finance	7,542
Toyota Motor North America, Inc.	4,573
Bank of America	4,500
AT&T Foundry	2,500
Ericsson	2,406
Liberty Mutual Insurance Company	2,385
Medical City Plano	2,332
USAA	2,092
Fannie Mae	2,000

City of Richardson	
Approximately 37 miles from the City	
Employer	Employees
State Farm Insurance	10,000
Richardson ISD	5,961
University of Texas at Dallas	3,455
Blue Cross Blue Shield of Texas	3,100
GEICO	2,300
Raytheon	2,200
Realpage	2,100
Cisco	2,000
Texas Instruments	1,800
United Health Care	1,700

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF ROYSE CITY, TEXAS

and

**UMB BANK, N.A.,
as Trustee**

DATED AS OF JUNE 1, 2024

SECURING

\$()

**CITY OF ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC
IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

TABLE OF CONTENTS

TABLE OF CONTENTS	2
INDENTURE OF TRUST	6
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	10
SECTION 1.1. DEFINITIONS.....	10
SECTION 1.2. FINDINGS.....	18
SECTION 1.3. TABLE OF CONTENTS, TITLES AND HEADINGS.....	18
SECTION 1.4. INTERPRETATION.....	19
ARTICLE II THE BONDS.....	19
SECTION 2.1. SECURITY FOR THE BONDS.....	19
SECTION 2.2. LIMITED OBLIGATIONS.....	19
SECTION 2.3. AUTHORIZATION FOR INDENTURE.....	20
SECTION 2.4. CONTRACT WITH OWNERS AND TRUSTEE.....	20
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	20
SECTION 3.1. AUTHORIZATION.....	20
SECTION 3.2. DATE, DENOMINATION, MATURITIES, NUMBERS AND INTEREST.....	20
SECTION 3.3. CONDITIONS PRECEDENT TO DELIVERY OF BONDS.....	21
SECTION 3.4. MEDIUM, METHOD AND PLACE OF PAYMENT.....	22
SECTION 3.5. EXECUTION AND REGISTRATION OF BONDS.....	23
SECTION 3.6. REFUNDING BONDS.....	23
SECTION 3.7. OWNERSHIP.....	24
SECTION 3.8. REGISTRATION, TRANSFER AND EXCHANGE.....	24
SECTION 3.9. CANCELLATION.....	25
SECTION 3.10. TEMPORARY BONDS.....	25
SECTION 3.11. REPLACEMENT BONDS.....	26
SECTION 3.12. BOOK-ENTRY-ONLY SYSTEM.....	27
SECTION 3.13. SUCCESSOR SECURITIES DEPOSITORY: TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM.....	28
SECTION 3.14. PAYMENTS TO CEDE & CO.....	28
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY.....	28
SECTION 4.1. LIMITATION ON REDEMPTION.....	28
SECTION 4.2. MANDATORY SINKING FUND REDEMPTION.....	28
SECTION 4.3. OPTIONAL REDEMPTION.....	30
SECTION 4.5. PARTIAL REDEMPTION.....	30
SECTION 4.6. NOTICE OF REDEMPTION TO OWNERS.....	31
SECTION 4.7. PAYMENT UPON REDEMPTION.....	32
SECTION 4.8. EFFECT OF REDEMPTION.....	32
ARTICLE V FORM OF THE BONDS	32

SECTION 5.1. FORM GENERALLY.....	32
SECTION 5.2. FORM OF THE BONDS.	33
SECTION 5.3. CUSIP REGISTRATION.	42
SECTION 5.4. LEGAL OPINION.....	42
ARTICLE VI FUNDS AND ACCOUNTS	42
SECTION 6.1. ESTABLISHMENT OF FUNDS AND ACCOUNTS.....	42
SECTION 6.2. INITIAL DEPOSITS TO FUNDS AND ACCOUNTS.....	43
SECTION 6.3. PLEDGED REVENUE FUND.....	44
SECTION 6.4. BOND FUND.....	45
SECTION 6.5. PROJECT FUND.....	46
SECTION 6.6. REDEMPTION FUND.....	47
SECTION 6.7. RESERVE FUND.....	47
SECTION 6.8. REBATE FUND: REBATABLE ARBITRAGE.....	49
SECTION 6.9. ADMINISTRATIVE FUND.	49
SECTION 6.10. INVESTMENT OF FUNDS.....	50
ARTICLE VII COVENANTS	51
SECTION 7.1. CONFIRMATION OF ASSESSMENTS.....	51
SECTION 7.2. COLLECTION AND ENFORCEMENT OF ASSESSMENTS.....	52
SECTION 7.3. AGAINST ENCUMBRANCES.	52
SECTION 7.4. RECORDS, ACCOUNTS, ACCOUNTING REPORTS.....	52
SECTION 7.5. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON BONDS.	53
ARTICLE VII LIABILITY OF CITY	55
SECTION 8.1. LIABILITY OF CITY.....	55
ARTICLE IX THE TRUSTEE	57
SECTION 9.1. ACCEPTANCE OF TRUST; TRUSTEE AS REGISTRAR AND PAYING AGENT.	57
SECTION 9.2. TRUSTEE ENTITLED TO INDEMNITY.....	57
SECTION 9.3. RESPONSIBILITIES OF THE TRUSTEE.	58
SECTION 9.4. PROPERTY HELD IN TRUST.	59
SECTION 9.5. TRUSTEE PROTECTED IN RELYING ON CERTAIN DOCUMENTS.	59
SECTION 9.6. COMPENSATION.	60
SECTION 9.7. PERMITTED ACTS.....	60
SECTION 9.8. RESIGNATION OF TRUSTEE.....	61
SECTION 9.9. REMOVAL OF TRUSTEE.	61
SECTION 9.10. SUCCESSOR TRUSTEE.....	61
SECTION 9.11. TRANSFER OF RIGHTS AND PROPERTY TO SUCCESSOR TRUSTEE.	62
SECTION 9.12. MERGER, CONVERSION OR CONSOLIDATION OF TRUSTEE..	63
SECTION 9.13. TRUSTEE TO FILE CONTINUATION STATEMENTS.	63
SECTION 9.14. ACCOUNTS, PERIODIC REPORTS AND CERTIFICATES.....	63
SECTION 9.15. CONSTRUCTION OF INDENTURE.	63

ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE.....	64
SECTION 10.1. AMENDMENTS PERMITTED.	64
SECTION 10.2. OWNERS' MEETINGS.	64
SECTION 10.3. PROCEDURE FOR AMENDMENT WITH WRITTEN CONSENT OF OWNERS.	65
SECTION 10.4. PROCEDURE FOR AMENDMENT NOT REQUIRING OWNER CONSENT.	66
SECTION 10.5. EFFECT OF SUPPLEMENTAL INDENTURE.	66
SECTION 10.6. ENDORSEMENT OR REPLACEMENT OF BONDS ISSUED AFTER AMENDMENTS.	66
SECTION 10.7. AMENDATORY ENDORSEMENT OF BONDS.	66
SECTION 10.8. WAIVER OF DEFAULT.	67
SECTION 10.9. EXECUTION OF SUPPLEMENTAL INDENTURE.	67
ARTICLE XI DEFAULT AND REMEDIES.....	67
SECTION 11.1. EVENTS OF DEFAULT.	67
SECTION 11.2. IMMEDIATE REMEDIES FOR DEFAULT.	68
SECTION 11.3. RESTRICTION ON OWNER'S ACTION.	68
SECTION 11.4. APPLICATION OF REVENUES AND OTHER MONEYS AFTER DEFAULT.	69
SECTION 11.5. EFFECT OF WAIVER.	70
SECTION 11.6. EVIDENCE OF OWNERSHIP OF BONDS.	70
SECTION 11.7. NO ACCELERATION.	71
SECTION 11.8. MAILING OF NOTICE.	71
SECTION 11.9. EXCLUSION OF BONDS.	71
ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS	71
SECTION 12.1. REPRESENTATIONS AS TO TRUST ESTATE.	71
SECTION 12.2. GENERAL.	72
ARTICLE XIII SPECIAL COVENANTS	72
SECTION 13.1. FURTHER ASSURANCES; DUE PERFORMANCE.	72
SECTION 13.2. OTHER OBLIGATIONS OR OTHER LIENS; REFUNDING BONDS.	72
SECTION 13.3. BOOKS OF RECORD.	73
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....	73
SECTION 14.1. TRUST IRREVOCABLE.	73
SECTION 14.2. SATISFACTION OF INDENTURE.	73
SECTION 14.3. BONDS DEEMED PAID.	73
ARTICLE XV MISCELLANEOUS.....	74
SECTION 15.1. BENEFITS OF INDENTURE LIMITED TO PARTIES.	74
SECTION 15.2. SUCCESSOR IS DEEMED INCLUDED IN ALL REFERENCES TO PREDECESSOR.	74
SECTION 15.3. EXECUTION OF DOCUMENTS AND PROOF OF OWNERSHIP BY	

OWNERS. 75
SECTION 15.4. NO WAIVER OF PERSONAL LIABILITY. 75
SECTION 15.5. NOTICES TO AND DEMANDS ON CITY AND TRUSTEE. 75
SECTION 15.6. PARTIAL INVALIDITY. 76
SECTION 15.7. APPLICABLE LAWS. 76
SECTION 15.8. PAYMENT ON BUSINESS DAY. 76
SECTION 15.9. COUNTERPARTS. 76
SECTION 15.10. TEXAS GOVERNMENT CODE VERIFICATIONS. 76
SECTION 15.11. DISCLOSURE OF INTERESTED PARTIES. 77

INDENTURE OF TRUST

THIS INDENTURE, dated as of June 1, 2024, is by and between the CITY OF ROYSE CITY, TEXAS (the "*City*"), and UMB BANK, N.A., Dallas, Texas as trustee (together with its successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on May 14, 2020, 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 "Creekside Public Improvement District" (the "*District*"); 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 26, 2020, the City Council of the City (the "*City Council*") adopted Resolution No. 20-05-139R accepting the Petition and calling a public hearing on the creation of the District on June 23, 2020; and

WHEREAS, on June 23, 2020, after due notice, the City Council opened, conducted and closed 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, by Resolution No. 20-06-142R adopted by the City Council (the "*Creation Resolution*"), authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Creation Resolution, 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, 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 and where the proposed improvements are to be undertaken to consider the proposed "*2020 Assessment Roll*" and the "*2020 Service and Assessment Plan*" and the levy of the "*2020 Assessments*" on property in Improvement Area #1 of 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 2020 Assessment Roll and the 2020 Service and Assessment Plan and the levy of 2020 Assessments on property in Improvement Area #1 of the

District to the last known address of the owners of the property liable for the 2020 Assessments;
and

WHEREAS, the City Council convened the public hearing on October 27, 2020, 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 2020 Service and Assessment Plan, the 2020 Assessment Roll, and the 2020 Assessments, and to offer testimony pertinent to any issue presented on the amount of the 2020 Assessments, the allocation of Costs, the purposes of the 2020 Assessments, the special benefits of the 2020 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the 2020 Assessments; and

WHEREAS, at the October 27, 2020 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the 2020 Service and Assessment Plan, the allocation of Costs, the 2020 Assessment Roll, or the levy of the 2020 Assessments; and

WHEREAS, the City Council closed the public hearing and, 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 October 27, 2020, approved and accepted the 2020 Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the 2020 Assessment Ordinance, which 2020 Assessment Ordinance approved the 2020 Assessment Roll and levied the 2020 Assessments; and

WHEREAS, the City Council, on July 13, 2021, approved the 2021 Annual Service Plan Update by approving Ordinance No. 21-07-1455. The Annual Service Plan Update updated the Assessment Roll for 2021.

WHEREAS, the City Council, on August 9, 2022, approved the 2022 Annual Service Plan Update by approving Ordinance No. 22-08-1533. The annual Service Plan Update updated the Assessment Roll for 2022.

WHEREAS, the City Council, on July 25, 2023, approved the 2023 Annual Service Plan Update by approving Ordinance No. 23-07-1581. The 2023 Annual Service Plan Update updated the Assessment Roll for 2023.

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 and 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 Improvement Area #2-B of 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 Improvement Area #2-B of 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 May 28, 2024, 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 May 28, 2024 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 closed the public hearing and, 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 May 28, 2024, 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 a portion of the Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2-B Projects, (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 Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)" (the "*Bonds*"), such Bonds being payable as provided in this Indenture; 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 and first lien on 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 limited 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:

"2020 Assessment Ordinance" means Ordinance No. 20-10-1418 which was passed and adopted by the City Council on October 27, 2020, and levied the 2020 Assessments.

"2020 Assessment" means an assessment levied against Improvement Area #1 pursuant to the 2020 Assessment Ordinance and the provisions herein, as shown on the 2020 Assessment Roll.

"2020 Assessment Roll" means an assessment roll for Improvement Area #1, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including in any Annual Service Plan Updates.

"2020 Service and Assessment Plan" means the Service and Assessment plan approved by the City Council on October 27, 2020, by the 2020 Assessment Ordinance.

"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 amount collected by application of the Additional Interest Rate.

"Additional Interest Rate" 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.

"Administrator" means the City or independent firm designated by 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 Collection Costs" means the actual or budgeted costs and expenses related to the operation of Improvement Area #2-B, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City Staff; (3) legal counsel, engineers, accountants, financial advisors, and

other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan and the PID Act, and this Indenture with respect to the Bonds, including the City's continuing disclosure requirements; and (9) the paying agent/registrars and Trustee in connection with Bonds, including their respective legal counsel. Annual Collection Costs collected and not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"*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, with respect to each Assessed Property, each annual payment of: (i) the principal of and interest on the Assessments as shown on the Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit G-2 to the Service and Assessment Plan, and calculated as provided in Section VI of the Service and Assessment Plan, (ii) Annual Collection Costs and (iii) the Additional Interest.

"*Annual Service Plan Update*" means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

"*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 property located in Improvement Area #2-B of the District that benefits from the Improvement Area #2-B Projects, and is defined as the "Improvement Area #2-B Assessed Property" in the Service and Assessment Plan.

"*Assessment Ordinance*" means the ordinance adopted by the City Council on May 28, 2024, 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 "Improvement Area #2-B Assessment Roll", which document is attached to the Service and Assessment Plan as Exhibit G-1, as updated, modified or amended from time to time.

"*Assessments*" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #2-B Projects.

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

"*Authorized Denomination*" means \$25,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, 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, including those 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 Fund*" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4 of this Indenture.

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

"*Bond Issuance Costs*" means the costs associated with issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of Bonds.

"*Bond Ordinance*" means the ordinance adopted by the City Council on May 28, 2024 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 October 1 in each year and ending on September 30 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B 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 attached to the Reimbursement Agreement 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 the Reimbursement Agreement and Section 6.5 of this Indenture.

"*City Order*" means a certificate containing written instructions by the City, signed by the City Representative and delivered to the Trustee.

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

"*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.

"*Costs*" means the Actual Costs, as defined in the Service and Assessment Plan (excluding Annual Collection Costs), solely for the Improvement Area #2-B Projects, as such 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 reserve account administered by the City and segregated from other funds of the City and established by Section 6.1 of this Indenture.

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

"*Delinquent Collection Costs*" mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest

"*Delivery Date*" means June 20, 2024, 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 Dallas, 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 HT Hwy 66 Development LP, a Texas limited partnership, and any successor thereto.

"*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.

"*Estimated Buildout Value*" means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value.

"*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.

"*Improvement Area #2 Improvements*" means the Authorized Improvements which only benefit Improvement Area #2-A and the Assessed Property, as further described in Section III.B and depicted on Exhibit H-2 of the Service and Assessment Plan.

"*Improvement Area #2-A*" means approximately 46.020 acres located within the District, more specifically described and depicted on Exhibit A-4 of the Service Assessment Plan.

"*Improvement Area #2-B*" means approximately 53.868 acres located within the District, more specifically described in Exhibit A-5 to the Service and Assessment Plan.

"*Improvement Area #2-B Projects*" means the pro rata portion of the Improvement Area #2 Improvements allocable to Improvement Area #2-B based on Estimated Buildout Value.

"*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 15 and September 15 of each year, commencing September 15, 2024.

"*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.

"*Other Obligations*" means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #2-B in accordance with the PID Act.

"*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) Bond alleged to have been mutilated, destroyed, lost or stolen which have 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 by the Collin Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of Collin County, or by other means as determined by the City.

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

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

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, 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 the Assessments and Annual Installments collected for the payment of Annual Collection Costs 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.

"*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 last 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 Trust Estates, as more specifically described in the indenture authorizing such Refunding Bonds.

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

"*Reimbursement Agreement*" means the Reimbursement Agreement by and between the City and the Developer, dated as of October 27, 2020, as may be amended and/or supplemented from time to time.

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

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, and (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of (1) a mandatory sinking fund redemption pursuant to Section 4.2, (2) an optional redemption pursuant to Section 4.3 or (3) 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 Delivery Date, the Reserve Account Requirement is \$[] which is an amount equal to the Reserve Account Requirement defined above.

"*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.

"*Service and Assessment Plan*" means the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as may be updated annually 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.

"*Trustee*" means UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and validly existing under the laws of the United States of America, in its capacity as trustee hereunder, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"*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, security interest in, and pledge of the Trust Estate.

(b) The lien on, security interest in and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Delivery Date 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, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the lien on and 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, Business and Commerce Code 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; 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 Owners, 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 \$[] for the purpose of (i) paying a portion of the Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2-B Projects, (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 the Delivery 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 later of the Delivery Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall

be payable semiannually on March 15 and September 15 of each year, commencing September 15, 2024, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 15 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
***	***	***
***	***	***
***	***	***

(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 Reimbursement Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Order 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 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 or Mayor Pro Tem 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 on the Delivery 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 Delivery 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, 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. Refunding Bonds.

(a) Except in accordance with the provisions of this Indenture, including Section 13.2, the City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, 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 of Texas. Except as limited by the terms of this Indenture, including Section 13.2, the City reserves the right to incur debt payable from sources other than the Trust Estate, including revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase,

construction, improvement, extension, replacement, enlargement or repair of the facilities needed in performing any such contract.

(b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 15 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 15 and September 15. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.

(c) Upon their authorization by the City, the Refunding Bonds of a series issued under this Section 3.6 and in accordance with Article IV hereof shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee the items required by Section 3.3 above.

Section 3.7. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the 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 or 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 and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.8. 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 3.9. 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 3.10. 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 3.11. **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 and 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 3.12. **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 blanket issuer letter of representations from the City to DTC. On the Delivery 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 3.13. 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 blanket issuer 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 3.14. 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 15 in 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 from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 15, 20__
Redemption Date Sinking Fund Installment Amount
\$

Term Bonds maturing September 15, 20__
Redemption Date Sinking Fund Installment Amount
\$

Term Bonds maturing September 15, 20__
Redemption Date Sinking Fund Installment Amount
\$

Term Bonds maturing September 15, 20__
Redemption Date Sinking Fund Installment Amount
\$

* Stated Maturity.

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by this Indenture, the Trustee shall select by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of

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

(c) The principal amount of Bonds required to be redeemed on any mandatory sinking fund 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 Bonds of such maturity which, at least thirty (30) 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 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments in integral multiples of \$1,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or the extraordinary optional redemption provisions in Sections 4.3 and 4.4, respectively, 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 maturing on or after September 15, ____, in whole or in part, on any date on or after September 15, ____, such redemption date or dates to be fixed by the City, at the Redemption Price.

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 date, at the Redemption Price, 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) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4 hereof, Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

(b) If less than all of the Bonds are called for optional redemption pursuant to Section 4.3 hereof, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

Section 4.6. Notice of Redemption to Owners.

(a) Upon written direction from the City to the Trustee of the exercise of any redemption provision of this 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 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.

(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 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 this Indenture. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Indenture have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not

received, such notice shall be of no force and effect, the City shall not redeem such Bonds, such events shall not constitute an Event of Default under this Indenture, and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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 ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP NUMBER</u>
_____ %	September 15, 20__	_____, 2024	_____

The City of Royse City, 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 Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing September 15, 2024.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "*Designated Payment/Transfer Office*"), of UMB Bank, N.A., as trustee and paying agent/registrars (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrars, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last 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 the Delivery Date and issued in the aggregate principal amount of \$[] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of June 1, 2024 (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 a portion of the Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2-B Projects, (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 special, 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 first lien on, security interest in, and pledge of the Trust Estate.

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 \$25,000 and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). Except to the extent permitted by the Indenture, the City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$25,000, and any attempt to do so will be void and of no effect.

The Bonds maturing on September 15 in the years 20__, 20__, 20__ and 20__ (collectively, "*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 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:

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
------------------------	--

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
------------------------	--

Term Bonds maturing September 15, 20__

Redemption Date

Sinking Fund Installment Amount

Term Bonds maturing September 15, 20__

Redemption Date

Sinking Fund Installment Amount

* Stated Maturity.

At least thirty (30) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amounts of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such mandatory sinking fund redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least thirty (30) 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 Bonds plus accrued and 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 in integral multiples of \$1,000 by any portion of such Bonds which, at least thirty (30) 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 maturing on or after September 15, 20__, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at the Redemption Price 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.

If less than all of the Bonds are to be redeemed, the Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the principal amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are called for optional redemption, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

Upon surrender of any Bond for redemption in part, the Trustee shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Upon written direction from the City to the Trustee of the exercise of any redemption provision provided under 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 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 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 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 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.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Indenture have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, such events shall not constitute an Event of Default under the Indenture, and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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 as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the 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 forty-five (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 § REGISTER NO. _____
THE STATE OF TEXAS §

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

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.

UMB BANK, N.A.,
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 15 in each of the years, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(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 CUSIP Global Services, managed by S&P Global Markets Intelligence on behalf of the American Bankers Association, 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 \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, 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.

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

(A) Bond Improvement Account; and

(B) Costs of Issuance Account.

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

(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 Costs of Issuance Account of the Project Fund: \$_____;
- (iv) to the Bond Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Specifically, following the initial deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred pursuant to a City Order provided to the Trustee the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds next coming due, and (ii) second, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. 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, prior to any other transfers or deposits being made under this Section 6.3(a), if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred 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 pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatale Arbitrage owed by the City, as provided in Sections 6.8 and 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 Improvement Area #2-B Projects, (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 transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first to replenish the Reserve Account Requirement, and second to replenish the Delinquency and Prepayment Reserve Requirement), and second, 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 transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. Bond Fund.

(a) 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 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(g). 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.

(c) Moneys in the Capitalized Interest Account of the Bond Fund shall be used for the payment of all interest due on the Bonds on [September 15, 2024]. Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Bond Improvement Account of the Project Fund, or if the Bond Improvement Account of the Project Fund has been closed as provided in Section 6.5(d) or (f), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

(d) 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 (a) 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.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in clauses (i) and (v) of 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 Orders. Disbursements from the Bond Improvement Account 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 the Bond Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment as described in the Reimbursement Agreement. Each such Certificate for Payment 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 Certificate for Payment or in the invoices submitted therewith and the Trustee may 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 Section 6.5(d) and (f), money on deposit in the Bond Improvement Account shall be used solely to pay Costs.

(d) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the 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 Improvement Area #2-B Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Bond Improvement Account of the Project Fund will ever be expended for the purposes of the Bond Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the Bond Improvement Account of the Project Fund. If such City Order is so filed, the identified amounts on deposit in the Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfers, the Bond Improvement Account of the Project Fund 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 Order stating that all Improvement Area #2-B Projects have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the 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 Order filed with the Trustee. Upon such transfer, the Bond Improvement Account 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 Bond Improvement Account of the Project Fund 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 Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

(i) In the event the Developer has not completed the Improvement Area #2-B Projects by June 20, 2027, then the City may provide written direction to the Trustee to transfer all funds on deposit in the Bond Improvement Account of the Project Fund to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof.

Section 6.6. Redemption Fund.

The Trustee, pursuant to a City Order, 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. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2025, an amount the City confirms to the Trustee is equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; 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 the 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 a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. Whenever a transfer is made from the Reserve Account 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 of said funds. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding.

(b) 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 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 a City Order 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 or any additional amounts to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 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 written 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 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 such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund. In the event that the Trustee does not receive a City Order 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 to redeem Bonds pursuant to Section 4.4 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) Reserved.

(g) 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.

(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 of the Bond Fund 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 City's federal tax certificate for the Bonds, as further set forth in written directions from the City to the Trustee. The Trustee may conclusively rely on such written instructions as set forth in this Section 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 follows such written instructions in all respects.

(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 Order, 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 Annual Collection Costs 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 Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs 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 in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; 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 Order 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 Order shall be a certification, upon which the Trustee may 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 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 investments and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, 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 as directed by the City in writing.

(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 suitability or legality of any investments or whether investments comply with Section 6.10(a) above. The parties acknowledge that the Trustee is not providing investment supervision, recommendations or advice..

(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 Order, 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 Order 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 Annual Collection Costs 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, 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, 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 twenty 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 refunding bonds, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds or refunding bonds are issued,

(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 refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 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); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the Delivery Date) 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.

(b) In order to facilitate compliance with the above covenant (a)(9), 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, City Manager and Director of Finance 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 Improvement Area #2-B Projects 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 Date, or (2) the date the Bonds are 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, except for the Trust Estate, 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 Trust Estate and the Annual Collection Costs) 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 the Trust Estate or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. 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 express 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. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with 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 the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. To the extent permitted by law and during the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, 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 it 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 it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City 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 except for the performance of such duties and obligations as are specifically set forth in this Indenture. 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 Improvement Area #2-B Projects. 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 shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be

responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(g) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

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 may conclusively 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, and shall not be deemed to have knowledge of, any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel selected by the Trustee with due care that is nationally recognized in the field of municipal bond law, 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 Order, unless other evidence in respect

thereof be hereby specifically prescribed. Such City Order 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. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Order shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(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, at the written direction of the City, 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 and extraordinary services rendered, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a City Order 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 Order, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. 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 in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient then from other lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provision of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expenses, and indemnification, to the extent permitted by law, shall survive the release, discharge, and satisfaction of the 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. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

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 60 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. 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 City, 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 in aggregate Outstanding principal amount 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% in aggregate Outstanding principal amount of the Bonds.

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 50% of the aggregate Outstanding principal amount 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 (and in no event in excess of 30 days after such vacancy occurs) 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.

(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 of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, 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.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided herein, and such pledge is, under current law, valid, effective and perfected. 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 the initial filing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements. The City shall timely deliver a copy of such filed financing statement, if any, to the Trustee.

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 principal of or 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, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate, or any portion thereof, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Owners of the Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its 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;

(iv) to authorize the issuance of Refunding Bonds pursuant to Section 13.2 hereof; and

(v) 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 reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds required for the amendment of this Indenture as provided herein.

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 and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. 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, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed 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 the Owners of at least fifty-one percent (51%) of the 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 Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(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 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 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 reasonable judgment 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 been notified in writing as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of 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 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 notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written 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 in writing; 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 other assets of the Trust Estate 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 fees, costs, and expenses), 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.

The Trustee shall make payments to the Owners of Bonds pursuant to this Section 11.4 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.

(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 Trust Estate.

(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 Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is 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 Trust Estate 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 Other 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 Trust Estate, or any portion thereof.

(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, or any portion thereof, 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; provided, however, that the City has reserved the right to issue bonds or other obligations secure by and payable from the Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds.

(c) Notwithstanding any contrary provision of this Indenture, but subject to Section 7.3, 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 Trust Estate or other property pledged under this 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.

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 Trust Estate 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 that 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 and shall not be a part of the Trust Estate. 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 Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189
Attn: Director of Finance
Telephone: (972) 636-2250

If to the Trustee, initially also acting in
the capacity of Paying Agent/Registrar

UMB Bank, N.A.
5910 Central Expressway, Ste 1900
Dallas, Texas 75206
Attn: Corporate Trust Administration
Telephone: (214) 389-5947

(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 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. Texas Government Code Verifications.

(a) The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture,

notwithstanding anything in this Indenture to the contrary.

(1) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(2) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(3) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(4) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 15.11. Disclosure of Interested Parties.

The Trustee represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof. Accordingly, the Trustee is not required to file a Certificate of Interested Parties Form 1295.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF ROYSE CITY, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

City Signature Page to Indenture of Trust

UMB BANK, N.A.,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Creekside Public Improvement District

AMENDED & RESTATED SERVICE AND ASSESSMENT PLAN

MAY 1, 2024



AUSTIN, TX | NORTH RICHLAND HILLS, TX | HOUSTON, TX

TABLE OF CONTENTS

Table of Contents.....	1
Introduction	3
Section I: Definitions.....	5
Section II: The District.....	13
Section III: Authorized Improvements.....	13
Section IV: Service Plan.....	16
Section V: Assessment Plan	17
Section VI: Terms of the Assessments.....	21
Section VII: Assessment Roll	28
Section VIII: Additional Provisions	28
Section IX: Additional Information.....	30
Exhibits.....	37
Appendices.....	38
Exhibit A-1 – Map of the District.....	39
Exhibit A-2 – Map of Improvement Area #1.....	40
Exhibit A-3 – Final Plats For Improvement Area #1.....	41
Exhibit A-4 – Preliminary Plat of Improvement Area #2-A.....	47
Exhibit A-5 – Preliminary Plat of Improvement Area #2-B.....	48
Exhibit A-6 – Lot Type Classification Maps.....	50
Exhibit B-1 – Project Costs	53
Exhibit B-2 – Apportionment of Costs	54
Exhibit C – Service Plan	55
Exhibit D – Sources and Uses of Funds.....	56
Exhibit E – Maximum Assessment and Tax Rate Equivalent	57
Exhibit F-1 –Improvement Area #1 Assessment Roll.....	58
Exhibit F-2 –Improvement Area #1 Annual Installments.....	69
Exhibit G-1 –Improvement Area #2-B Assessment Roll.....	70
Exhibit G-2 –Improvement Area #2-B Annual Installments.....	76
Exhibit H-1 – Maps of Improvement Area #1 Improvements	77
Exhibit H-2 – Maps of Improvement Area #2 Improvements	83

Exhibit I – Form of Notice of Assessment Termination 89
Exhibit J-1 – Debt Service Schedule for Improvement Area #1 Bonds 92
Exhibit J-2 – Debt Service Schedules for Improvement Area #2-B Bonds 94
Exhibit K-1 – District Legal Description 95
Exhibit K-2 – Improvement Area #1 Legal Description 98
Appendix A – Engineer’s Report 101
Appendix B – Buyer Disclosures..... 116

INTRODUCTION

Capitalized terms used in this 2024 Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2024 Amended and Restated Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this 2024 Amended and Restated Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this 2024 Amended and Restated Service and Assessment Plan for all purposes.

On June 23, 2020, the City Council passed and approved Resolution No. 20-06-142R authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 287.28 acres located within the corporate limits of the City as described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1**.

On October 27, 2020, the City Council approved the 2020 Service and Assessment Plan and levied Assessments to finance the Authorized Improvements to be constructed for the benefit of the Assessed Property within Improvement Area #1 of the District by approving the 2020 Assessment Ordinance. The 2020 Service and Assessment Plan identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. The City also adopted an Assessment Roll for Improvement Area #1 identifying the Assessment on each Lot within Improvement Area #1 of the District, based on the method of assessment identified in the 2020 Service and Assessment Plan.

On July 13, 2021, the City Council approved the 2021 Annual Service Plan Update by approving Ordinance No.21-07-1455. The 2021 Annual Service Plan Update updated the Assessment Roll for 2021.

On August 9, 2022, the City Council approved the 2022 Annual Service Plan Update by approving Ordinance No. 22-08-1533. The 2022 Annual Service Plan Update updated the Assessment Roll for 2022.

On July 25, 2023, the City Council approved the 2023 Annual Service Plan Update by approving Ordinance No. 23-07-1581. The 2023 Annual Service Plan Update updated the Assessment Roll for 2023.

This 2024 Amended and Restated Service and Assessment Plan serves to amend and restate the 2020 Service and Assessment Plan, including the 2021 Annual Service Plan Update, the 2022 Annual Service Plan Update, and the 2023 Annual Service Plan Update, in its entirety for the purposes of (1) dividing a portion of the Remainder Area into Improvement Area #2-A and Improvement Area #2-B; (2) levying the Improvement Area #2-B Assessment, (2) issuing the Improvement Area #2-B Bonds, and (4) updating the Assessment Rolls.

The PID Act requires a service plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F-1**. The Improvement Area #2-B Assessment Roll is included as **Exhibit G-1**.

SECTION I: DEFINITIONS

“2020 Assessment Ordinance” means Ordinance No. 20-10-1418 which was passed and adopted by the City Council on October 27, 2020, and levied the Improvement Area #1 Assessments.

“2020 Service and Assessment Plan” means the Service and Assessment plan approved by the City Council on October 27, 2020, by the 2020 Assessment Ordinance.

“2024 Assessment Ordinance” means Ordinance No. _____ which was passed and adopted by the City Council on _____, 2024, and levied the Improvement Area #2-B Assessment.

“2024 Amended and Restated Service and Assessment Plan” means this Amended and Restated Service and Assessment Plan approved by the City Council on _____, 2024.

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner (either directly or through affiliates), including : (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Owner.

“Additional Interest” means the amount collected by the application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or independent firm designated by the City who shall have the responsibilities provided in this 2024 Amended and Restated Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this 2024 Amended and Restated Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the PID Bonds, if applicable.

“Annual Service Plan Update” means an update to this 2024 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area Assessment Roll #1 and the Improvement Area #2-B Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including in any Annual Service Plan Updates.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, and described in **Sections III.A** and **III.B**, as further depicted on **Exhibits H-1** and **H-2**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

“City” means the City of Royse City, Texas.

“City Council” means the governing body of the City.

“County” means Collin County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2024 Amended and Restated Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“District” means the Creekside Public Improvement District containing approximately 287.28 acres located within the corporate limits of the City, and more specifically described in **Exhibit K-1** and depicted on **Exhibit A-1**.

“Engineer’s Report” means the report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A**.

“Estimated Buildout Value” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Owner and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E**.

“Improvement Area #1” means approximately 79.68 acres located within the District, more specifically described in **Exhibit K-2** and depicted on **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that

includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, as shown on **Exhibit F-2**.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property, related to the Improvement Area #1 Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit F-1**.

“Improvement Area #1 Authorized Improvements” means collectively, (1) the Improvement Area #1 Improvements; (2) the first year’s Annual Collection Costs related to the Improvement Area #1 Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #1 Bonds.

“Improvement Area #1 Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2020 (Creekside Public Improvement District Improvement Area #1 Project)” that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.A** and depicted on **Exhibit H-1**.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit Improvement Area #2-A and Improvement Area #2-B Assessed Property, as further described in **Section III.B** and depicted on **Exhibit H-2**.

“Improvement Area #2-A” means approximately 46.020 acres located within the District, more specifically described and depicted on **Exhibit A-4**.

“Improvement Area #2-A Apportioned Property” means any Parcel within Improvement Area #2-A against which a portion of the Actual Costs of the Improvement Area #2 Improvements are

apportioned based on special conferred benefit, and against which an Assessment is expected to be levied, but not yet levied.

“Improvement Area #2-A Projects” means the pro rata portion of the Improvement Area #2 Improvements allocable to Improvement Area #2-A based on Estimated Buildout Value.

“Improvement Area #2-B” means approximately 53.868 acres located within the District, more specifically described and depicted on **Exhibit A-5**.

“Improvement Area #2-B Annual Installment” means the Annual Installment of the Improvement Area #2-B Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #2-B; and (4) Additional Interest related to the Improvement Area #2-B Bonds, as shown on **Exhibit G-2**.

“Improvement Area #2-B Assessed Property” means any Parcel within Improvement Area #2-B against which an Improvement Area #2-B Assessment is levied.

“Improvement Area #2-B Assessment” means an Assessment levied against Improvement Area #2-B Assessed Property, related to the Improvement Area #2-B Authorized Improvements, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2-B Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #2-B Assessment Roll” means the Assessment Roll for the Improvement Area #2-B Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2-B Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #2-B Authorized Improvements” means collectively, (1) Improvement Area #2-B Projects; (2) the first year’s Annual Collection Costs related to Improvement Area #2-B; and (3) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #2-B Bonds.

“Improvement Area #2-B Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)” that are secured by Improvement Area #2-B Assessments.

“Improvement Area #2-B Initial Parcel” means all of the Improvement Area #2-B Assessed Property against which the entire Improvement Area #2-B Assessment is levied, as shown on the Improvement Area #2-B Assessment Roll.

“Improvement Area #2-B Projects” means the pro rata portion of the Improvement Area #2 Improvements allocable to Improvement Area #2-B based on Estimated Buildout Value.

“Indenture” means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Owner/Developer, and confirmed by the City Council, as shown on **Exhibit E**.

“Lot Type 1” means a Lot within Improvement Area #1 designated by the Owner as a 40’ Lot, which has been marketed or sold to homebuilders as a 40’ Lot. The buyer disclosure for Lots classified as Lot Type 1 is attached hereto as **Appendix B**.

“Lot Type 2” means a Lot within Improvement Area #1 designated by the Owner as a 50’ Lot, which has been marketed or sold to homebuilders as a 50’ Lot. The buyer disclosure for Lots classified as Lot Type 2 is attached hereto as **Appendix B**.

“Lot Type 2-3” means a Lot within Improvement Area #1 originally designated by the Owner as a 50’ Lot, which has since been reclassified and has been marketed or sold to homebuilders as a 60’ Lot. As a result of this reclassification, the Owner made a partial prepayment for each Lot classified as a Lot Type 2-3 so that the Assessment for these Lots did not exceed the Maximum Assessment. The buyer disclosure for Lots classified as Lot Type 2-3 is attached hereto as **Appendix B**.

“Lot Type 3” means a Lot within Improvement Area #1 designated by the Owner as a 60’ Lot, which has been marketed or sold to homebuilders as a 60’ Lot. The buyer disclosure for Lots classified as Lot Type 3 is attached hereto as **Appendix B**.

“Lot Type 4” means a Lot within Improvement Area #2-B designated by the Owner as a 40’ Lot, which has been marketed or sold to homebuilders as a 40’ Lot. The buyer disclosure for Lots classified as Lot Type 4 is attached hereto as **Appendix B**.

“Lot Type 5” means a Lot within Improvement Area #2-B designated by the Owner as a 50’ Lot, which has been marketed or sold to homebuilders as a 50’ Lot. The buyer disclosure for Lots classified as Lot Type 5 is attached hereto as **Appendix B**.

“Lot Type 6” means a Lot within Improvement Area #2-B designated by the Owner as a 60’ Lot, which has been marketed or sold to homebuilders as a 60’ Lot. The buyer disclosure for Lots classified as Lot Type 6 is attached hereto as **Appendix B**.

“Major Improvements” means those improvements that confer special benefit to all the Assessed Property within the District. The costs of the Major Improvements are not to be reimbursed by the Assessments.

“Maximum Assessment” means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) for each Lot Type, the amount shown on **Exhibit E**.

“Non-Assessed Property” means Parcels within the boundaries of the District that accrue special benefit from the Authorized Improvements as determined by the City Council but are not assessed. Non-Assessed Property within the District includes, but is not limited to, Block G, Lot 1 on the Creekside, Phase 1A Final Plat.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“Notice of Assessment Termination” means a document that shall be recorded in the Official Public Records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

“Owner” or **“Owners”** means HT Hwy 66 Development LP, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“Parcel” or **“Parcels”** means a specific property within the District identified by either a tax parcel identification number assigned by the Collin Central Appraisal District for real property tax

purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment 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 Annual Installment.

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

“Reimbursement Agreement” means that certain *PID Reimbursement Agreement Creekside Public Improvement District*, effective October 27, 2020, entered into by and between the City and Owner, in which the Owner, either directly or through affiliates, agrees to construct the Authorized Improvements, and to fund certain Actual Costs of the Authorized Improvements, and the City agrees to reimburse the Owner for Actual Costs of the Authorized Improvements paid solely from the revenue collected by the City from Assessments, including Improvement Annual Installments, or any proceeds from PID Bonds deposited into the project fund.

“Remainder Area” means approximately 207.6 acres located within the District and entirely outside of Improvement Area #1. A portion of the Remainder Area has been divided into Improvement Area #2-A and Improvement Area #2-B.

“Service Plan” means the plan described in **Section IV** which covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 287.28 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 1,123 Lots developed with single-family homes.

Improvement Area #1 includes approximately 79.68 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K-2** and depicted on **Exhibit A-2**. Improvement Area #1 is fully platted and includes 389 Lots developed with single-family homes (192 single-family homes that are on Lots classified as Lot Type 1, 180 single-family homes that are on Lots classified as Lot Type 2, 4 single-family homes that are on Lots classified as Lot Type 2-3, 12 single-family homes that are on Lots classified as Lot Type 3 and 1 Lot of Non-Assessed Property).

Improvement Area #2-A includes approximately 46.020 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described and depicted on **Exhibit A-4**. Development of Improvement Area #2-A is anticipated to include approximately 140 Lots developed with single-family homes.

Improvement Area #2-B includes approximately 53.868 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described and depicted on **Exhibit A-5**. Development of Improvement Area #2-B is anticipated to include approximately 221 Lots developed with single-family homes (108 single-family homes that are on Lots classified as Lot Type 4, 87 single-family homes that are on Lots classified as Lot Type 5, and 26 single-family homes that are on Lots classified as Lot Type 6).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B-1**. The apportionment of the Improvement Area #2 Improvements is shown on **Exhibit B-2**. The Major Improvements are not Authorized Improvements, and the costs of the Major Improvements will not be reimbursed through PID Bonds or Assessments.

A. Improvement Area #1 Improvements

- *Onsite Paving*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area#1.

- *Onsite Water*

Improvements including trench excavation and embedment, trench safety, PVC piping (gate vales, air release vales, irrigation meters, automatic flushing valves, fire hydrant assemblies), manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Onsite Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Onsite Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, (splitter structures and appurtenances, manholes), concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Soft Costs*

Improvements including Improvement Area #1's pro rata share of the costs incurred in the formation, establishment, administration, and operation of the District; costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, inspection, testing, and contingency.

B. Improvement Area #2 Improvements

- *Onsite Paving*

Improvements including subgrade stabilization (includes lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #2-A and Improvement Area #2-B.

- *Onsite Water*

Improvements including trench excavation and embedment, trench safety, PVC piping (gate vales, air release vales, irrigation meters, automatic flushing valves, fire hydrant assemblies), manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2-A and Improvement Area #2-B.

- *Onsite Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2-A and Improvement Area #2-B.

- *Onsite Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, (splitter structures and appurtenances, manholes), concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots within Improvement Area #2-A and Improvement Area #2-B.

- *Soft Costs*

Improvements including Improvement Area #2's pro rata share of the costs incurred in the formation, establishment, administration, and operation of the District; costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, inspection, testing, and contingency.

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount required to be deposited for the purpose of paying capitalized interest on a series of PID Bonds under an applicable Indenture in connection with the issuance of such PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, including underwriter's attorney fees.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. Other Costs

- *First Year's Annual Collection Costs*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the Improvement Area #1 and Improvement Area #2-B. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2024 Amended and Restated Service and Assessment Plan, and any

future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update. The issuance of PID Bonds reduces the Reimbursement Agreement balance by the amount that is deposited into the project fund of the PID Bonds.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property and the Non-Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2024 Amended and Restated Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below 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 Owner, developers, and all future owners and developers of the Assessed Property.

- **Assessment Methodology**

Acting in its legislative capacity and based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Improvement Area #1 Authorized Improvements shall be allocated to each Parcel in Improvement Area #1 based upon Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property.
- The costs of the Improvement Area #2 Improvements shall be allocated to each Parcel within Improvement Area #2-A and Improvement Area #2-B based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2-A Apportioned Property or Improvement Area #2-B Assessed Property to the Estimated Buildout Value of all Improvement Area #2-A Apportioned Property and Improvement Area #2-B Assessed Property. Currently, Improvement Area #2-A is allocated 38.40% of the Improvement Area #2 Improvements and Improvement Area #2-B is allocated 61.60% of the Improvement Area #2 Improvements. Improvement Area #2-A and Improvement Area #2-B's shares of the Improvement Area #2 Improvements are illustrated in **Exhibit B-2**.
- The costs of the Improvement Area #2-B Authorized Improvements shall be allocated entirely to the Improvement Area #2-B Initial Parcel. Upon subdivision of an Improvement Area #2-B Assessed Property, the Actual Costs of the Improvement Area #2-B Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

B. Assessments

The Improvement Area #1 Assessment was levied on the Improvement Area #1 Assessed Property in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**.

The Improvement Area #2-B Assessment will be levied on the Improvement Area #2-B Assessed Property in the amount shown on the Improvement Area #2-B Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #2-B Annual Installments are shown on **Exhibit G-2**.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 2-3, Lot Type 3, Lot Type 4, Lot Type 5, or Lot Type 6 respectively, exceed the corresponding Maximum Assessment for each Lot classification.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- *Improvement Area #1*
 - The costs of the Improvement Area #1 Authorized Improvements equal \$9,122,862 as shown on **Exhibit B-1**;
 - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements;
 - The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals \$7,485,000;
 - The special benefit (\geq \$9,122,862) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is greater than or equal to the amount of the Improvement Area #1 Assessment (\$7,485,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements; and
 - At the time the City Council approved the 2020 Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2020 Assessment Ordinance; (2) the 2020 Service and Assessment Plan and the 2020 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property.

- *Improvement Area #2-A*
 - The costs of the Improvement Area #2 Improvements allocable to Improvement Area #2-A Apportioned Property equal \$5,244,919, as shown on **Exhibit B-1**;
 - Improvement Area #2-A Apportioned Property receives special benefit from the Improvement Area #2-A Projects equal to or greater than the Actual Costs of the Improvement Area #2-A Projects apportioned to the Improvement Area #2-A Apportioned Property;
 - The Improvement Area #2-A Apportioned Property will be apportioned 38.40% of the Improvement Area #2 Improvements, which equals \$5,244,919 as shown on **Exhibit B-1**, of which an Assessment for all or a portion of is anticipated to be levied at a later date; and
 - At the time the City Council approved this 2024 Amended and Restated Service and Assessment Plan, the Owner owned 100% of the Improvement Area #2-A Apportioned Property. The Owner acknowledged that the Improvement Area #2 Improvements confer a special benefit on the Improvement Area #2-A Apportioned Property and consented to the apportionment of the Improvement Area #2-A Projects in anticipation of a future levy of Assessments by the City Council to pay for all or a portion of the Improvement Area #2-A Projects associated therewith. The Owner confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein; (2) this 2024 Amended and Restated Service and Assessment Plan; and (3) the apportionment of costs on the Improvement Area #2-A Apportioned Property.

- *Improvement Area #2-B*
 - The costs of the Improvement Area #2-B Authorized Improvements equal \$9,315,580 as shown on **Exhibit B-1**;
 - The Improvement Area #2-B Assessed Property receives special benefit from the Improvement Area #2-B Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #2-B Authorized Improvements;
 - The Improvement Area #2-B Initial Parcel will be allocated 100% of the Improvement Area #2-B Assessment levied for the Improvement Area #2-B Authorized Improvements, which equals \$4,324,000 as shown on the Improvement Area #2-B Assessment Roll attached hereto as **Exhibit G-1**;

- The special benefit ($\geq \$9,315,580$) received by the Improvement Area #2-B Initial Parcel from the Improvement Area #2-B Authorized Improvements is equal to or greater than the amount of the Improvement Area #2-B Assessment (\$4,324,000) levied on the Improvement Area #2-B Initial Parcel for the Improvement Area #2-B Authorized Improvements; and
- At the time the City Council approved this 2024 Amended and Restated Service and Assessment Plan, the Owner owned 100% of the Improvement Area #2-B Initial Parcel. The Owner acknowledged that the Improvement Area #2-B Authorized Improvements confer a special benefit on the Improvement Area #2-B Initial Parcel and consented to the imposition of the Improvement Area #2-B Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2024 Assessment Ordinance; (2) this 2024 Amended and Restated Service and Assessment Plan and the 2024 Assessment Ordinance; and (3) the levying of the Improvement Area #2-B Assessment on the Improvement Area #2-B Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this Section VI shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Owner, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 2-3, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates but **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of newly subdivided Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Values for Lot Type 1, Lot Type 2, Lot Type 2-3, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C**.

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable “Notice of Assessment Termination,” a form of which is attached hereto as **Exhibit I**.

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

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 to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City’s approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be

reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Improvement Area #1 Annual Installments, and **Exhibit G-2** shows the estimated Improvement Area #2-B Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-

Benefitted Property, as shown by the Collin Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #2-B Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2025.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a “**Taking**”), the portion of the Assessed Property that was taken or transferred (the “**Taken Property**”) shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the “**Remaining Property**”), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay, pursuant to the terms of this 2024 Amended and Restated Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres constituting the Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by \$10, then the owner shall be required

to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Remaining Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Assessment on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #2-B Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2-B Assessment Roll and Improvement Area #2-B Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this 2024 Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such

written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2024 Amended and Restated Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 2024 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2024 Amended and Restated Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2024 Amended and Restated Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2024 Amended and Restated Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2024 Amended and Restated Service and Assessment Plan. Interpretations of this 2024 Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure/Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this 2024 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the district. The buyer disclosures are attached hereto as **Appendix B**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance of this 2024 Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2024 Amended and Restated Service an

Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this 2024 Amended and Restated Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

SECTION IX: ADDITIONAL INFORMATION

PARCEL SUBDIVISION

Improvement Area #1

- The final plat for Creekside, Phase 1A, consisting of 214 residential Lots of Assessed property, 1 residential Lot of Non-Assessed Property, and 5 Non-Benefitted Lots, was filed and recorded with the County on May 10, 2021. 109 units are classified as Lot Type 1 Lots, 100 units are classified as Lot Type 2 Lots, 5 units are classified as Lot Type 3 Lots, 1 unit is Non-Assessed Property, and 5 units are Non-Benefitted Property. The final plat for Creekside Phase 1A is attached hereto as **Exhibit A-3**.
- The final plat for Creekside, Phase 1B, consisting of 174 residential Lots and 4 Non-Benefitted Lots, was filed and recorded with the County on May 4, 2022. 83 units are classified as Lot Type 1, 80 units are classified as Lot type 2, 4 units are classified as Lot Type 2-3, 7 units are classified as Lot Type 3, and 4 units are Non-Benefitted Property. The final plat for Creekside Phase 1B is attached hereto as **Exhibit A-3**.

Improvement Area #2-A and Improvement Area #2-B

No final plats have been approved for Improvement Area #2-A or Improvement Area #2-B. See **Exhibit A-4** for the Preliminary Plat of Improvement Area #2-A and **Exhibit A-5** for the Preliminary Plat of Improvement Area #2-B.

See **Exhibit A-6** for the Lot Type classification map.

LOT AND HOME SALES

Improvement Area #1

Improvement Area #1 consists of 388 Lots of Assessed Property further designated as 192 Lot Type 1 Lots, 180 Lot Type 2 Lots, 4 Lot Type 2-3 Lots, and 12 Lot Type 3 Lots, and 1 residential lot classified as Non-Assessed Property. Per the Quarterly Report dated March 31, 2024, the Owner owns 20 Lots designated as 4 Lot Type 1 Lots, 11 Lot Type 2 Lots, 2 Lot Type 2-3 Lots, and 3 Lot Type 3 Lots; homebuilders own 50 Lots designated as Lot Type 1 Lots, 78 Lot Type 2 Lots, 2 Lot Type 2-3 Lots, 4 Lot Type 3 Lots, and 1 Lot of Non-Assessed Property. Home construction has been completed and end-users own 138 Lots designated as Lot Type 1 Lots, 91 Lot Type 2 Lots, and 5 Lot Type 3 Lots. The estimated date of completion of all homes within Improvement Area #1 is the third quarter of 2025.

Improvement Area #2-A

Improvement Area #2-A contains 140 Lots. As of March 31, 2024, the Owner owns all Lots within Improvement Area #2-A. No homes have begun construction, and no homes have been sold to builders or end-users.

Improvement Area #2-B

Improvement Area #2-B consists of 221 Lots of Assessed Property further designated as 108 Lot Type 4 Lots, 87 Lot Type 5 Lots and 26 Lot Type 6 Lots. As of March 31, 2024, the Owner owns all Lots within Improvement Area #2-B. No homes have begun construction, and no homes have been sold to builders or end-users.

See **Appendix B** for the buyer disclosures.

AUTHORIZED IMPROVEMENTS

Improvement Area #1

The Authorized Improvements listed in this 2024 Amended and Restated Service and Assessment Plan for Improvement Area #1 were completed and accepted by the City in April 2021.

Improvement Area #2-A and Improvement Area #2-B

The Improvement Area #2 Improvements are under construction. See **Exhibit B-1** for the budget

for the Improvement Area #2 Improvements.

OUTSTANDING ASSESSMENT

Improvement Area #1

Improvement Area #1 has an outstanding Assessment of \$6,985,000.00.

Improvement Area #2-A

Improvement Area #2-A has not yet been assessed.

Improvement Area #2-B

Improvement Area #2-B will have an outstanding Assessment of \$4,324,000.00.

ANNUAL INSTALLMENT DUE 1/31/2025

Improvement Area #1

- **Principal and Interest¹** – The total principal and interest required for the Annual Installment is \$437,906.26.
- **Additional Interest** – The total Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, is equal to \$385,825.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessments, resulting in an Additional Interest amount due of \$34,925.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$41,551.24.

Improvement Area #1	
Due January 31, 2025	
Principal	\$ 165,000.00
Interest	\$ 272,906.26
	\$ 437,906.26
Additional Interest	\$ 34,925.00
Annual Collection Costs	\$ 41,551.24
Total Annual Installment	\$ 514,382.50

¹ The Annual Installment covers the period September 15, 2024 to September 14, 2025 and is due by January 31, 2025.

Improvement Area #2-B

- **Principal and Interest²** – The total principal and interest required for the Annual Installment is \$327,250.00.
- **Additional Interest** – The total Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, is equal to \$237,820.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessments, resulting in an Additional Interest amount due of \$21,620.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$40,800.00.

Improvement Area #2-B	
Due January 31, 2025	
Principal	\$ 57,000.00
Interest	\$ 270,250.00
	\$ 327,250.00
Additional Interest	\$ 21,620.00
Annual Collection Costs	\$ 40,800.00
Total Annual Installment	\$ 389,670.00

See below for a table depicting the calculation of Annual Collection Costs for the Annual Installment due 1/31/2025.

² The Annual Installment covers the period September 15, 2024 to September 14, 2025 and is due by January 31, 2025.

	Improvement Area #1	Improvement Area #2-B
Annual Collection Costs		
P3Works Administration	\$ 31,836.24	\$ -
City Auditor	2,500.00	-
Filing Fees	1,000.00	-
County Collection	715.00	-
Misc.	1,000.00	-
PID Trustee Fees	3,000.00	-
Dissemination Agent	500.00	-
Dev/Issuer CDA Review	1,000.00	-
Initial Annual Collection Costs	-	40,800.00
Total	\$ 41,551.24	\$ 40,800.00

See **Exhibit J-1** for the projected debt service schedule for the Improvement Area #1 Bonds as provided by Specialized Public Finance following the May 15, 2024 redemption of the Improvement Area #1 Bonds, and see **Exhibit J-2** for the debt service schedule for the Improvement Area #2-B Bonds as shown in the limited offering memorandum for such PID Bonds.

PREPAYMENT OF ASSESSMENTS IN FULL

Improvement Area #1

The following is a list of all Parcels or Lots that made a Prepayment in full within Improvement Area #1.

Improvement Area #1			
Property ID	Property Address	Lot Type	Date of Prepayment
2836268	2425 Spring Side Dr	Lot Type 2	12/12/2022

PARTIAL PREPAYMENT OF ASSESSMENTS

Improvement Area #1

The following is a list of all Parcels or Lots that made a partial Prepayment within Improvement Area #1.

Improvement Area #1					
Property ID	Property Address	Lot Type	Amount of Prepayment	Date of Prepayment	
2855064	2704 GREEN RIVER RD	Lot Type 2-3	\$ 2,091.07	3/15/2024	
2855095	2701 CAROLINE ST	Lot Type 2-3	\$ 2,091.07	3/15/2024	
2855165	2801 KING WILLIAM ST	Lot Type 2-3	\$ 2,091.07	3/15/2024	
2855171	2817 TROON ST	Lot Type 2-3	\$ 2,091.07	3/15/2024	

EXTRAORDINARY OPTIONAL REDEMPTIONS

Improvement Area #1

On May 15, 2024, \$30,000 of the Improvement Area #1 Bonds will be redeemed in an extraordinary optional redemption.

EXHIBITS

The following Exhibits are attached to and made a part of this 2024 Amended and Restated Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1
Exhibit A-3	Final Plats for Improvement Area #1
Exhibit A-4	Preliminary Plat of Improvement Area #2-A
Exhibit A-5	Preliminary Plat of Improvement Area #2-B
Exhibit A-6	Lot Type Classification Maps
Exhibit B-1	Project Costs
Exhibit B-2	Apportionment of Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Improvement Area #1 Assessment Roll
Exhibit F-2	Improvement Area #1 Annual Installments
Exhibit G-1	Improvement Area #2-B Assessment Roll
Exhibit G-2	Improvement Area #2-B Annual Installments
Exhibit H-1	Maps of Improvement Area #1 Improvements
Exhibit H-2	Maps of Improvement Area #2 Improvements
Exhibit I	Form of Notice of Assessment Termination
Exhibit J-1	Debt Service Schedules for Improvement Area #1 Bonds
Exhibit J-2	Debt Service Schedules for Improvement Area #2-B Bonds
Exhibit K-1	District Legal Description
Exhibit K-2	Improvement Area #1 Legal Description

APPENDICES

The following Appendices are attached to and made a part of this 2024 Amended and Restated Service and Assessment Plan for all purposes:

Appendix A	Engineer's Report
Appendix B	Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

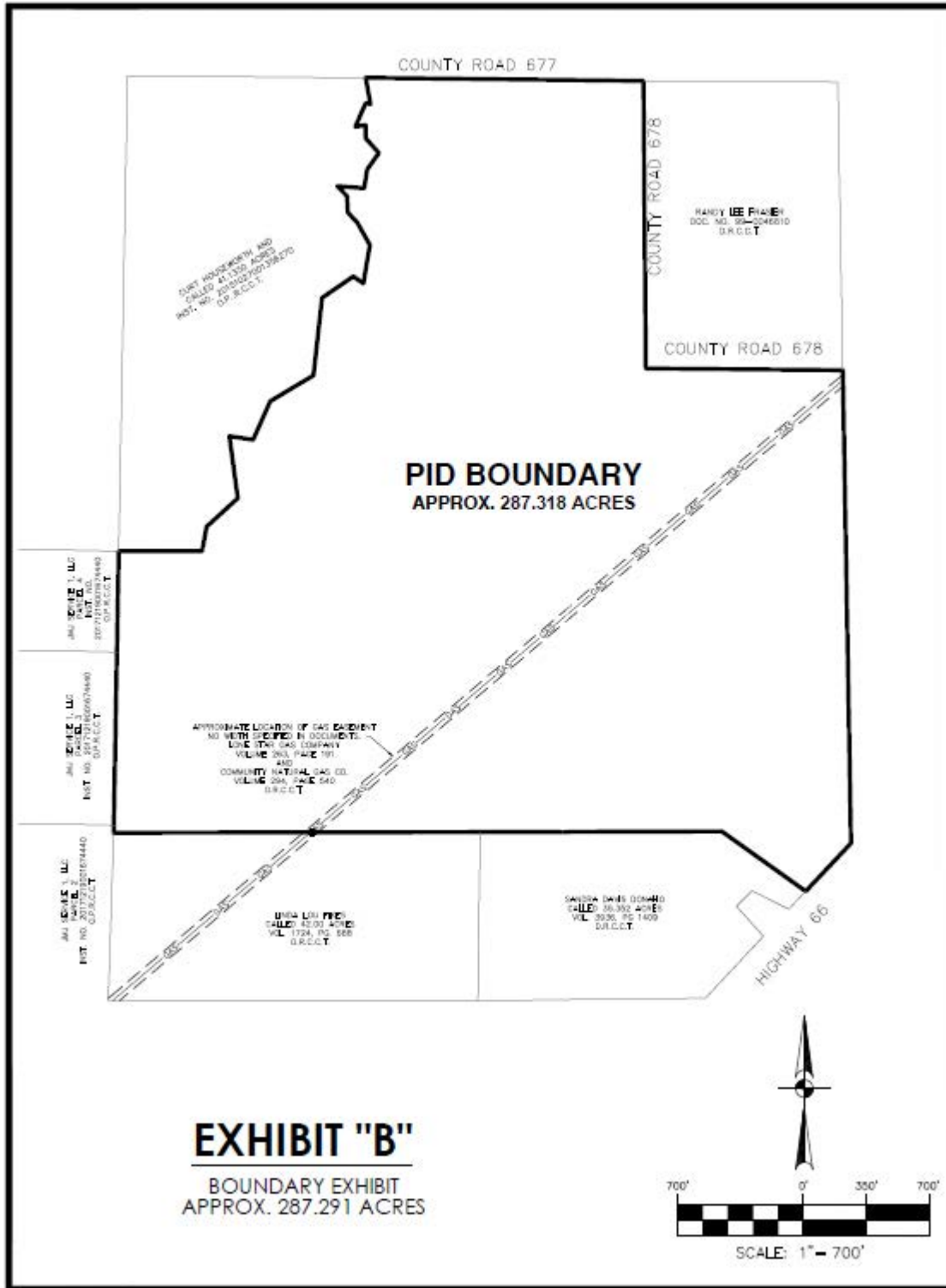
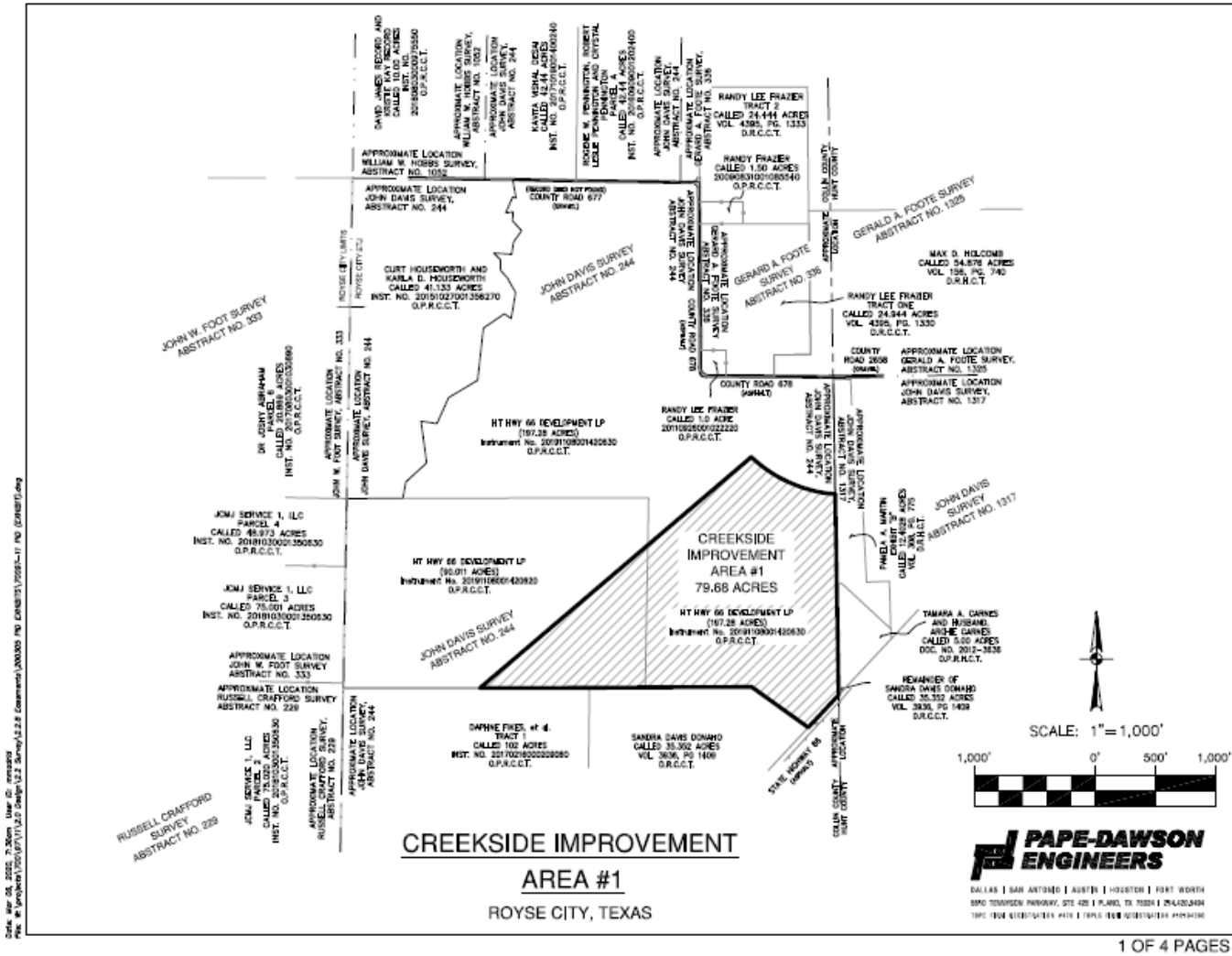


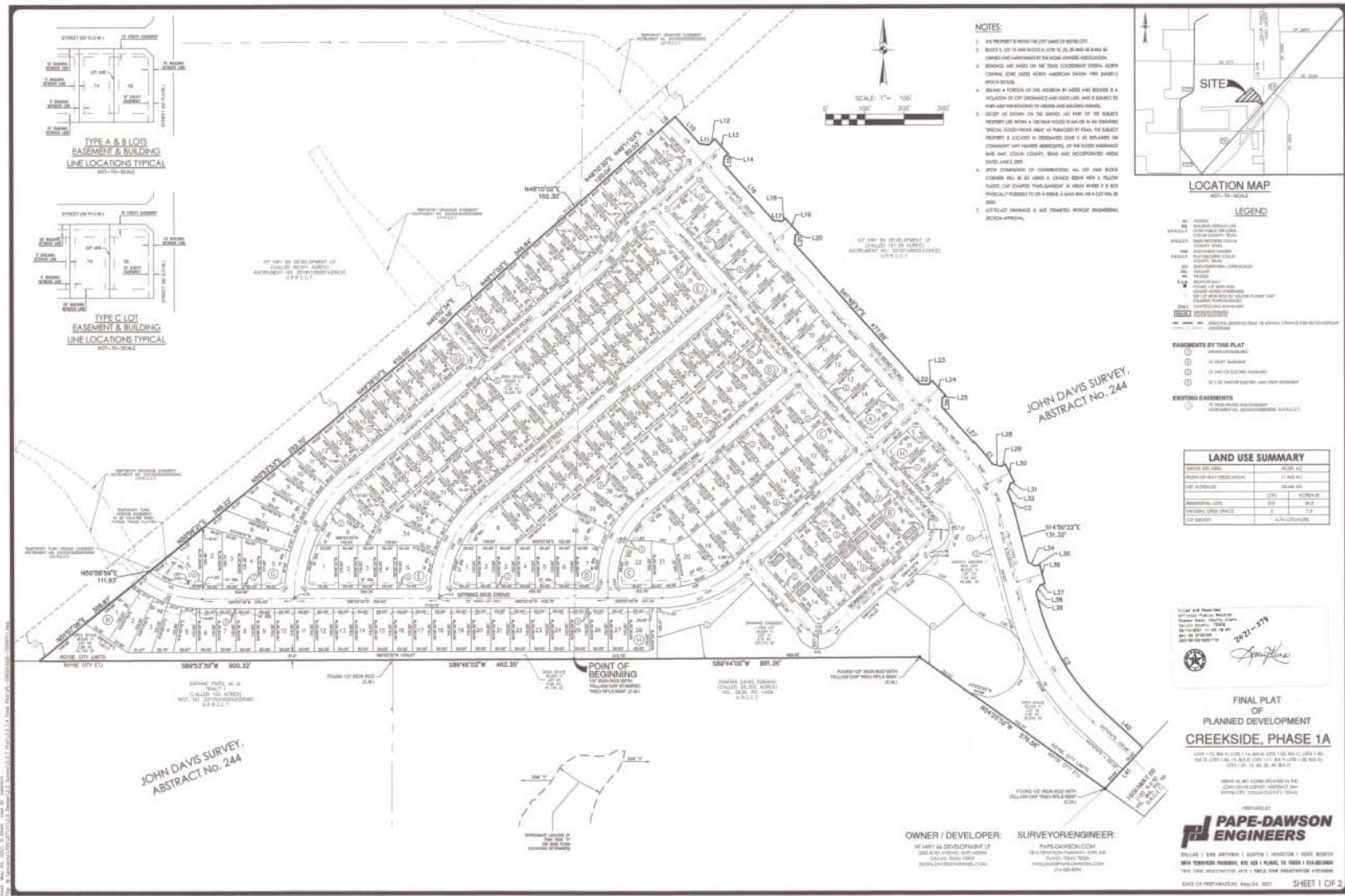
EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1



CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
 AMENDED & RESTATED SERVICE AND ASSESSMENT PLAN

EXHIBIT A-3 – FINAL PLATS FOR IMPROVEMENT AREA #1

[See Final Plat of Creekside, Phase 1A recorded in the Real Property Records of Collin County as instrument No. 20210510010001710.]



**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
 AMENDED & RESTATED SERVICE AND ASSESSMENT PLAN**

[See Final Plat of Creekside, Phase 1B recorded in the Real Property Records of Collin County as instrument No. 2022010000184.]

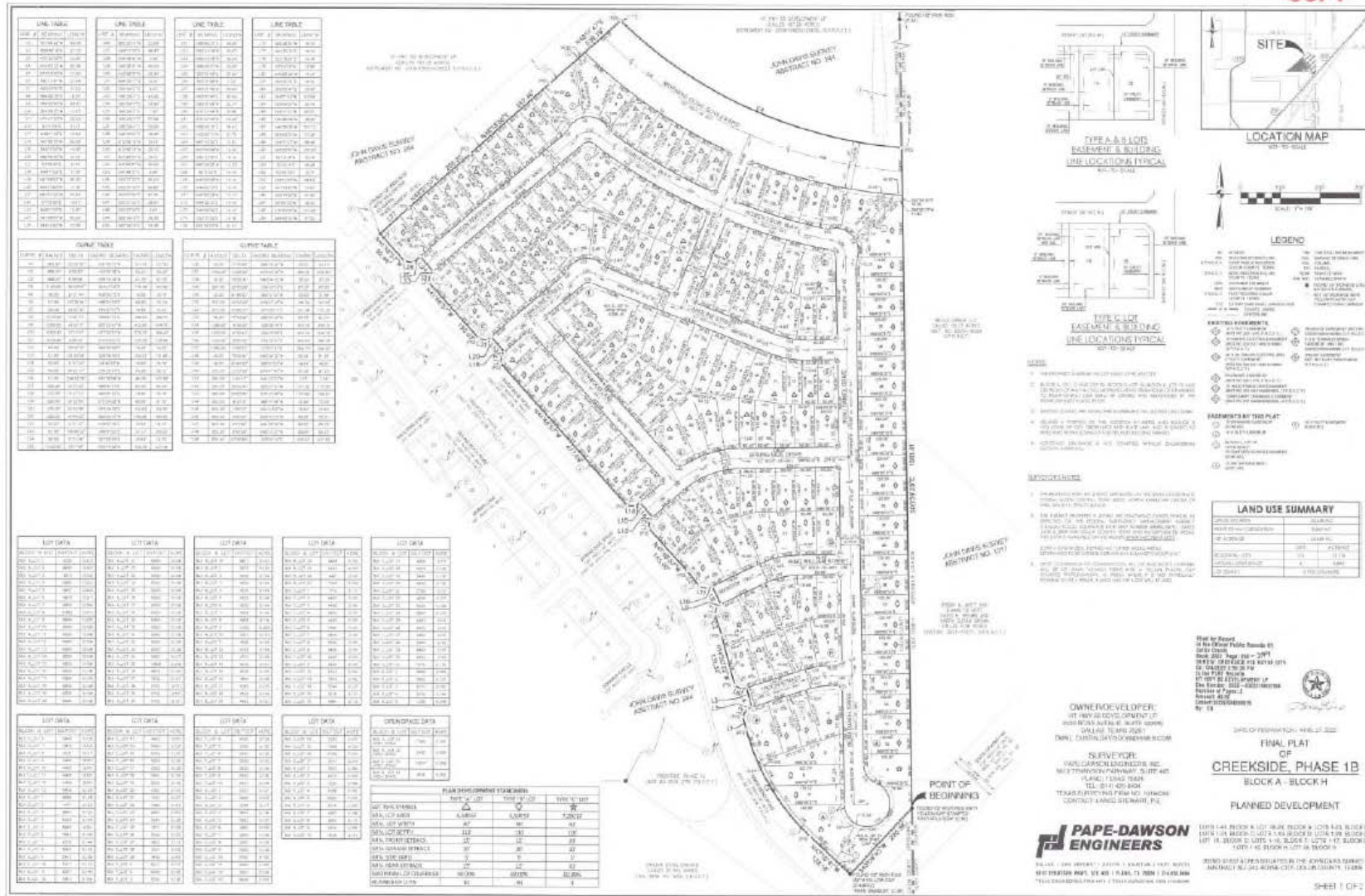
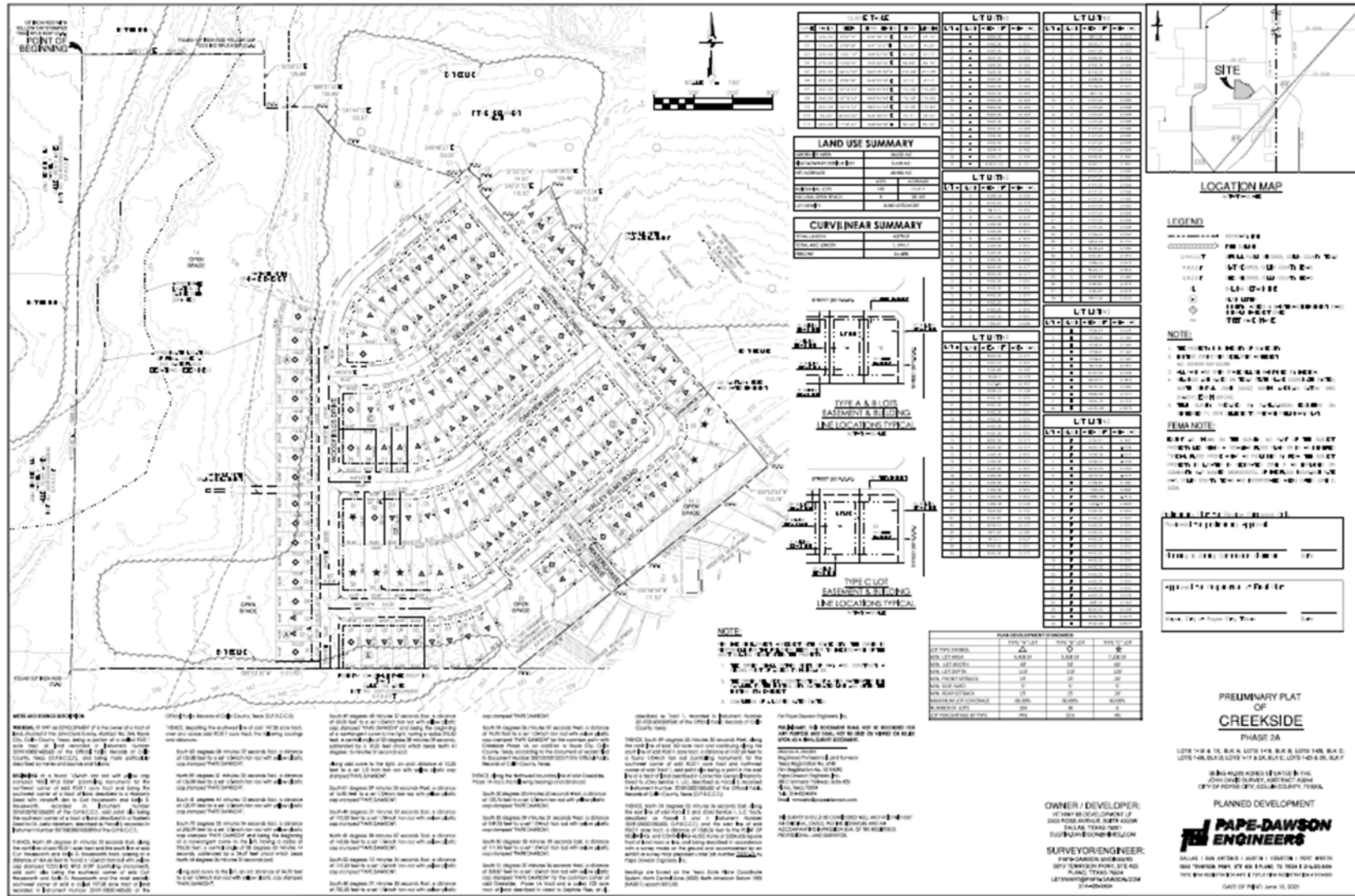


EXHIBIT A-4 – PRELIMINARY PLAT OF IMPROVEMENT AREA #2-A



CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
 AMENDED & RESTATED SERVICE AND ASSESSMENT PLAN

NOTES AND GENERAL DESCRIPTION

GENERAL: THIS DEVELOPMENT IS for the owner of a tract of land, situated in the John Davis Survey, District No. 244, Brown Co., Texas, being a portion of a certain 191.28 acre tract of land recorded in Instrument Number 201717000-0000 of the Official Public Records of Collin County, Texas (2017-17000-0000) (hereinafter referred to as "the subject tract") and being more particularly described by reference to Instrument Number 201717000-0000 of the Official Public Records of Collin County, Texas (2017-17000-0000), and being more particularly described by reference to the plat hereon.

RECORDS: All records of record shall be filed with the County Clerk's Office, Collin County, Texas, for recording, and the County Clerk's Office, Collin County, Texas, shall be deemed to have received a copy of all records of record and to have filed the same with the County Clerk's Office, Collin County, Texas, for recording, and the County Clerk's Office, Collin County, Texas, shall be deemed to have received a copy of all records of record and to have filed the same with the County Clerk's Office, Collin County, Texas, for recording.

INCHES: All bearings and distances shall be in feet and inches and shall be rounded to the nearest hundredth of an inch.

North 12 degrees 23 minutes 42 seconds East, a distance of 137.17 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 47 degrees 26 minutes 15 seconds East, a distance of 235.24 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 09 degrees 48 minutes 39 seconds East, a distance of 62.28 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

INCHES: All bearings and distances shall be in feet and inches and shall be rounded to the nearest hundredth of an inch.

North 02 degrees 11 minutes 21 seconds East, a distance of 343.80 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 09 degrees 34 minutes 39 seconds East, a distance of 358.37 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 32 degrees 25 minutes 02 seconds East, a distance of 117.05 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 14 degrees 34 minutes 39 seconds West, a distance of 14.14 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 39 degrees 34 minutes 39 seconds West, a distance of 40.23 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 30 degrees 34 minutes 39 seconds West, a distance of 35.03 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 27 degrees 34 minutes 39 seconds East, a distance of 110.20 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 30 degrees 25 minutes 21 seconds East, a distance of 133.08 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 09 degrees 34 minutes 39 seconds East, a distance of 143.20 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 41 degrees 48 minutes 39 seconds East, a distance of 54.21 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 47 degrees 31 minutes 23 seconds East, a distance of 64.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 75 degrees 25 minutes 21 seconds East, a distance of 47.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 80 degrees 12 minutes 39 seconds East, a distance of 42.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 84 degrees 35 minutes 17 seconds East, a distance of 47.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 09 degrees 35 minutes 17 seconds East, a distance of 47.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 85 degrees 45 minutes 27 seconds East, a distance of 42.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 01 degrees 35 minutes 17 seconds East, a distance of 47.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 78 degrees 42 minutes 32 seconds East, a distance of 42.74 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 03 degrees 03 minutes 21 seconds East, a distance of 30.40 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 86 degrees 44 minutes 39 seconds East, a distance of 232.02 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 09 degrees 35 minutes 23 seconds East, a distance of 43.45 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 74 degrees 13 minutes 19 seconds East, a distance of 38.84 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 83 degrees 31 minutes 27 seconds East, a distance of 38.84 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 79 degrees 46 minutes 39 seconds East, a distance of 39.07 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 74 degrees 10 minutes 20 seconds East, a distance of 44.88 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 73 degrees 46 minutes 39 seconds East, a distance of 49.35 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 87 degrees 15 minutes 13 seconds East, a distance of 34.91 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 45 degrees 20 minutes 23 seconds East, a distance of 173.56 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

North 49 degrees 39 seconds West, a distance of 118.32 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 40 degrees 27 minutes 23 seconds East, a distance of 110.20 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON".

South 47 degrees 34 minutes 07 seconds West, a distance of 245.77 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON" and being the beginning of a new corner to the right bearing on a curve of 10 degrees 18 minutes 39 seconds, subtended by a 36.11 feet chord which bears North 43 degrees 27 minutes 03 seconds West.

Being on based on the Texas State Plane Coordinate System, North Central Zone (NAD83) North American Datum 1983 (NAD83) 31130.0.

For more information, contact:

John Davis Survey, Inc.
 3001 Temper Hollow, Suite 425
 Texas State 75254
 Phone: 442-5424
 Email: john@dawson-engineers.com

THE PRELIMINARY PLAT DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSES AND SHALL NOT BE FILED OR RECORDED OR FILED UPON AS A PUBLIC RECORD.

PLAT INFORMATION:

PLAT NUMBER: 2024-0001
 PLAT DATE: 09/15/2023

PLAT INFORMATION:

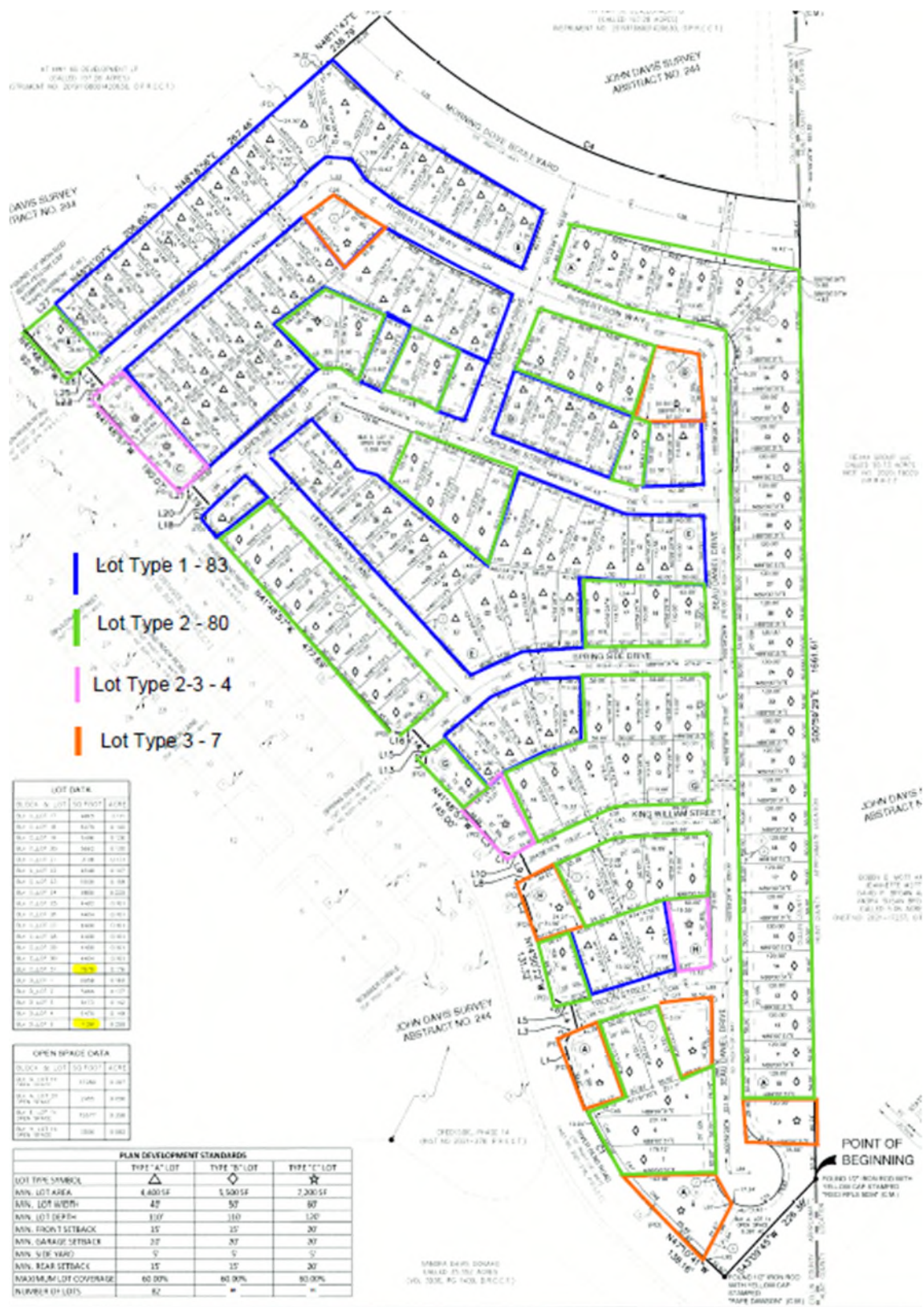
PLAT NUMBER: 2024-0001
 PLAT DATE: 09/15/2023

LINE AND CURVE TABULATIONS

CURVE DATA	CURVE DATA					SOUTH BOUNDARY				
	TYPE	ANGLE	CHORD	ARC LENGTH	AREA	TYPE	ANGLE	CHORD	ARC LENGTH	AREA
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3	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
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50	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
51	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
52	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
53	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
54	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
55	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
56	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
57	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
58	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
59	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
60	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
61	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
62	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
63	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
64	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
65	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
66	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
67	40	108.0000	11.8347	13.2743	0.1525	40	108.0000	11.8347	13.2743	0.1525
68	40	108.0000	11.8347							

EXHIBIT A-6 – LOT TYPE CLASSIFICATION MAPS





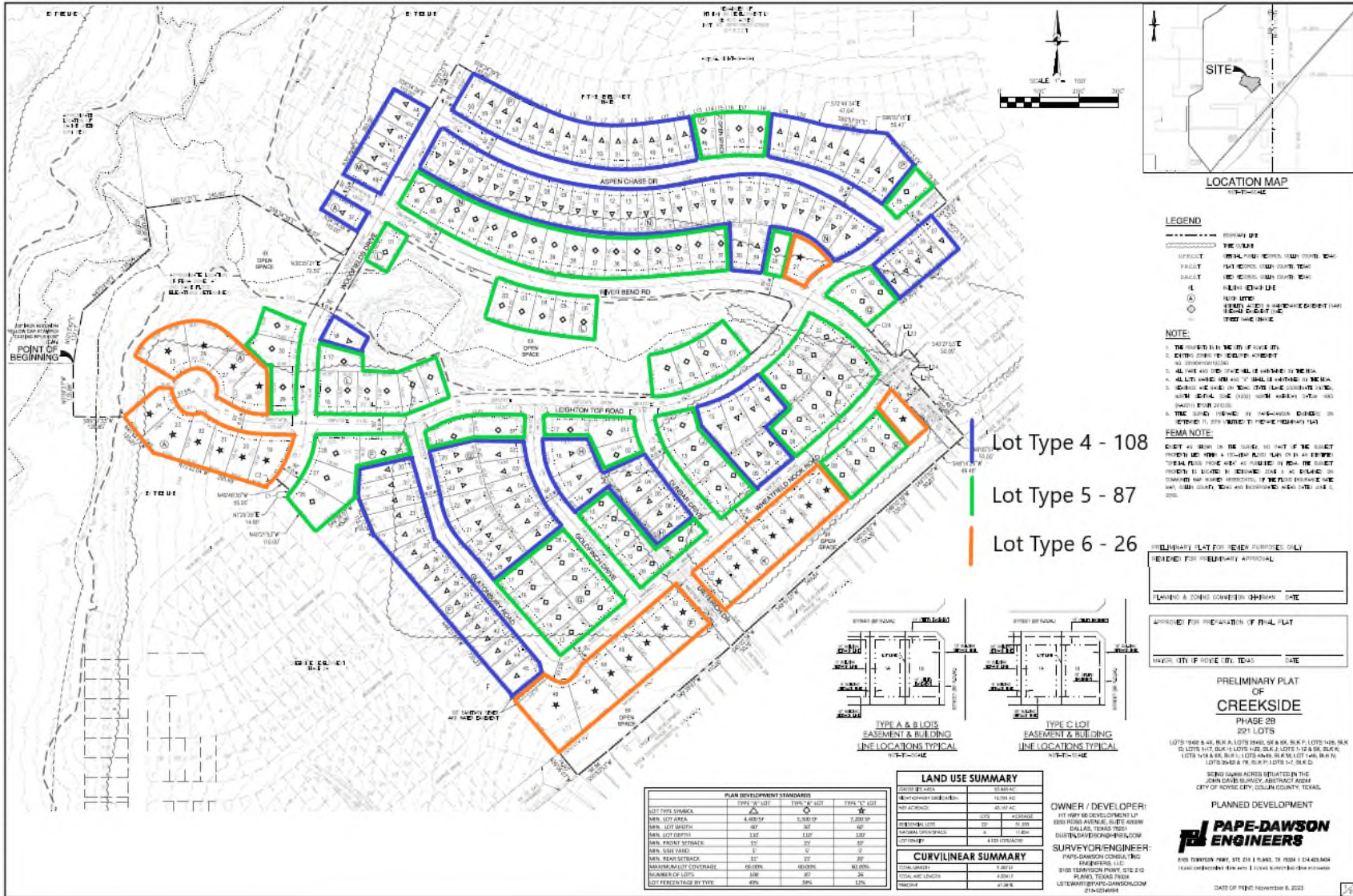


EXHIBIT B-1 – PROJECT COSTS

	Original SAP ^[a]	A&R SAP ^[b]	Owner Contribution ^[c]	Improvement Area #1		Improvement Area #2-A		Improvement Area #2-B	
				%	Cost	%	Cost	%	Cost
Major Improvements ^[d]									
Onsite Earthwork	\$ 2,504,955	\$ -	\$ 2,504,955	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Major Water Improvements	778,239	-	778,239	0.00%	-	0.00%	-	0.00%	-
Major Sewer Improvements	202,440	3,630,439	3,832,879	0.00%	-	0.00%	-	0.00%	-
Avenue Paving Improvements	215,715	-	215,715	0.00%	-	0.00%	-	0.00%	-
Avenue Waterline Improvements	52,150	-	52,150	0.00%	-	0.00%	-	0.00%	-
Avenue Drainage Improvements	60,360	-	60,360	0.00%	-	0.00%	-	0.00%	-
Miscellaneous	925,002	-	925,002	0.00%	-	0.00%	-	0.00%	-
Soft Costs ^[e]	1,089,938	1,112,261	2,202,199	0.00%	-	0.00%	-	0.00%	-
Avenue C Paving Improvements	-	697,582	697,582	0.00%	-	0.00%	-	0.00%	-
Avenue C Water Improvements	-	261,382	261,382	0.00%	-	0.00%	-	0.00%	-
Avenue C Drainage Improvements	-	246,516	246,516	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 5,828,799</u>	<u>\$ 5,948,180</u>	<u>\$ 11,776,979</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #1 Improvements									
Onsite Pavement	\$ 2,929,419	\$ -	\$ -	100.00%	\$ 2,929,419	0.00%	\$ -	0.00%	\$ -
Onsite Water	1,138,552	-	-	100.00%	1,138,552	0.00%	-	0.00%	-
Onsite Sanitary Sewer	1,342,527	-	-	100.00%	1,342,527	0.00%	-	0.00%	-
Onsite Drainage	1,074,747	-	-	100.00%	1,074,747	0.00%	-	0.00%	-
Soft Costs ^[e]	1,491,606	-	-	100.00%	1,491,606	0.00%	-	0.00%	-
	<u>\$ 7,976,851</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 7,976,851</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #2 Improvements ^[f]									
Onsite Paving	\$ -	\$ 4,543,708	\$ -	0.00%	\$ -	38.40%	\$ 1,744,597	61.60%	\$ 2,799,111
Onsite Water	-	1,619,657	-	0.00%	-	38.40%	621,882	61.60%	997,775
Onsite Sanitary Sewer	-	2,197,504	-	0.00%	-	38.40%	843,751	61.60%	1,353,753
Onsite Drainage	-	2,744,908	-	0.00%	-	38.40%	1,053,932	61.60%	1,690,976
Soft Costs ^[e]	-	2,554,329	-	0.00%	-	38.40%	980,757	61.60%	1,573,572
	<u>\$ -</u>	<u>\$ 13,660,106</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 5,244,919</u>		<u>\$ 8,415,187</u>
Improvement Area #2 Private Improvements ^[g]									
Onsite Earthwork	\$ -	\$ 2,643,099	\$ 2,643,099	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Miscellaneous ^[h]	-	902,085	902,085	0.00%	-	0.00%	-	0.00%	-
Soft Costs ^[e]	-	815,392	815,392	0.00%	-	0.00%	-	0.00%	-
	<u>\$ -</u>	<u>\$ 4,360,576</u>	<u>\$ 4,360,576</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Bond Issuance Costs - 2020 Bonds									
Debt Service Reserve Fund	\$ 445,738	\$ -	\$ -		\$ 445,738		\$ -		\$ -
Capitalized Interest	99,473	-	-		99,473		-		-
Underwriter's Discount	224,550	-	-		224,550		-		-
Cost of Issuance	366,250	-	-		366,250		-		-
	<u>\$ 1,136,011</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 1,136,011</u>		<u>\$ -</u>		<u>\$ -</u>
Other Costs - 2020 Bonds									
First Year's Annual Collection Costs	\$ 10,000	\$ -	\$ -		\$ 10,000		\$ -		\$ -
	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 10,000</u>		<u>\$ -</u>		<u>\$ -</u>
Bond Issuance Costs - 2024 Bonds									
Debt Service Reserve Fund	\$ -	\$ 327,250	\$ -		\$ -		\$ -		\$ 327,250
Capitalized Interest	-	122,363	-		-		-		122,363
Underwriter's Discount	-	129,720	-		-		-		129,720
Cost of Issuance	-	281,060	-		-		-		281,060
	<u>\$ -</u>	<u>\$ 860,393</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 860,393</u>
Other Costs - 2024 Bonds									
First Year's Annual Collection Costs	\$ -	\$ 40,000	\$ -		\$ -		\$ -		\$ 40,000
	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 40,000</u>
Total	\$ 14,951,661	\$ 24,869,255	\$ 16,137,556		\$ 9,122,862		\$ 5,244,919		\$ 9,315,580

Footnotes:

- [a] Per 2020 Service and Assessment Plan.
- [b] Per Engineer's Report Creekside Development, dated February 2, 2024.
- [c] Not reimbursable through Assessments.
- [d] Major Improvements are necessary for finished Lots, but are to be covered by Owner contribution, and not reimbursed by the City.
- [e] Soft Costs include 10% contingency, 10% engineering and survey, 2% inspection and testing, and 1% mobilization.
- [f] Improvement Area #2 Improvements are allocated between Improvement Area #2-A and Improvement Area #2-B pro rata based on Estimated Buildout Value.
- [g] Improvement Area #2 Private Improvements include improvements necessary to complete construction of Improvement Area #2 that are not eligible for reimbursement including individual lot grading, retaining walls, ornamental fence, watering for vegetated areas, electric service installation, gas service installation, and performance & payment bonds, and associated soft costs.
- [h] Miscellaneous costs include retaining walls, ornamental fence, watering for vegetated areas, electric service installation, gas service installation, and performance & payment bonds.

EXHIBIT B-2 – APPORTIONMENT OF COSTS

Improvement Area	Units	Estimated Buildout Value	Improvement Area #2 Improvements		Total Apportionment for Future Funding [b]
			% [a]	Cost	
Improvement Area #2-A	140	\$ 54,757,712.60	38.40%	\$ 5,244,918.64	\$ 5,244,918.64
Improvement Area #2-B	221	\$ 87,855,775.60	61.60%	\$ 8,415,187.07	
Total	361	\$ 142,613,488.20		\$ 13,660,105.71	

Footnotes:

[a] The costs of the Improvement Area #2 Improvements are apportioned pro rata based on Estimated Buildout Value between Improvement Area #2-A and Improvement Area #2-B.

[b] Reimbursable in part or in full from future Assessments levied on Improvement Area #2-A.

EXHIBIT C – SERVICE PLAN

		Improvement Area #1				
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 165,000.00	\$ 170,000.00	\$ 175,000.00	\$ 180,000.00	\$ 185,000.00
Interest		\$ 272,906.26	\$ 268,575.00	\$ 262,837.50	\$ 256,931.26	\$ 250,856.26
	(1)	<u>\$ 437,906.26</u>	<u>\$ 438,575.00</u>	<u>\$ 437,837.50</u>	<u>\$ 436,931.26</u>	<u>\$ 435,856.26</u>
Additional Interest	(2)	\$ 34,925.00	\$ 34,100.00	\$ 33,250.00	\$ 32,375.00	\$ 31,475.00
Annual Collection Costs	(3)	\$ 41,551.24	\$ 42,382.26	\$ 43,229.91	\$ 44,094.51	\$ 44,976.40
Annual Installment Due	(4) = (1) + (2) + (3)	\$ 514,382.50	\$ 515,057.26	\$ 514,317.41	\$ 513,400.77	\$ 512,307.66

		Improvement Area #2-B				
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ 57,000.00	\$ 60,000.00	\$ 64,000.00	\$ 67,000.00	\$ 71,000.00
Interest		\$ 270,250.00	\$ 266,687.50	\$ 262,937.50	\$ 258,937.50	\$ 254,750.00
	(1)	<u>\$ 327,250.00</u>	<u>\$ 326,687.50</u>	<u>\$ 326,937.50</u>	<u>\$ 325,937.50</u>	<u>\$ 325,750.00</u>
Additional Interest	(2)	\$ 21,620.00	\$ 21,335.00	\$ 21,035.00	\$ 20,715.00	\$ 20,380.00
Annual Collection Costs	(3)	\$ 40,800.00	\$ 41,616.00	\$ 42,448.32	\$ 43,297.29	\$ 44,163.23
Annual Installment Due	(4) = (1) + (2) + (3)	\$ 389,670.00	\$ 389,638.50	\$ 390,420.82	\$ 389,949.79	\$ 390,293.23

EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	Improvement Area #1	Improvement Area #2-A	Improvement Area #2-B	Total
Sources of Funds					
Improvement Area #1 Bond Par ^[a]	\$ -	\$ 7,485,000	\$ -	\$ -	\$ 7,485,000
Improvement Area #2-B Bond Par	-	-	-	4,324,000	4,324,000
Owner Contribution - Major Improvements ^[b]	11,776,979	-	-	-	11,776,979
Owner Contribution - Improvement Area #1 Authorized Improvements ^[b]	-	1,637,862	-	-	1,637,862
Owner Contribution - Improvement Area #2-B Authorized Improvements ^[b]	-	-	-	4,991,580	4,991,580
Owner Contribution - Improvement Area #2 Private ^[b]	4,360,576	-	-	-	4,360,576
Improvement Area #2-A Apportionment of Costs ^[c]	-	-	5,244,919	-	5,244,919
Total Sources	\$ 16,137,556	\$ 9,122,862	\$ 5,244,919	\$ 9,315,580	\$ 34,575,998
Uses of Funds					
Major Improvements	\$ 11,776,979	\$ -	\$ -	\$ -	\$ 11,776,979
Improvement Area #1 Improvements	-	7,976,851	-	-	7,976,851
Improvement Area #2 Improvements	-	-	5,244,919	8,415,187	13,660,106
Improvement Area #2 Private Improvements	4,360,576	-	-	-	4,360,576
	<u>\$ 16,137,556</u>	<u>\$ 7,976,851</u>	<u>\$ 5,244,919</u>	<u>\$ 8,415,187</u>	<u>\$ 37,774,512</u>
<i>Bond Issuance Costs - 2020 Bonds</i>					
Debt Service Reserve Fund	\$ -	\$ 445,738	\$ -	\$ -	\$ 445,738
Capitalized Interest	-	99,473	-	-	99,473
Underwriter's Discount	-	224,550	-	-	224,550
Cost of Issuance	-	366,250	-	-	366,250
	<u>\$ -</u>	<u>\$ 1,136,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,136,011</u>
<i>Other Costs - 2020 Bonds</i>					
First Year's Annual Collection Costs	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
<i>Bond Issuance Costs - 2024 Bonds</i>					
Debt Service Reserve Fund	\$ -	\$ -	\$ -	\$ 327,250	\$ 327,250
Capitalized Interest	-	-	-	122,363	122,363
Underwriter's Discount	-	-	-	129,720	129,720
Cost of Issuance	-	-	-	281,060	281,060
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,393</u>	<u>\$ 860,393</u>
<i>Other Costs - 2024 Bonds</i>					
First Year's Annual Collection Costs	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
Total Uses	\$ 16,137,556	\$ 9,122,862	\$ 5,244,919	\$ 9,315,580	\$ 39,820,916

Footnotes:

[a] Outstanding Improvement Area #1 Assessment after principal payment due 3/31/2024 is paid using Annual Installment due 1/31/2024 is \$6,985,000.

[b] Non-reimbursable to the Owner by the City.

[c] Assessments are expected to be levied for the Apportioned Costs allocated to Improvement Area #2-A in part or in full at a later date.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Original Units	2023 Units ^[a]	2024 Units	Prepaid, Redeemed	Prepaid, Not Redeemed	Estimated Buildout Value		Outstanding Assessment		Average Annual Installment		PID TRE
						Per Unit ^[a]	Total	Per Unit	Total	Per Unit	Total	
<i>Improvement Area #1</i>												
Lot Type 1	192	192	192	0	0	\$ 270,000.00	\$ 51,840,000	\$ 16,309.29	\$ 3,131,383	\$ 1,196.50	\$ 229,728	\$ 0.4431
Lot Type 2	186	184	180	1	0	\$ 325,000.00	\$ 58,500,000	\$ 19,631.55	\$ 3,514,047	\$ 1,440.23	\$ 257,802	\$ 0.4431
Lot Type 2-3	0	0	4	0	0	\$ 360,000.00	\$ 1,440,000	\$ 19,655.25	\$ 78,621	\$ 1,441.97	\$ 5,768	\$ 0.4005
Lot Type 3	10	12	12	0	0	\$ 360,000.00	\$ 4,320,000	\$ 21,745.72	\$ 260,949	\$ 1,595.33	\$ 19,144	\$ 0.4431
Subtotal	388	388	388	1	0		\$ 116,100,000		\$ 6,985,000		\$ 512,442	
<i>Improvement Area #2-B</i>												
Lot Type 4			108	0	0	\$ 385,951.00	\$ 41,682,708	\$ 18,995.36	\$ 2,051,499	\$ 1,710.00	\$ 184,680	\$ 0.4431
Lot Type 5			87	0	0	\$ 399,421.00	\$ 34,749,627	\$ 19,658.31	\$ 1,710,273	\$ 1,769.68	\$ 153,962	\$ 0.4431
Lot Type 6			26	0	0	\$ 439,363.10	\$ 11,423,441	\$ 21,624.15	\$ 562,228	\$ 1,946.65	\$ 50,613	\$ 0.4431
Subtotal			221	0	0		\$ 397,537.45	\$ 87,855,776	\$ 19,565.61	\$ 4,324,000	\$ 389,255	
IA#1 & IA#2-B Total	388		749				\$ 203,955,776		\$ 11,309,000		\$ 901,696	

Footnotes:

[a] Improvement Area #1 information per 2020 Service and Assessment Plan. Improvement Area #1 revised units per final Creekside Phase 1A and Phase 1B plats. Improvement Area #2-B information per preliminary plat provided 2/8/2024.

EXHIBIT F-1 –IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2836212	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836213	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836214	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836215	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836216	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836217	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836218	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836219	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836220	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836221	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836222	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836223	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836224	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836225	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836226	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836227	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836228	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836229	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836230	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836231	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836232	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836233	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836234	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836235	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836236	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836237	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836238	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836239	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836240	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836241	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836242	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836243	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836244	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836245	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836246	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836247	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836248	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836249	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836250	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836251	Lot Type 2		\$ 19,631.55	\$ 1,445.69

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2836252	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836253	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836254	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836255	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836256	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836257	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836258	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836259	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836260	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2836261	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2836262	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2836263	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836264	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836265	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836266	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836267	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836268	Lot Type 2	[b]	\$ -	\$ -
2836269	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836270	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2836273	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836274	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836275	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836276	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836277	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836278	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836279	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836280	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836281	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836282	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836283	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836284	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836285	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836286	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836287	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836288	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836289	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836290	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836291	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836292	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836293	Lot Type 2		\$ 19,631.55	\$ 1,445.69

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2836294	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836295	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836296	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836297	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836298	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836299	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836300	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836301	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836302	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836303	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836304	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2836305	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836306	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836307	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836308	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836309	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836310	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836311	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836312	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836313	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836314	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836315	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836316	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836317	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836318	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836319	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836320	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836321	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836322	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836323	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836324	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836325	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836326	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836327	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836328	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836329	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836330	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836331	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836332	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836333	Lot Type 1		\$ 16,309.29	\$ 1,201.03

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2836334	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836335	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836336	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836337	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836338	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836339	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836340	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836341	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836342	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836343	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836344	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836345	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836346	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836347	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836348	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836349	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836350	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836351	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836352	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836353	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836354	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836355	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836356	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836357	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836358	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836359	Non-Benefitted		\$ -	\$ -
2836360	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836361	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836362	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836363	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836364	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836365	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836366	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836367	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836368	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836369	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836370	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836371	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836372	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836373	Lot Type 1		\$ 16,309.29	\$ 1,201.03

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2836374	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836375	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836376	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836377	Non-Assessed	[c]	\$ -	\$ -
2836378	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836379	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836380	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836381	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836382	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836383	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836384	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836385	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836386	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836387	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836388	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836389	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836390	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836391	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836392	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836393	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836394	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836395	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836396	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836397	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836398	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836399	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836400	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836401	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836402	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836403	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2836404	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836405	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836406	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836407	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836408	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836409	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836410	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836411	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836412	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836413	Lot Type 2		\$ 19,631.55	\$ 1,445.69

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2836414	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836415	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836416	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836417	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836418	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836419	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836420	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836421	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836422	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836423	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836424	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836425	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836426	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836427	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836428	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836429	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2836430	Non-Benefitted		\$ -	\$ -
2836431	Non-Benefitted		\$ -	\$ -
2836432	Non-Benefitted		\$ -	\$ -
2836433	Non-Benefitted		\$ -	\$ -
2854998	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2854999	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855000	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855001	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2855002	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855003	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855004	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855005	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2855006	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2855007	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855008	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855009	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855010	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855011	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855012	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855013	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855014	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855015	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855016	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855017	Lot Type 2		\$ 19,631.55	\$ 1,445.69

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2855018	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855019	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855020	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855021	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855022	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855023	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855024	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855025	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855026	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855027	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855028	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855029	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855030	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855031	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855032	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855033	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855034	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855035	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855036	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855037	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855038	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855039	Non-Benefitted		\$ -	\$ -
2855040	Non-Benefitted		\$ -	\$ -
2855041	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855042	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855043	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855044	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855045	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855046	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855047	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855048	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855049	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855050	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855051	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855052	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855053	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855054	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855055	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855056	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855057	Lot Type 1		\$ 16,309.29	\$ 1,201.03

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2855058	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855059	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855060	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855061	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855062	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855063	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855064	Lot Type 2-3	[d]	\$ 19,655.25	\$ 1,447.43
2855065	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855066	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855067	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855068	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855069	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855070	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855071	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855072	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855073	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855074	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855075	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2855076	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855077	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855078	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855079	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855080	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855081	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855082	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855084	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855085	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855086	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855087	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855088	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855089	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855090	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855091	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855092	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855093	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855094	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855095	Lot Type 2-3	[d]	\$ 19,655.25	\$ 1,447.43
2855096	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855097	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855098	Lot Type 2		\$ 19,631.55	\$ 1,445.69

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2855099	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855100	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2855101	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855102	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855103	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855104	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855105	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855106	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855107	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855108	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855109	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855110	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855111	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855112	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855113	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855114	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855115	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855116	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855117	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855118	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855119	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855120	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855121	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855122	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855123	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855124	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855125	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855126	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855127	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855128	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855129	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855130	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855131	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855132	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855133	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855134	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855135	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855136	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855137	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855138	Non-Benefitted		\$ -	\$ -

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2855139	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855140	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855141	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855142	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855143	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855144	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855145	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855146	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855147	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855148	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855149	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855150	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855151	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855152	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855153	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855154	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855155	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855156	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855157	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855158	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855159	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855160	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855161	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855162	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855163	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855164	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855165	Lot Type 2-3	[d]	\$ 19,655.25	\$ 1,447.43
2855166	Lot Type 3		\$ 21,745.72	\$ 1,601.38
2855167	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855168	Lot Type 2		\$ 19,631.55	\$ 1,445.69

Property ID	Lot Type	Note	Outstanding Assessment	Total Annual Installment due 1/31/2025 ^[a]
2855169	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855170	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855171	Lot Type 2-3	[d]	\$ 19,655.25	\$ 1,447.43
2855172	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855173	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855174	Lot Type 1		\$ 16,309.29	\$ 1,201.03
2855175	Lot Type 2		\$ 19,631.55	\$ 1,445.69
2855176	Non-Benefitted		\$ -	\$ -
Total^[d]			\$ 6,985,000.77	\$ 514,382.55

Footnotes:

[a] The Annual Installment covers the period September 15, 2024 to September 14, 2025 and is due by January 31, 2025.

[b] Property has paid their Assessment in full.

[c] Property is classified as Non-Assessed Property as the property had an easement at the time of the levy of IA#1 Assessments of the Improvement Area #1 Bonds. The easement has since been released by the Owner and developed into a residential lot. The special benefit accrued from the Authorized Improvements associated with this Parcel was funded with a portion of the Owner's Contribution.

[d] Property was originally classified as a Lot Type 2 and has since been reclassified and has been marketed or sold to homebuilders as a 60' Lot. As a result of this reclassification, the Owner made a partial prepayment for each Lot classified as a Lot Type 2-3 so that the Assessment for these Lots did not exceed the Maximum Assessment. The difference in special benefit accrued from the Authorized Improvements between a Lot Type 2 and a Lot Type 2-3 associated with this Parcel was funded with a portion of the Owner's Contribution.

[e] Totals may not match Service Plan or Installment Schedules due to rounding or Prepayments.

EXHIBIT F-2 –IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 165,000	\$ 272,906	\$ 34,925	\$ 41,551	\$ 514,383
2026	\$ 170,000	\$ 268,575	\$ 34,100	\$ 42,382	\$ 515,057
2027	\$ 175,000	\$ 262,838	\$ 33,250	\$ 43,230	\$ 514,317
2028	\$ 180,000	\$ 256,931	\$ 32,375	\$ 44,095	\$ 513,401
2029	\$ 185,000	\$ 250,856	\$ 31,475	\$ 44,976	\$ 512,308
2030	\$ 195,000	\$ 244,613	\$ 30,550	\$ 45,876	\$ 516,038
2031	\$ 200,000	\$ 238,031	\$ 29,575	\$ 46,793	\$ 514,400
2032	\$ 210,000	\$ 230,281	\$ 28,575	\$ 47,729	\$ 516,586
2033	\$ 215,000	\$ 222,144	\$ 27,525	\$ 48,684	\$ 513,353
2034	\$ 225,000	\$ 213,813	\$ 26,450	\$ 49,658	\$ 514,920
2035	\$ 235,000	\$ 205,094	\$ 25,325	\$ 50,651	\$ 516,069
2036	\$ 240,000	\$ 195,988	\$ 24,150	\$ 51,664	\$ 511,801
2037	\$ 250,000	\$ 186,688	\$ 22,950	\$ 52,697	\$ 512,335
2038	\$ 260,000	\$ 177,000	\$ 21,700	\$ 53,751	\$ 512,451
2039	\$ 270,000	\$ 166,925	\$ 20,400	\$ 54,826	\$ 512,151
2040	\$ 280,000	\$ 156,463	\$ 19,050	\$ 55,922	\$ 511,435
2041	\$ 295,000	\$ 145,613	\$ 17,650	\$ 57,041	\$ 515,303
2042	\$ 305,000	\$ 133,444	\$ 16,175	\$ 58,182	\$ 512,801
2043	\$ 320,000	\$ 120,863	\$ 14,650	\$ 59,345	\$ 514,858
2044	\$ 330,000	\$ 107,663	\$ 13,050	\$ 60,532	\$ 511,245
2045	\$ 345,000	\$ 94,050	\$ 11,400	\$ 61,743	\$ 512,193
2046	\$ 360,000	\$ 79,819	\$ 9,675	\$ 62,978	\$ 512,472
2047	\$ 375,000	\$ 64,969	\$ 7,875	\$ 64,237	\$ 512,081
2048	\$ 395,000	\$ 49,500	\$ 6,000	\$ 65,522	\$ 516,022
2049	\$ 410,000	\$ 33,206	\$ 4,025	\$ 66,833	\$ 514,064
2050	\$ 395,000	\$ 16,294	\$ 1,975	\$ 68,169	\$ 481,438
Total	\$ 6,985,000	\$ 4,394,563	\$ 544,850	\$ 1,399,068	\$ 13,323,481

Footnotes:

[a] Interest rate on PID bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds with maturity dates of 9/15/2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 –IMPROVEMENT AREA #2-B ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment due 1/31/2025 ^[b]
2117780	Improvement Area #2-B Initial Parcel	\$ 1,500,056.06	\$ 135,181.97
2805420	Improvement Area #2-B Initial Parcel	\$ 2,823,943.94	\$ 254,488.03
Total		\$ 4,324,000.00	\$ 389,670.00

Footnotes:

[a] Improvement Area #2-B is contained entirely within Property ID 2117780 and Property ID 2805420 per Collin Central Appraisal District. The Improvement Area #2-B Assessment and Annual Installment are allocated to 2117780 and 2805420 based on acreage, as shown by the Collin Central Appraisal District.

[b] The Annual Installment covers the period September 15, 2024 to September 14, 2025 and is due by January 31, 2025.

Property ID ^[a]	Lot Type	Phase	Legal Description ^[b]		Outstanding Assessment	Annual Installment due 1/31/2025
			Block	Lot		
TBD	6	2B	A	19	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	20	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	21	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	22	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	23	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	24	\$ 21,624.15	\$ 1,948.72
TBD	Non-Benefitted	2B	A	4X	\$ -	\$ -
TBD	6	2B	A	25	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	26	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	27	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	A	28	\$ 21,624.15	\$ 1,948.72
TBD	5	2B	A	29	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	A	30	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	A	31	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	A	32	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	F	26	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	F	27	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	F	28	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	F	29	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	F	30	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	31	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	32	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	33	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	34	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	35	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	36	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	37	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	38	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	39	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	40	\$ 18,995.36	\$ 1,711.82

Property ID ^[a]	Lot Type	Phase	Legal Description ^[b]		Outstanding Assessment	Annual Installment due 1/31/2025
			Block	Lot		
TBD	4	2B	F	41	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	42	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	43	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	44	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	F	45	\$ 18,995.36	\$ 1,711.82
TBD	Non-Benefitted	2B	F	5x	\$ -	\$ -
TBD	6	2B	F	46	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	F	47	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	F	48	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	F	49	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	F	50	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	F	51	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	F	52	\$ 21,624.15	\$ 1,948.72
TBD	5	2B	G	1	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	G	2	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	3	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	4	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	5	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	6	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	7	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	G	8	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	9	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	10	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	11	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	12	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	13	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	14	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	15	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	16	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	G	17	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	G	18	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	19	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	20	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	21	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	22	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	23	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	24	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	G	25	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	G	26	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	1	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	2	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	H	3	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	H	4	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	H	5	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	H	6	\$ 18,995.36	\$ 1,711.82

Property ID ^[a]	Lot Type	Phase	Legal Description ^[b]		Outstanding Assessment	Annual Installment due 1/31/2025
			Block	Lot		
TBD	4	2B	H	7	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	H	8	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	9	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	10	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	11	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	12	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	H	13	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	H	14	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	H	15	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	H	16	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	H	17	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	1	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	2	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	3	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	4	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	5	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	6	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	J	7	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	J	8	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	J	9	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	J	10	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	11	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	12	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	13	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	14	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	J	15	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	J	16	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	J	17	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	J	18	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	J	19	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	20	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	21	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	J	22	\$ 19,658.31	\$ 1,771.57
TBD	6	2B	K	1	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	K	2	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	K	3	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	K	4	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	K	5	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	K	6	\$ 21,624.15	\$ 1,948.72
TBD	6	2B	K	7	\$ 21,624.15	\$ 1,948.72
TBD	5	2B	K	8	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	K	9	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	K	10	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	K	11	\$ 19,658.31	\$ 1,771.57
TBD	6	2B	K	12	\$ 21,624.15	\$ 1,948.72
TBD	Non-Benefitted	2B	K	9x	\$ -	\$ -
TBD	5	2B	L	1	\$ 19,658.31	\$ 1,771.57

Property ID ^[a]	Lot Type	Phase	Legal Description ^[b]		Outstanding Assessment	Annual Installment due 1/31/2025
			Block	Lot		
TBD	5	2B	L	2	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	3	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	4	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	5	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	6	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	7	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	8	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	9	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	10	\$ 19,658.31	\$ 1,771.57
TBD	Non-Benefitted	2B	L	6x	\$ -	\$ -
TBD	5	2B	L	11	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	12	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	13	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	14	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	15	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	16	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	L	17	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	L	18	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	M	44	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	M	45	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	M	46	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	M	47	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	M	48	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	M	49	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	1	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	2	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	3	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	4	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	5	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	6	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	7	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	8	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	9	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	10	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	11	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	12	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	13	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	14	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	15	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	16	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	17	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	18	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	19	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	20	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	21	\$ 18,995.36	\$ 1,711.82

Property ID ^[a]	Lot Type	Phase	Legal Description ^[b]		Outstanding Assessment	Annual Installment due 1/31/2025
			Block	Lot		
TBD	4	2B	N	22	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	23	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	24	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	25	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	26	\$ 18,995.36	\$ 1,711.82
TBD	6	2B	N	27	\$ 21,624.15	\$ 1,948.72
TBD	5	2B	N	28	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	N	29	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	N	30	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	N	31	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	32	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	33	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	34	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	35	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	36	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	37	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	38	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	39	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	40	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	41	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	42	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	43	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	44	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	45	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	N	46	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	P	35	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	P	36	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	37	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	38	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	39	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	40	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	41	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	42	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	43	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	P	44	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	P	45	\$ 19,658.31	\$ 1,771.57
TBD	Non-Benefitted	2B	P	7x	\$ -	\$ -
TBD	5	2B	P	46	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	P	47	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	48	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	49	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	50	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	51	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	52	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	53	\$ 18,995.36	\$ 1,711.82

Property ID ^[a]	Lot Type	Phase	Legal Description ^[b]		Outstanding Assessment	Annual Installment due 1/31/2025
			Block	Lot		
TBD	4	2B	P	54	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	55	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	56	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	57	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	58	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	59	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	P	60	\$ 18,995.36	\$ 1,711.82
TBD	5	2B	Q	1	\$ 19,658.31	\$ 1,771.57
TBD	5	2B	Q	2	\$ 19,658.31	\$ 1,771.57
TBD	4	2B	Q	3	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	Q	4	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	Q	5	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	Q	6	\$ 18,995.36	\$ 1,711.82
TBD	4	2B	Q	7	\$ 18,995.36	\$ 1,711.82
Total^[c]					\$ 4,323,999.75	\$ 389,669.87

Footnotes:

[a] Property IDs to be assigned at the time the final plat is filed with the County.

[b] Per Improvement Area #2-B preliminary plat, subject to change prior to final platting.

[c] May not match Service Plan or installment schedule due to rounding.

EXHIBIT G-2 –IMPROVEMENT AREA #2-B ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 57,000	\$ 270,250	\$ 21,620	\$ 40,800	\$ 389,670
2026	\$ 60,000	\$ 266,688	\$ 21,335	\$ 41,616	\$ 389,639
2027	\$ 64,000	\$ 262,938	\$ 21,035	\$ 42,448	\$ 390,421
2028	\$ 67,000	\$ 258,938	\$ 20,715	\$ 43,297	\$ 389,950
2029	\$ 71,000	\$ 254,750	\$ 20,380	\$ 44,163	\$ 390,293
2030	\$ 75,000	\$ 250,313	\$ 20,025	\$ 45,046	\$ 390,384
2031	\$ 79,000	\$ 245,625	\$ 19,650	\$ 45,947	\$ 390,222
2032	\$ 83,000	\$ 240,688	\$ 19,255	\$ 46,866	\$ 389,809
2033	\$ 88,000	\$ 235,500	\$ 18,840	\$ 47,804	\$ 390,144
2034	\$ 93,000	\$ 230,000	\$ 18,400	\$ 48,760	\$ 390,160
2035	\$ 98,000	\$ 224,188	\$ 17,935	\$ 49,735	\$ 389,857
2036	\$ 104,000	\$ 218,063	\$ 17,445	\$ 50,730	\$ 390,237
2037	\$ 110,000	\$ 211,563	\$ 16,925	\$ 51,744	\$ 390,232
2038	\$ 116,000	\$ 204,688	\$ 16,375	\$ 52,779	\$ 389,842
2039	\$ 123,000	\$ 197,438	\$ 15,795	\$ 53,835	\$ 390,067
2040	\$ 130,000	\$ 189,750	\$ 15,180	\$ 54,911	\$ 389,841
2041	\$ 138,000	\$ 181,625	\$ 14,530	\$ 56,010	\$ 390,165
2042	\$ 146,000	\$ 173,000	\$ 13,840	\$ 57,130	\$ 389,970
2043	\$ 155,000	\$ 163,875	\$ 13,110	\$ 58,272	\$ 390,257
2044	\$ 164,000	\$ 154,188	\$ 12,335	\$ 59,438	\$ 389,960
2045	\$ 174,000	\$ 143,938	\$ 11,515	\$ 60,627	\$ 390,079
2046	\$ 184,000	\$ 133,063	\$ 10,645	\$ 61,839	\$ 389,547
2047	\$ 195,000	\$ 121,563	\$ 9,725	\$ 63,076	\$ 389,363
2048	\$ 207,000	\$ 109,375	\$ 8,750	\$ 64,337	\$ 389,462
2049	\$ 220,000	\$ 96,438	\$ 7,715	\$ 65,624	\$ 389,777
2050	\$ 234,000	\$ 82,688	\$ 6,615	\$ 66,937	\$ 390,239
2051	\$ 248,000	\$ 68,063	\$ 5,445	\$ 68,275	\$ 389,783
2052	\$ 264,000	\$ 52,563	\$ 4,205	\$ 69,641	\$ 390,408
2053	\$ 280,000	\$ 36,063	\$ 2,885	\$ 71,034	\$ 389,981
2054	\$ 297,000	\$ 18,563	\$ 1,485	\$ 72,454	\$ 389,502
Total	\$ 4,324,000	\$ 5,296,375	\$ 423,710	\$ 1,655,178	\$ 11,699,263

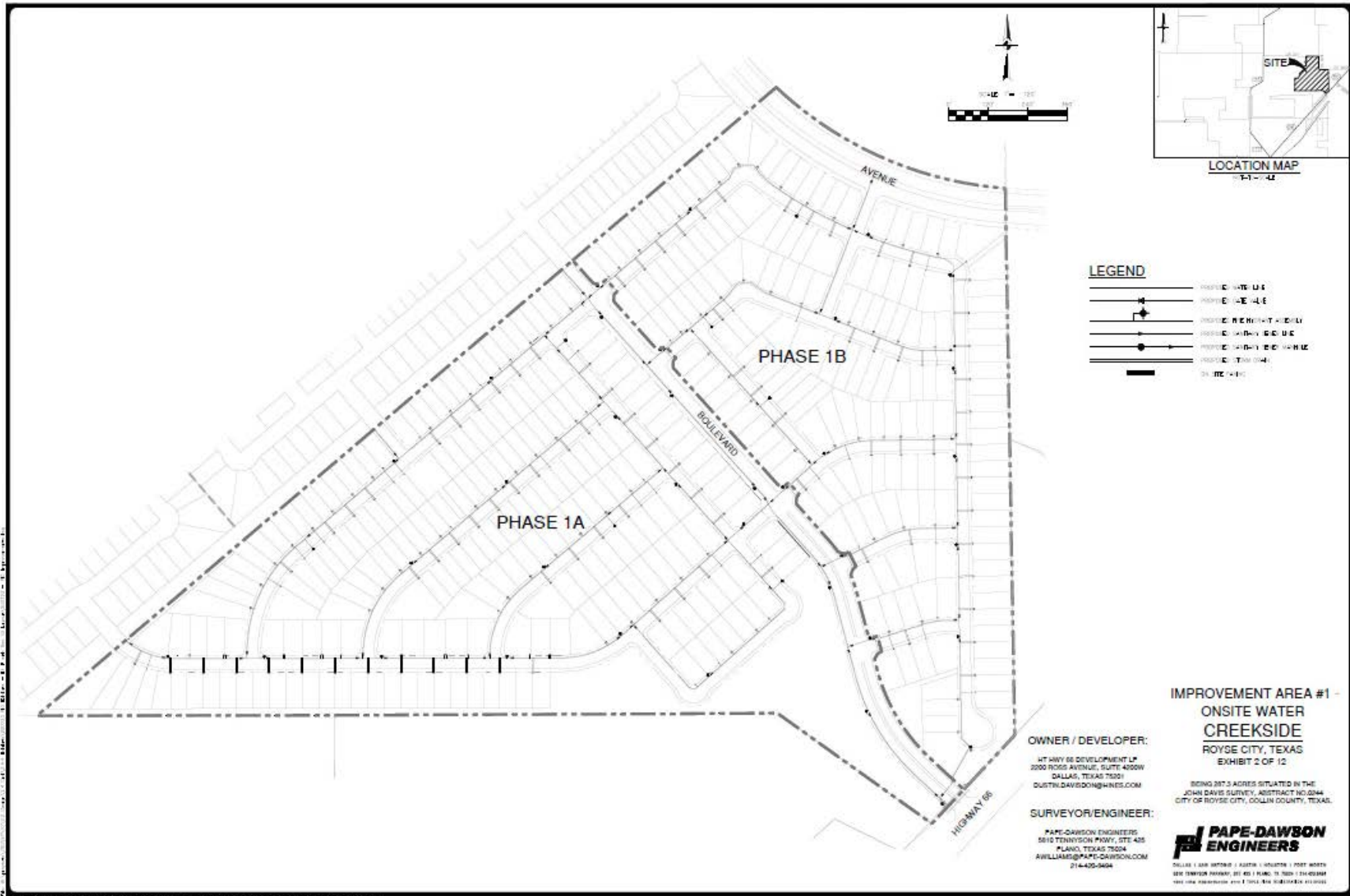
Footnotes:

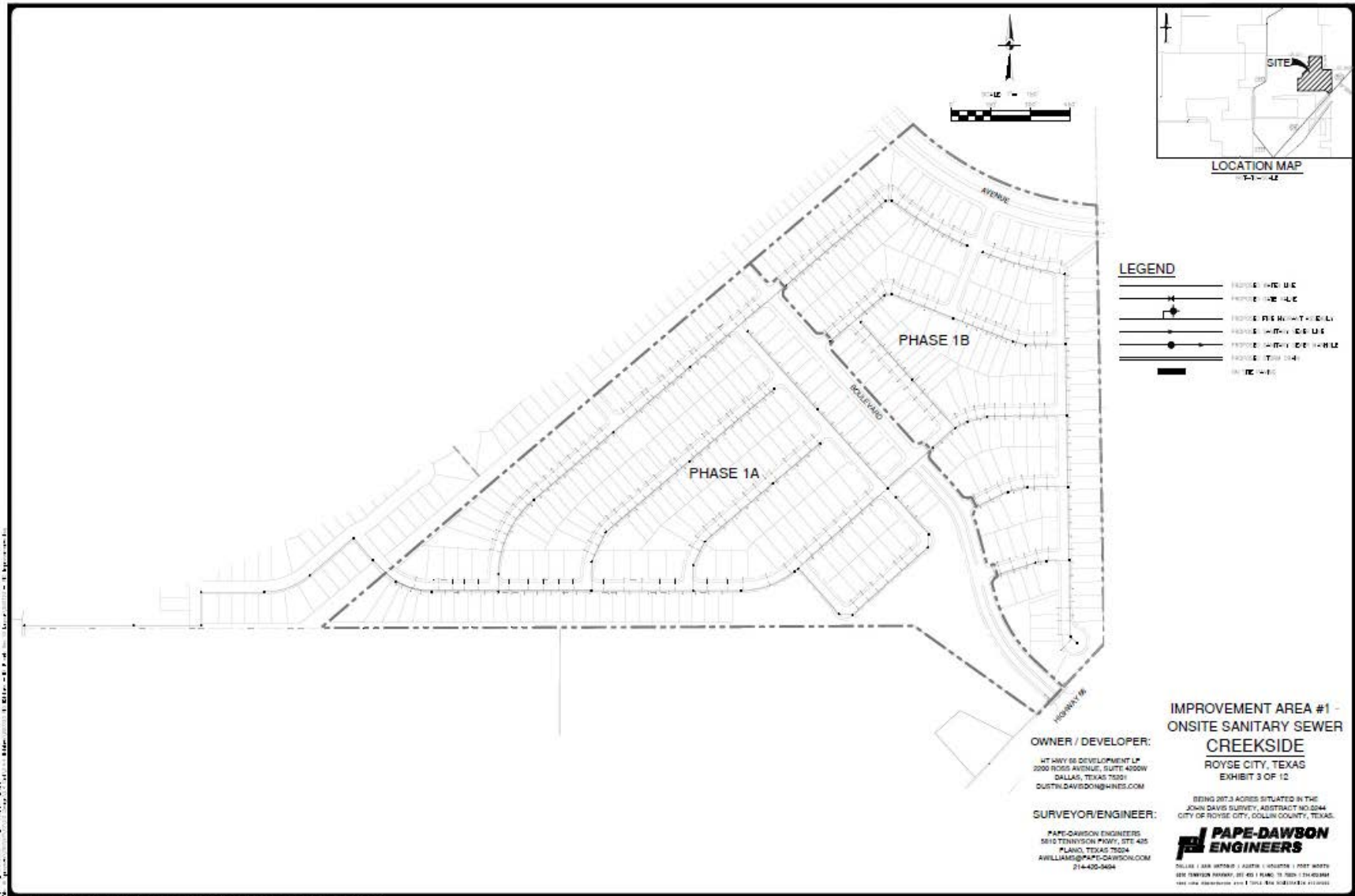
[a] Interest is calculated at a 6.25% rate for illustrative purposes.

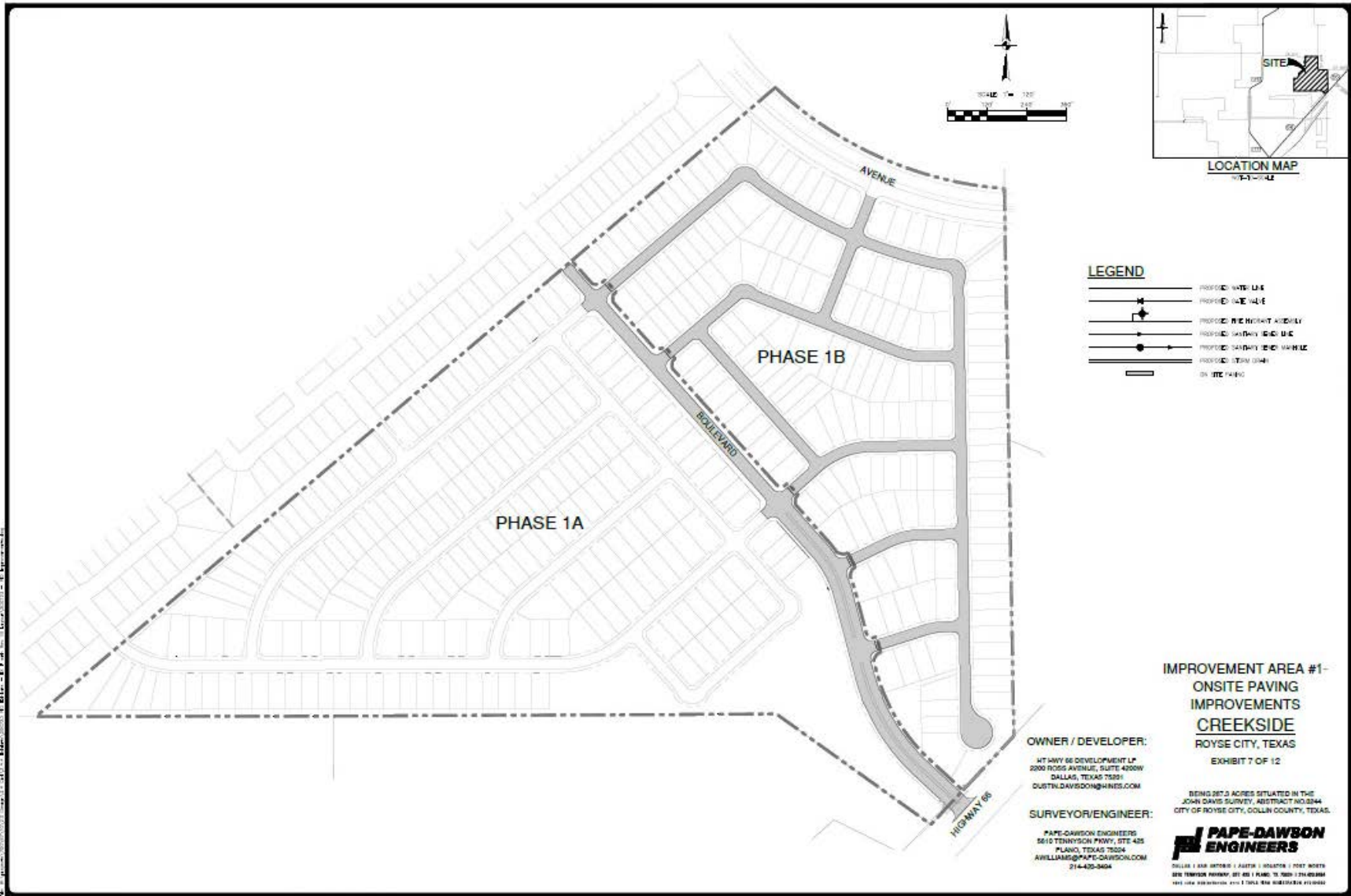
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

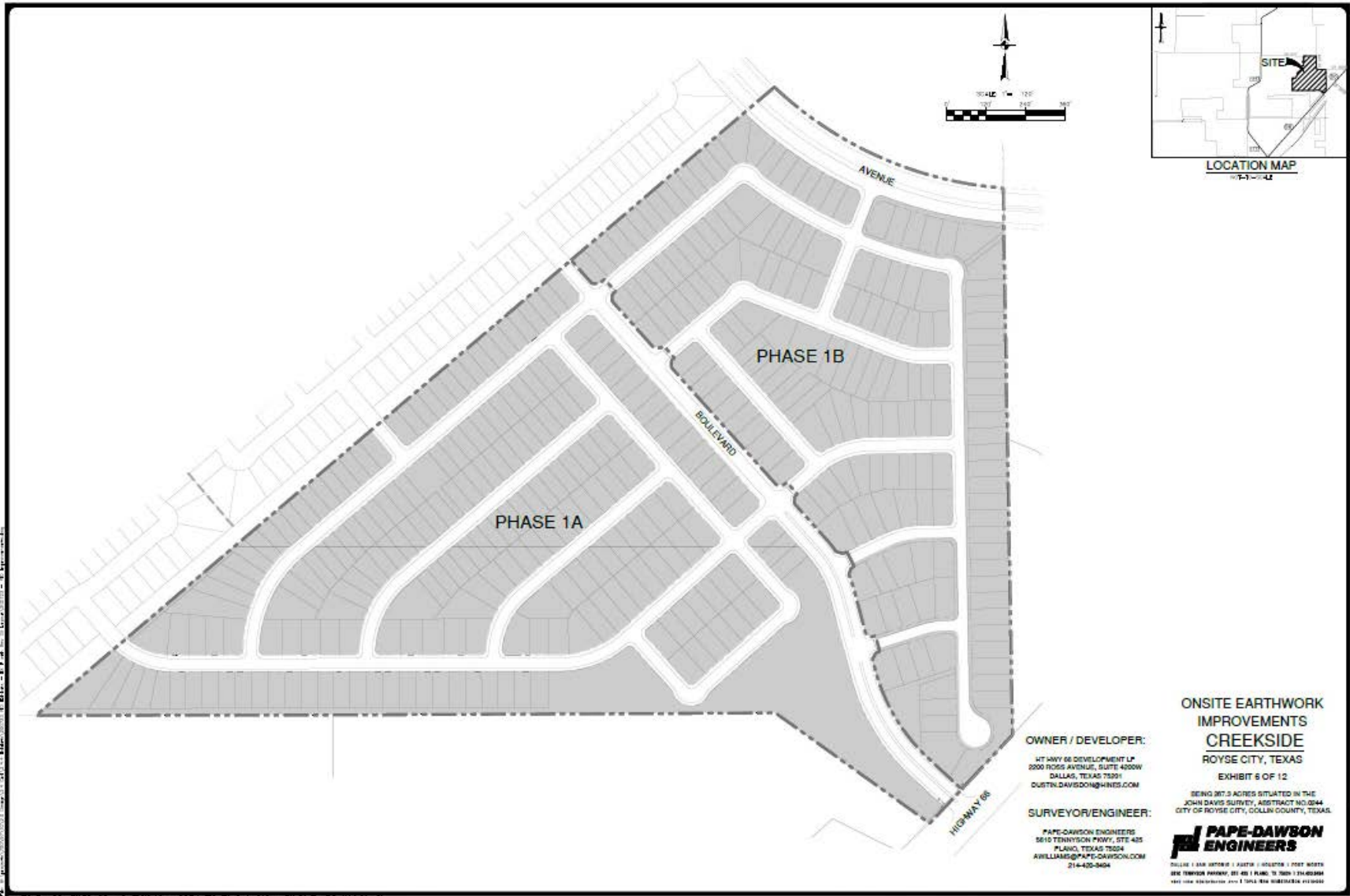
EXHIBIT H-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS











OWNER / DEVELOPER:
 HW HWY 68 DEVELOPMENT LP
 2000 ROSS AVENUE, SUITE 4000W
 DALLAS, TEXAS 75201
 DUSTIN.DAVIDSON@HWES.COM

SURVEYOR/ENGINEER:
 PAPE-DAWSON ENGINEERS
 5610 TENNYSON PARKWAY, STE 425
 PLANO, TEXAS 75024
 AWILLIAMS@PAPE-DAWSON.COM
 214-432-9464

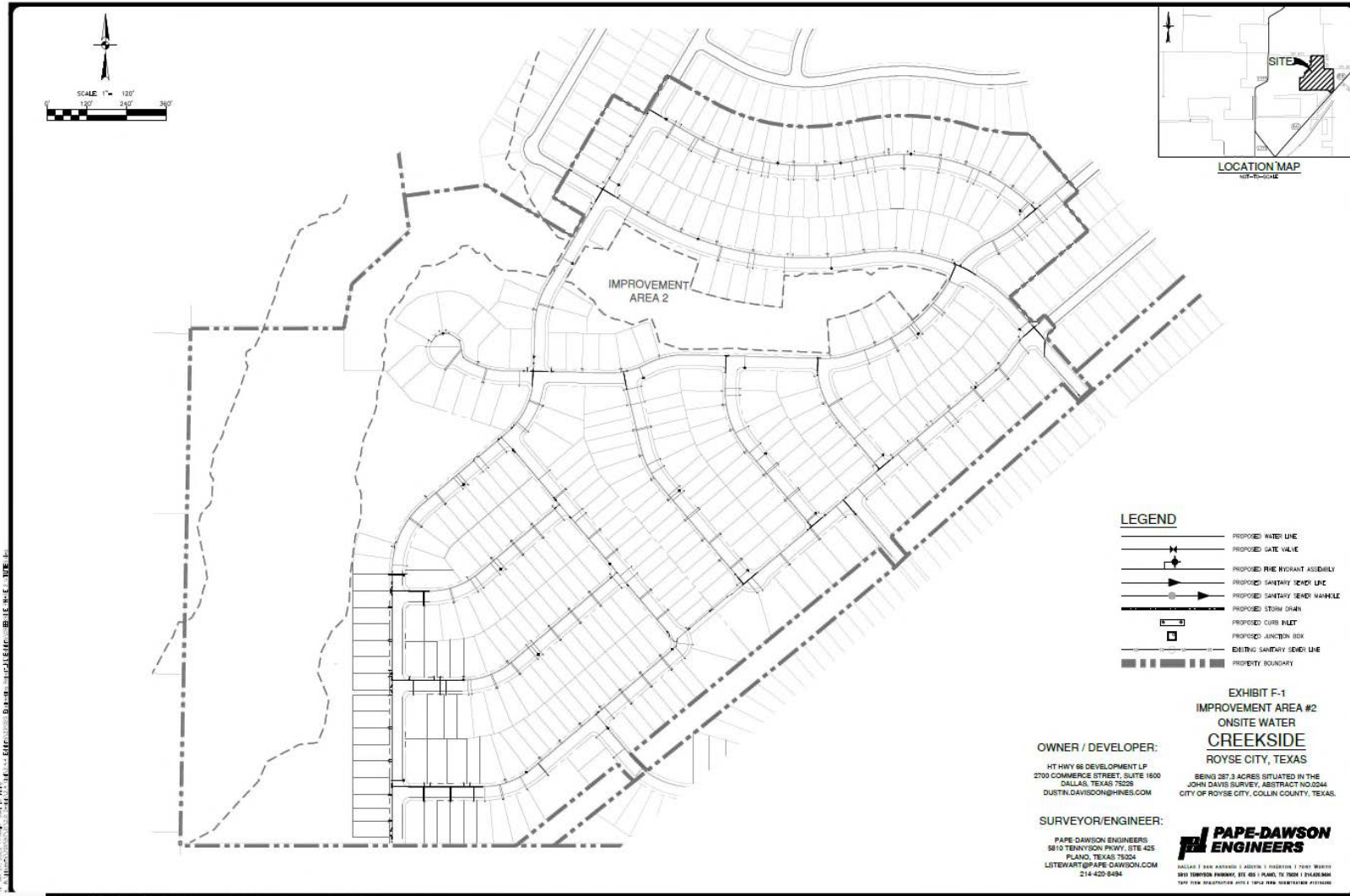
**ONSITE EARTHWORK
 IMPROVEMENTS
 CREEKSIDE
 ROYSE CITY, TEXAS**
 EXHIBIT 6 OF 12

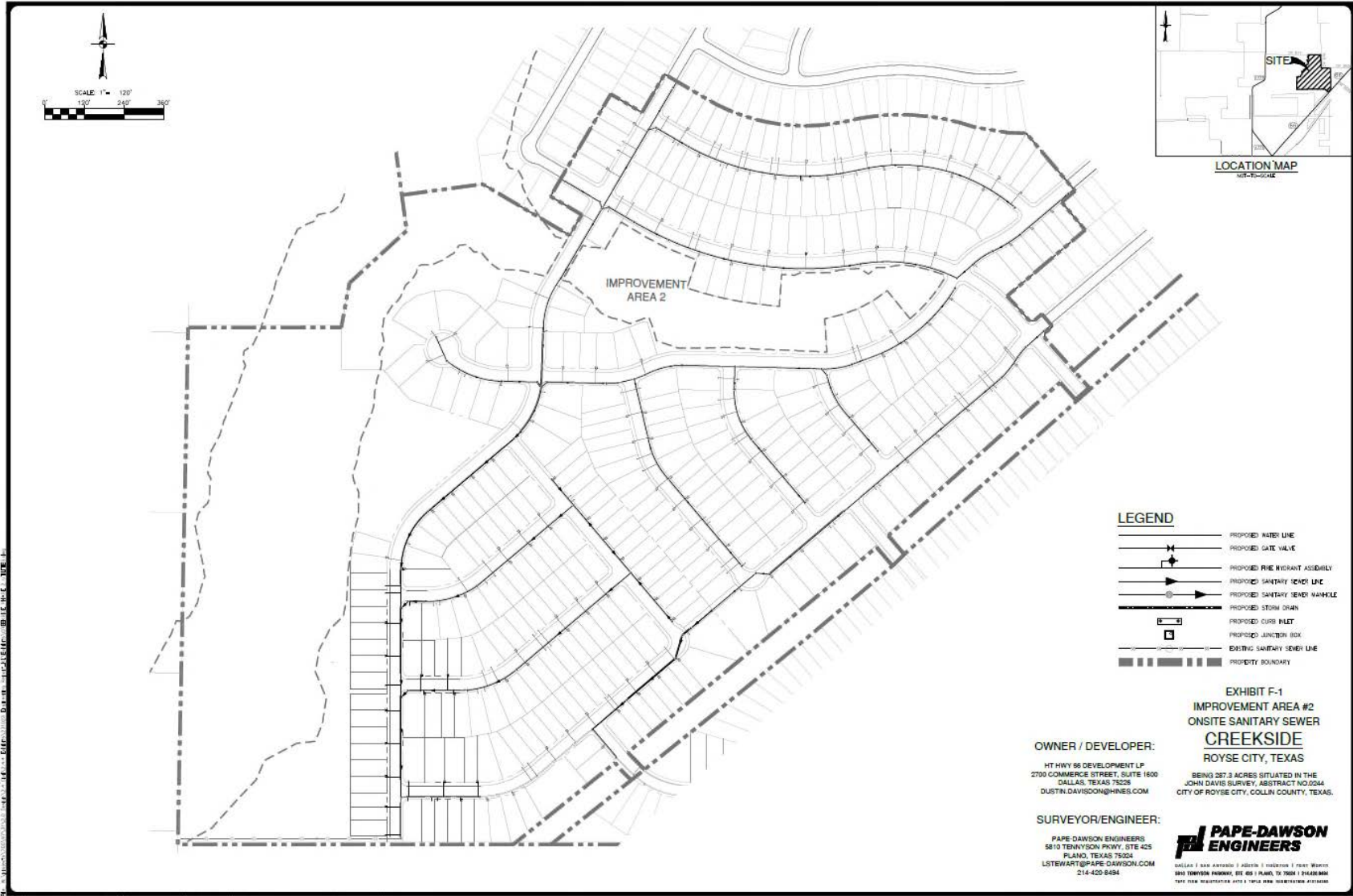
BEING 267.5 ACRES SITUATED IN THE
 JOHN DAVIS SURVEY, ABSTRACT NO. 2244
 CITY OF ROYSE CITY, COLLIN COUNTY, TEXAS.

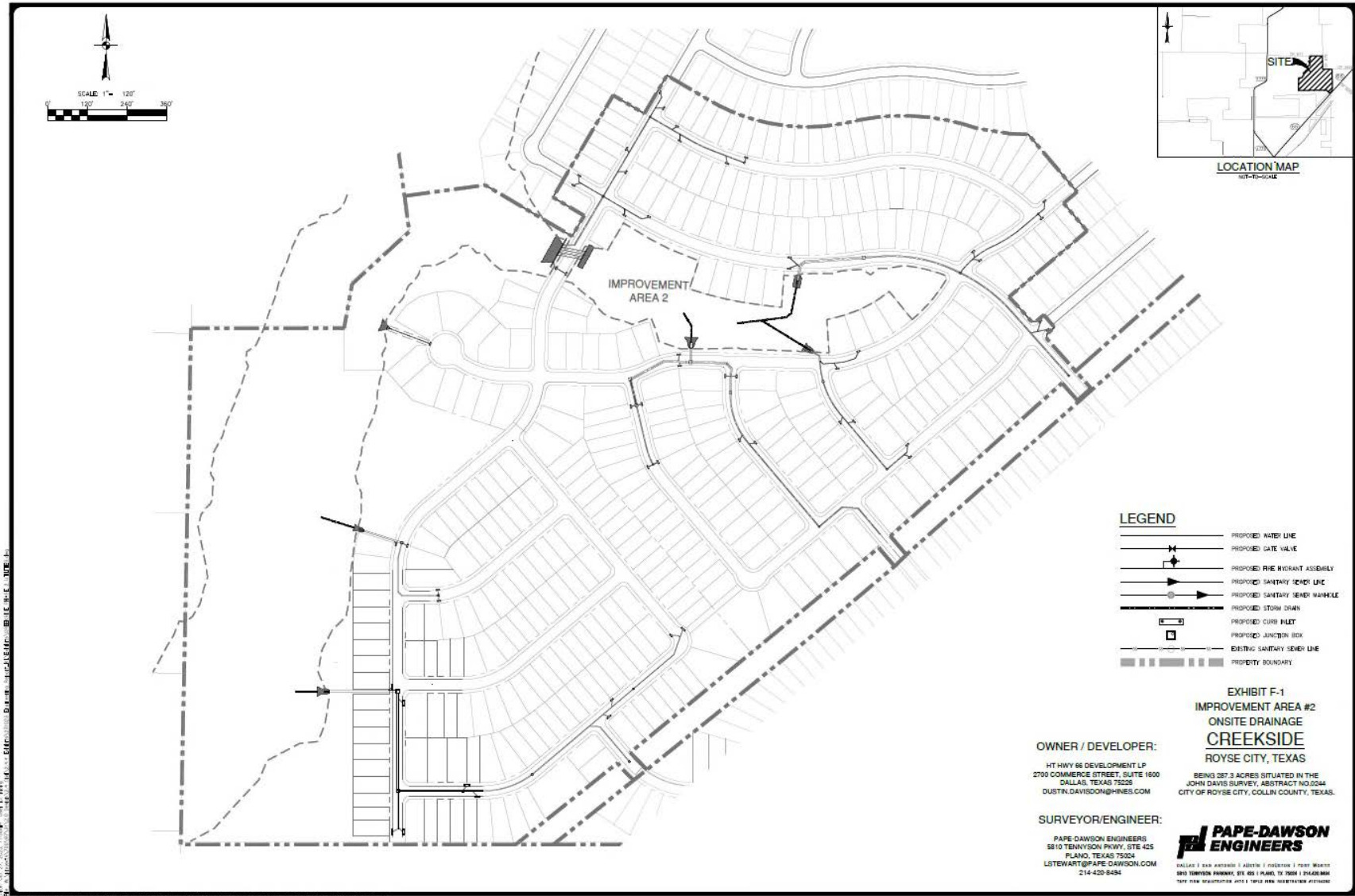


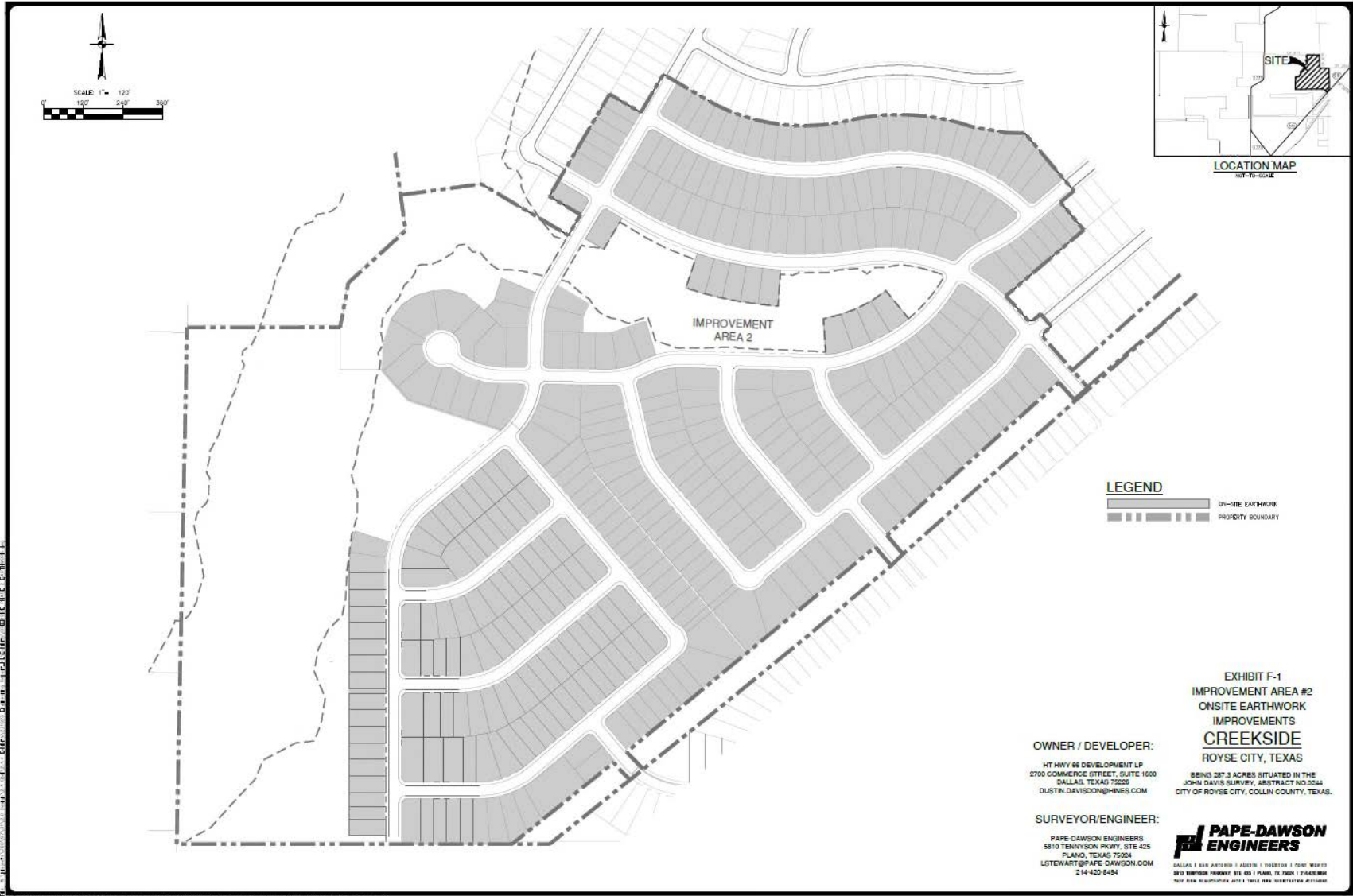
PAPE & DAN WATSON | AUSTIN | HOUSTON | DALLAS
 2025 TEXAS BOARD OF SURVEYING & MAPPING REG. NO. 124-00000000
 2025 TEXAS BOARD OF SURVEYING & MAPPING REG. NO. 124-00000000

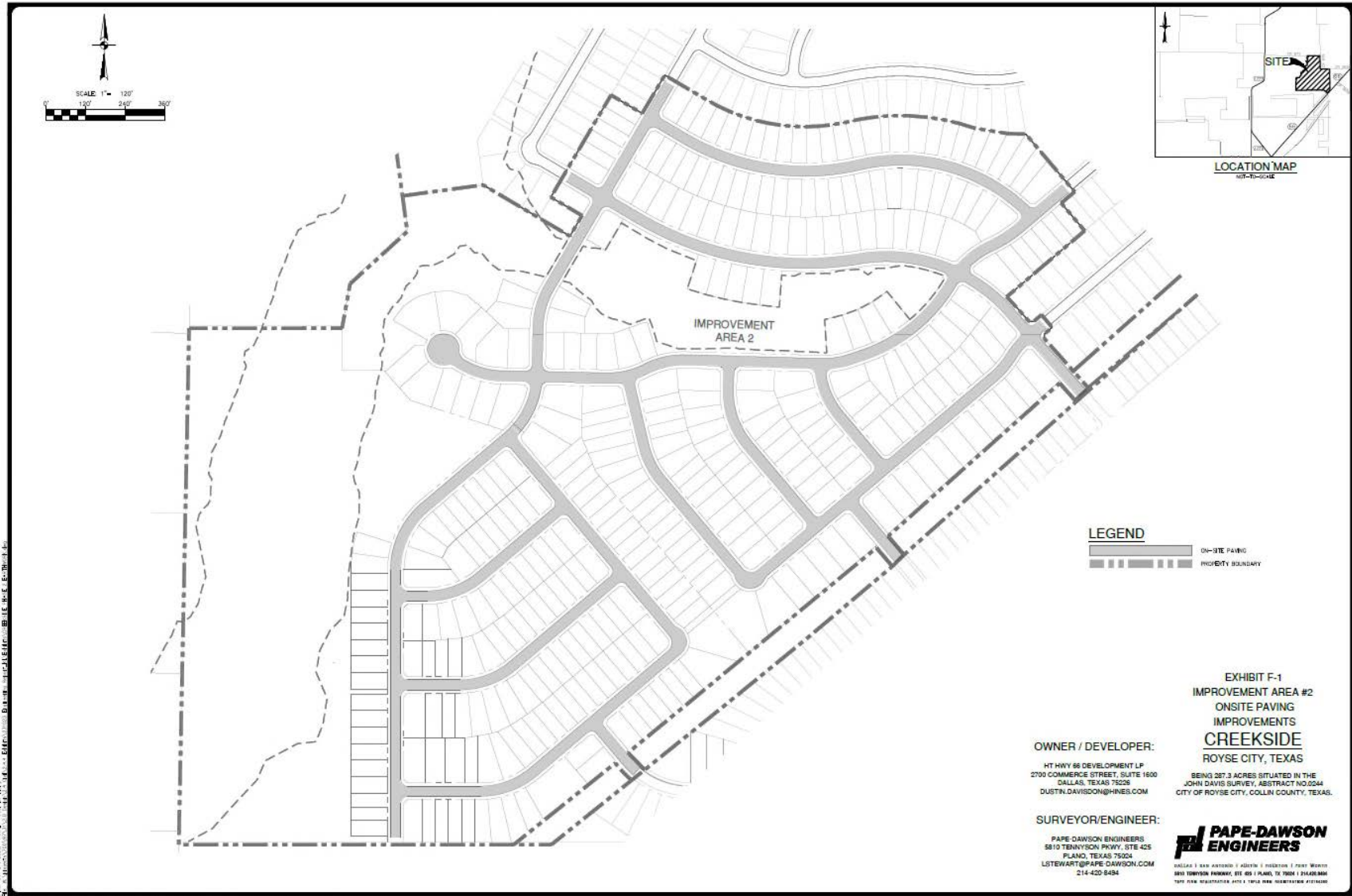
EXHIBIT H-2 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS

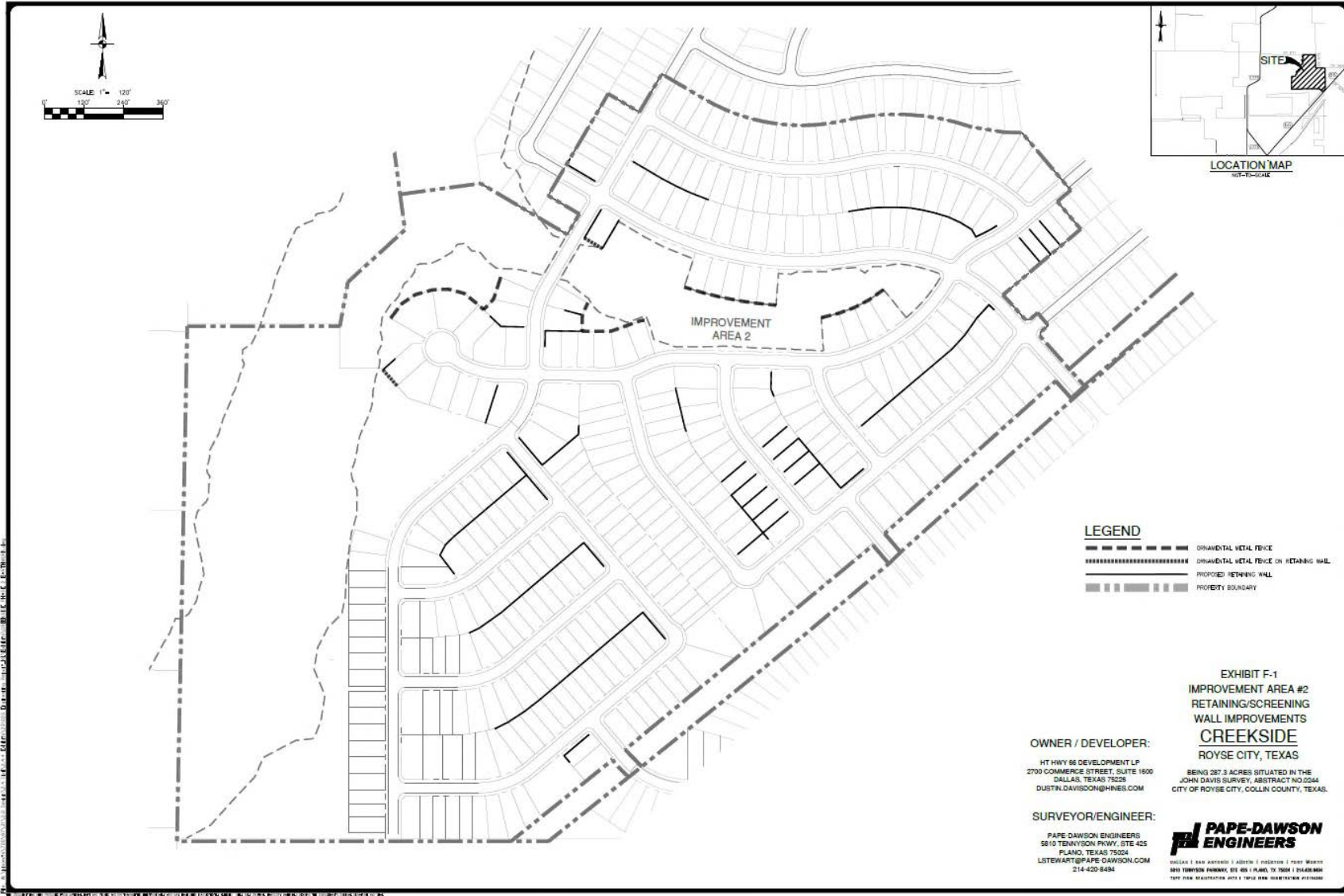












LEGEND

- ORNAMENTAL METAL FENCE
- ORNAMENTAL METAL FENCE ON RETAINING WALL
- PROPOSED RETAINING WALL
- PROPERTY BOUNDARY

EXHIBIT F-1
IMPROVEMENT AREA #2
RETAINING/SCREENING
WALL IMPROVEMENTS
CREEKSIDE
ROYSE CITY, TEXAS

OWNER / DEVELOPER:
 HT HWY 66 DEVELOPMENT LP
 2700 COMMERCE STREET, SUITE 1600
 DALLAS, TEXAS 75225
 DUSTIN.DAVISON@HNES.COM

SURVEYOR/ENGINEER:
 PAPE DAWSON ENGINEERS
 5810 TEANAVISON PRIVY, STE 405
 PLANO, TEXAS 75024
 LISTEWART@PAPE-DAWSON.COM
 214-420-6436

PAPE-DAWSON ENGINEERS
 DALLAS | SAN ANTONIO | AUSTIN | FORT WORTH
 800 TIMBER PARKWAY, STE 500 PLANO, TX 75075 | 214.420.6436
 100% FIRM REGISTRATION AND 100% FIRM REGISTRATION AFFIDAVIT

EXHIBIT I – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Collin County Clerk's Office
Honorable [County Clerk]
2300 Bloomdale Rd #2106
McKinney, TX 75071

Re: City of Royse City Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Royse City is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Royse City
Attn: City Secretary
PO Box 638
305 N. Arch Street
Royse City, TX 75189

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

WHEREAS, the [2020/2024] Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

[legal description], an addition to the City of [City], [County], Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Collin County, Texas (the "Property");

and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF ROYSE CITY, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of Royse City, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT J-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

\$7,485,000

City of Royse City, Texas
 Special Assessment Revenue Bonds, Series 2020
 (Creekside Public Improvement District Improvement Area #1 Project)

Current Outstanding Debt Service

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/15/2024	160,000.00	2.625%	138,553.13	298,553.13	-
09/30/2024	-	-	-	-	298,553.13
03/15/2025	-	-	136,453.13	136,453.13	-
09/15/2025	165,000.00	2.625%	136,453.13	301,453.13	-
09/30/2025	-	-	-	-	437,906.26
03/15/2026	-	-	134,287.50	134,287.50	-
09/15/2026	170,000.00	3.375%	134,287.50	304,287.50	-
09/30/2026	-	-	-	-	436,575.00
03/15/2027	-	-	131,418.75	131,418.75	-
09/15/2027	175,000.00	3.375%	131,418.75	306,418.75	-
09/30/2027	-	-	-	-	437,837.50
03/15/2028	-	-	128,465.63	128,465.63	-
09/15/2028	180,000.00	3.375%	128,465.63	306,465.63	-
09/30/2028	-	-	-	-	436,931.26
03/15/2029	-	-	125,428.13	125,428.13	-
09/15/2029	185,000.00	3.375%	125,428.13	310,428.13	-
09/30/2029	-	-	-	-	435,856.26
03/15/2030	-	-	122,306.25	122,306.25	-
09/15/2030	195,000.00	3.375%	122,306.25	317,306.25	-
09/30/2030	-	-	-	-	439,612.50
03/15/2031	-	-	119,015.63	119,015.63	-
09/15/2031	200,000.00	3.875%	119,015.63	319,015.63	-
09/30/2031	-	-	-	-	438,031.26
03/15/2032	-	-	115,140.63	115,140.63	-
09/15/2032	210,000.00	3.875%	115,140.63	325,140.63	-
09/30/2032	-	-	-	-	440,281.26
03/15/2033	-	-	111,071.88	111,071.88	-
09/15/2033	215,000.00	3.875%	111,071.88	326,071.88	-
09/30/2033	-	-	-	-	437,143.76
03/15/2034	-	-	106,906.25	106,906.25	-
09/15/2034	225,000.00	3.875%	106,906.25	331,906.25	-
09/30/2034	-	-	-	-	438,812.50
03/15/2035	-	-	102,546.88	102,546.88	-
09/15/2035	235,000.00	3.875%	102,546.88	337,546.88	-
09/30/2035	-	-	-	-	440,093.76
03/15/2036	-	-	97,993.75	97,993.75	-
09/15/2036	240,000.00	3.875%	97,993.75	337,993.75	-
09/30/2036	-	-	-	-	435,987.50
03/15/2037	-	-	93,343.75	93,343.75	-
09/15/2037	250,000.00	3.875%	93,343.75	343,343.75	-
09/30/2037	-	-	-	-	436,687.50
03/15/2038	-	-	88,500.00	88,500.00	-
09/15/2038	260,000.00	3.875%	88,500.00	348,500.00	-

\$7,485,000

City of Royse City, Texas

Special Assessment Revenue Bonds, Series 2020

(Creekside Public Improvement District Improvement Area #1 Project)

Current Outstanding Debt Service

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2038	-	-	-	-	437,000.00
03/15/2039	-	-	83,462.50	83,462.50	-
09/15/2039	270,000.00	3.875%	83,462.50	353,462.50	-
09/30/2039	-	-	-	-	436,925.00
03/15/2040	-	-	78,231.25	78,231.25	-
09/15/2040	280,000.00	3.875%	78,231.25	358,231.25	-
09/30/2040	-	-	-	-	436,462.50
03/15/2041	-	-	72,806.25	72,806.25	-
09/15/2041	295,000.00	4.125%	72,806.25	367,806.25	-
09/30/2041	-	-	-	-	440,612.50
03/15/2042	-	-	66,721.88	66,721.88	-
09/15/2042	305,000.00	4.125%	66,721.88	371,721.88	-
09/30/2042	-	-	-	-	438,443.76
03/15/2043	-	-	60,431.25	60,431.25	-
09/15/2043	320,000.00	4.125%	60,431.25	380,431.25	-
09/30/2043	-	-	-	-	440,862.50
03/15/2044	-	-	53,831.25	53,831.25	-
09/15/2044	330,000.00	4.125%	53,831.25	383,831.25	-
09/30/2044	-	-	-	-	437,662.50
03/15/2045	-	-	47,025.00	47,025.00	-
09/15/2045	345,000.00	4.125%	47,025.00	392,025.00	-
09/30/2045	-	-	-	-	439,050.00
03/15/2046	-	-	39,909.38	39,909.38	-
09/15/2046	360,000.00	4.125%	39,909.38	399,909.38	-
09/30/2046	-	-	-	-	439,818.76
03/15/2047	-	-	32,484.38	32,484.38	-
09/15/2047	375,000.00	4.125%	32,484.38	407,484.38	-
09/30/2047	-	-	-	-	439,968.76
03/15/2048	-	-	24,750.00	24,750.00	-
09/15/2048	395,000.00	4.125%	24,750.00	419,750.00	-
09/30/2048	-	-	-	-	444,500.00
03/15/2049	-	-	16,603.13	16,603.13	-
09/15/2049	410,000.00	4.125%	16,603.13	426,603.13	-
09/30/2049	-	-	-	-	443,206.26
03/15/2050	-	-	8,146.88	8,146.88	-
09/15/2050	395,000.00	4.125%	8,146.88	403,146.88	-
09/30/2050	-	-	-	-	411,293.76
Total	\$7,145,000.00	-	\$4,533,115.75	\$11,678,115.75	-

EXHIBIT J-2 – DEBT SERVICE SCHEDULES FOR IMPROVEMENT AREA #2-B BONDS

[To be updated at bond pricing.]

EXHIBIT K-1 – DISTRICT LEGAL DESCRIPTION

Legal Description of the Property

(approx. 287.3 acres)

BEING a tract of land situated in the John Davis Survey, Abstract No. 244, Collin County, Texas, and being all of a tract of land described in Special Warranty Deed to Criswell College, a Texas non-profit corporation, recorded in Instrument Number 20080122000077430 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and also being all of a tract of land described in Special Warranty Deed to Richard Donaho and Sandra Davis Donaho, recorded in Volume 4847, Page 2543 of the Deed Records of Collin County, Texas (D.R.C.C.T.), and being more particularly described by metes and bounds as follows;

BEGINNING at a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument) for the southeast corner of said Richard Donaho and Sandra Davis Donaho tract and the east most southwest corner of said Criswell College tract, said point also being in the north line of a tract of land described in a Warranty Deed to Sandra Davis Donaho, recorded in Volume 3936, Page 1409 of the D.R.C.C.T.;

THENCE, South 89 degrees 46 minutes 02 seconds West, along the south line of said Richard Donaho and Sandra Davis Donaho tract and the north line of said Sandra Davis Donaho tract, a distance of 462.35 feet to a found 1/2-inch iron rod (controlling monument) and being the northeast corner of a tract of land described in a Special Warranty Deed to Daphne Fikes, et al. described as Tract 1, recorded in Instrument No. 20170216000209060, O.P.R.C.C.T.;

THENCE, South 89 degrees 53 minutes 30 seconds West, continuing along the south line of said Richard Donaho and Sandra Davis Donaho tract and the north line of said Tract 1, a distance of 2,038.01 feet to a found 1/2-inch iron rod (controlling monument) for the southwest corner of said Richard Donaho and Sandra Davis Donaho tract and the northwest corner of said Tract 1, said point also being a point in the east line of a tract of land described in Correction General Warranty Deed to JCMJ Service 1, LLC, described as Parcel 2, recorded in Instrument Number 2018103001350630 of the O.P.R.C.C.T.;

THENCE, North 01 degree 02 minutes 36 seconds East, along the east line of said Parcel 2 and JCMJ Service 1, LLC tracts, described as Parcels 3 and 4 (Instrument No. 20181030001350630, O.P.R.C.C.T.) and the west line of said Richard Donaho and Sandra Davis Donaho tract, a distance of 1,568.06 feet to a found 1/2-inch iron rod with a yellow cap stamped "RSCI RPLS 5034" (controlling monument) for the northwest corner of said Richard Donaho and Sandra Davis Donaho tract and the northeast corner of said parcel 4 of said JCMJ Service 1, LLC tract, and being the southwest corner of a tract of land described in a Warranty Deed with Vendor's Lien to Curt Houseworth and Karla D. Houseworth, recorded in Instrument 20151027001356270 of the O.P.R.C.C.T., said point also being the southeast corner of a tract of land described in a Trustee's Deed to Dr. Joshy Abraham, described as Parcel 6, recorded in Instrument Number 20170803001030890 of the O.P.R.C.C.T.;

THENCE, North 89 degrees 51 minutes 33 seconds East, along the north line of said Richard Donaho and Sandra Davis Donaho tract and the south line of said Curt Houseworth and Karla D. Houseworth tract, passing at a distance of 404.32 feet, the center of Sabine Creek branch, in all, a total distance of 464.66 to a found 1/2-inch iron rod with yellow cap stamped "CCG INC RPLS 5129" (controlling monument), said point also being the southeast corner of said Curt Houseworth and Karla D. Houseworth and the most westerly southwest corner of said Criswell College tract;

THENCE, along the meanders of said Sabine Creek branch, the following bearings and distances;

- North 10 degrees 13 minutes 42 seconds East, a distance of 137.17 feet;
- North 47 degrees 29 minutes 15 seconds East, a distance of 235.24 feet;
- North 07 degrees 48 minutes 39 seconds West, a distance of 347.73 feet;
- South 81 degrees 49 minutes 35 seconds East, a distance of 133.70 feet;
- North 24 degrees 02 minutes 02 seconds East, a distance of 234.52 feet;
- North 59 degrees 04 minutes 19 seconds East, a distance of 279.97 feet;
- North 06 degrees 26 minutes 08 seconds East, a distance of 433.96 feet;
- North 55 degrees 37 minutes 34 seconds East, a distance of 210.10 feet;
- South 56 degrees 04 minutes 07 seconds East, a distance of 67.15 feet;
- North 09 degrees 48 minutes 25 seconds East, a distance of 216.40 feet;
- North 29 degrees 27 minutes 17 seconds West, a distance of 142.74 feet;
- North 43 degrees 12 minutes 24 seconds West, a distance of 77.48 feet;
- North 02 degrees 18 minutes 44 seconds West, a distance of 91.45 feet;
- North 44 degrees 06 minutes 10 seconds West, a distance of 77.55 feet;
- South 85 degrees 36 minutes 20 seconds East, a distance of 149.28 feet;
- North 09 degrees 00 minutes 42 seconds East, a distance of 104.26 feet;
- North 35 degrees 28 minutes 22 seconds East, a distance of 113.48 feet;
- North 42 degrees 13 minutes 17 seconds West, a distance of 110.18 feet;
- North 00 degrees 25 minutes 00 seconds East, a distance of 73.91 feet;
- South 82 degrees 08 minutes 41 seconds West, a distance of 58.19 feet;
- North 23 degrees 42 minutes 44 seconds East, a distance of 142.21 feet;

South 77 degrees 34 minutes 27 seconds East, a distance of 28.05 feet;

North 10 degrees 24 minutes 27 seconds West, a distance of 150.29 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON", said point being in the center of County Road 677 and being the northwest corner of said Criswell College tract;

THENCE, South 89 degrees 19 minutes 20 seconds East, along the centerline of said County Road 677 and the north line of said Criswell College tract, a distance of 1,545.23 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" in the center of the intersection of said County Road 677 and County Road 678, said point also being the northeast corner of said Criswell College tract, from which a found 60d nail bears South 64 degrees 49 minutes 55 seconds West - 9.39 feet;

THENCE, South 00 degrees 27 minutes 46 seconds East, along the centerline of said County Road 678 and the most northerly east line of said Criswell College tract, a distance of 1,600.06 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" in the center of County Road 678, and being an inner ell corner of said Criswell College tract, from which a found 5/8-inch iron rod bears South 66 degrees 42 minutes 03 seconds West - 13.24 feet;

THENCE, South 89 degrees 27 minutes 31 seconds East, along the centerline of said County Road 678, a distance of 1,096.27 feet, to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" for the most easterly northeast corner of said Criswell College tract, from which a found 1/2-inch iron rod bears South 00 degrees 59 minutes 29 seconds West - 19.43 feet;

THENCE, South 00 degrees 59 minutes 29 seconds East, departing the centerline of said County Road 678 and along the east line of said Criswell College tract, a distance of 2,632.01 feet to a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument) for the southeast corner of said Criswell College tract and on the northwesterly right-of-way line of State Highway 66;

THENCE, South 43 degrees 09 minutes 45 seconds West, along the northwesterly right-of-way line of said State Highway 66 and the southerly line of said Criswell College tract, a distance of 368.36 feet to a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument), for an angle point in the southerly line of said Criswell College tract;

THENCE, North 54 degrees 25 minutes 52 seconds West, departing the northwesterly line of said State Highway 66 and continuing along the southerly line of said Criswell College tract, a distance of 576.56 feet to a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument), said point being an angle point on the southerly line of said Criswell College tract and on the north line of said Sandra Davis Donaho tract;

THENCE, South 89 degrees 44 minutes 05 seconds West, along the north line of said Sandra Davis Donaho tract and the south line of said Criswell College tract, a distance of 881.26 feet to the **POINT OF BEGINNING**, and **CONTAINING** 287.3 Acres or 12,515,574 Square Feet of land more or less, and being described in accordance with a survey made on ground and accompanied by an exhibit or survey map prepared under job number 70097-00 by Pape Dawson Engineers, Inc.

EXHIBIT K-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION



CREEKSIDE IMPROVEMENT AREA #1 METES AND BOUNDS DESCRIPTION

BEING a tract of land situated in the John Davis Survey, Abstract No. 244, Collin County, Texas, and being a portion of a tract of land described in a General Warranty Deed to HT Hwy 66 Development LP, recorded in Instrument Number 20191108001420620 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and also being a portion of a tract of land described in a General Warranty Deed to HT Hwy 66 Development LP, recorded in Instrument Number 20191108001420630 of the O.P.R.C.C.T. and being more particularly described by metes and bounds as follows:

BEGINNING at a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument) for the southeast corner of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420620) and the east most southwest corner of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630), said point also being in the north line of a tract of land described in a Warranty Deed to Sandra Davis Donaho, recorded in Volume 3936, Page 1409 of the Deed Records of Collin County, Texas (D.R.C.C.T.);

THENCE, South 89 degrees 46 minutes 02 seconds West, along the south line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420620) and the north line of said Sandra Davis Donaho tract, a distance of 462.35 feet to a found 1/2-inch iron rod (controlling monument) and being the northeast corner of a tract of land described in a Special Warranty Deed to Daphne Fikes, et al. described as Tract 1, recorded in Instrument No. 20170216000209060 of the O.P.R.C.C.T.;

THENCE, South 89 degrees 53 minutes 30 seconds West, continuing along the south line of said HT Hwy 66 Development LP tract and the north line of said Tract 1, a distance of 905.85 feet;

THENCE, departing the south line of said HT Hwy 66 Development LP tract and the north line of said Tract 1, over and across said HT Hwy 66 Development LP tract (Instrument Number 20191108001420620) and HT Hwy 66 Development LP tract (Instrument Number 20191108001420630), the following courses and distances;

North 49 degrees 38 minutes 07 seconds East, a distance of 2,947.72 feet to the beginning of a non-tangent curve to the left, having a radius of 1,140.00 feet, a central angle of 38 degrees 57 minutes 34 seconds, subtended by a 760.32-foot chord which bears South 66 degrees 12 minutes 21 seconds East;

TBPE Firm Registration #470 | TBPLS Firm Registration #10194350
Dallas | San Antonio | Austin | Houston | Fort Worth
Transportation | Water Resources | Land Development | Surveying | Environmental
5810 Tennyson Pkwy., Suite 425, Plano, TX 75024 T: 214.420.8494 www.Pape-Dawson.com

Along said curve to the left, an arc distance of 775.16 feet to a point on the east line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630);

THENCE, South 00 degrees 59 minutes 29 seconds East, along the east line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630), a distance of 1,661.61 feet to a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument) for the southeast corner of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630), same being a point on the northwesterly right-of-way line of State Highway 66;

THENCE, South 43 degrees 09 minutes 45 seconds West, along the northwesterly right-of-way line of said State Highway 66 and the southerly line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630), a distance of 368.36 feet to a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument), for an angle point in the southerly line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630);

THENCE, North 54 degrees 25 minutes 52 seconds West, departing the northwesterly line of said State Highway 66 and continuing along the southerly line of said HT Hwy 66 Development LP tract, a distance of 576.56 feet to a found 1/2-inch iron rod with yellow cap stamped "RSCI RPLS 5034" (controlling monument), said point being an angle point on the southerly line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630) and on the north line of said Sandra Davis Donaho tract;

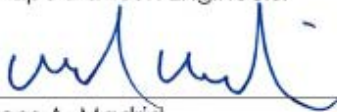
THENCE, South 89 degrees 44 minutes 05 seconds West, along the north line of said Sandra Davis Donaho tract and the south line of said HT Hwy 66 Development LP tract (Instrument Number 20191108001420630), a distance of 881.26 feet to the **POINT OF BEGINNING**, and **CONTAINING** 79.68 Acres or 3,471,044 Square Feet of land more or less, and being described in accordance with a survey made on ground and accompanied by an exhibit or survey map prepared under job number 70097-11 by Pape Dawson Engineers, Inc.

Bearings are based on the Texas State Plane Coordinate System, North Central Zone (4202) North American Datum 1983 (NA2011) epoch 2010.00.



This document was prepared under 22 TAC §663.21, it does not reflect the results of an on the ground survey and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

For Pape Dawson Engineers:



Marcos A. Madrid
Registered Professional Land Surveyor
Texas Registration No. 6740
Firm Registration No. 10194390
Pape Dawson Engineers
5810 Tennyson Parkway, Suite 425
Plano, Texas 75024
Tele. 214-420-8494
Email: mmadrid@pape-dawson.com



Certification Date: March 5, 2020



APPENDIX A – ENGINEER’S REPORT

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October 27, 2023

Re: Engineer's Report
Creekside Development
City of Roysse City, Texas

Introduction:

Creekside is a proposed single-family development encompassing approximately 287.3 contiguous acres and is anticipated to include approximately 1,112 single-family homes. The development is located northwest of the intersection of SH 66 and FM 2642 and immediately southwest of the intersection of CR 677 and CR 678 in Roysse City, Texas, as depicted in Exhibit A-1. This Engineer's Report includes documents requested by the City of Roysse City for the formation of the PID and issuance of bonds by the City. Bonds are anticipated to be used to finance public infrastructure projects vital to development within the PID.

Development Costs:

A table of projected costs has been prepared for Improvement Area #2 Off-Site/On-Site and Major/Private infrastructure and is included in Exhibit B.

Development Improvements:

Development improvements have been separated into Improvement Area #2 Improvements and Major Improvements. Improvement Area #2 Improvements will be included in the PID.

Improvement Area #2 Improvements are depicted in Exhibit F-1. Major Improvements are depicted in Exhibit F-2.

Development Schedule:

Design Stage

The Development Agreement, Master Plat for the entire development, and Preliminary Plats for Improvement Area #2 have been approved by the City of Roysse City.

Construction Stage

The second phase of Creekside Direct and Master Improvements has started with final acceptance in April 2024.

Sincerely,



Lance Stewart, P.E.
Senior Project Manager

CREEKSIDE PHASE 2

Opinion of Probable Cost
10/27/2023



Prepared By:
Pape-Dawson Engineers, Inc.
5810 Tennyson Parkway, Suite 425
Plano, Texas 75024
214-420-8494

SUMMARY

DIVISION	PID	PRIVATE	TOTAL
A. ONSITE EARTHWORK	\$ -	\$ 2,643,099	\$ 2,643,099
B. ONSITE PAVING	\$ 928,951	\$ 3,614,757	\$ 4,543,708
C. ONSITE WATER	\$ 1,744,424	\$ -	\$ 1,744,424
D. ONSITE SANITARY SEWER	\$ 2,248,947	\$ -	\$ 2,248,947
E. ONSITE DRAINAGE	\$ 2,377,152	\$ -	\$ 2,377,152
F. MISCELLANEOUS	\$ -	\$ 902,085	\$ 902,085
G. MAJOR SEWER IMPROVEMENTS	\$ -	\$ 3,630,439	\$ 3,630,439
H. AVENUE C PAVING IMPROVEMENTS		\$ 697,582	\$ 697,582
I. AVENUE C WATER IMPROVEMENTS		\$ 261,382	\$ 261,382
J. AVENUE C DRAINAGE IMPROVEMENTS	\$ -	\$ 246,516	\$ 246,516
SUB-TOTAL	\$ 7,299,474	\$ 11,995,859	\$ 19,295,333
CONTINGENCY (10%)	\$ 729,947	\$ 1,199,586	\$ 1,929,533
ENGINEERING AND SURVEY (10%)	\$ 729,947	\$ 1,199,586	\$ 1,929,533
INSPECTION AND TESTING (2%)	\$ 145,989	\$ 239,917	\$ 385,907
MOBILIZATION (1%)	\$ 72,995	\$ 119,959	\$ 192,953
TOTAL	\$ 8,978,353	\$ 14,754,907	\$ 23,733,260
COST PER LOT	\$ 25,009	\$ 41,100	\$ 66,109
COST PER ACRE	\$ 124,699	\$ 204,929	\$ 329,628.61

	100%	0%	
PID REIMBURSEMENT: \$	8,978,352.91	\$ -	\$ 8,978,352.91

Within the Improvement Area #2.

- Onsite Paving

Improvements including subgrade stabilization (includes lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each lot within the Improvement Area #2.

- Onsite Water

Improvements including trench excavation and embedment, trench safety, PVC piping, (gate valves, air release valves, irrigation meters, automatic flushing valves, fire hydrant assemblies), manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water service to all lots within Improvement Area #2.

- Onsite Sanitary Sewer

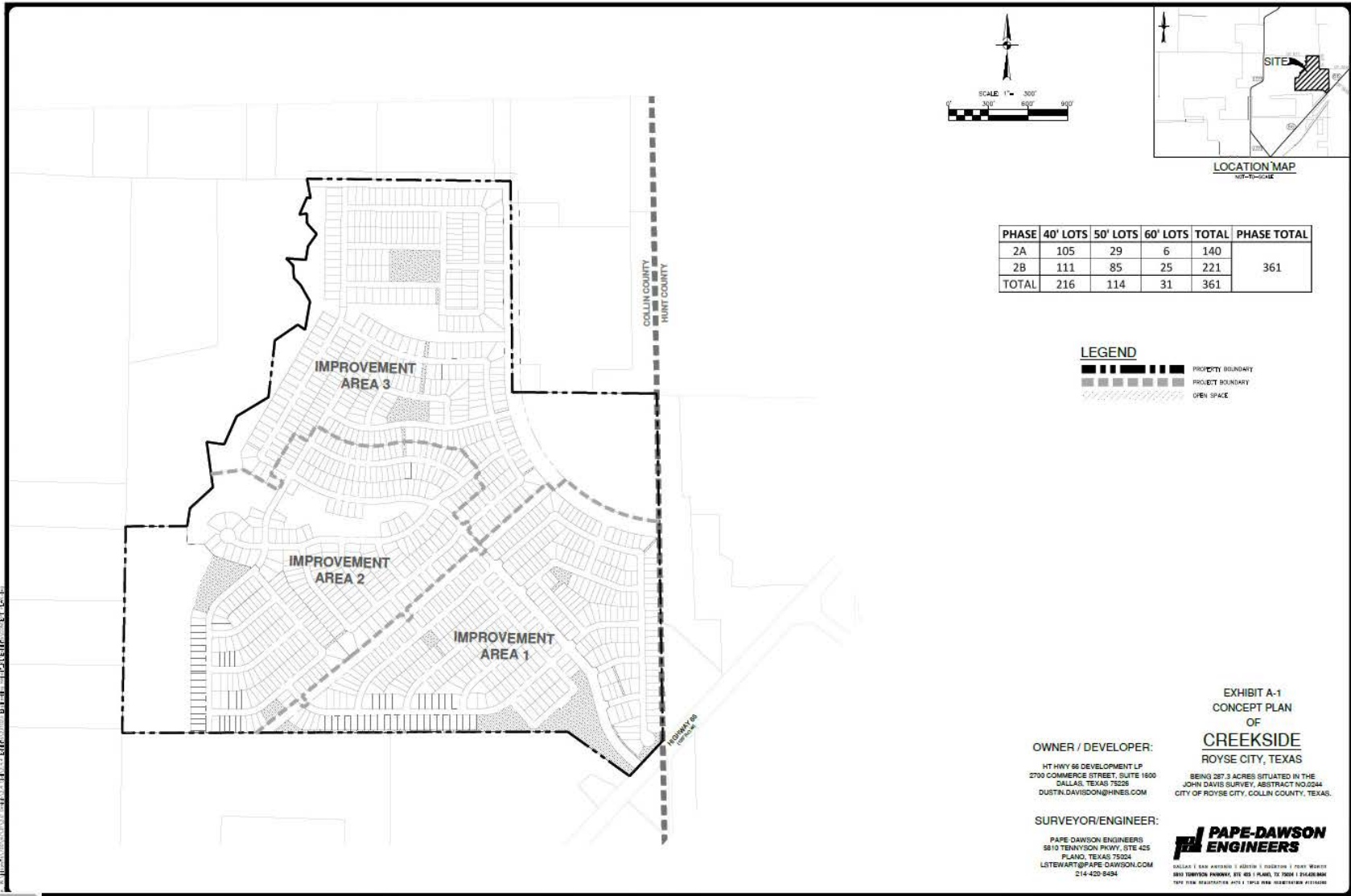
Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide wastewater service to all lots within Improvement Area #2.

- Onsite Drainage

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, (splitter structures and appurtenances, manholes), concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all lots in Improvement Area #2.

- Soft Costs

Improvements including Improvement Area #2's pro rata share of the costs incurred in the formation, establishment, administration and operation of the district; costs related to designing, constructing, and installing the authorized improvements including land planning and design, city fees, engineering, soil testing, survey, construction management, inspection, testing, and contingency.



**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
AMENDED & RESTATED SERVICE AND ASSESSMENT PLAN**

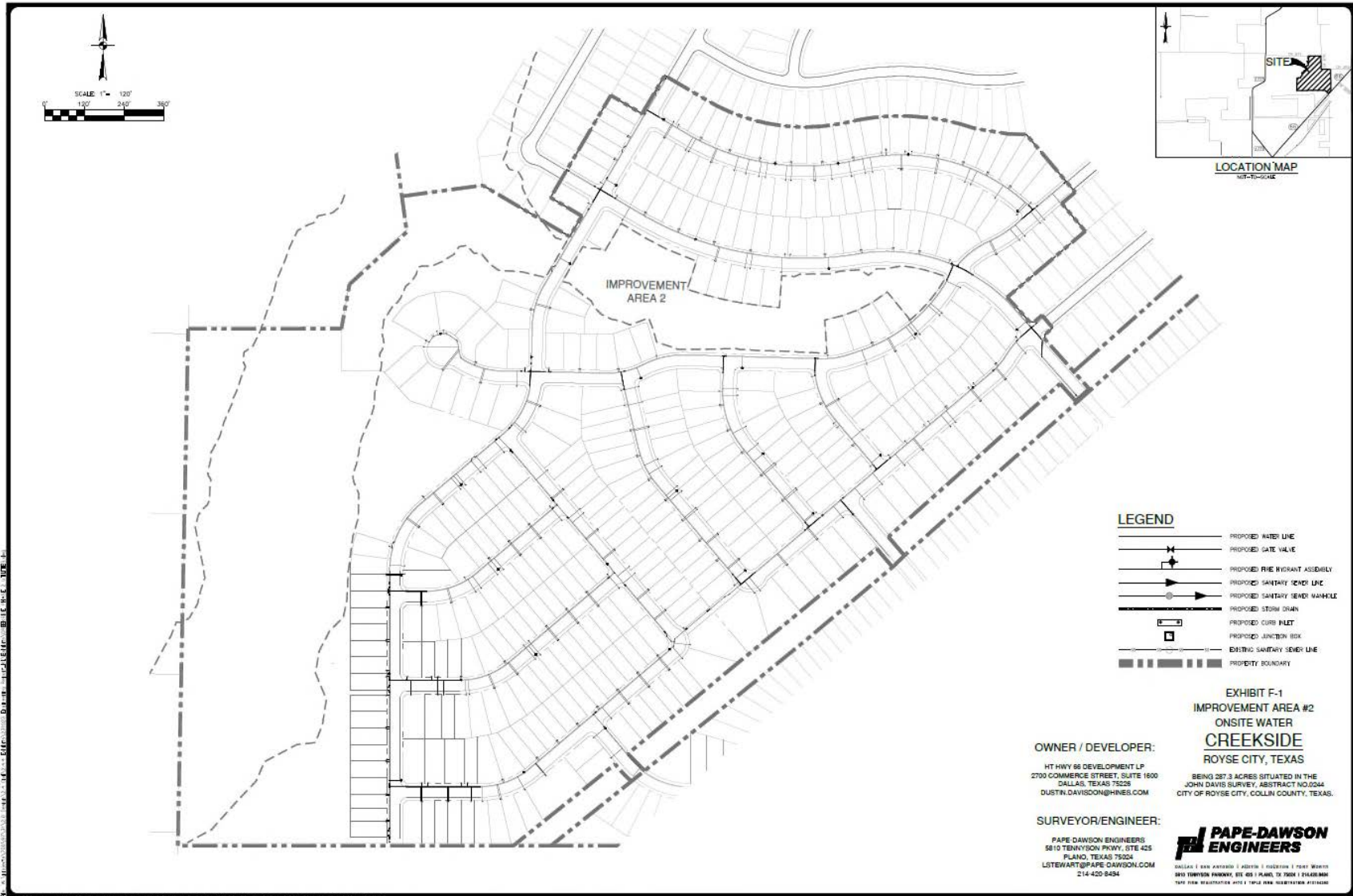
OWNER / DEVELOPER:
 HT HWY 66 DEVELOPMENT LP
 2700 COMMERCE STREET, SUITE 1600
 DALLAS, TEXAS 75226
 DUSTIN.DAVISON@HNES.COM

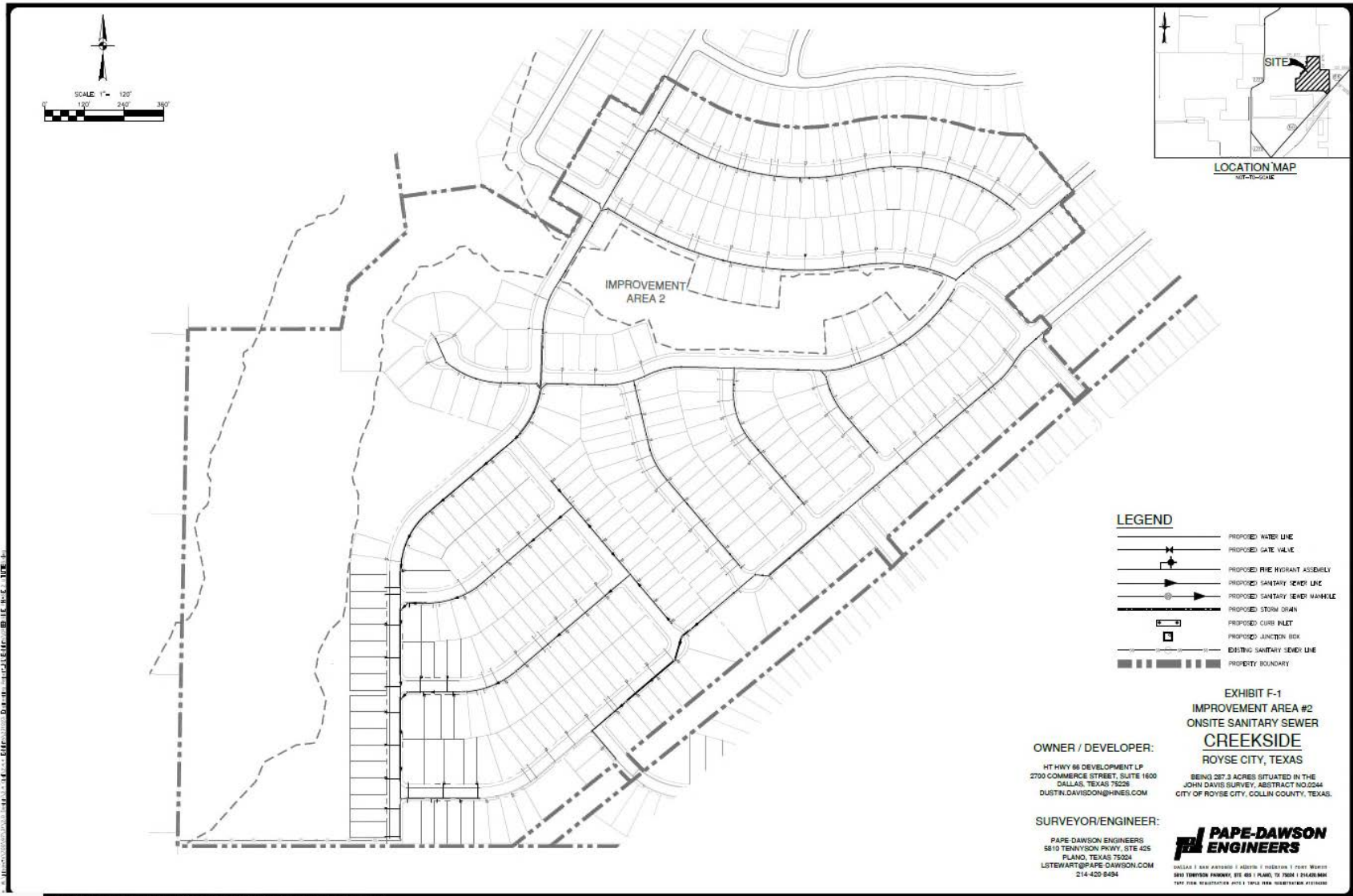
SURVEYOR/ENGINEER:
PAPE-DAWSON ENGINEERS
 5810 TENNYSON PKWY, STE 402
 PLANO, TEXAS 75024
 LITTEWART@PAPE-DAWSON.COM
 214-422-5404

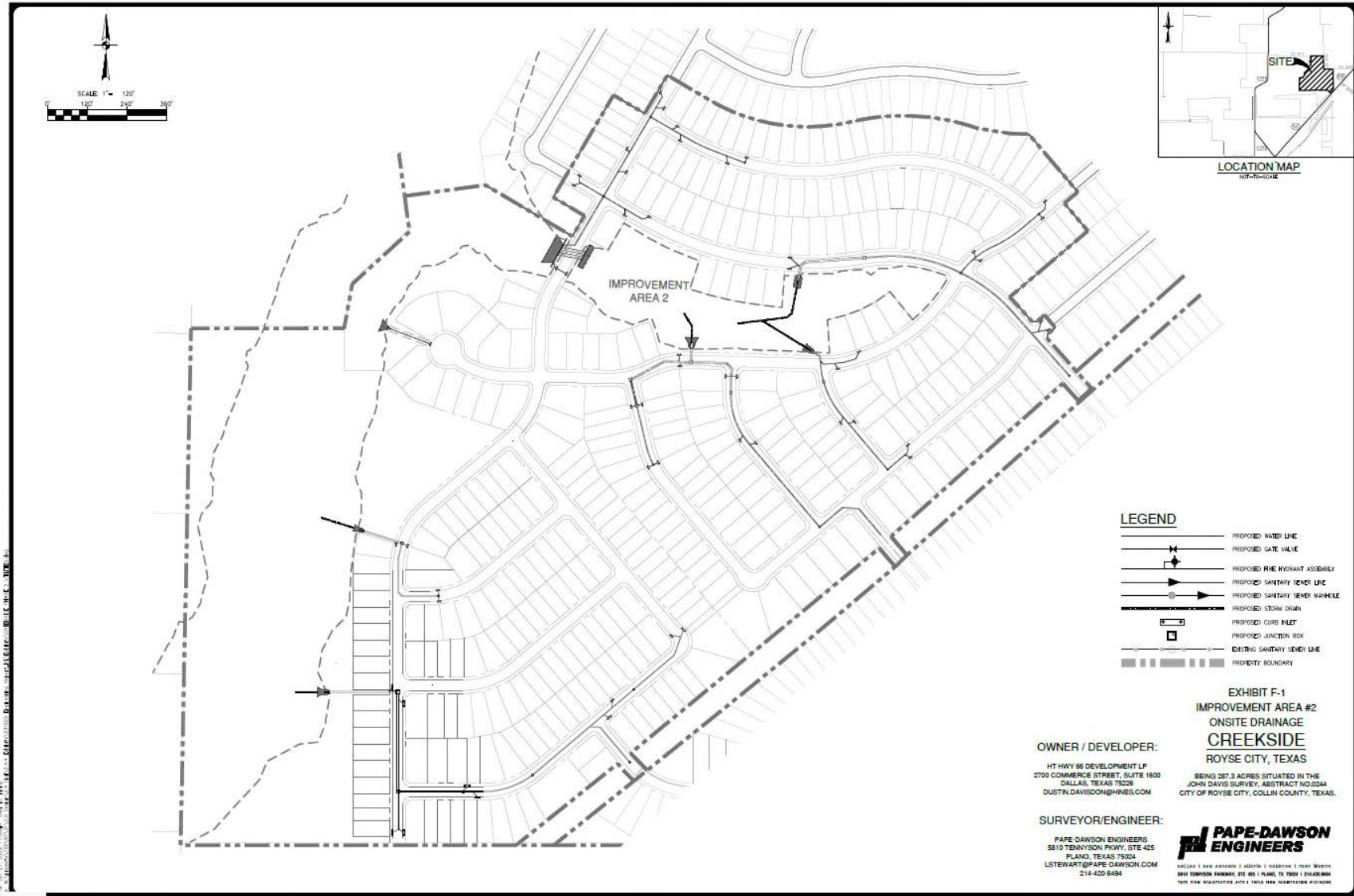
EXHIBIT A-1
 CONCEPT PLAN
 OF
CREEKSIDE
 ROYSE CITY, TEXAS

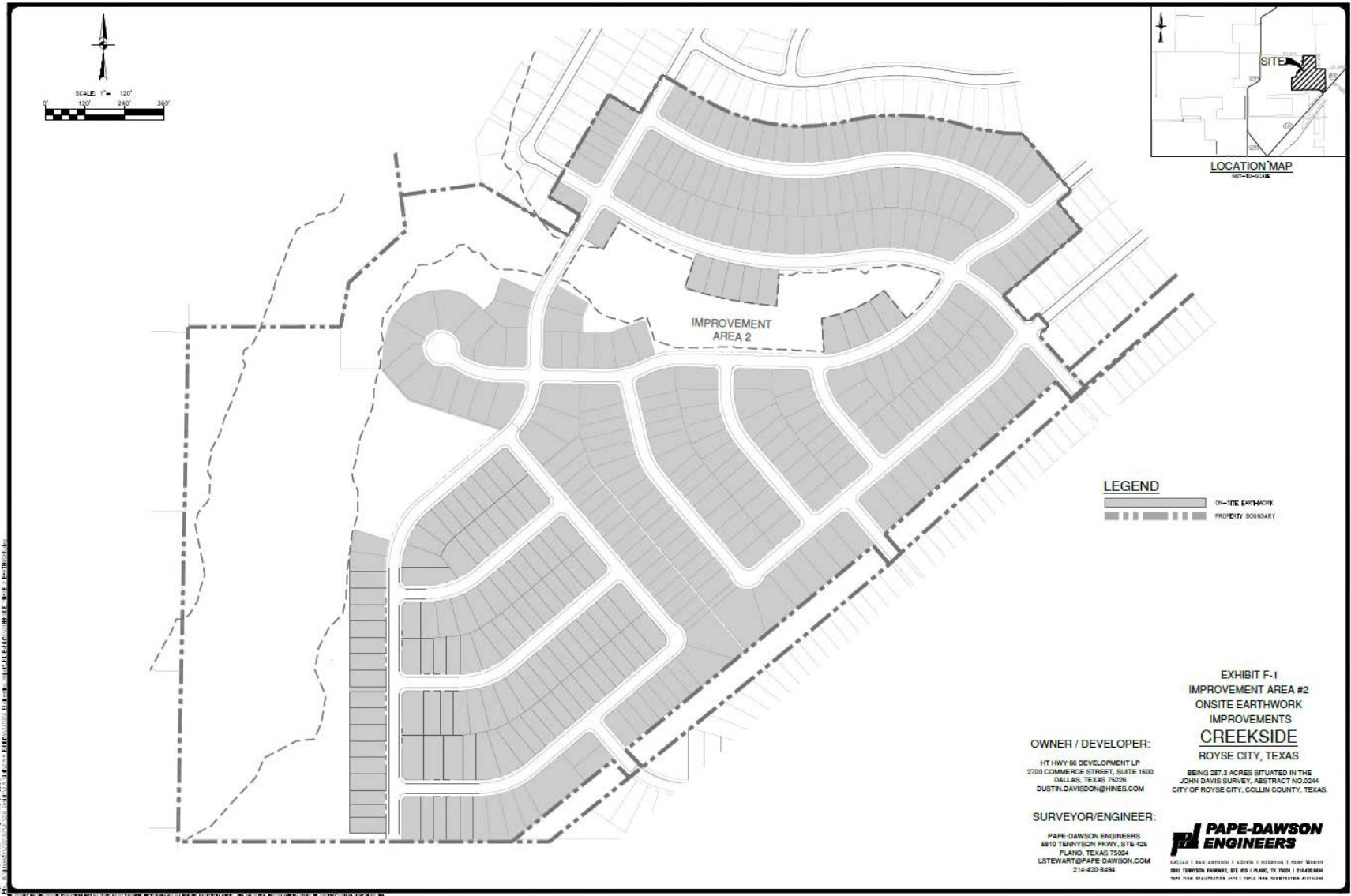
BEING 287.3 ACRES SITUATED IN THE
 JOHN DAVIS SURVEY, ABSTRACT NO. 2224
 CITY OF ROYSE CITY, COLLIN COUNTY, TEXAS.

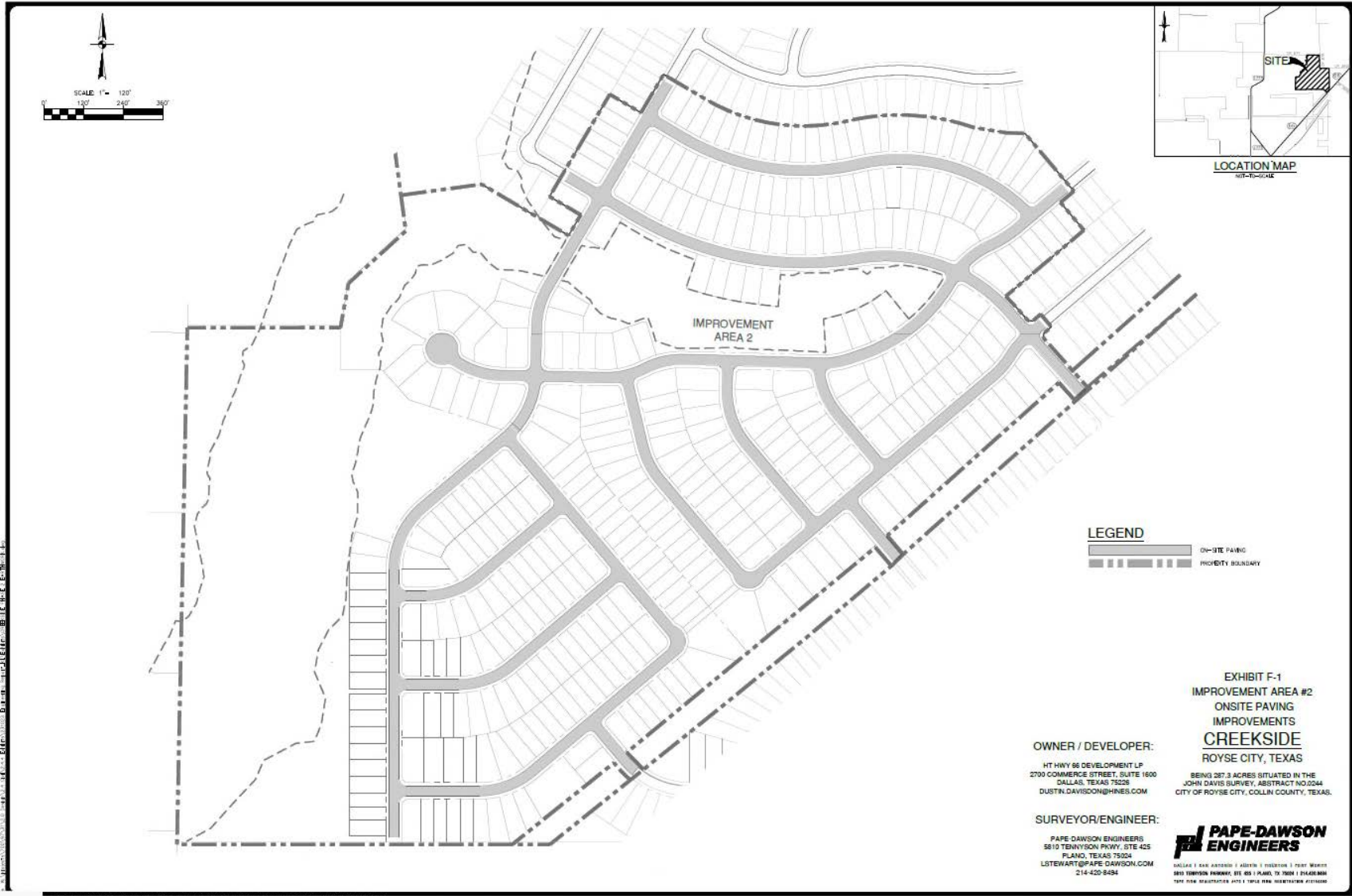
PAPE-DAWSON ENGINEERS
SULLIVAN & KAY ARCHITECTS & INTERIORS / FOSTY WOODS
 2800 TENNYSON PARKWAY, STE 402, PLANO, TX 75024
 2014 FIRM REGISTRATION NO. 1-10141 AND REGISTRATION #1121008

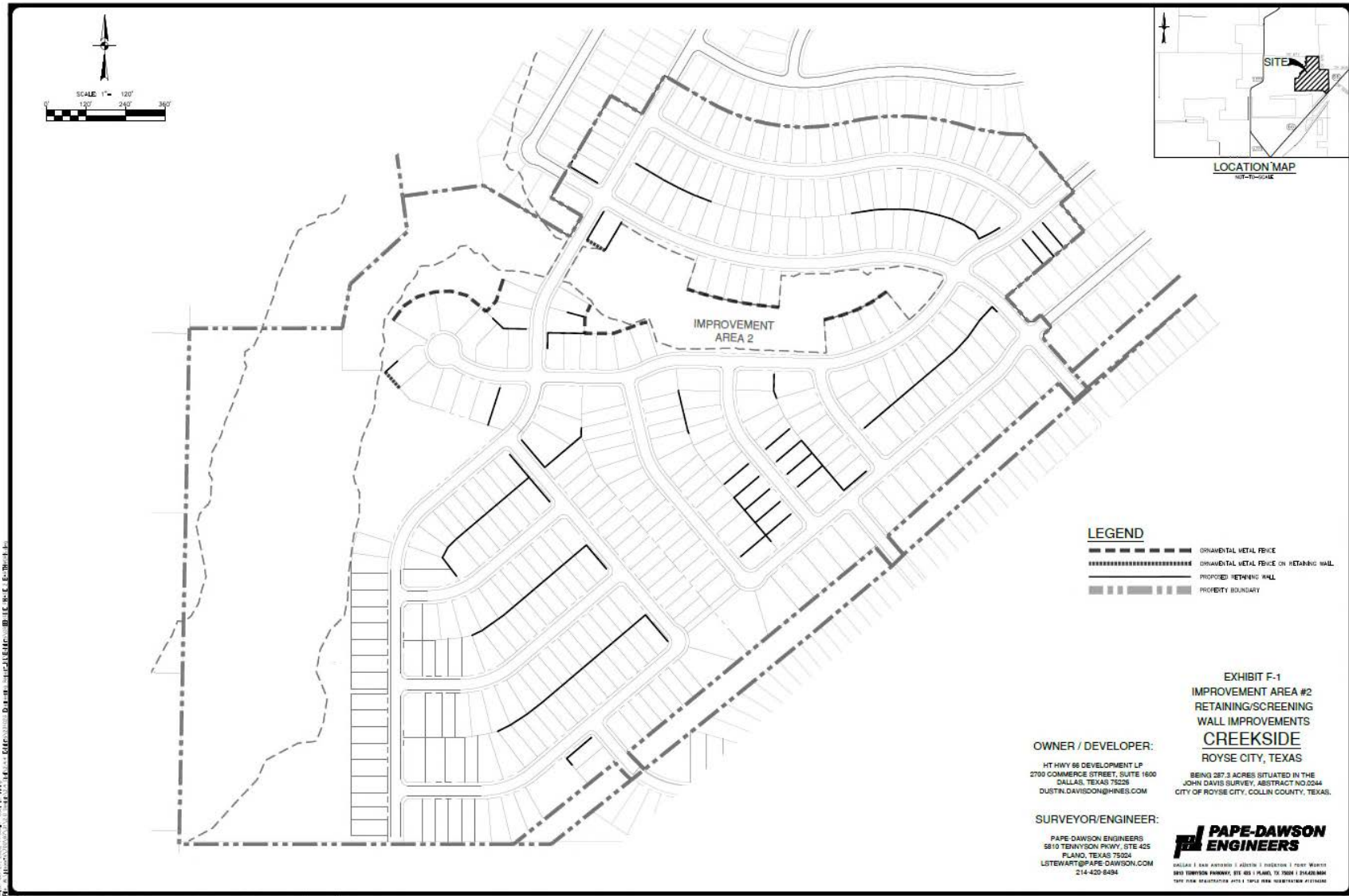












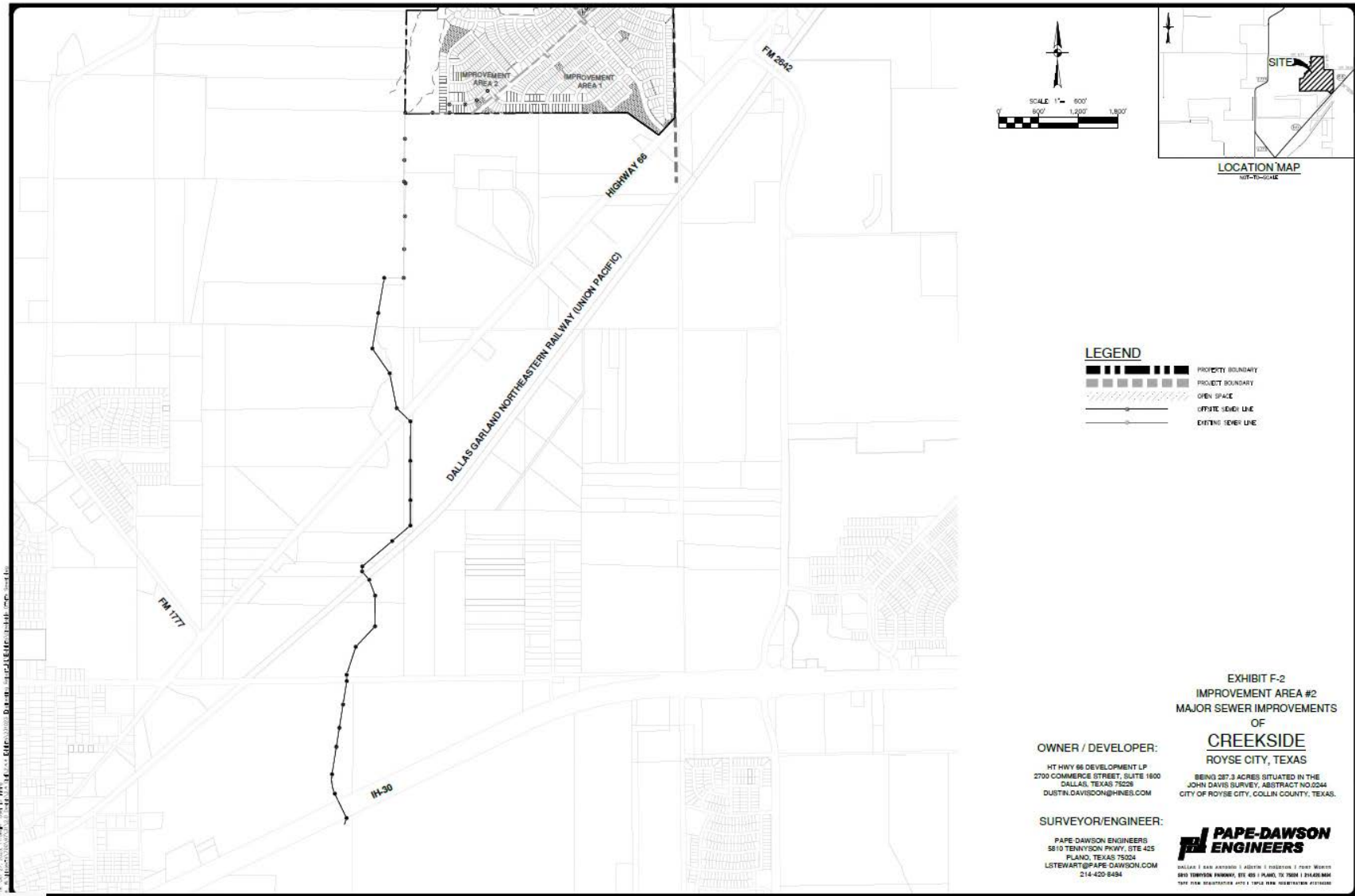


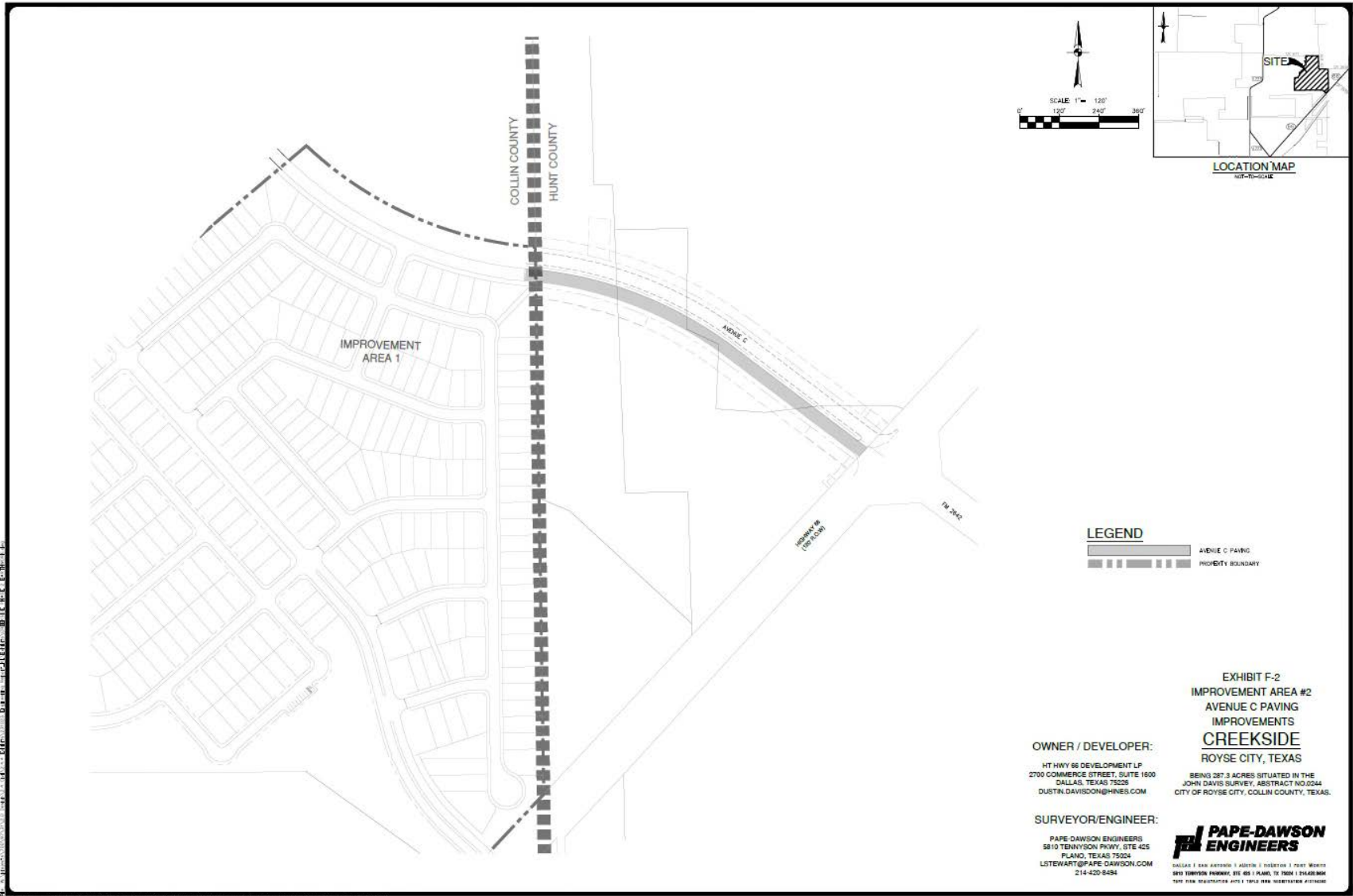
EXHIBIT F-2
 IMPROVEMENT AREA #2
 MAJOR SEWER IMPROVEMENTS
 OF
CREEKSIDE
 ROYSE CITY, TEXAS

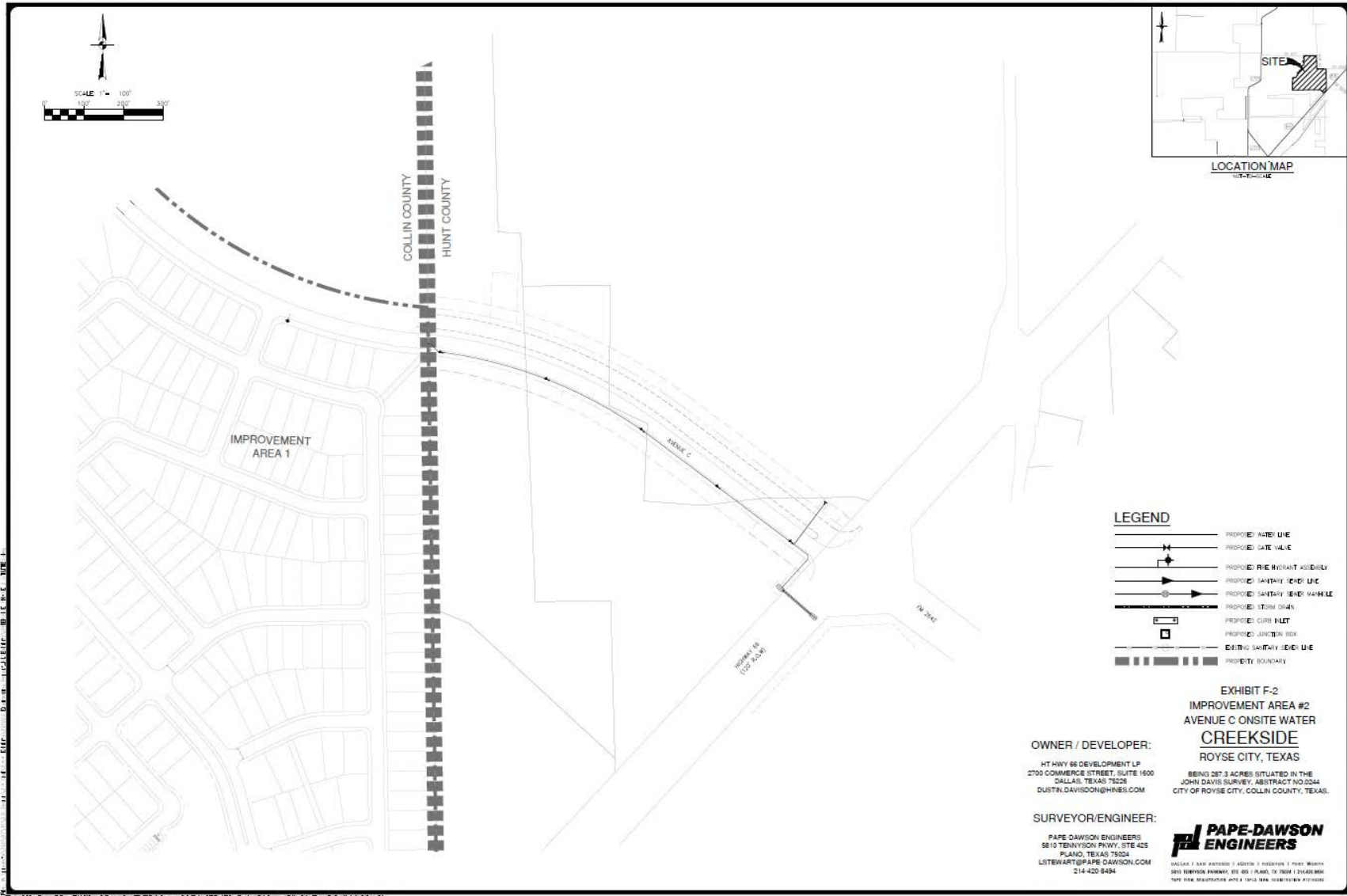
OWNER / DEVELOPER:
 HT HWY 66 DEVELOPMENT LP
 2700 COMMERCE STREET, SUITE 1600
 DALLAS, TEXAS 75228
 DUSTIN.DAVIDSON@HINES.COM

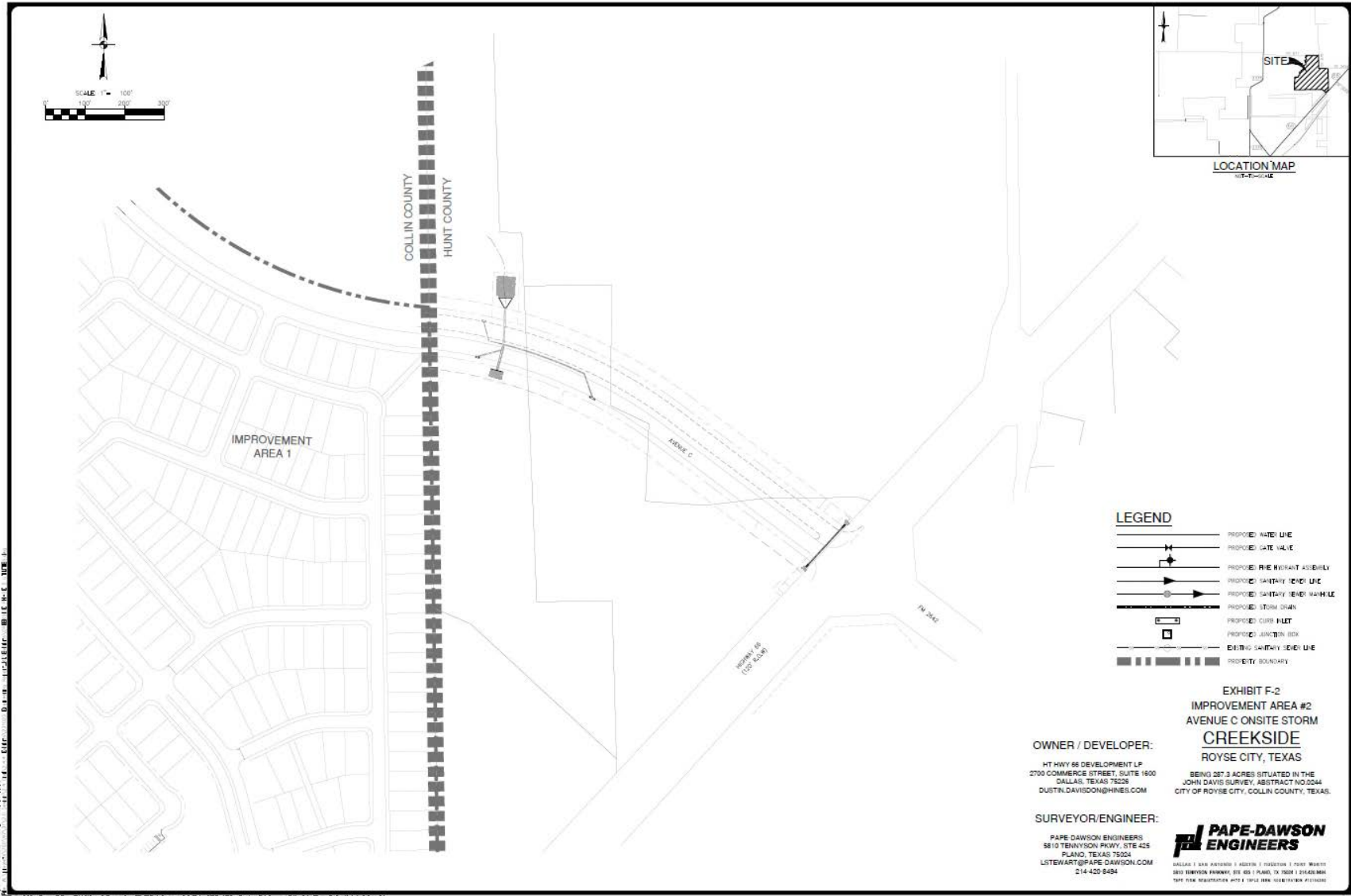
SURVEYOR/ENGINEER:
PAPE-DAWSON ENGINEERS
 5810 TENNYSON PKWY, STE 425
 PLANO, TEXAS 75024
 LSTEWART@PAPE-DAWSON.COM
 214-420-8494

BEING 287.3 ACRES SITUATED IN THE
 JOHN DAVIS SURVEY, ABSTRACT NO.0244
 CITY OF ROYSE CITY, COLLIN COUNTY, TEXAS.

DALLAS 1 646 2570000 | AUSTIN 1 787.628.1100 | HOUSTON 1 281.416.1100
 6905 TENNYSON PARKWAY, STE. 405 | PLANO, TX 75068 | 214.420.8494
 STATE PROFESSIONAL ENGINEERING LICENSE NO. 10436







APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Improvement Area #1

- Lot Type 1
- Lot Type 2
- Lot Type 2-3
- Lot Type 3

Improvement Area #2-B

- Initial Parcel
- Lot Type 4
- Lot Type 5
- Lot Type 6

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**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #1 - LOT
TYPE 1 BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$16,309.29

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 385.26	\$ 637.21	\$ 81.55	\$ 97.02	\$ 1,201.03
2026	\$ 396.93	\$ 627.10	\$ 79.62	\$ 98.96	\$ 1,202.61
2027	\$ 408.61	\$ 613.70	\$ 77.64	\$ 100.94	\$ 1,200.88
2028	\$ 420.28	\$ 599.91	\$ 75.59	\$ 102.96	\$ 1,198.74
2029	\$ 431.96	\$ 585.72	\$ 73.49	\$ 105.02	\$ 1,196.19
2030	\$ 455.31	\$ 571.15	\$ 71.33	\$ 107.12	\$ 1,204.90
2031	\$ 466.98	\$ 555.78	\$ 69.05	\$ 109.26	\$ 1,201.07
2032	\$ 490.33	\$ 537.68	\$ 66.72	\$ 111.44	\$ 1,206.18
2033	\$ 502.00	\$ 518.68	\$ 64.27	\$ 113.67	\$ 1,198.63
2034	\$ 525.35	\$ 499.23	\$ 61.76	\$ 115.95	\$ 1,202.29
2035	\$ 548.70	\$ 478.87	\$ 59.13	\$ 118.26	\$ 1,204.97
2036	\$ 560.38	\$ 457.61	\$ 56.39	\$ 120.63	\$ 1,195.01
2037	\$ 583.73	\$ 435.90	\$ 53.59	\$ 123.04	\$ 1,196.25
2038	\$ 607.07	\$ 413.28	\$ 50.67	\$ 125.50	\$ 1,196.52
2039	\$ 630.42	\$ 389.75	\$ 47.63	\$ 128.01	\$ 1,195.82
2040	\$ 653.77	\$ 365.32	\$ 44.48	\$ 130.57	\$ 1,194.15
2041	\$ 688.80	\$ 339.99	\$ 41.21	\$ 133.18	\$ 1,203.18
2042	\$ 712.14	\$ 311.58	\$ 37.77	\$ 135.85	\$ 1,197.34
2043	\$ 747.17	\$ 282.20	\$ 34.21	\$ 138.57	\$ 1,202.14
2044	\$ 770.52	\$ 251.38	\$ 30.47	\$ 141.34	\$ 1,193.71
2045	\$ 805.54	\$ 219.60	\$ 26.62	\$ 144.16	\$ 1,195.92
2046	\$ 840.56	\$ 186.37	\$ 22.59	\$ 147.05	\$ 1,196.57
2047	\$ 875.59	\$ 151.70	\$ 18.39	\$ 149.99	\$ 1,195.66
2048	\$ 922.29	\$ 115.58	\$ 14.01	\$ 152.99	\$ 1,204.86
2049	\$ 957.31	\$ 77.53	\$ 9.40	\$ 156.05	\$ 1,200.29
2050	\$ 922.29	\$ 38.04	\$ 4.61	\$ 159.17	\$ 1,124.11
Total	\$ 16,309.29	\$ 10,260.87	\$ 1,272.17	\$ 3,266.69	\$ 31,109.01

Footnotes:

[a] Interest rate on PID bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds with maturity dates of 9/15/2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #1 - LOT
TYPE 2 BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$19,631.55

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 463.74	\$ 767.01	\$ 98.16	\$ 116.78	\$ 1,445.69
2026	\$ 477.79	\$ 754.84	\$ 95.84	\$ 119.12	\$ 1,447.58
2027	\$ 491.84	\$ 738.71	\$ 93.45	\$ 121.50	\$ 1,445.50
2028	\$ 505.90	\$ 722.11	\$ 90.99	\$ 123.93	\$ 1,442.93
2029	\$ 519.95	\$ 705.04	\$ 88.46	\$ 126.41	\$ 1,439.86
2030	\$ 548.05	\$ 687.49	\$ 85.86	\$ 128.94	\$ 1,450.34
2031	\$ 562.11	\$ 668.99	\$ 83.12	\$ 131.51	\$ 1,445.74
2032	\$ 590.21	\$ 647.21	\$ 80.31	\$ 134.14	\$ 1,451.88
2033	\$ 604.26	\$ 624.34	\$ 77.36	\$ 136.83	\$ 1,442.79
2034	\$ 632.37	\$ 600.93	\$ 74.34	\$ 139.56	\$ 1,447.20
2035	\$ 660.47	\$ 576.42	\$ 71.18	\$ 142.36	\$ 1,450.43
2036	\$ 674.53	\$ 550.83	\$ 67.87	\$ 145.20	\$ 1,438.43
2037	\$ 702.63	\$ 524.69	\$ 64.50	\$ 148.11	\$ 1,439.93
2038	\$ 730.74	\$ 497.46	\$ 60.99	\$ 151.07	\$ 1,440.26
2039	\$ 758.84	\$ 469.15	\$ 57.33	\$ 154.09	\$ 1,439.42
2040	\$ 786.95	\$ 439.74	\$ 53.54	\$ 157.17	\$ 1,437.40
2041	\$ 829.11	\$ 409.25	\$ 49.61	\$ 160.32	\$ 1,448.28
2042	\$ 857.21	\$ 375.05	\$ 45.46	\$ 163.52	\$ 1,441.24
2043	\$ 899.37	\$ 339.69	\$ 41.17	\$ 166.79	\$ 1,447.02
2044	\$ 927.47	\$ 302.59	\$ 36.68	\$ 170.13	\$ 1,436.87
2045	\$ 969.63	\$ 264.33	\$ 32.04	\$ 173.53	\$ 1,439.53
2046	\$ 1,011.79	\$ 224.33	\$ 27.19	\$ 177.00	\$ 1,440.32
2047	\$ 1,053.95	\$ 182.60	\$ 22.13	\$ 180.54	\$ 1,439.22
2048	\$ 1,110.16	\$ 139.12	\$ 16.86	\$ 184.15	\$ 1,450.30
2049	\$ 1,152.32	\$ 93.33	\$ 11.31	\$ 187.83	\$ 1,444.79
2050	\$ 1,110.16	\$ 45.79	\$ 5.55	\$ 191.59	\$ 1,353.10
Total	\$ 19,631.55	\$ 12,351.05	\$ 1,531.32	\$ 3,932.12	\$ 37,446.04

Footnotes:

[a] Interest rate on PID bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds with maturity dates of 9/15/2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #1 - LOT
TYPE 2-3 BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2-3 PRINCIPAL ASSESSMENT: \$19,655.25

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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 _____

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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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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

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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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2-3

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 464.30	\$ 767.94	\$ 98.28	\$ 116.92	\$ 1,447.43
2026	\$ 478.37	\$ 755.75	\$ 95.95	\$ 119.26	\$ 1,449.33
2027	\$ 492.44	\$ 739.60	\$ 93.56	\$ 121.65	\$ 1,447.25
2028	\$ 506.51	\$ 722.98	\$ 91.10	\$ 124.08	\$ 1,444.67
2029	\$ 520.58	\$ 705.89	\$ 88.57	\$ 126.56	\$ 1,441.59
2030	\$ 548.71	\$ 688.32	\$ 85.97	\$ 129.09	\$ 1,452.09
2031	\$ 562.78	\$ 669.80	\$ 83.22	\$ 131.67	\$ 1,447.48
2032	\$ 590.92	\$ 647.99	\$ 80.41	\$ 134.31	\$ 1,453.63
2033	\$ 604.99	\$ 625.10	\$ 77.45	\$ 136.99	\$ 1,444.53
2034	\$ 633.13	\$ 601.65	\$ 74.43	\$ 139.73	\$ 1,448.95
2035	\$ 661.27	\$ 577.12	\$ 71.26	\$ 142.53	\$ 1,452.18
2036	\$ 675.34	\$ 551.49	\$ 67.96	\$ 145.38	\$ 1,440.17
2037	\$ 703.48	\$ 525.32	\$ 64.58	\$ 148.29	\$ 1,441.67
2038	\$ 731.62	\$ 498.06	\$ 61.06	\$ 151.25	\$ 1,442.00
2039	\$ 759.76	\$ 469.71	\$ 57.40	\$ 154.28	\$ 1,441.15
2040	\$ 787.90	\$ 440.27	\$ 53.61	\$ 157.36	\$ 1,439.14
2041	\$ 830.11	\$ 409.74	\$ 49.67	\$ 160.51	\$ 1,450.02
2042	\$ 858.25	\$ 375.50	\$ 45.52	\$ 163.72	\$ 1,442.98
2043	\$ 900.46	\$ 340.10	\$ 41.22	\$ 166.99	\$ 1,448.77
2044	\$ 928.59	\$ 302.95	\$ 36.72	\$ 170.33	\$ 1,438.60
2045	\$ 970.80	\$ 264.65	\$ 32.08	\$ 173.74	\$ 1,441.27
2046	\$ 1,013.01	\$ 224.60	\$ 27.22	\$ 177.21	\$ 1,442.06
2047	\$ 1,055.22	\$ 182.82	\$ 22.16	\$ 180.76	\$ 1,440.96
2048	\$ 1,111.50	\$ 139.29	\$ 16.88	\$ 184.37	\$ 1,452.05
2049	\$ 1,153.71	\$ 93.44	\$ 11.33	\$ 188.06	\$ 1,446.54
2050	\$ 1,111.50	\$ 45.85	\$ 5.56	\$ 191.82	\$ 1,354.73
Total	\$ 19,655.25	\$ 12,365.96	\$ 1,533.17	\$ 3,936.87	\$ 37,491.24

Footnotes:

[a] Interest rate on PID bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds with maturity dates of 9/15/2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #1 - LOT
TYPE 3 BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$21,745.72

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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 _____

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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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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

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§
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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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 3

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 513.68	\$ 849.61	\$ 108.73	\$ 129.36	\$ 1,601.38
2026	\$ 529.24	\$ 836.13	\$ 106.16	\$ 131.94	\$ 1,603.48
2027	\$ 544.81	\$ 818.27	\$ 103.51	\$ 134.58	\$ 1,601.17
2028	\$ 560.38	\$ 799.88	\$ 100.79	\$ 137.28	\$ 1,598.32
2029	\$ 575.94	\$ 780.97	\$ 97.99	\$ 140.02	\$ 1,594.92
2030	\$ 607.07	\$ 761.53	\$ 95.11	\$ 142.82	\$ 1,606.53
2031	\$ 622.64	\$ 741.04	\$ 92.07	\$ 145.68	\$ 1,601.43
2032	\$ 653.77	\$ 716.91	\$ 88.96	\$ 148.59	\$ 1,608.24
2033	\$ 669.34	\$ 691.58	\$ 85.69	\$ 151.56	\$ 1,598.17
2034	\$ 700.47	\$ 665.64	\$ 82.34	\$ 154.59	\$ 1,603.05
2035	\$ 731.60	\$ 638.50	\$ 78.84	\$ 157.69	\$ 1,606.63
2036	\$ 747.17	\$ 610.15	\$ 75.18	\$ 160.84	\$ 1,593.34
2037	\$ 778.30	\$ 581.20	\$ 71.45	\$ 164.06	\$ 1,595.00
2038	\$ 809.43	\$ 551.04	\$ 67.56	\$ 167.34	\$ 1,595.36
2039	\$ 840.56	\$ 519.67	\$ 63.51	\$ 170.68	\$ 1,594.43
2040	\$ 871.70	\$ 487.10	\$ 59.31	\$ 174.10	\$ 1,592.20
2041	\$ 918.39	\$ 453.32	\$ 54.95	\$ 177.58	\$ 1,604.24
2042	\$ 949.53	\$ 415.44	\$ 50.36	\$ 181.13	\$ 1,596.45
2043	\$ 996.22	\$ 376.27	\$ 45.61	\$ 184.75	\$ 1,602.86
2044	\$ 1,027.36	\$ 335.18	\$ 40.63	\$ 188.45	\$ 1,591.61
2045	\$ 1,074.05	\$ 292.80	\$ 35.49	\$ 192.22	\$ 1,594.56
2046	\$ 1,120.75	\$ 248.49	\$ 30.12	\$ 196.06	\$ 1,595.43
2047	\$ 1,167.45	\$ 202.26	\$ 24.52	\$ 199.98	\$ 1,594.21
2048	\$ 1,229.71	\$ 154.10	\$ 18.68	\$ 203.98	\$ 1,606.48
2049	\$ 1,276.41	\$ 103.38	\$ 12.53	\$ 208.06	\$ 1,600.38
2050	\$ 1,229.71	\$ 50.73	\$ 6.15	\$ 212.22	\$ 1,498.81
Total	\$ 21,745.72	\$ 13,681.16	\$ 1,696.23	\$ 4,355.58	\$ 41,478.69

Footnotes:

[a] Interest rate on PID bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds with maturity dates of 9/15/2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #2-B INITIAL
PARCEL BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #2-B INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$4,324,000.00**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2-B INITIAL PARCEL

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 57,000	\$ 270,250	\$ 21,620	\$ 40,800	\$ 389,670
2026	\$ 60,000	\$ 266,688	\$ 21,335	\$ 41,616	\$ 389,639
2027	\$ 64,000	\$ 262,938	\$ 21,035	\$ 42,448	\$ 390,421
2028	\$ 67,000	\$ 258,938	\$ 20,715	\$ 43,297	\$ 389,950
2029	\$ 71,000	\$ 254,750	\$ 20,380	\$ 44,163	\$ 390,293
2030	\$ 75,000	\$ 250,313	\$ 20,025	\$ 45,046	\$ 390,384
2031	\$ 79,000	\$ 245,625	\$ 19,650	\$ 45,947	\$ 390,222
2032	\$ 83,000	\$ 240,688	\$ 19,255	\$ 46,866	\$ 389,809
2033	\$ 88,000	\$ 235,500	\$ 18,840	\$ 47,804	\$ 390,144
2034	\$ 93,000	\$ 230,000	\$ 18,400	\$ 48,760	\$ 390,160
2035	\$ 98,000	\$ 224,188	\$ 17,935	\$ 49,735	\$ 389,857
2036	\$ 104,000	\$ 218,063	\$ 17,445	\$ 50,730	\$ 390,237
2037	\$ 110,000	\$ 211,563	\$ 16,925	\$ 51,744	\$ 390,232
2038	\$ 116,000	\$ 204,688	\$ 16,375	\$ 52,779	\$ 389,842
2039	\$ 123,000	\$ 197,438	\$ 15,795	\$ 53,835	\$ 390,067
2040	\$ 130,000	\$ 189,750	\$ 15,180	\$ 54,911	\$ 389,841
2041	\$ 138,000	\$ 181,625	\$ 14,530	\$ 56,010	\$ 390,165
2042	\$ 146,000	\$ 173,000	\$ 13,840	\$ 57,130	\$ 389,970
2043	\$ 155,000	\$ 163,875	\$ 13,110	\$ 58,272	\$ 390,257
2044	\$ 164,000	\$ 154,188	\$ 12,335	\$ 59,438	\$ 389,960
2045	\$ 174,000	\$ 143,938	\$ 11,515	\$ 60,627	\$ 390,079
2046	\$ 184,000	\$ 133,063	\$ 10,645	\$ 61,839	\$ 389,547
2047	\$ 195,000	\$ 121,563	\$ 9,725	\$ 63,076	\$ 389,363
2048	\$ 207,000	\$ 109,375	\$ 8,750	\$ 64,337	\$ 389,462
2049	\$ 220,000	\$ 96,438	\$ 7,715	\$ 65,624	\$ 389,777
2050	\$ 234,000	\$ 82,688	\$ 6,615	\$ 66,937	\$ 390,239
2051	\$ 248,000	\$ 68,063	\$ 5,445	\$ 68,275	\$ 389,783
2052	\$ 264,000	\$ 52,563	\$ 4,205	\$ 69,641	\$ 390,408
2053	\$ 280,000	\$ 36,063	\$ 2,885	\$ 71,034	\$ 389,981
2054	\$ 297,000	\$ 18,563	\$ 1,485	\$ 72,454	\$ 389,502
Total	\$ 4,324,000	\$ 5,296,375	\$ 423,710	\$ 1,655,178	\$ 11,699,263

Footnotes:

[a] Interest is calculated at a 6.25% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #2-B – LOT
TYPE 4 BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2-B LOT TYPE 4 PRINCIPAL ASSESSMENT: \$18,995.36

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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

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§
§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2-B LOT TYPE 4

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 250.40	\$ 1,187.21	\$ 94.98	\$ 179.23	\$ 1,711.82
2026	\$ 263.58	\$ 1,171.56	\$ 93.72	\$ 182.82	\$ 1,711.68
2027	\$ 281.15	\$ 1,155.09	\$ 92.41	\$ 186.48	\$ 1,715.12
2028	\$ 294.33	\$ 1,137.51	\$ 91.00	\$ 190.21	\$ 1,713.05
2029	\$ 311.90	\$ 1,119.12	\$ 89.53	\$ 194.01	\$ 1,714.56
2030	\$ 329.48	\$ 1,099.62	\$ 87.97	\$ 197.89	\$ 1,714.96
2031	\$ 347.05	\$ 1,079.03	\$ 86.32	\$ 201.85	\$ 1,714.25
2032	\$ 364.62	\$ 1,057.34	\$ 84.59	\$ 205.88	\$ 1,712.43
2033	\$ 386.58	\$ 1,034.55	\$ 82.76	\$ 210.00	\$ 1,713.90
2034	\$ 408.55	\$ 1,010.39	\$ 80.83	\$ 214.20	\$ 1,713.97
2035	\$ 430.51	\$ 984.86	\$ 78.79	\$ 218.49	\$ 1,712.65
2036	\$ 456.87	\$ 957.95	\$ 76.64	\$ 222.86	\$ 1,714.31
2037	\$ 483.23	\$ 929.40	\$ 74.35	\$ 227.31	\$ 1,714.29
2038	\$ 509.59	\$ 899.19	\$ 71.94	\$ 231.86	\$ 1,712.58
2039	\$ 540.34	\$ 867.34	\$ 69.39	\$ 236.50	\$ 1,713.57
2040	\$ 571.09	\$ 833.57	\$ 66.69	\$ 241.23	\$ 1,712.58
2041	\$ 606.23	\$ 797.88	\$ 63.83	\$ 246.05	\$ 1,714.00
2042	\$ 641.38	\$ 759.99	\$ 60.80	\$ 250.97	\$ 1,713.14
2043	\$ 680.92	\$ 719.90	\$ 57.59	\$ 255.99	\$ 1,714.40
2044	\$ 720.45	\$ 677.35	\$ 54.19	\$ 261.11	\$ 1,713.10
2045	\$ 764.38	\$ 632.32	\$ 50.59	\$ 266.33	\$ 1,713.62
2046	\$ 808.31	\$ 584.54	\$ 46.76	\$ 271.66	\$ 1,711.28
2047	\$ 856.64	\$ 534.02	\$ 42.72	\$ 277.09	\$ 1,710.48
2048	\$ 909.35	\$ 480.49	\$ 38.44	\$ 282.64	\$ 1,710.91
2049	\$ 966.46	\$ 423.65	\$ 33.89	\$ 288.29	\$ 1,712.29
2050	\$ 1,027.96	\$ 363.25	\$ 29.06	\$ 294.05	\$ 1,714.32
2051	\$ 1,089.47	\$ 299.00	\$ 23.92	\$ 299.93	\$ 1,712.32
2052	\$ 1,159.75	\$ 230.91	\$ 18.47	\$ 305.93	\$ 1,715.07
2053	\$ 1,230.04	\$ 158.42	\$ 12.67	\$ 312.05	\$ 1,713.19
2054	\$ 1,304.72	\$ 81.55	\$ 6.52	\$ 318.29	\$ 1,711.08
Total	\$ 18,995.36	\$ 23,267.01	\$ 1,861.36	\$ 7,271.21	\$ 51,394.94

Footnotes:

[a] Interest is calculated at a 6.25% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #2-B –LOT
TYPE 5 BUYER DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2-B LOT TYPE 5 PRINCIPAL ASSESSMENT: \$19,658.31

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2-B LOT TYPE 5

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 259.14	\$ 1,228.64	\$ 98.29	\$ 185.49	\$ 1,771.57
2026	\$ 272.78	\$ 1,212.45	\$ 97.00	\$ 189.20	\$ 1,771.42
2027	\$ 290.96	\$ 1,195.40	\$ 95.63	\$ 192.98	\$ 1,774.98
2028	\$ 304.60	\$ 1,177.21	\$ 94.18	\$ 196.84	\$ 1,772.84
2029	\$ 322.79	\$ 1,158.18	\$ 92.65	\$ 200.78	\$ 1,774.40
2030	\$ 340.97	\$ 1,138.00	\$ 91.04	\$ 204.80	\$ 1,774.81
2031	\$ 359.16	\$ 1,116.69	\$ 89.34	\$ 208.89	\$ 1,774.08
2032	\$ 377.35	\$ 1,094.24	\$ 87.54	\$ 213.07	\$ 1,772.20
2033	\$ 400.08	\$ 1,070.66	\$ 85.65	\$ 217.33	\$ 1,773.72
2034	\$ 422.81	\$ 1,045.65	\$ 83.65	\$ 221.68	\$ 1,773.79
2035	\$ 445.54	\$ 1,019.23	\$ 81.54	\$ 226.11	\$ 1,772.42
2036	\$ 472.82	\$ 991.38	\$ 79.31	\$ 230.63	\$ 1,774.15
2037	\$ 500.10	\$ 961.83	\$ 76.95	\$ 235.25	\$ 1,774.12
2038	\$ 527.37	\$ 930.58	\$ 74.45	\$ 239.95	\$ 1,772.35
2039	\$ 559.20	\$ 897.62	\$ 71.81	\$ 244.75	\$ 1,773.37
2040	\$ 591.02	\$ 862.67	\$ 69.01	\$ 249.65	\$ 1,772.35
2041	\$ 627.39	\$ 825.73	\$ 66.06	\$ 254.64	\$ 1,773.82
2042	\$ 663.76	\$ 786.51	\$ 62.92	\$ 259.73	\$ 1,772.93
2043	\$ 704.68	\$ 745.03	\$ 59.60	\$ 264.93	\$ 1,774.24
2044	\$ 745.60	\$ 700.99	\$ 56.08	\$ 270.22	\$ 1,772.89
2045	\$ 791.06	\$ 654.39	\$ 52.35	\$ 275.63	\$ 1,773.43
2046	\$ 836.52	\$ 604.95	\$ 48.40	\$ 281.14	\$ 1,771.01
2047	\$ 886.53	\$ 552.66	\$ 44.21	\$ 286.76	\$ 1,770.17
2048	\$ 941.09	\$ 497.25	\$ 39.78	\$ 292.50	\$ 1,770.62
2049	\$ 1,000.19	\$ 438.44	\$ 35.07	\$ 298.35	\$ 1,772.05
2050	\$ 1,063.84	\$ 375.92	\$ 30.07	\$ 304.32	\$ 1,774.15
2051	\$ 1,127.49	\$ 309.43	\$ 24.75	\$ 310.40	\$ 1,772.08
2052	\$ 1,200.23	\$ 238.97	\$ 19.12	\$ 316.61	\$ 1,774.92
2053	\$ 1,272.97	\$ 163.95	\$ 13.12	\$ 322.94	\$ 1,772.98
2054	\$ 1,350.26	\$ 84.39	\$ 6.75	\$ 329.40	\$ 1,770.80
Total	\$ 19,658.31	\$ 24,079.05	\$ 1,926.32	\$ 7,524.98	\$ 53,188.66

Footnotes:

[a] Interest is calculated at a 6.25% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CREEKSIDE PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA #2-B – LOT
TYPE 6 DISCLOSURE**

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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2-B LOT TYPE 6 PRINCIPAL ASSESSMENT: \$21,624.15

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, 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 *Creekside Public Improvement District* (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 Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2-B LOT TYPE 6

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Installment ^[b]
2025	\$ 285.05	\$ 1,351.51	\$ 108.12	\$ 204.04	\$ 1,948.72
2026	\$ 300.06	\$ 1,333.69	\$ 106.70	\$ 208.12	\$ 1,948.57
2027	\$ 320.06	\$ 1,314.94	\$ 105.20	\$ 212.28	\$ 1,952.48
2028	\$ 335.06	\$ 1,294.94	\$ 103.59	\$ 216.53	\$ 1,950.12
2029	\$ 355.07	\$ 1,273.99	\$ 101.92	\$ 220.86	\$ 1,951.84
2030	\$ 375.07	\$ 1,251.80	\$ 100.14	\$ 225.28	\$ 1,952.29
2031	\$ 395.08	\$ 1,228.36	\$ 98.27	\$ 229.78	\$ 1,951.49
2032	\$ 415.08	\$ 1,203.67	\$ 96.29	\$ 234.38	\$ 1,949.42
2033	\$ 440.08	\$ 1,177.73	\$ 94.22	\$ 239.06	\$ 1,951.09
2034	\$ 465.09	\$ 1,150.22	\$ 92.02	\$ 243.85	\$ 1,951.17
2035	\$ 490.09	\$ 1,121.15	\$ 89.69	\$ 248.72	\$ 1,949.66
2036	\$ 520.10	\$ 1,090.52	\$ 87.24	\$ 253.70	\$ 1,951.56
2037	\$ 550.11	\$ 1,058.02	\$ 84.64	\$ 258.77	\$ 1,951.53
2038	\$ 580.11	\$ 1,023.63	\$ 81.89	\$ 263.95	\$ 1,949.58
2039	\$ 615.12	\$ 987.38	\$ 78.99	\$ 269.23	\$ 1,950.71
2040	\$ 650.12	\$ 948.93	\$ 75.91	\$ 274.61	\$ 1,949.58
2041	\$ 690.13	\$ 908.30	\$ 72.66	\$ 280.10	\$ 1,951.20
2042	\$ 730.14	\$ 865.17	\$ 69.21	\$ 285.70	\$ 1,950.22
2043	\$ 775.15	\$ 819.53	\$ 65.56	\$ 291.42	\$ 1,951.66
2044	\$ 820.16	\$ 771.09	\$ 61.69	\$ 297.25	\$ 1,950.18
2045	\$ 870.17	\$ 719.83	\$ 57.59	\$ 303.19	\$ 1,950.77
2046	\$ 920.18	\$ 665.44	\$ 53.24	\$ 309.26	\$ 1,948.11
2047	\$ 975.19	\$ 607.93	\$ 48.63	\$ 315.44	\$ 1,947.19
2048	\$ 1,035.20	\$ 546.98	\$ 43.76	\$ 321.75	\$ 1,947.69
2049	\$ 1,100.21	\$ 482.28	\$ 38.58	\$ 328.18	\$ 1,949.26
2050	\$ 1,170.22	\$ 413.52	\$ 33.08	\$ 334.75	\$ 1,951.57
2051	\$ 1,240.24	\$ 340.38	\$ 27.23	\$ 341.44	\$ 1,949.29
2052	\$ 1,320.25	\$ 262.86	\$ 21.03	\$ 348.27	\$ 1,952.42
2053	\$ 1,400.27	\$ 180.35	\$ 14.43	\$ 355.24	\$ 1,950.28
2054	\$ 1,485.28	\$ 92.83	\$ 7.43	\$ 362.34	\$ 1,947.88
Total	\$ 21,624.15	\$ 26,486.95	\$ 2,118.96	\$ 8,277.47	\$ 58,507.53

Footnotes:

[a] Interest is calculated at a 6.25% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

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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 ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____

AS BOND COUNSEL for the City of Royse City, 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 Trust Indenture (as defined below).

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 Indenture of Trust between the Issuer and UMB Bank, N.A., dated as of June 1, 2024 (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds 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.

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 or corporate 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 DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of June 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among the City of Royse City, Texas (the “Issuer”), P3Works, LLC (as more fully defined herein, the “Administrator”) and UMB Bank, N.A., Dallas, Texas, acting solely in its capacity as dissemination agent (as more fully defined herein, the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of June 1, 2024, 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:

“Administrator” shall mean the Issuer or the person or independent firm designated by 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 of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collection Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for

governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean HT Hwy 66 Development LP, a Texas limited partnership, including its affiliates, successors and assigns.

“Disclosure Agreement of Developer” shall mean the City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project) Continuing Disclosure Agreement of Developer dated as of June 1, 2024 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated

in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Creekside Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an Annual Collections Report Filing Date.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“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.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the one-year period from October 1 through September 30.

“Improvement Area #2-B” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 6(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 reports pursuant to the Rule.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #2-B in accordance with the PID Act

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment thereof.

“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.

“SAP Update” shall have the meaning assigned to such term in Section 4(a)(iii) of this Disclosure Agreement.

“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.

“Tax Year” means the calendar year or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause, pursuant to written direction, 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, the Annual Financial Information and the Annual Financial Statements.

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements 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 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 Financial Information, Annual Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; 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 the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements 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 Financial Information and Annual Financial Statements.

(a) *Annual Financial Information.* The Annual Financial Information 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 Annual Information Filing Date, 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 maturity date or dates, the interest rate or rates, the original aggregate principal amount, the aggregate principal amount Outstanding and the total interest amount due on aggregate principal amount Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) the assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a “SAP Update”).

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited financial statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Annual Financials Filing Date and audited financial statements when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer’s staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, 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, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Financial Information, if such Annual Collections Report is

available when the Annual Financial Information is provided to the MSRB. 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 Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report 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 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 Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; 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 prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within Improvement Area #2-B will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the

Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A., Dallas, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days’ written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5 or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, 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 6(a), and (ii) the Annual Financial Information for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information, Annual Financial Statements, Annual Collections 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 Financial Information, Annual Financial Statements, Annual Collections 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 Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and

the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer, and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Except as otherwise provided herein, 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 indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #2-B, 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. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with Section 3(a) and 3(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual

Collection Costs collected from the property owners in Improvement Area #2-B, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. 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 D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. 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 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. 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 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2-B, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of

Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 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. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

(Signature pages follow)

CITY OF ROYSE CITY, TEXAS
(as Issuer)

By: _____
Mayor

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL
STATEMENTS][ANNUAL COLLECTIONS REPORT]**

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(Creekside Public Improvement District Improvement Area #2-B
Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Royse City, Texas, has not provided [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] for fiscal year ended _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of June 1, 2024, by and among the Issuer, P3Works, LLC, as the “Administrator,” and UMB Bank, N.A., as “Dissemination Agent.” The Issuer anticipates that [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] will be filed by _____.

Dated: _____

UMB BANK, N.A.,
on behalf of the City of Royse City, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Royse City, Texas

EXHIBIT B

**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

ANNUAL FINANCIAL INFORMATION¹

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP NOS.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person: Attn: Israel Lugo

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

¹ Excluding Annual Financial Statements of the Issuer.

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: Audited Unaudited

Accounting Type: Cash Accrual Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top [Five] Assessment Payers in Improvement Area #2-B⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of Parcels/Lots</u>	<u>Outstanding Assessments</u>	<u>Percentage of Total Assessments</u>
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⁽¹⁾Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of Improvement Area #2-B of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #2-B of the District is approximately \$[AMOUNT] according to the Collin Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Assessments Collected⁽²⁾</u>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽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, October 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.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
20__		\$		\$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTIONS 4(a)(iii) – (iv) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO CITY OF ROYSE CITY, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (CREEKSIDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2-B PROJECT)

[Insert a line item for each applicable listing]

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EXHIBIT C

**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person: Attn: Israel Lugo

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO COLLECTION OF THE ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SECTION 5(A) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO CITY OF ROYSE CITY, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (CREEKSIDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2-B PROJECT)

Foreclosure History Related To The Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	\$		\$		\$

(i) Period covered includes October 1, 20__ through March 1, 20__.

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Collection and Delinquency Annual Installments⁽¹⁾

<u>Succeeding Fiscal Year</u> 20__	<u>Total Annual Installment Levied</u> \$	<u>Parcels Levied⁽²⁾</u>	<u>Delinquent Amount as of 3/1</u> \$	<u>Delinquent % as of 3/1</u> %	<u>Total Annual Installments Collected⁽³⁾</u> \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ 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, October 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

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EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	<p>Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.</p> <p>Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.</p> <p>At this point, if there is adequate funding for March and September payments, no further action is anticipated for collection 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</p>

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Collin County Tax Assessor-Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

foreclosure, in accordance with the Collin County Tax Assessor-Collector's procedures².

If there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Collin County Tax Assessor-Collector procedures².

March 15

43/44

Trustee pays Bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Collin County Tax Assessor-Collector procedures².

Preliminary Foreclosure activity commences, in accordance with the Collin County Tax Assessor-Collector procedures², and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

² If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Trustee requests that the Issuer commence foreclosure or provide plan for collection and deliver such plan to the Dissemination Agent.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court, in accordance with the Collin County Tax Assessor-Collector procedures³.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

³ If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of June 1, 2024, (this “Disclosure Agreement”) is executed and delivered by and among HT Hwy 66 Development LP (as more fully defined herein, the “Developer”), P3Works, LLC (as more fully defined herein, the “Administrator”) and UMB Bank, N.A., Dallas, Texas, acting solely in its capacity as dissemination agent (as more fully defined herein, the “Dissemination Agent”), with respect to the “City of Royse City, Texas Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B 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 June 1, 2024, 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:

“Administrator” shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Amenities” shall mean the amenities to be constructed by the Developer within Improvement Area #2, including, but not limited to, hike and bike trails and a pocket park.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean, HT Hwy 66 Development LP, a Texas limited partnership, and each other Person, through assignment, who assumes the obligations, requirements, or covenants to construct the Improvement Area #2-B Projects and/or the Amenities, and their designated successors and assigns.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project) Continuing Disclosure Agreement of Issuer dated as of June 1, 2024 executed and delivered by the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Creekside Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Purchase Agreement with the Developer, and the affiliates and/or successors and assigns of such homebuilder under such Purchase Agreement.

“Improvement Area #2” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Area #2-B” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #2-B Projects” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Royse City, Texas.

“Listed Events” shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“Purchase Agreement” shall mean, with respect to lots or land within Improvement Area #2-B, any purchase agreement between one or more Homebuilders and/or the Developer to purchase lots or to purchase land intended for single family residential development and use, including detached or attached single family homes or townhomes.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning September 30, 2024.

“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 consisting of the information in Exhibit A attached hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns ten (10) or more single family residential lots within Improvement Area #2-B.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with September 30, 2024, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, the Developer shall use commercially reasonable efforts to cause to be provided any information required by Section 3(d) regarding and in the possession of a Homebuilder that is not a Reporting Party. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Purchase Agreement that is executed with a Homebuilder after the date hereof contains a provision obligating the applicable Homebuilder to provide the Developer the information required by Section 3(d) as and when required for the Developer to comply with its obligations hereunder.

(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 Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. Pursuant to the written direction of the Administrator, the Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such documents 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 any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, 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 direction from the applicable Reporting Party 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 incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2-B on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #2-B 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 Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements in Improvement Area #2-B, including the Improvement Area #2-B Projects or the Amenities;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the, acquisition, development or permanent financing of Improvement Area #2-B undertaken by the Developer or any of the Developer's affiliates;

(iv) Material default by the Developer or any of the Developer's affiliates on any loan secured by property within Improvement Area #2-B owned by the Developer or any of the Developer's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Developer or any of the Developer's affiliates or any determination that the Developer or any of the Developer's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's affiliates, 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 of the Developer's affiliates that may adversely affect the completion of the development of Improvement Area #2-B or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any material change in the legal structure, chief executive officer or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds;

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2-B on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #2-B 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 Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, 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;

(iv) Any material change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party 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 such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Significant Homebuilder, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party 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 after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party 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 applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party 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 applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2-B Projects or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgment and assumption from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2-B Projects or Amenities in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgment 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 Person 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 Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a “Developer” in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #2-B resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgment from each Significant Homebuilder, in substantially the form attached as Exhibit F (the “Significant Homebuilder Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and

4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgment of assumption of the 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. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) 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 Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer owns ten (10) or more single family residential lots within Improvement Area #2-B, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own ten (10) or more single family residential lots within Improvement Area #2-B, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent

shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party 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 date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A., Dallas, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their 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. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. 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 in writing 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 any Reporting Party, 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 Developer shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. 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 9 to the Issuer, the Administrator, the Dissemination Agent and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party 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 any Reporting Party 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, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Content of Disclosures. In all cases, the applicable Reporting Party 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 10 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent 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, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 13. 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 indemnify and 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 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. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof, or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. The

Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, 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 Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. 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 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, 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 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2-B, for the fees and expenses 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 Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. 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. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any notice, instructions, or communication, required to be given or made hereunder shall be in writing and shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If notices, instructions or communications are provided or delivered by e-mail, the sender must request a read or return receipt from the recipient confirming that the recipient received the e-mail with such notice, instruction, or communication.

If to Developer: HT Hwy 66 Development LP
2700 Commerce Street, Suite 1600
Dallas, Texas 75226
E-mail: rob.witte@hines.com

If to the Dissemination Agent or Trustee: UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206
E-mail: Israel.Lugo@umb.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
E-mail: admin@p3-works.com

If to the Issuer: City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189
E-mail: carl.alsabrook@roysecity.com

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

S-1

HT HWY 66 DEVELOPMENT LP,
a Texas limited partnership
(as Developer)

By: HT Hwy 66 Development LLC,
a Delaware limited liability company,
its General Partner

By: HT Hwy 66 LP,
a Delaware limited partnership,
its Sole Member

By: Hines Hwy 66 LLC,
a Delaware limited liability company,
its General Partner

By: Hines Hwy 66 Associates LP,
a Texas limited partnership,
its Sole Member

By: Hines Investment Management Holdings Limited Partnership,
a Texas limited partnership,
its General Partner

By: _____
Name: Robert W. Witte
Title: Senior Managing Director

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

P3WORKS, LLC
(as Administrator)

By: _____
Name: _____
Title: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

EXHIBIT A

**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2-B PROJECT)**

QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person: Attn: Israel Lugo

I. Unit Mix in Improvement Area #2-B

<u>Product Type</u>	<u>Number of Units</u>
Single Family 40'	
Single Family 50'	
Single Family 60'	

II. Ownership of Lots/Units in Improvement Area #2-B

PLANNED LOTS IN IMPROVEMENT AREA #2-B: [_____]

Of the [_____] lots in Improvement Area #2-B:

1. Number of lots owned by the Developer: [_____]
 - a. Number of lots under contract but not closed to Homebuilder(s): [_____]

2. Number of lots owned by all Homebuilder(s): [_____]¹
 - a. Number of lots owned by [*insert name of Homebuilder*]: [_____]²
 - b. Number of lots owned by [*insert name of Homebuilder*]: [_____]²
3. Number of units owned by homeowners: [_____]

III. Lot Status in Improvement Area #2

Of the lots in Improvement Area #2-B, what is the status:

1. Planned lots as of the date of issuance of the Bonds: [_____]
2. Planned lots as of the date of this Quarterly Report: [_____]
3. Number of Lots developed: [_____]
4. Expected completion date of all lots in Improvement Area #2 (if incomplete):
[_____]

IV. Home Sales Information in Improvement Area #2-B

PLANNED HOMES IN IMPROVEMENT AREA #2-B: [_____]

Of the [_____] homes planned for Improvement Area #2-B:

1. How many total building permits were issued **during the current quarter?**
[_____]
 - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [_____]²
 - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [_____]²
2. How many total homes have closed with homebuyers **during the current quarter?**
[_____]
 - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [_____]²
 - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [_____]²
3. How many total homes have closed with homebuyers **cumulatively?** [_____]
 - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [_____]²
 - b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [_____]²

¹ If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

² Include a line item for each individual Homebuilder.

V. Expenditures Paid from Accounts under Indenture

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #2-B PROJECTS: \$[_____]

Of the budgeted costs for Improvement Area #2-B shown in the Service and Assessment Plan:

1. Actual costs drawn from the Bond Improvement Account: \$[_____]

VI. Status of Improvements in Improvement Area #2-B

1. [Actual/Excepted] date of completion of the Improvement Area #2-B Projects: [_____]
2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

VII. Amenity Status

1. Total expected costs of Amenities: \$[_____]
2. Amount spent as of Quarterly Ending Date: \$[_____]
3. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgment pursuant to the Disclosure Agreement?
5. **Completion Agreement** – Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #2-B Projects? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #2-B Projects.
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)(the “Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer”] [“Significant Homebuilder”]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated as of June 1, 2024, by and among HT Hwy 66 Development LP (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”). [Developer] [Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

UMB BANK, N.A.,
on behalf of the [Developer] [Significant Homebuilder]
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Royse City, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Royse City, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)(the “Bonds”)
 CUSIP Nos. [insert CUSIP Nos.]
 Date of Delivery: _____, 20__

FMSbonds, Inc.
 5 Cowboys Way, Suite 300-25
 Frisco, Texas 75034

HT Hwy 66 Development LP
 2700 Commerce Street, Suite 1600
 Dallas, Texas 75226

City of Royse City, Texas
 305 N. Arch Street
 Royse City, Texas 75189

[Insert Significant Homebuilder
 Contact Information]

UMB Bank, N.A.
 5910 N. Central Expressway, Suite 1900
 Dallas, Texas 75206

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer”] [“Significant Homebuilder”]) 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 as of June 1, 2024, by and among HT Hwy 66 Development LP (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”).

Dated: _____

P3Works, LLC
 on behalf of the [Developer] [Significant Homebuilder]
 (as Administrator)

By: _____

Title: _____

EXHIBIT D
CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)
CUSIP Nos. [insert CUSIP Nos.]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Creekside Public Improvement District Improvement Area #2-B

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer dated as of June 1, 2024, by and among HT Hwy 66 Development LP (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer] [_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer] [Significant Homebuilder], constitutes the portion of the Quarterly Report required to be furnished by [Developer] [Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer] [Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have any questions or comments.

[SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)
By: _____
Title: _____]

OR

HT HWY 66 DEVELOPMENT LP,
a Texas limited partnership
(as Developer)

By: HT Hwy 66 Development LLC,
a Delaware limited liability company,
its General Partner

By: HT Hwy 66 LP,
a Delaware limited partnership,
its Sole Member

By: Hines Hwy 66 LLC,
a Delaware limited liability company,
its General Partner

By: Hines Hwy 66 Associates LP,
a Texas limited partnership,
its Sole Member

By: Hines Investment Management Holdings Limited Partnership,
a Texas limited partnership,
its General Partner

By: _____
Name: Robert W. Witte
Title: Senior Managing Director

EXHIBIT E

**FORM OF ACKNOWLEDGMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189

P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206

**Re: Creekside Public Improvement District Improvement Area #2-B – Continuing Disclosure
Obligation**

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__., you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #2-B Projects or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Improvement Area #2-B of the Creekside Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) dated as of June 1, 2024, by and among HT Hwy 66 Development LP (the “Initial Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”), with respect to the “Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)”, any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2-B Projects or Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

(Signature page follows)

Sincerely,

HT HWY 66 DEVELOPMENT LP,
a Texas limited partnership
(as Developer)

By: HT Hwy 66 Development LLC,
a Delaware limited liability company,
its General Partner

By: HT Hwy 66 LP,
a Delaware limited partnership,
its Sole Member

By: Hines Hwy 66 LLC,
a Delaware limited liability company,
its General Partner

By: Hines Hwy 66 Associates LP,
a Texas limited partnership,
its Sole Member

By: Hines Investment Management Holdings Limited Partnership,
a Texas limited partnership,
its General Partner

By: _____
Name: Robert W. Witte
Title: Senior Managing Director

Acknowledged by:
[INSERT ASSIGNEE NAME]

By: _____
Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189

P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206

**Re: Creekside Public Improvement District Improvement Area #2-B – Continuing Disclosure
Obligation**

Dear _____,

As of _____, 202_, you own ___ single family residential lots within Improvement Area #2-B of the Creekside Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement”) dated as of June 1, 2024, by and among, HT Hwy 66 Development LP (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”), with respect to the “Special Assessment Revenue Bonds, Series 2024 (Creekside Public Improvement District Improvement Area #2-B Project)” any entity that owns ten or more single family residential lots within Improvement Area #2-B is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Section 3 and Section 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

(Signature page follows)

Sincerely,

HT HWY 66 DEVELOPMENT LP,
a Texas limited partnership
(as Developer)

By: HT Hwy 66 Development LLC,
a Delaware limited liability company,
its General Partner

By: HT Hwy 66 LP,
a Delaware limited partnership,
its Sole Member

By: Hines Hwy 66 LLC,
a Delaware limited liability company,
its General Partner

By: Hines Hwy 66 Associates LP,
a Texas limited partnership,
its Sole Member

By: Hines Investment Management Holdings Limited Partnership,
a Texas limited partnership,
its General Partner

By: _____
Name: Robert W. Witte
Title: Senior Managing Director

Acknowledged by:
[INSERT ASSIGNEE NAME]

By: _____
Title: _____

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APPENDIX F
REIMBURSEMENT AGREEMENT

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**PID Reimbursement Agreement
Creekside Public Improvement District**

This PID Reimbursement Agreement (this “Agreement”) is entered into by HT Hwy 66 Development LP, a Texas limited partnership (the “Developer”) and the City of Royse City, Texas (the “City”), to be effective October 27, 2020, or upon the levy of the Assessments on Improvement Area #1, whichever is later (the “Effective Date”). The Developer and the City are individually referred to as a “Party” and collectively as the “Parties.”

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to “sections” shall mean sections of this Agreement; (2) all references to “exhibits” shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to “ordinances” or “resolutions” shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, the Developer is a Texas limited partnership;

1.4 WHEREAS, the City is a Texas home-rule municipality;

1.5 WHEREAS, on June 23, 2020, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the Act, covering approximately 287.28 contiguous acres located within the extraterritorial jurisdiction of the City, which land is described in the PID Creation Resolution;

1.6 WHEREAS, on October 27, 2020, the City Council passed and approved an Assessment Ordinance;

1.7 WHEREAS, the Assessment Ordinance approved the SAP;

1.8 WHEREAS, the SAP identifies Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.9 WHEREAS, the SAP sets forth the Actual Costs of the Authorized Improvements;

1.10 WHEREAS, the Assessed Property is being developed in phases or “Improvement Areas”;

1.11 WHEREAS, this Agreement shall apply to all phases and no additional reimbursement agreement shall be required for future Improvement Areas;

1.12 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property as required by the Act;

1.13 WHEREAS, the Assessment Ordinance levied the Actual Costs of the Authorized Improvements as Assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s);

1.14 WHEREAS, Assessments, including the Annual Installments thereof, are due and payable as described in the SAP;

1.15 WHEREAS, Annual Installments shall be billed and collected by the City or its designee;

1.16 WHEREAS, Assessment Revenue from the collection of Assessments, including the Annual Installments thereof, shall be deposited (1) as provided in the applicable Indenture if PID Bonds secured by such Assessments are issued, or (2) into the PID Reimbursement Fund if no such PID Bonds are issued or no PID Bonds remain outstanding;

1.17 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Indenture;

1.18 WHEREAS, a PID Project Fund shall only be used in the manner set forth in the applicable Indenture;

1.19 WHEREAS, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act;

1.20 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; and (3) each Party has relied upon such Recitals in entering into this Agreement; and

1.21 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP and each Indenture), are incorporated as part of this

Agreement for all purposes as if such resolutions, ordinances, and other documents and any amendments thereto were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

- 2.1 “Act” is defined as Chapter 372, Texas Local Government Code, as amended.
- 2.2 “Actual Costs” is defined in the SAP.
- 2.3 “Actual Increased Costs” is defined in Section 4.11.
- 2.4 “Actual Increased City Obligation Costs” is defined in Section 4.11.
- 2.5 “Additional Costs” is defined in Section 4.11.
- 2.6 “Administrator” is defined in the SAP.
- 2.7 “Agreement” is defined in the introductory paragraph.
- 2.8 “Annual Collection Costs” are defined in the SAP.
- 2.9 “Annual Installment” is defined in the SAP.
- 2.10 “Applicable Laws” means the Act and all other laws or statutes, rules, or regulations of the State of Texas or the United States, as the same may be amended, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.
- 2.11 “Assessed Property” is defined in the SAP.
- 2.12 “Assessment” is defined in the SAP.
- 2.13 “Assessment Ordinance” is defined in the SAP.
- 2.14 “Assessment Revenue” means the revenues actually received by or on behalf of the City from the collection of Assessments, including Prepayments, Annual Installments (excluding revenues collected for the payment of Annual Collection Costs and Delinquent Collection Costs) and foreclosure proceeds.
- 2.15 “Assessment Roll” is defined in the SAP.

- 2.16 “Authorized Improvements” is defined in the SAP.
- 2.17 “Bond Improvement Account” means the account under the Project Fund established by an Indenture relating to PID Bonds, including the Improvement Area #1 Bonds, into which Bond Proceeds are deposited to pay for the Actual Costs of the Authorized Improvements as described in the Indenture.
- 2.18 “Bond Proceeds” mean the proceeds derived from the issuance and sale of a series of PID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Indenture.
- 2.19 “Certificate for Payment” means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if applicable, to the trustee named in any applicable Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs of Authorized Improvements, and requesting payment of such amount from the Bond Improvement Account of the PID Project Fund or the PID Reimbursement Fund. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City.
- 2.20 “Change Order” is defined in Section 3.12.
- 2.21 “City” is defined in the introductory paragraph.
- 2.22 “City Council” means the governing body of the City.
- 2.23 “City Obligations” is defined in the Section 4.11.
- 2.24 “City Representative” means any person authorized by the City Council to undertake the actions referenced herein.
- 2.25 “Closing Disbursement Request” means a request in the form of Exhibit B or as otherwise approved by the Parties.
- 2.26 “Cost Overrun” is defined in Section 3.2.
- 2.27 “Cost Underrun” is defined in Section 3.11.

- 2.28 “Default” is defined in Section 4.8.1.
- 2.29 “Delinquent Collection Costs” is defined in the SAP.
- 2.30 “Developer” is defined in the introductory paragraph.
- 2.31 “Developer Advances” means advances made by the Developer to pay Actual Costs, which may be in the form of any of the following: (i) loan funds, (ii) funds available pursuant to a letter of credit, (iii) available cash, or (iv) any combination of (i) – (iii) as required by the City.
- 2.32 “Developer Continuing Disclosure Agreement” means any *Continuing Disclosure Agreement of Developer* executed contemporaneously with the sale of PID Bonds.
- 2.33 “Development Agreement” means the Development Agreement (Creekside Public Improvement District) executed by the City, Criswell College, Richard Donaho and Sandra Donaho, effective September 26, 2019, as assigned to the Developer by the Assignment & Assumption of Development Agreement effective as of November 7, 2019, and all amendments thereto.
- 2.34 “Effective Date” is defined in the introductory paragraph.
- 2.35 “Estimated Additional Costs” is defined in the Section 4.11.
- 2.36 “Estimated Additional City Obligation Costs” is defined in the Section 4.11.
- 2.37 “Failure” is defined in Section 4.8.1.
- 2.38 “Improvement Area” is defined in the SAP.
- 2.39 “Improvement Area #1” is defined in the SAP.
- 2.40 “Improvement Area #1 Bonds” is defined in the SAP.
- 2.41 “Indenture” is defined in the SAP.
- 2.42 “Maturity Date” is the date one year after the last Annual Installment is collected.
- 2.43 “Non-Benefited Property” is defined in the SAP.
- 2.44 “Parcel” is defined in the SAP.
- 2.45 “Party” and “Parties” are defined in the introductory paragraph.

2.46 “PID” is defined as the Creekside Public Improvement District, created by the PID Creation Resolution.

2.47 “PID Bonds” is defined in the SAP.

2.48 “PID Creation Resolution” is defined as Resolution No. 20-06-142R passed and approved by the City Council on June 23, 2020.

2.49 “PID Pledged Revenue Fund” means the fund, including all accounts created within such fund, established by the City under an Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue from the collection of Assessments, including Annual Installments thereof (excluding revenues collected for the payment of Annual Collection Costs and Delinquent Collection Costs), securing PID Bonds issued and still outstanding under such Indenture.

2.50 “PID Project Fund” means the fund, including all accounts created within such fund, established by the City under an Indenture (and segregated from all other funds of the City) into which the City deposits a portion of the Bond Proceeds and any other funds authorized or required by such Indenture.

2.51 “PID Reimbursement Fund” means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue, if not deposited into the PID Pledged Revenue Fund.

2.52 “Prepayment” is defined in the SAP.

2.53 “QTEO” is defined in the Section 4.11.

2.54 “Reimbursement Agreement Balance” is defined in Section 3.3.

2.55 “SAP” is defined as the *Creekside Public Improvement District Service and Assessment Plan* approved as part of the Assessment Ordinance adopted by the City Council on , October 27, 2020, as the same may be updated or amended by City Council action in accordance with the Act.

2.56 “Tax Certificate” is defined in Section 4.7.2.

2.57 “Transfer” and “Transferee” are defined in Section 4.10.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. Until PID Bonds are issued, the City shall bill, collect, and deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including Prepayments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs). Once PID Bonds are issued, the City shall bill, collect, and deposit all Assessment Revenue in the manner set forth in the applicable Indenture. Upon the issuance of PID Bonds, the City shall also deposit Bond Proceeds and any other funds authorized or required by the applicable Indenture and the Developer shall deposit any funds required by the Indenture in the manner set forth in the applicable Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Indenture. Funds in the PID Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements allocable to each phase or "Improvement Area" shall be paid from the Assessment Revenue collected solely from Assessments levied on the property within such phase or "Improvement Area" benefitting from such Authorized Improvements. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether any Annual Installment is delinquent and if such delinquencies exist, the City will order and cause to be commenced as soon as practicable, and subject to any discretionary action required by the City Council, any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including without limitation diligently prosecuting an action to foreclose the currently delinquent Annual Installment; provided, however, the City shall not be

required under any circumstances to pay any delinquent Assessment or purchase or make payment for the purchase of the corresponding Assessed Property.

3.2 Payment of Actual Costs. If PID Bonds are not issued (or prior to such issuance) to pay Actual Costs of Authorized Improvements, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Indenture; and, except as may be required under the Development Agreement and/or the Indenture, the Developer shall have no obligation to make Developer Advances unless the Bond Proceeds, together with any other funds in the PID Project Fund or PID Reimbursement Fund, are insufficient to pay the Actual Costs of Authorized Improvements described in the applicable Indenture, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least five (5) days prior to the pricing of the PID Bonds, and (ii) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for any cost overrun (“Cost Overrun”) after applying cost savings. The Developer acknowledges and agrees that the lack of Bond Proceeds in the PID Project Fund and/or the PID Reimbursement Fund shall not diminish the Developer's obligations under the Development Agreement to construct or cause to be constructed the Authorized Improvements. The Developer agrees to pay the Actual Costs of the Authorized Improvements set forth in the SAP that are not funded by Bond Proceeds or by funds in the PID Reimbursement Fund by making Developer Advances.

3.3 Payment of Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City, until the Maturity Date, an aggregate principal amount not to exceed \$15,851,200 or so much thereof as from time to time remains outstanding (such outstanding amount of all approved Certificates for Payment, together with accrued interest as hereinafter described, is referred to collectively as the “Reimbursement Agreement Balance”), with the amount for each payment request being shown on each Certificate for Payment (which amounts include only Actual Costs paid by or at the direction of the Developer) plus simple interest on the unpaid principal balance at the lesser rate of: (i) two percent

(2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date of determination (which is the date of the approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid), or (ii) if PID Bonds are issued, the same interest rate on such PID Bonds. If the City elects to issue PID Bonds for the purpose of paying all or a portion of the outstanding Reimbursement Agreement Balance, the interest rate paid to the Developer on the outstanding principal amount of the Reimbursement Agreement Balance equal to the principal amount of PID Bonds being issued shall be the same as the interest rate on such PID Bonds. For purposes of Sections 372.023(e)(1) and (e)(2) of the PID Act, the interest rate on any portion of the Reimbursement Agreement Balance not to be paid from the proceeds of PID Bonds shall be calculated for each Certificate of Payment using the date that the Certificate of Payment is approved by the City as the date that the obligation to pay the Certificate for Payment is incurred. If any portion of the Reimbursement Agreement Balance remains unpaid after the City has elected to sell PID Bonds for the purpose of paying a portion of the Reimbursement Agreement Balance, the interest rate paid to the Developer on such unpaid Reimbursement Agreement Balance shall be at the rates set forth in this Section 3.3. The method for determining the interest rate for the unpaid balance of the Reimbursement Agreement Balance as set forth in this paragraph has been approved by the City Council and is authorized by and complies with the PID Act, including specifically subsections (e)(1) and (e)(2) of Section 372.023 of the PID Act. The obligation of the City to pay the Reimbursement Agreement Balance is payable solely from the PID Reimbursement Fund or from net proceeds from the sale of the PID Bonds deposited in the PID Project Fund. No other City funds, revenue, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments made from the PID Reimbursement Fund toward any outstanding Reimbursement Agreement Balance, shall first be applied to unpaid interest on such Reimbursement Agreement Balance owed to the Developer, and second to unpaid principal of the Reimbursement Agreement Balance owed to the Developer. Each payment from the PID Reimbursement Fund shall be in accordance with this Agreement and shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the PID Reimbursement Fund und since the last payment. All payments from net proceeds from the sale of PID Bonds deposited in a PID Project Fund shall be made in

accordance with the applicable Indenture. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control.

3.4 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying the Reimbursement Agreement Balance; or (2) paying directly Actual Costs of Authorized Improvements described in the applicable Indenture. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, the Developer's right to receive payments each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds pursuant to the flow of funds provisions of such Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, the Developer has a duty to construct those Authorized Improvements described in the SAP and applicable Indenture. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all of the PID Bonds issued by the City whether in one or more series, and no additional reimbursement agreement shall be required for future series of PID Bonds.

3.5 Disbursements and Transfers at and after Bond Closing.

3.5.1 The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the City or the Developer, as applicable, which costs may include payment for costs of issuance of PID Bonds and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items expended by the Developer and the City as of the time of the delivery of the

PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the scheduled pricing date for the PID Bonds for payment in accordance with the provisions of the applicable Indenture.

3.5.2 In order to receive disbursements for Actual Costs of Authorized Improvements from the applicable fund under this Agreement and applicable Indenture, the Developer shall execute a Certificate for Payment no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs 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.

3.5.4 The Developer agrees to cooperate with the City in conducting each such review required to be made for the approval of a Certificate for Payment; and, the Developer agrees to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review.

3.5.6 The Developer further agrees that sales tax will not be approved for payment under a Certificate for Payment.

3.5.7 Within fifteen (15) business days following receipt of any Certificate for Payment, the City shall either: (1) approve such Certificate for Payment and forward it to the trustee under the applicable Indenture for payment, or (2) provide the Developer with written notification of disapproval of all or part of such Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. The City shall deliver the approved or partially approved Certificate for Payment,

to the trustee under the applicable Indenture for payment, and such trustee shall make the disbursements as quickly as practicable thereafter.

3.6 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. Subject to the provisions of Sections 3.3 and 3.6, if the Developer is (1) current on payment of all taxes, assessments and fees owed to the City, and (2) in substantial compliance with its obligations under (a) this Agreement, (b) all Developer Continuing Disclosure Agreements (if PID Bonds are issued and remain outstanding), and (c) the Development Agreement; then, following the inspection and approval by the City of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to the Developer or to any person designated by the Developer) identified in any approved Certificate for Payment or Closing Disbursement Request are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Indenture.

3.8 City Delegation of Authority. 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 any other agreement between the parties related to property in the PID. 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 in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed 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 in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. 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. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.9 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. 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 so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.10 Ownership and Transfer of Authorized Improvements. The Developer shall furnish to the City a preliminary title report for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The report shall be made available for City review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

3.11 Remaining Funds After Completion of an Authorized Improvement. Upon the entering into final construction contracts for an Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the budgeted cost as shown in Exhibit C to the SAP, as the same may be updated by the City, (a "Cost Underrun"), any remaining budgeted cost will be available to pay Cost Overruns on any other Authorized Improvement. Additionally, upon the final completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, any Cost Underrun will be available to pay Cost Overruns on any other Authorized Improvement. A City Representative shall promptly confirm to the Administrator (as defined in the SAP) that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement and may be added to the amount approved for payment in any Certificate for Payment, as agreed to by the Developer, the Administrator and the City Representative.

3.12 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 an Authorized Improvement. The Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Actual 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 pursuant to Section 3.11 hereof. 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 the Development Agreement, 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.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City shall have the right to examine and approve the contractor selected by the Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon five (5) 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. For a period of two years after completion of the Authorized Improvements or after the expenditure of all Bond Proceeds, whichever is later, the Developer shall 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 customary real estate accounting principles. The Developer shall have the right, during normal business hours, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and

accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Agreement Balance remains unpaid.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. If the City designates an Administrator who shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, the City shall provide the Developer upon request with a copy of the agreement between the City and the Administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement. During the term of this Agreement, the City shall notify the Developer of any change of Administrator or third-party collection of the Assessments.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (3) any information provided by the Developer for inclusion in a disclosure document for an issue of PID Bonds will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (4) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (5) this Agreement is binding upon the Developer in accordance with its terms; and (6) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 If in connection with the issuance of PID Bonds the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the Internal Revenue Code, the Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its

Tax Certificate, and agrees to certify as to such facts and estimates in writing. The Developer represents that such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of any proceeds from the sale of PID Bonds (including, but not limited to, the use of the Authorized Improvements), the Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

4.7.3 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies.

4.8.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a “Failure”) and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” If a Failure is monetary, the non-performing Party shall have ten (10) days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure (or if such Default is not susceptible to cure within such 30-day period, so long as a such Party is diligently pursuing such cure, a reasonable period of time not to exceed ninety (90) days).

4.8.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided that, except as otherwise provided in this Agreement, no default by the Developer shall entitle the City to terminate this Agreement or to withhold payments

to the Developer in accordance with this Agreement, the Development Agreement, and any Indenture, as applicable. Notwithstanding the foregoing, in the event the Developer attempts to transfer its interests in this Agreement in violation of Section 4.10 of this Agreement, the City, in its sole discretion shall have the right to terminate this Agreement.

4.8.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

4.8.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The City shall not be deemed to waive any defenses or immunities, whether sovereign, governmental, legislative, qualified or otherwise, all such defenses and immunities being expressly retained. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. 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, use regulations, or subdivision requirements relating to the development property in the PID.

4.10 Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID Reimbursement Fund or from Bond Proceeds (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such

conveyance, transfer, assignment, mortgage, pledge, or other encumbrance shall be made without prior written consent of the City if such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance would result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties. Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.11 Qualified Tax-Exempt Status. In any calendar year in which PID Bonds are issued, the Developer agrees to pay the City additional costs (“Additional Costs”) the City may incur in the issuance of City obligations (the “City Obligations”) as described in this Section 4.11 if the City Obligations are deemed not to qualify for the designation of “qualified tax-exempt obligations” (“QTEO”) as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this Section 4.11 into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. Additionally, the City will provide the Developer on an annual basis no later than August 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process.

In the event the City issues PID Bonds prior to the issuance of City Obligations, the City’s Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately thirty (30) days prior to the date of the pricing of the PID Bonds (the “Estimated Additional Costs”), and the City shall provide a written invoice to the Developer. Unless otherwise agreed to in writing by the City, the Developer shall pay such Estimated Additional Costs to the City on or before the earlier of (i) ten (10) business days after the date of the City’s invoice and (ii) five (5) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any issue of PID Bonds until the Developer has paid to the City the

Estimated Additional Costs related to the PID Bonds then being issued. The Estimated Additional Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased Costs. In the event the Actual Increased Costs are less than the Estimated Additional Costs, the City will refund to the Developer the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Actual Increased Costs are more than the Estimated Additional Costs, the Developer will pay to the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Developer does not pay the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs, the Developer shall not be reimbursed for any Developer Advances until such payment is made in full.

In the event the City issues City Obligations prior to the issuance of PID Bonds, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately twenty (20) days prior to the date of the pricing of the City Obligations (the "Estimated Additional City Obligation Costs"), and the City shall provide a written invoice to the Developer. The Developer shall pay such Estimated Additional City Obligation Costs to the City at least ten (10) days prior to pricing the City Obligations. If the Developer has not paid the Estimated Additional City Obligation Costs to the City by the required time, the City, at its option, may elect to designate such City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year. The Estimated Additional City Obligation Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased City Obligation Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased City Obligation Costs. In the event the Actual Increased City Obligation Costs are less than the Estimated Additional City Obligation

Costs, the City will refund to the Developer the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Actual Increased City Obligation Costs are more than the Estimated Additional City Obligation Costs, the Developer will pay to the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Developer does not pay the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs, the Developer shall not be reimbursed for any Developer Advances until such payment is made in full.

To the extent any developer(s) or owner(s) (including the Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or owner (including the Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or owner(s) (including the Developer, as applicable) as necessary so as to put all developers and owners so paying for the same calendar year in the proportion set forth in the next paragraph, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of such Additional Costs.

The City shall charge Additional Costs attributable to any other developer or owner on whose behalf the City has issued debt in the same manner as described in this Section 4.11, and the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Developer's portion had already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Developer. The portion owed by the Developer shall be determined by dividing the total Bond Proceeds from any debt issued on behalf of the Developer in such calendar year by the total Bond Proceeds from any debt issued by the City for the benefit of all owners or developers (including the Developer) in such calendar year.

If in any calendar year the City issues City Obligations or PID Bonds on its own account that exceed the amount that would otherwise qualify the City for the issuance of bank qualified debt,

Tel: (214) 698-9999

To the Developer: Attn: Robert Witte
HT Hwy 66 Development LP
2200 Ross Avenue, Suite 4200W
Dallas, TX 75201
Email: rob.witte@hines.com

With a copy to: Attn: Angela Hunt
Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, Texas 75201
Email: ahunt@munsch.com
Tel: (214) 855-7527

Any Party may change its address by delivering notice of the change in accordance with this section.

4.15 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound: (1) first, the provisions and intent of any applicable Indenture shall control, (2) second, the provisions and intent of this Agreement shall control subject only to the terms of any applicable Indenture, (3) third, the provisions and intent of the Development Agreement shall control subject only to (1) and (2). This Agreement may only be amended by written agreement of the Parties.

4.16 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.17 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.18 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.19 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.20 Iran, Sudan, and Foreign Terrorist Organizations. 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/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 or State 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. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.21 No Boycott of Israel. 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, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State 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 Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.22 Employment of Undocumented Workers. During the term of this Agreement, and to the extent required under State law, the Developer agrees not to knowingly employ any undocumented


workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay the taxes abated herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101 (c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

[Execution pages follow.]

CITY OF ROYSE CITY, TEXAS

By: 
Janet Nichol, Mayor

ATTEST:

By: 
Deborah Sorensen, City Secretary



HT HWY 66 DEVELOPMENT LP

By: HT Hwy 66 Development LLC, its general partner

By: HT Hwy 66 LP, its sole member

By: Hines Hwy 66 LLC, its general partner

By: Hines Hwy 66 Associates LP, its sole member

By: Hines Investment Management Holdings Limited
Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership,
its sole member

By: JCH Investments, Inc.,
its general partner

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By: 
Name: Robert W. Witte
Title: Senior Managing Director

EXHIBIT A

FORM OF CERTIFICATE FOR PAYMENT

The undersigned is an agent for HT HWY 66 DEVELOPMENT LP, a Texas limited partnership (the “Developer”) and requests the City of Royse City, Texas (the “City”) approve payment from the [**Improvement Area # ___ Bond Improvement Account of the PID Project Fund**] [**PID Reimbursement Fund**] in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Creekside Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the Developer and the City (the “Reimbursement Agreement”).

In connection with 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 Authorized 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 Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the SAP.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the SAP, the Development Agreement, and the Developer Continuing Disclosure Agreement.
5. The Developer has timely paid all ad valorem taxes and annual installments of Assessments it owes or an entity the Developer controls owes, located in the Creekside Public Improvement District and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Indenture (as defined in the Reimbursement Agreement) for the payment hereby requested have been satisfied.
7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. 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.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or segment) has been completed and the City has accepted such Authorized Improvements (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or segment).

10. The Developer confirms that **[based on the statements provided by the Trustee (as defined in the SAP)]****[based on all prior amounts paid to Developer from the PID Reimbursement Fund]** as of the date of this Certificate for Payment and based on the percentage of completion of the Authorized Improvements as of the date of this Certificate for Payment as verified by the City payment of the amounts requested in this Certificate for Payment, taking into account all prior payments for the Authorized Improvements and the amount of work related to the Authorized Improvements remaining to be completed as of the date of this Certificate for Payment will not cause the amounts on deposit in **[the PID Project Fund]****[the PID Reimbursement Fund]** to fall below the amount necessary to complete the remaining Authorized Improvements taking into account the amounts available to the Developer under its private loan, a line of credit and/or any other form acceptable to the City.

11. ***[THIS SECTION ONLY USED FOR DRAWS FROM BOND IMPROVEMENT ACCOUNT OF PROJECT FUND ESTABLISHED UNDER ANY INDENTURE FOR WHICH THE RATIO THAT THE APPRAISED VALUE OF THE RESPECTIVE IMPROVEMENT AREA BEARS TO THE PRINCIPAL AMOUNT OF PID BONDS IS LESS THAN 3:1]***: With respect to PID Bonds for Improvement Area [___], no payments shall be made that cause the aggregate amount of payments, when taking into account all amounts previously paid from the Bond Improvement Account of the Project Fund (as defined in the Bond Indenture for the Improvement Area [___] Bonds (the “Improvement Area [] Bond Indenture”), to exceed _____ DOLLARS AND 00/100 (\$_____) (the “Authorized Amount”), until a “Release Condition” as defined in and required by the Improvement Area [___] Bond Indenture has been met. The Developer confirms that the amounts requested under this Certificate for Payment when taking into account all payments previously made from the Bond Improvement Account of the Project Fund shall not cause disbursements from the Bond Improvement Account of the Project Fund to exceed the Authorized Amount.]

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment / Wire Instructions

Attached hereto are invoices, cancelled checks, 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.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

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

HT HWY 66 DEVELOPMENT LP

By: HT Hwy 66 Development LLC, its general partner

By: HT Hwy 66 LP, its sole member

By: Hines Hwy 66 LLC, its general partner

By: Hines Hwy 66 Associates LP, its sole member

By: Hines Investment Management Holdings Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership, its sole member

By: JCH Investments, Inc., its general partner

By: _____

Name: Robert W. Witte

Title: Senior Managing Director

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise 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 Order (as defined in the Indenture) submitted to the Trustee directing payments to be made from the applicable fund in accordance with the Indenture][and approves direct payment to be made from the PID Reimbursement Fund]** to the Developer or to any person designated by the Developer.

CITY OF ROYSE CITY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B
FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for HT HWY 66 DEVELOPMENT LP, a Texas limited partnership (the “Developer”) and requests payment to the Developer (or to the person designated by the Developer) from the applicable account of the Project Fund from _____ (the “Trustee”) in the amount of _____ (\$_____) to be transferred from the applicable account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Creekside Public Improvement District (the “District”) and costs associated with the issuance of PID Bonds, as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the Developer and the City (the “Reimbursement Agreement”).

In connection with 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 Closing Disbursement Request 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 PID and/or costs of issuance of the PID Bonds at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the PID at the time of the delivery of the PID Bonds, and such costs are in compliance with the SAP.
4. 4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the SAP, the Development Agreement, and the Developer Continuing Disclosure Agreement and Indenture.
5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
6. 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:

[Information regarding Payee, amount, and deposit instructions attached]

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

HT HWY 66 DEVELOPMENT LP

By: HT Hwy 66 Development LLC, its general partner

By: HT Hwy 66 LP, its sole member

By: Hines Hwy 66 LLC, its general partner

By: Hines Hwy 66 Associates LP, its sole member

By: Hines Investment Management Holdings Limited Partnership, its general partner

By: HIMH GP LLC, its general partner

By: Hines Real Estate Holdings Limited Partnership, its sole member

By: JCH Investments, Inc., its general partner

By: _____

Name: Robert W. Witte

Title: Senior Managing Director

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Order, as defined in the Indenture, submitted to the Trustee directing payments to be made from the applicable account under the Indenture upon delivery of the PID Bonds.

CITY OF ROYSE CITY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX D

[MUNSCH HARDT KOPF & HARR, P.C.]

November 10, 2020

City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206

\$7,485,000

CITY OF ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

Ladies and Gentlemen:

We have acted as special counsel for HT Hwy 66 Development LP, a Texas limited partnership (the “Developer”), and Developer’s general partner, Hines Hwy 66 LLC, a Delaware limited liability company (the “General Partner”), in connection with the issuance and sale by the City of Royse City, Texas (the “City”), of \$7,485,000 City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2020 (Creekside Public Improvement District Improvement Area #1 Project) (the “Bonds”), pursuant to Indenture of Trust dated as of November 1, 2020 (the “Indenture”), by and between the City and UMB Bank, N.A., Dallas, Texas, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements within Improvement Area #1 of the development known as “Creekside” (the “Project”) located in the corporate boundaries of the City.

The Bonds are being sold to FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated October 27, 2020 (the “Bond Purchase Agreement”), by and among the City and the Underwriter. This opinion is being delivered pursuant to Section 10.d of the Bond Purchase Agreement.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

Assumptions and Bases for Opinions and Assurances

In our capacity as special counsel to the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents being executed, entered into and/or issued, as the case may be, in connection with the issuance of the Bonds (collectively, the “Material Documents”):

- (1) The Developer Letter of Representations executed by the Developer dated October 27, 2020;
- (2) Development Agreement;
- (3) Reimbursement Agreement;
- (4) Landowner Certificate;
- (5) Continuing Disclosure Agreement of Developer;
- (6) Preliminary Limited Offering Memorandum, dated October 14, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);
- (7) The final Limited Offering Memorandum, dated October 27, relating to the issuance of the Bonds (the “Limited Offering Memorandum”); and
- (8) Developer Closing Certificate dated as of the date hereof (the “Developer Closing Certificate”);

(b) Certificates of the Developer and the General Partner dated as of the closing date certifying as to (i) the Developer’s and the General Partner’s organization documents as such are in effect as of the date hereof (the “Developer Organizational Documents”); (ii) the resolution of the General Partner adopted as of _____, 20__, authorizing its execution of the applicable Material Documents to which it is a party and related matters; and (iii) certain other matters (collectively, the “Developer Opinion Certificate”);

(c) Evidence that the Developer and General Partner are each authorized to do business in the State of Texas and their ability to transact business in the State of Texas is active;

(d) Such other documents, records, agreements and certificates of the Developer, General Partner and such other parties as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of the Developer and General Partner, the principal attorneys in this firm involved in the current actual transaction do not have

actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words “our knowledge” and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation, that (i) Developer and General Partner have been duly organized under the laws of the State of Texas and State of Delaware, respectively; (ii) all persons other than the Developer have duly and validly executed and delivered each instrument, document, and agreement constituting a Material Document or executed in connection therewith to which such party is a signatory, and each such party’s obligations set forth therein are its legal, valid, and binding obligations, enforceable in accordance with the terms thereof; (iii) each person executing any such instrument, document, or agreement other than the Developer is duly authorized and has the legal power to do so; (iv) each natural person executing any such instrument, document, or agreement is legally competent to do so; (v) there are no oral or written modifications of, or amendments to, the Material Documents, and there has been no waiver of any of the provisions thereof, by actions or conduct of the parties or otherwise; (vi) all Material Documents to which Developer is not a party are enforceable in accordance with their respective terms; (vii) all Material Documents to which Developer is a party are enforceable in accordance with their terms against the parties other than Developer; (viii) all representations of fact set forth in the Material Documents are complete and accurate, insofar as such facts pertain to the subject matter of the opinions rendered hereby; and (ix) all documents submitted to us as originals are complete and authentic, all documents submitted to us as certified, conformed or photostatic copies conform to the original documents, all signatures on all documents submitted to us for examination are genuine, and all public records and certificates of public officials are accurate and complete.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than Developer and General Partner) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than Developer and General Partner) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by Developer in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent the Developer or General Partner generally.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The General Partner validly exists and is in good standing in the State of Delaware and the Developer validly exists in the State of Texas and its ability to transact business in the State of Texas is active.

2. The Developer has the limited partnership power and authority to execute, deliver and perform its obligations under each of the Material Documents to which it is a party and to perform its obligations thereunder.

3. The execution and delivery by the Developer of the Material Documents to which it is a party, and the performance by the Developer of its obligations under such Material Documents, have been duly authorized by all necessary limited partnership action of the Developer.

4. The execution and delivery by the Developer of the Material Documents to which it is a party and the performance of the obligations of the Developer thereunder do not (i) violate any of the terms, conditions, or provisions of the Developer Organizational Documents; (ii) violate any applicable law; or (iii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Closing Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its respective obligations under the Material Documents to which it is a party.

5. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to the performance by the Developer of its respective obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

6. To our knowledge, there are no actions, suits or proceedings pending or, to our knowledge, threatened against the Developer other than those identified in the Developer

Closing Certificate, or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to: (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity or enforceability of the Material Documents on behalf of the Developer; (v) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds; or with respect to the validity or enforceability against it of such Material Documents or the transactions described therein.

7. The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Developer of its respective obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

8. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Closing Certificate, which violation, breach or default would materially adversely affect the Developer or its performance of its respective obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

9. Although the firm has not verified, is not passing upon, and does not assume any responsibility for the accuracy, completeness, or fairness of the information contained in the Material Documents, the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, in addition, we advise you that no facts have come to our attention that caused this Firm to believe that the information set forth in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE — Development Plan,” “— Homebuilder Lot Purchase Agreements in

Improvement Area #1” and “— Additional Indebtedness,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1 Projects and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation — The Developer,” and “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings” with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of October 27, 2020, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained an untrue statement of a material fact or that such information omitted to state a material fact required to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) Our opinions in Section 1 are based solely on information and certificates received from the Texas Secretary of State, the Texas Comptroller of Public Accounts, and the Delaware Secretary of State.

(b) Our opinion delivered pursuant to Section 7 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors’ rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(c) In making the opinion delivered pursuant to Section 9 above, we express no opinion, belief, conclusion or comment with respect to the accuracy or completeness of the financial information, assumptions or projections contained in the Material Documents, the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum or provided to this firm, nor of the adequacy or compliance with laws, codes, regulations, architectural or engineering standards of any plans or drawings for the proposed improvements attached thereto or provided to this firm.

(d) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(e) We have relied upon the Developer Closing Certificate, Developer Opinion Certificate, as well as the representations of the Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(f) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Developer is a party or by which the Developer is or may be bound.

(g) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas, the Delaware Limited Liability Company Act, and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. None of our attorneys is admitted to practice law in the State of Delaware; however, we are generally familiar with the Delaware Limited Liability Company Act as presently in effect and have made such inquiries as we consider necessary to render the opinions set forth herein. We have not reviewed any other laws or regulations of the State of Delaware (including any interpretations of the statutes referenced herein) or retained or relied on any opinion or advice of counsel in the State of Delaware with respect to the opinions expressed herein, and our opinions with respect to the laws thereof are limited to our review of the statutes specified in this paragraph. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America and the State of Delaware (to the limited extent set forth herein), we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(h) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(i) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(j) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(k) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(l) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(m) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisal, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(n) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(o) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to you solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon by you for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

APPENDIX G

APPRAISAL OF IMPROVEMENT AREA #2-B

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Integra Realty Resources
Dallas

Appraisal of Real Property

Creekside PID, IA #2 (Phase 2B)

Part of a Master-Planned Residential Subdivision
Northwest of SH-66 at River Bend Road
Royse City, Collin County, Texas 75189

Prepared For:
FMSbonds, Inc.

Date of the Report:
May 1, 2024

Report Format:
Appraisal Report

IRR - Dallas
File Number: 191-2024-0084

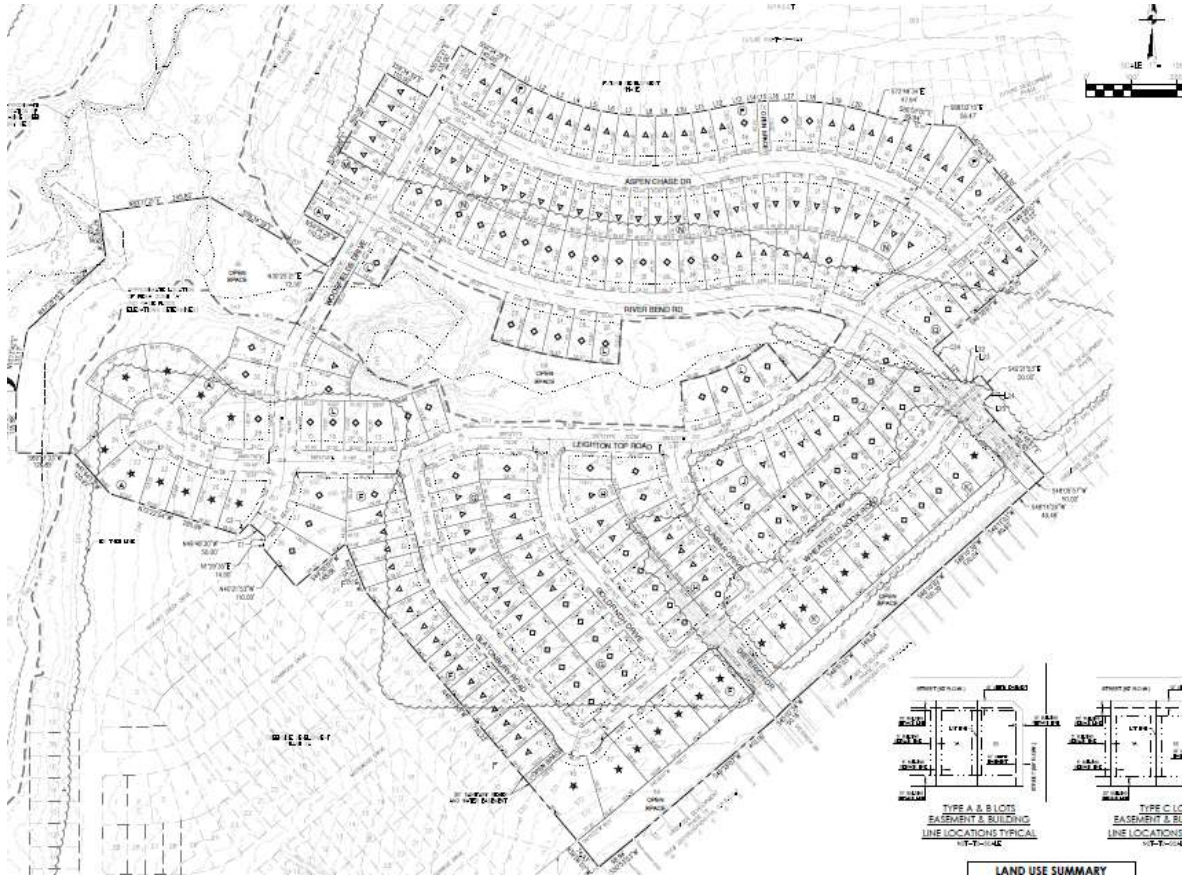


Subject Photographs



Creekside PID, IA #2 (Phase 2B)
Northwest of SH-66 at River Bend Road
Royse City, Collin County, Texas

Preliminary Plat





May 1, 2024

Mr. R. R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, TX 75034

SUBJECT: Market Value Appraisal
 Creekside PID, IA #2 (Phase 2B)
 Northwest of SH-66 at River Bend Road
 Royse City, Collin County, Texas 75189
 IRR - Dallas File No. 191-2024-0084

Dear Mr. 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 interest in the property as of the effective date of the appraisal. The following opinion of value is provided:

- Prospective Market Value As Completed (Creekside PID, IA #2, Phase 2B) as of June 15, 2024

The client for the assignment is 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"; provided that it is acknowledged that this appraisal will be included in a limited offering memorandum for PID bonds.

The subject represents Improvement Area #2 (IA #2) being developed as Phase 2B of the Creekside Public Improvement District (PID) located in the city of Royse City, Collin County, Texas. Phase 2B is currently under construction with a total of 221 single-family lots on 53.868 acres with an expected substantial completion date of June 15, 2024. Phase 2B is being developed with three typical lot types (40', 50', and 60' frontage lots) designed for front access. The PID is located within the Royse City ISD and is governed under a Planned Development District allowing for detached single-family use according to the accepted concept plan. Access to IA #2 (Phase 2B) is provided from the main entrance from SH-66 via River Bend Road as well as existing interior streets. The unit mix for the subject follows:

Creekside PID, IA #2, Phase 2B, Royse City, Collin County, Texas							
Phase	Acres	Density		Typical Lot Dimensions			Expected
		Per Acre	40' x 110'	50' x 110'	60' x 120'	Total Lots	Completion Date
2B	53.868	4.1	108	87	26	221	June 15, 2024

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 Conclusion			
Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed	Fee Simple	June 15, 2024	\$15,795,000

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 including land areas, lot totals, lot sizes, and other pertinent data that was provided by Pape-Dawson Consulting Engineers, LLC (engineering/surveyors), HT Hwy 66 Development, LP (owner/developer), the city of Roysse City, 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 June 15, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

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 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, financial strength of tenants, 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.



Mr. R. R. "Tripp" Davenport, III
FMSbonds, Inc.
May 1, 2024
Page 4

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



Shelley Sivakumar
Director
Texas Licensed Residential Real Estate
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Table of Contents

Quality Assurance	1	Valuation	65
Executive Summary	2	Valuation Methodology	65
Identification of the Appraisal Problem	5	Sales Comparison Approach	66
Subject Description	5	40' Frontage Lots (40' x 110'; 4,400 SF)	67
Sale History	5	50' Frontage Lots (50' x 110'; 5,500 SF)	75
Pending Transactions	5	60' Frontage Lots (60' x 120'; 7,200 SF)	82
Appraisal Purpose	6	Summary of Land Values	89
Value Type Definitions	6	Cumulative Retail Lot Value	90
Appraisal Premise Definitions	6	Summary of Net/Gross Value Analysis	91
Property Rights Definitions	7	Conclusion	91
Client and Intended User(s)	7	Subdivision Development Analysis (As Complete)	93
Intended Use	7	Discount Rate	96
Applicable Requirements	7	Reconciliation and Conclusion of Value	100
Report Format	7	Conclusion	101
Prior Services	8	Exposure Time	102
Appraiser Competency	8	Marketing Time	102
Scope of Work	9	Certification	103
Economic Analysis	11	Assumptions and Limiting Conditions	105
Collin County Area Analysis	11	Addenda	
Surrounding Area Analysis	20	A. Appraiser Qualifications	
Residential Analysis	28	B. IRR Quality Assurance Survey	
Property Analysis	42	C. Definitions	
Land Description and Analysis	42	D. Property Information	
General Description - Creekside PID, IA #2 (Phase 2B)	45	E. Comparable Data	
Allocation of Authorized Improvements	54	Land Sales - 40' Frontage Lots	
Real Estate Taxes	62	Land Sales - 50' Frontage Lots	
Highest and Best Use	63	Land Sales - 60' Frontage Lots	

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	Creekside PID, IA #2 (Phase 2B)
Address/Location	Northwest of SH-66 at River Bend Road Roysie City, Collin County, Texas 75189
Property Type	Land - Single Family Development Land
Owner of Record	HT Hwy 66 Development, LP
Tax ID	Part of Tax ID 2805420
Legal Description	John Davis Survey, Abstract No. 244, City of Roysie City, Collin County, Texas
School District	Roysie City ISD
Land Area	53.868 acres; 2,346,486 SF
Total of Single-Family Lots	221
Typical Lot Dimensions	108 lots (40' x 110'); 87 lots (50' x 110'); 26 lots (60' x 120')
Zoning Designation	PD, Planned Development
Highest and Best Use	Single-family residential use
Exposure Time; Marketing Period	9 - 12 months; 9 - 12 months
Effective Date of the Appraisal	June 15, 2024
Date of the Report	May 1, 2024
Property Interest Appraised	Fee Simple

Value Conclusions

40' Frontage Lots	\$71,200	(\$1,780/Front Footage)
50' Frontage Lots	\$84,250	(\$1,685/Front Footage)
60' Frontage Lots	\$97,200	(\$1,620/Front Footage)
Cumulative Retail Value*	\$17,546,550	(\$79,396/Lot Average)

***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.**

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed	Fee Simple	June 15, 2024	\$15,795,000

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 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 including land areas, lot totals, lot sizes, and other pertinent data that was provided by Pape-Dawson Consulting Engineers, LLC (engineering/surveyors), HT Hwy 66 Development, LP (owner/developer), the city of Royse City, 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 June 15, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

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
- Continued demand for residential lots in market area
- Simple development plan
- The property is located in a fast-growing area.
- Easy access to major thoroughfares
- The property is located within a Public Improvement District.
- Increasing population base

Weaknesses

- Potential competition from other developments
- Large supply of vacant undeveloped land

Opportunities

- Profit from lot sales
- Demand for new housing remains relatively strong

Threats

- Inflation has risen in the past year as the economy recovers from the pandemic economic shutdowns and demand shocks. This may tend to inflate operating costs diminishing profit on the project.
 - Although Federal Reserve Chairman Powell remains non-committal, it is certain that the Federal Reserve will continue to closely monitor inflationary factors as well as unemployment in the U.S. economy. Based on favorable and positive unemployment as well as other inflationary measures, the Fed could decide to keep interest rates stable or even implement a series of interest rate cuts beginning in mid-2024. This inflation/unemployment monitoring will continue on a quarterly basis throughout the remainder of 2024. As such, depending on inflation factors/unemployment figures, there could still be emerging upward pressure on lending interest rates.
-

Identification of the Appraisal Problem

Subject Description

The subject represents Improvement Area #2 (IA #2) being developed as Phase 2B of the Creekside Public Improvement District (PID) located in the city of Royse City, Collin County, Texas. Phase 2B is currently under construction with a total of 221 single-family lots on 53.868 acres with an expected substantial completion date of June 15, 2024. Phase 2B is being developed with three typical lot types (40', 50', and 60' frontage lots) designed for front access. The PID is located within the Royse City ISD and is governed under a Planned Development District allowing for detached single-family use according to the accepted concept plan. Access to IA #2 (Phase 2B) is provided from the main entrance from SH-66 via River Bend Road as well as existing interior streets.

A legal description of the property is provided in the addendum.

Property Identification

Property Name	Creekside PID, IA #2 (Phase 2B)
Address	Northwest of SH-66 at River Bend Road Royse City, Texas 75189
Tax ID	Part of 2805420
Owner of Record	HT Hwy 66 Development, LP

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, as a whole, 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. However, the 221 lots under construction are contracted as follows:

Homebuilder	Total Lots	Typical Lot Dimensions			Base Lot Pricing			Base Price/FF			Absorption/Month			Absorption Period (Months ±)		
		40' x 110'	50' x 110'	60' x 120'	40'	50'	60'	40'	50'	60'	40'	50'	60'	40'	50'	60'
UnionMain Homes, LLC	56	56	0	0	\$70,000	0	0	\$1,750	0	0	2.7	0	0	21.0	0	0.0
William Ryan Homes Texas, Inc.	122	52	44	26	\$70,000	\$83,750	\$96,000	\$1,750	\$1,675	\$1,600	2.7	2.8	1.1	19.3	15.9	23.0
Rockwall TX, LLC	43	0	43	0	0	\$83,750	\$0	0	\$1,675	0	0	2.6	0	0	16.4	0
Totals	221	108	87	26							5.4	5.4	1.1			

*Unionmain Homes has the option of acquiring their lots on a takedown basis or in bulk at \$65,000/lot (\$1,625/FF).

All lots are contracted with an annual 6% escalation and a \$1,500/lot marketing and maintenance fee.

The contracted lot prices are supported by comparable market lot sales and our opinions of value. It is noted the contracted absorption for the 40', 50', and 60' lots is below historical absorption averages and our projected absorptions.



Appraisal Purpose

The purpose of the appraisal is to develop the following opinion of value:

- Prospective Market Value As Completed (Creekside PID, IA #2, Phase 2B) as of June 15, 2024

The date of the report is May 1, 2024. 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

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])

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

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 lease to individual tenants.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 client and intended user is FMSbonds, Inc. No other party(s) is intended to rely on the information, opinions, and conclusions contained in this report; provided that it is acknowledged that this appraisal will be used 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.

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.

² Compiled and summarized from several industry sources.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

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, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure were confirmed and analyzed.

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	February 4, 2024
Jimmy H. Jackson, MAI	None	N/A
Ernest Gatewood	On-site	February 4, 2024

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 - (Subdivision Development Analysis)	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 located in north central Texas approximately 50 miles north of Dallas. It is 841 square miles in size and has a population density of 1,368 persons per square mile.

Population

Collin County has an estimated 2023 population of 1,151,010, which represents an average annual 2.6% increase over the 2020 census of 1,064,465. Collin County added an average of 28,848 residents per year over the 2020-2023 period, and its annual growth rate exceeded the Dallas MSA rate of 1.3%.

Looking forward, Collin County's population is projected to increase at a 1.7% annual rate from 2023-2028, equivalent to the addition of an average of 20,544 residents per year. Collin County's growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.0%.

Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2023 Estimate	2028 Projection	2020 - 2023	2023 - 2028
Collin County, TX	1,064,465	1,151,010	1,253,731	2.6%	1.7%
Dallas-Fort Worth-Arlington, TX	7,637,387	7,933,171	8,329,332	1.3%	1.0%
Texas	29,145,505	30,065,904	31,310,079	1.0%	0.8%
USA	331,449,281	334,500,069	341,662,969	0.3%	0.4%

Source: Claritas

Employment

Total employment in Collin County was estimated at 501,467 jobs as of June 2022. Between year-end 2012 and 2022, employment rose by 181,342 jobs, equivalent to a 56.6% 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 26.0% or 791,091 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 4.3% in comparison to a 4.7% rate for the Dallas MSA. A lower unemployment rate is a positive indicator.

Recent data shows that the Collin County unemployment rate is 3.2% in comparison to a 3.3% 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

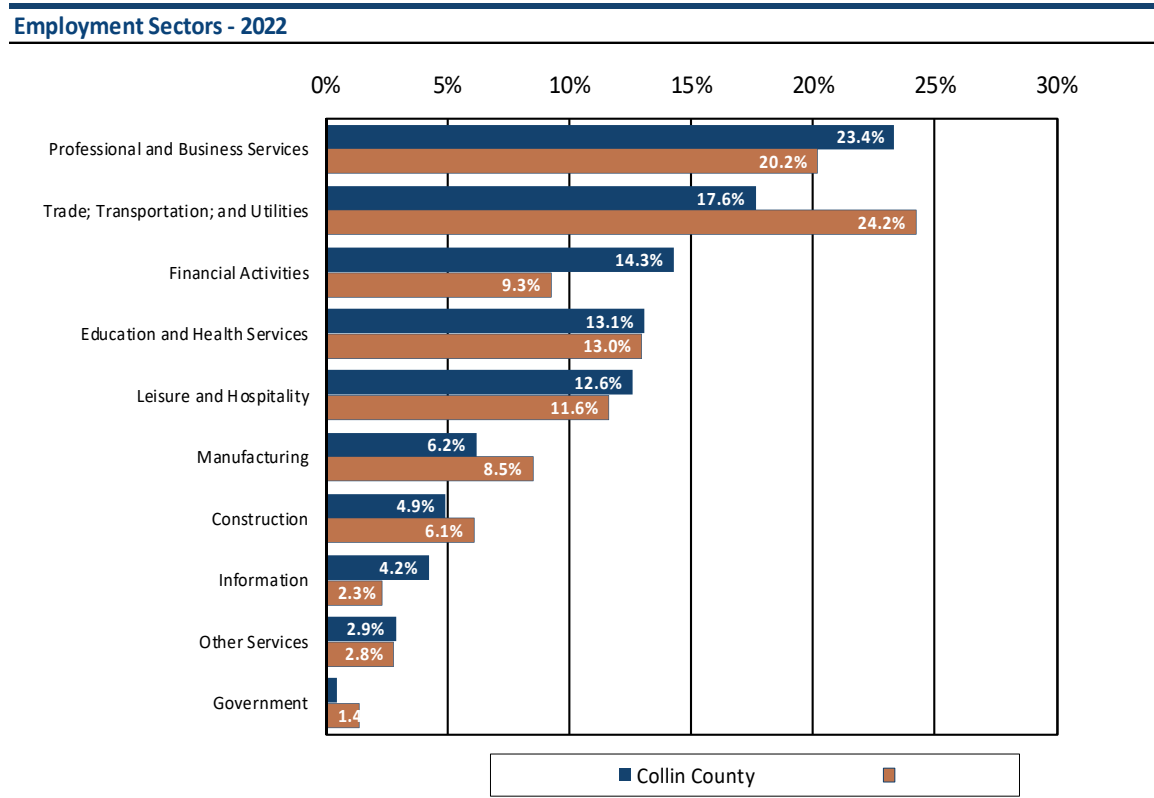
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Collin County	% Change	Dallas MSA	% Change	Collin County	Dallas MSA
2012	320,125		3,044,114		5.9%	6.5%
2013	336,727	5.2%	3,127,712	2.7%	5.6%	6.2%
2014	355,381	5.5%	3,254,583	4.1%	4.6%	5.1%
2015	375,692	5.7%	3,360,668	3.3%	3.7%	4.1%
2016	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	483,497	9.8%	3,829,259	6.5%	4.3%	5.1%
2022*	501,467	3.7%	3,835,205	0.2%	3.1%	3.6%
Overall Change 2012-2022	181,342	56.6%	791,091	26.0%		
Avg Unemp. Rate 2012-2022					4.3%	4.7%
Unemployment Rate - November 2023					3.2%	3.3%

*Total employment data is as of June 2022; unemployment rate data reflects the average of 11 months of 2022.

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.



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 23.4% of Collin County payroll employment compared to 20.2% 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 14.3% of Collin County payroll employment compared to 9.3% 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 13.1% of Collin County payroll employment compared to 13.0% 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 12.6% of Collin County payroll employment compared to 11.6% 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 17.6% of Collin County payroll employment compared to 24.2% 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 6.2% of Collin County payroll employment compared to 8.5% for the Dallas MSA as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
3. Construction, representing 4.9% of Collin County payroll employment compared to 6.1% 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

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 decade. Collin County has grown at a 6.1% average annual rate while the Dallas MSA has grown at a 3.5% rate. Collin County continues to perform better than the Dallas MSA. GDP for Collin County rose by 8.7% in 2021 while the Dallas MSA's GDP rose by 6.9%.

Collin County has a per capita GDP of \$64,303, which is 3% less than the Dallas MSA's GDP of \$66,238. 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)		(\$,000s)	
	Collin County	% Change	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	58,708,486	4.6%	450,467,241	3.4%
2018	62,389,788	6.3%	469,741,026	4.3%
2019	63,751,719	2.2%	486,572,160	3.6%
2020	65,635,743	3.0%	480,618,181	-1.2%
2021	71,341,415	8.7%	513,979,216	6.9%
Compound % Chg (2011-2021)		6.1%		3.5%
GDP Per Capita 2021	\$64,303		\$66,238	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2022.

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.

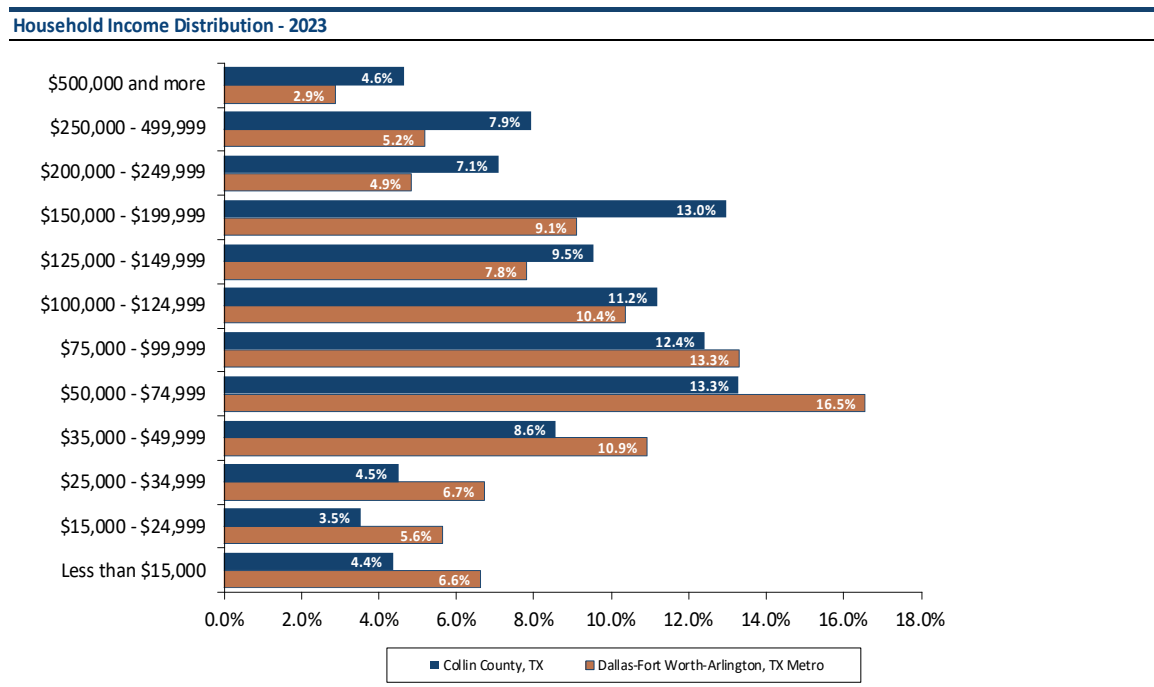
Household Income

Collin County is more affluent than the Dallas MSA. Median household income for Collin County is \$107,126, which is 32.1% greater than the corresponding figure for the Dallas MSA.

Median Household Income - 2023	
	Median
Collin County, TX	\$107,126
Dallas-Fort Worth-Arlington, TX Metro	\$81,082
Comparison of Collin County, TX to Dallas-Fort Worth-Arlington,	+ 32.1%

Source: Claritas

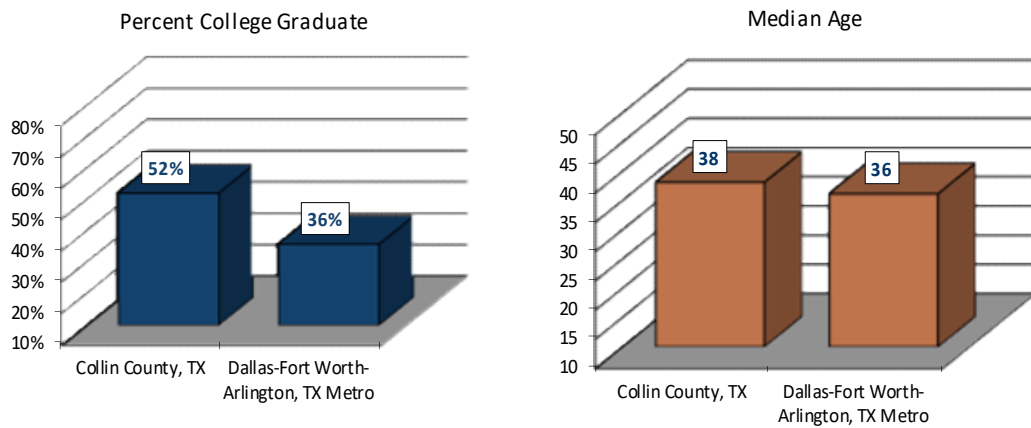
The following chart shows the distribution of households across twelve income levels. Collin County has a greater concentration of households in the higher income levels than the Dallas MSA. Specifically, 66% of Collin County households are at the \$75,000 or greater levels in household income as compared to 54% of Dallas MSA households. A lesser concentration of households is apparent in the lower income levels, as 12% of Collin County households are below the \$35,000 level in household income versus 19% of Dallas MSA households.



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 - 2023



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.

Area Map



Surrounding Area Analysis

Boundaries

The subject's IA #2, Phase 2B is located west of SH-66 at River Bend Road in the city of Royse City, Rockwall County, Texas and is located within the Creekside PID, IA #2 (Phase 2B). The master-planned development is located within the Royse City Independent School District. This area is generally delineated as follows:

Boundaries & Delineation	
Boundaries	
Market Area	Dallas-Fort Worth, TX
Submarket	Royse City
Area Type	Suburban
Delineation	
North	CR-590 & CR-677
South	City of Royse City Boundary Lines
East	FM-2642 & FM-2656
West	City of Royse City Boundary Lines

A map identifying the location of the property follows this section.

Access and Linkages

Access & Linkages	
Vehicular Access	
Major Highways	SH-66, IH-30
Primary Corridors	SH-66, FM-2642
Vehicular Access Rating	Average
Airport(s)	
Name	Dallas/Fort Worth International Airport
Distance	54 miles
Driving Time	One hour
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					
	5-Minute Drive Time	10-Minute Drive Time	15-Minute Drive Time	Collin County, TX	Dallas-Fort Worth-Arlington, TX Metro
2023 Estimates					
Population 2020	32,633	176,695	456,654	1,064,465	7,637,387
Population 2023	32,221	175,718	461,166	1,151,010	7,933,171
Population 2028	32,051	176,534	471,256	1,253,731	8,329,332
Compound % Change 2020-2023	-0.4%	-0.2%	0.3%	2.6%	1.3%
Compound % Change 2023-2028	-0.1%	0.1%	0.4%	1.7%	1.0%
Households 2020	10,119	57,810	161,120	381,318	2,760,991
Households 2023	10,019	57,831	163,685	411,423	2,867,378
Households 2028	9,996	58,485	168,495	447,516	3,013,369
Compound % Change 2020-2023	-0.3%	0.0%	0.5%	2.6%	1.3%
Compound % Change 2023-2028	0.0%	0.2%	0.6%	1.7%	1.0%
Median Household Income 2023	\$64,017	\$71,523	\$72,769	\$107,126	\$81,082
Average Household Size	3.2	3.0	2.8	2.8	2.7
College Graduate %	14%	22%	29%	52%	36%
Median Age	34	36	36	38	36
Owner Occupied %	67%	66%	58%	65%	60%
Renter Occupied %	33%	34%	42%	35%	40%
Median Owner Occupied Housing Value	\$199,312	\$237,050	\$274,164	\$445,102	\$318,993
Median Year Structure Built	1973	1978	1983	2001	1990
Average Travel Time to Work in Minutes	33	33	32	32	31

Source: Claritas

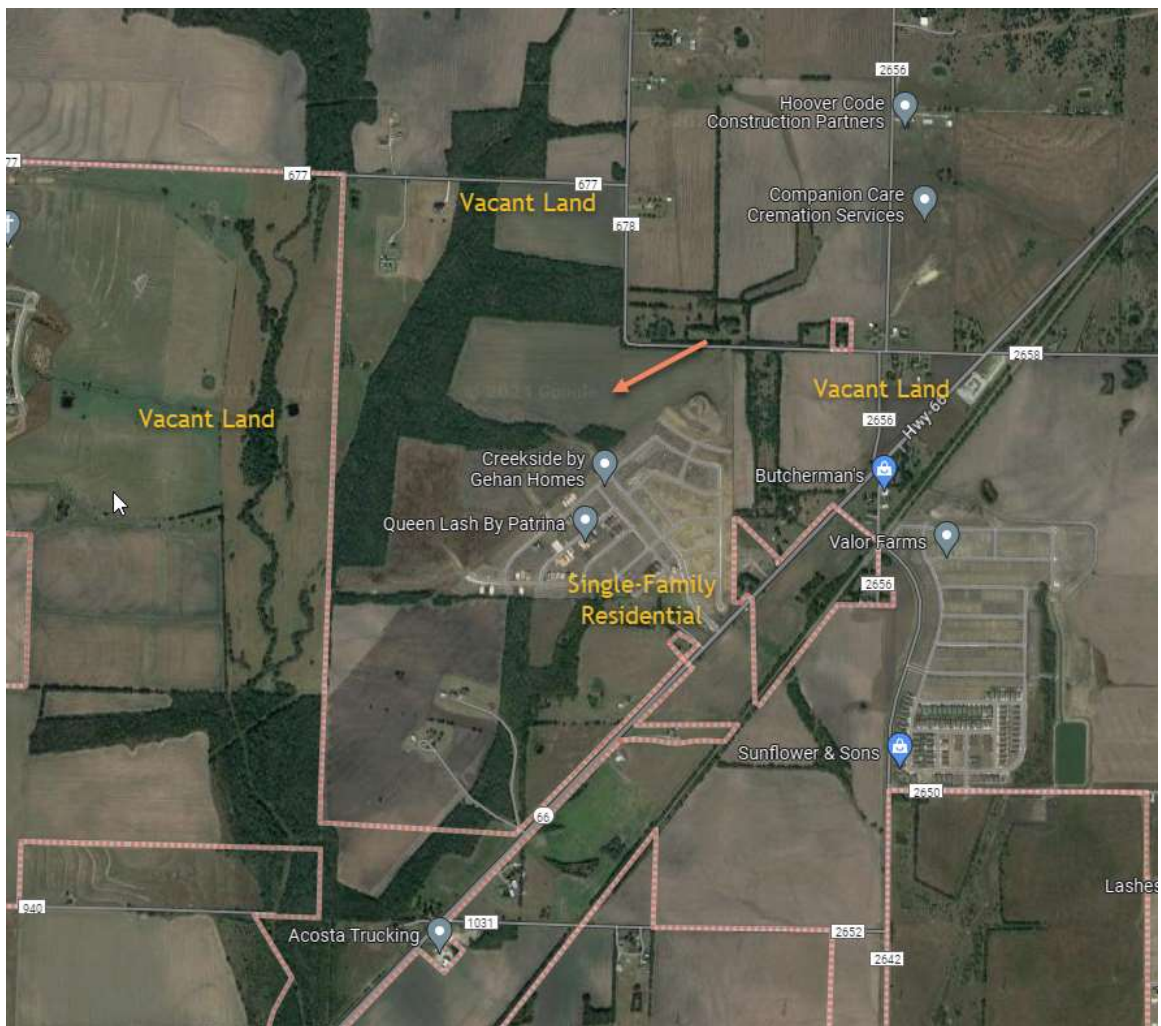
As shown above, the current population within a 10-minute drive time of the subject is 175,718, and the average household size is 3.0. Population in the area has declined since the 2020 census, but the trend is projected to change to growth over the next five years. Compared to Collin County overall, the population within a 10-minute drive time is projected to grow at a slower rate.

Median household income is \$71,523, which is lower than the household income for Collin County. Residents within a 10-minute drive time 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, predominant land uses are single-family residential. 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	35%
Infrastructure/Planning	Average



Development Activity and Trends

During the last five years, development has been predominantly of residential uses with supportive commercial and retail uses. The pace of development has generally accelerated over this time. The Royse City area is located in close proximity to the Dallas-Fort Worth metropolitan area. It is also influenced by the cities of Fate and Rockwall, Texas. As such, we have provided some recent development trends in and around the surrounding areas.

Royse City Town Center is a 130,000 square-foot, 16-acre commercial development located at the southeast corner of IH-30 and FM-2642 in Royse City approximately 35 minutes east of Dallas CBD.

Royse City Main Street district is a commercial district that runs from Elm Street to church Street in Royse City, Texas. The district's purpose is to encourage downtown revitalization while preserving historic buildings.

Zaner Robinson Historical Museum, located on Arch Street in Royse City, depicts life on the Blackland prairie from early settlers through the boom years (1920 to 1960s).

Royse City Parks – Recreational parks in Royse City include Becknell Park, Briarstone Park, City Lake Park, Cookston Court, Fox Fields, Old Jail Park, Old Mill Park, Splash Park, and Walker Hawk Sports Complex.

Stone River Golf Club – A family owned and operated 18-hole golf course. The facility offers a practice range, golf lessons, summer camps, tournaments, and special events as well as an onside bar and grill.

Royse City ISD encompasses 74.48 square miles with a tri-county boundary of Rockwall, Collin, and Hunt Counties. All campuses in the district are accredited by the Texas Education Agency. The high school offers advanced placement classes along with dual credit courses. The district also offers an alternative learning center for at-risk students through the Royse City Academy. There are six elementary schools, two intermediate schools, one middle school, and one high school with a current total enrollment of 7,629 students.

Walmart Supercenter constructed a 150,000± square-foot store located at the northwest corner of IH-30 and Erby Campbell Boulevard in Royse City.

Waterscape is a 310.20-acre master-planned subdivision located in Royse City, Texas. A total of 1,128 lots have been completed. Home prices currently range from approximately \$305,000 to \$600,000. An elaborate amenity center is located within the development. The property is located within the "Waterscape Public Improvement District" and is within the Royse City ISD.

Verandah is a 547-acre, master-planned residential development located at the northeast corner of IH-30 and FM-2642. Approximately 2,987 homes are eventually planned with 1,650 single-family lots developed to date. Current home prices are ranging from \$265,000 to \$450,000. The master-planned community features an amenity center with a pool and a water spray park and playground, as well as picnic areas, soccer half-field, basketball half-court, pocket parks, and hike/bike trails. A pond with water features is located at each of the two entrances to the development. The development is located within the Royse City ISD.

Heath Golf & Yacht Club is a master-planned golf/lake resort community located in Heath, Texas by Lake Ray Hubbard. Amenities in the development include an 18-hole championship golf course designed by Roy Bechtol, a 14,000 square-foot club house with dining and pro shop, a luxury pool with food and drink service, three tennis courts, volleyball, a state-of-the-art fitness center and 12 community guest boat slips. Miles of jogging and walking trails are throughout the community from the entrance to the shores of Lake Ray Hubbard. Students attend the Rockwall – Heath High School and Cain Middle School. The newly opened Linda Lyon Elementary School is located adjacent to the community within walking distance.

Rockwall Technology Park is a 550-acre high-tech business park located at Discovery Boulevard in Rockwall, Texas. Chewters Chocolates are developing an 189,000 square-foot facility on 10.6 acres in Phase II of the development. Interstate Wire Company built a 243,000 square-foot facility on 11 acres in Phase I. Other major companies that are a part of the park include Bimbo Bakeries USA, Karat by Lollocup/Atosa USA, and Pratt Industries.

The Harbor Project is a \$75 million-dollar project in the City of Rockwall. This development is a public and private joint venture of the City of Rockwall and Whittle Development. Located along the eastern shoreline of Lake Ray Hubbard, south of IH-30, this project was developed with a 12-screen cinema, a 181-room upscale, full-service hotel and civic center, retail, restaurants, and office. Additionally, the City of Rockwall constructed public boardwalks, fountains, plazas, and pedestrian walkways.

Lake Ray Hubbard is located within Collin, Dallas, Rockwall, and Kaufman counties, abutting the west side of the City of Rockwall and the east side of the City of Rowlett, on the East Fork of the Trinity River. The lake is 22,745 acres in size, with a maximum depth of 40 feet. Lake Ray Hubbard is one of the older lakes in the Dallas area. Like most Texas lakes, it is man-made. The lake is actually owned by the City of Dallas, but the City of Dallas has no land bordering the lake. The water gets murky after a larger rainfall and the water level can get low at certain times of the year, yet the lake reportedly never floods.

Texas Health Hospital Rockwall (formerly known as Presbyterian Hospital of Rockwall) is located on the west side of Horizon Road, south of Ridge Road and is a 125,000 square-foot hospital located in the heart of Rockwall. The hospital was developed with 60 inpatient beds and offers advanced medical technology and comprehensive services for acute medical and surgical needs. The hospital offers a Women's Imaging and Breast Center, a bariatric clinic, an ambulatory surgery center, and a variety of physician practices. The hospital is currently expanding to double their size to include a Level 1 Neonatal Intensive Care Unit, a Cardiac Cath Lab, an Interventional Radiology suite, a second surgical robot, additional surgery suites, and an expanded emergency department. The project also includes the construction of numerous inpatient rooms and enhancements in ancillary service areas.

The Plaza at Rockwall, located at the southwest quadrant of IH-30 and SH-205, is a 50-acre, 475,000 square-foot retail development includes 56 stores including JC Penney, Belk, Best Buy, Ulta, Staples, Dick's Sporting Goods, Home Goods, Jo-Ann Fabrics, Shoe Carnival, Versona, and Olive Garden.

Rockwall Commons is a mixed-use project with Class A office, retail, and restaurant space, as well as a significant residential component. Rockwall Commons, a project of T.F. Stone Companies, Inc., is located on the east side of Ridge Road north of IH-30. The mixed-use project is the first of its kind in the growing Rockwall market. In addition to views of Lake Ray Hubbard, the project offers Rockwall's first underground parking garage. Rockwall Commons incorporates 30,000 square feet of office space, 14,000 square feet of retail and restaurant space, and 202 residential units. The project features a number of water features, pools, garden and sitting areas, an amphitheater, a jogging track around the entire development, and on-site management.

The area between IH-30 and IH-20, east of the DFW metroplex, has experienced rapid residential growth. Area developments have included subdivisions in Municipal Utility Districts, small ranchettes and large ranches. Development growth is expected to increase once the following proposed highways are in place including the expansion of FM-205 in Rockwall that feeds into SH-276, the future SH-205 Loop around Rockwall that will intersect with SH-276, and the future Rockwall County Loop that will intersect with SH-276. The SH-190 (President George Bush Tollway) was extended from Garland to IH-30. These roadways promote future growth east of Rockwall as residents in Rockwall County, Kaufman County, and Hunt County now have better access to employment centers in North Dallas and the surrounding areas.

President George Bush Turnpike Extension Update - The President George Bush Turnpike Eastern Extension is a 9.9-mile segment from SH-78 in Garland, east to IH-30. The six-lane toll road opened December 21, 2011, and passes through the cities of Garland, Sachse, and Rowlett and includes a one-mile bridge over Dallas' Lake Ray Hubbard.

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 **Segment 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.

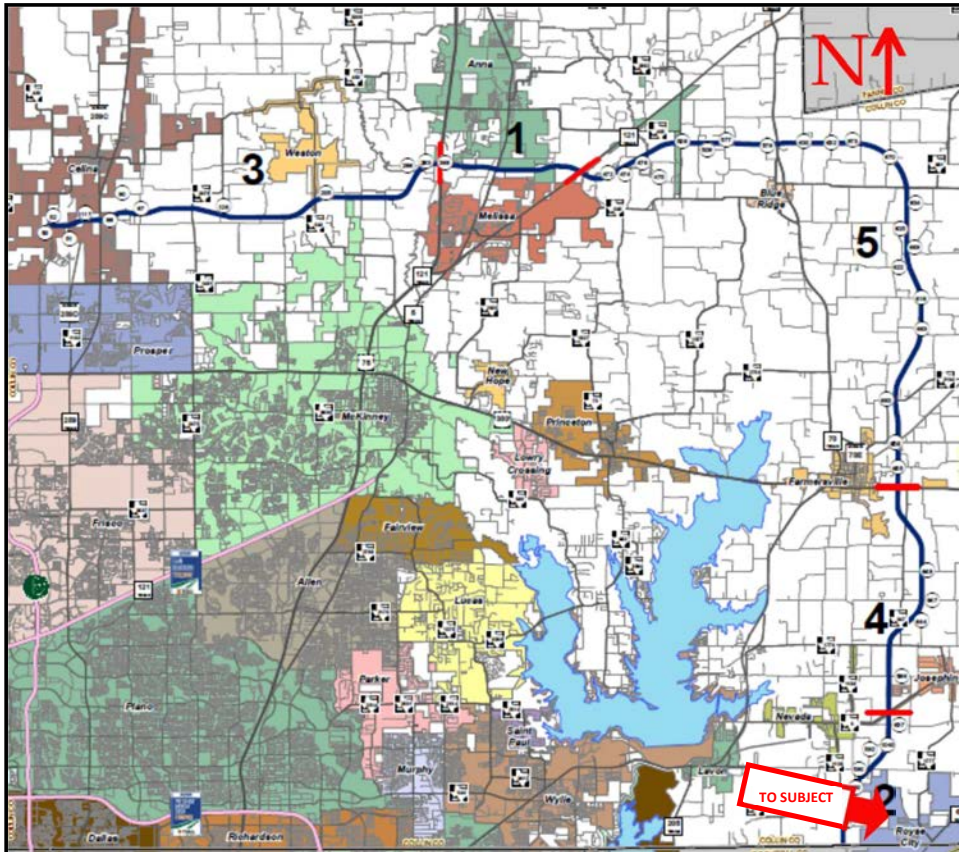
Segment 2 will run from FM-6, between Nevada and Josephine, to the Rockwall County line near Royse City. This segment could possibly be extended further south past IH-30 through Rockwall, Kaufman, and Dallas counties as part of a much larger outer loop.

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.

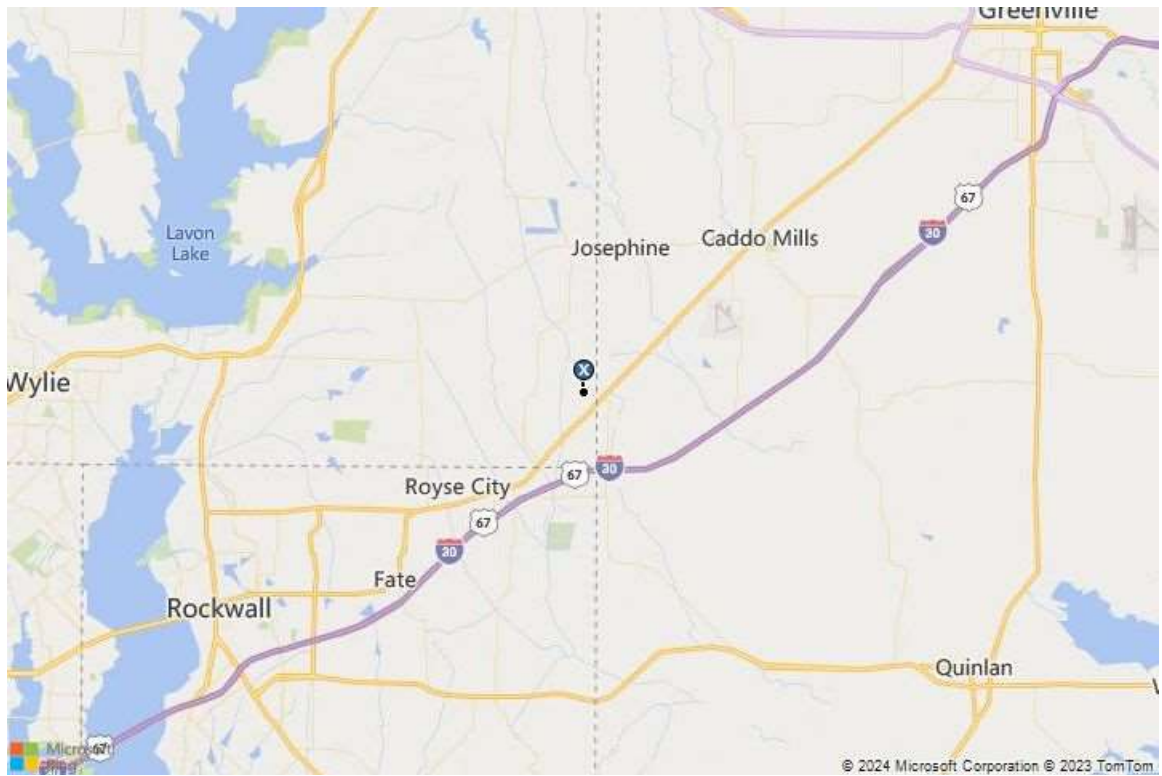
The Rockwall area will be accessed from **Segment No. 2** and shown in the following exhibit:



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

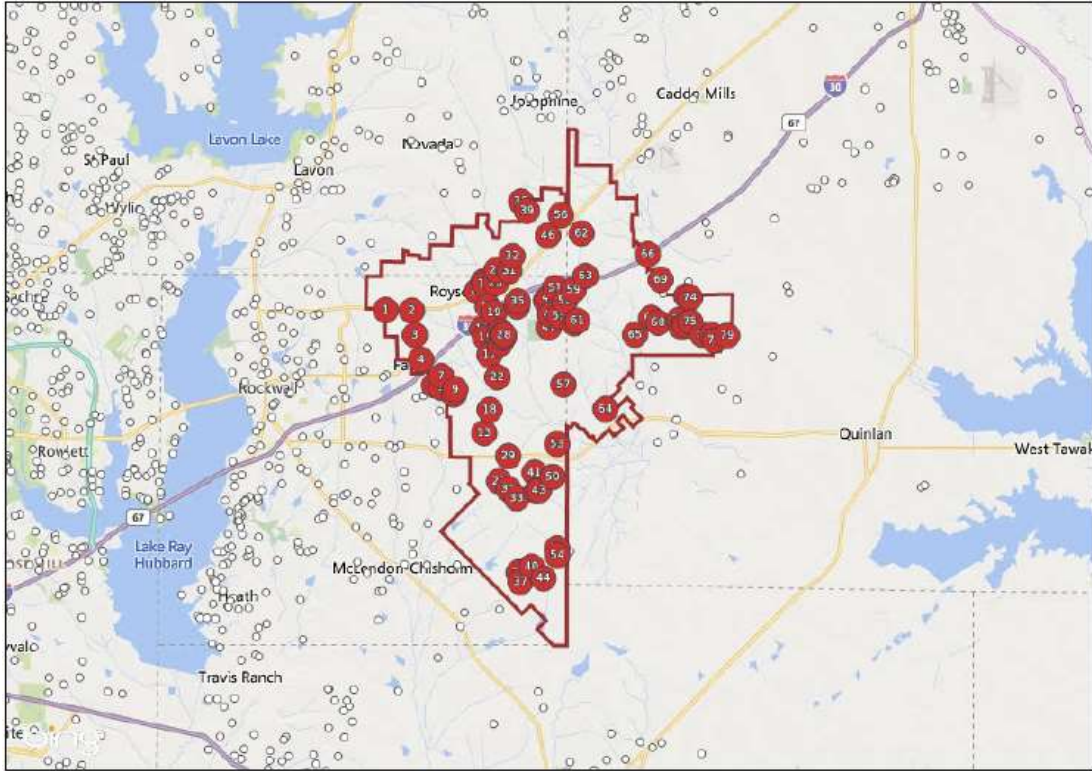


Residential Analysis

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 under construction 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 Royse City in Rockwall County and is within the Royse City Independent School District. Therefore, data obtained from Metrostudy/Zonda as of Fourth Quarter 2023 for the defined area of "Royse City ISD", as shown in the following map, will be analyzed with a summary of the details following.

Defined Submarket Map Area – Roys City ISD



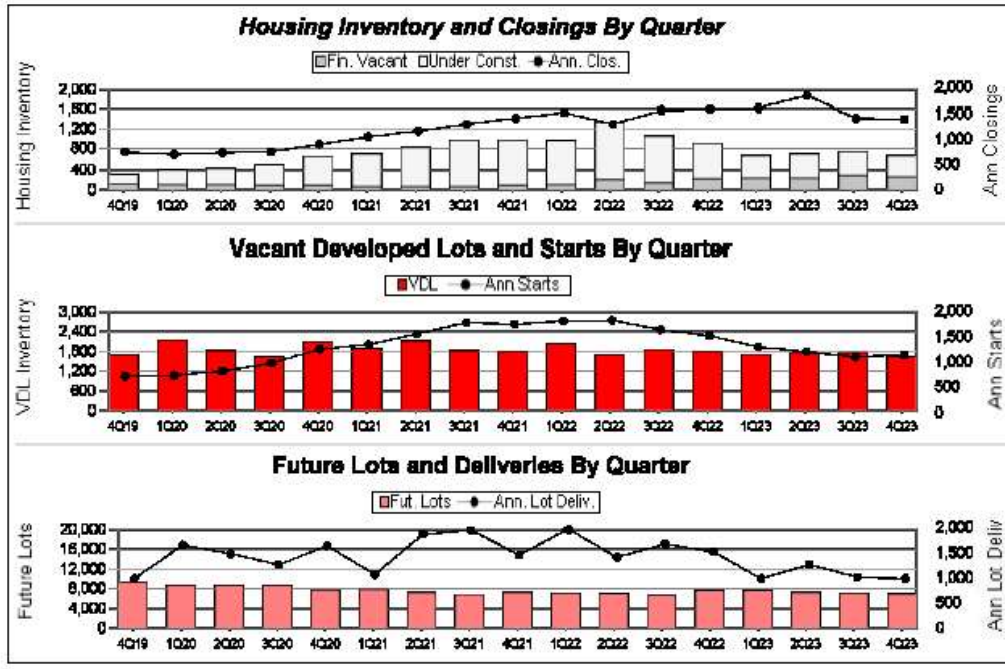
TX | Rockwall Co. (4Q23)
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Following is a chart provided by Metrostudy/Zonda summarizing the historical home/lot absorption from the past several years for the defined submarket area:

Historical Housing Chart - Royse City 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
4Q19	128	751	18	112	200	330	5.3	141	712	1,712	28.9	9,400	986
1Q20	130	704	18	105	300	423	7.2	223	735	2,160	35.3	8,735	1,657
2Q20	246	743	20	110	322	452	7.3	275	820	1,815	26.6	8,735	1,482
3Q20	254	758	24	95	415	534	8.5	336	975	1,659	20.4	8,726	1,263
4Q20	276	906	24	102	551	677	9.0	419	1,253	2,101	20.1	7,843	1,642
1Q21	274	1,050	21	74	624	719	8.2	316	1,346	1,886	16.8	7,916	1,072
2Q21	360	1,164	21	66	761	848	8.7	489	1,560	2,124	16.3	7,230	1,869
3Q21	394	1,304	32	70	909	1,011	9.3	557	1,781	1,828	12.3	6,861	1,950
4Q21	388	1,416	35	102	876	1,013	8.6	390	1,752	1,807	12.4	7,303	1,458
1Q22	383	1,525	33	103	867	1,003	7.9	373	1,809	2,040	13.5	7,144	1,963
2Q22	138	1,303	33	208	1,131	1,372	12.6	507	1,827	1,712	11.2	7,090	1,415
3Q22	657	1,586	34	149	903	1,086	8.3	371	1,841	1,861	13.6	6,775	1,674
4Q22	412	1,590	34	225	688	947	7.1	273	1,524	1,806	14.2	7,740	1,523
1Q23	399	1,806	31	234	431	696	5.2	148	1,299	1,728	16.0	7,688	987
2Q23	380	1,848	26	234	464	724	4.7	408	1,200	1,777	17.8	7,231	1,265
3Q23	224	1,415	27	291	453	771	6.5	271	1,100	1,777	19.4	7,163	1,016
4Q23	401	1,404	27	262	397	686	5.9	316	1,143	1,654	17.4	6,970	991



Dallas/Ft. Worth Residential Survey (4Q23)
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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 increased dramatically from 2019 to 2021 but has been steadily decreasing the past two years. According to Metrostudy/Zonda, the submarket area absorbed the following total homes/lots from 2019 to Fourth Quarter 2023:

MetroStudy Analysis	Historical Absorption	
	Annual	
Year 1 (2019)	712	
Year 2 (2020)	1,253	
Year 3 (2021)	1,752	
Year 4 (2022)	1,524	
Year 5 (2023)	1,143	
Historical Annual Average	1,277	
Existing VDL	1,654	
Historical Absorption Average	1,277	
Past 12 Months	1,143	
Lot Supply (5.0± Year Historical)	1.3	Years Supply
Lot Supply (12 Months)	1.4	Years Supply

As can be seen, since 2019 (5.0 years), the annual average of homes/lots absorbed was 1,277 homes/lots. Utilizing the more recent 12-month absorption of homes/lots, the number of homes/lots absorbed slightly decreases to 1,143 homes/lots in the submarket. According to Metrostudy/Zonda, the existing supply of available housing is currently below ideal levels in the submarket. Even with decreasing absorption, the submarket has seen a large drop in available lot product decreasing from a high of 2,160 lots in First Quarter 2020 to the current level of 1,654 lots in Fourth Quarter 2023.

Based upon the Metrostudy/Zonda absorption figures of the past 5.0 years, there is currently only a 1.3±-year (1,654 lots ÷ 1,277 lots = 1.3±-years) total supply of existing lots available in the submarket. This total supply is considered to be significantly 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 1,143 home/lots, the total supply of existing lots available in the subject's defined submarket remains low at only 1.4±-years (1,654 lots ÷ 1,143 lots/year = 1.4±-years), which is also well 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 1.3±-years to 1.4± years. 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 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 40’ frontage lots followed by the 50’ and 60’ frontage lots. All data is per Metrostudy/Zonda as of Fourth Quarter 2023.

Competitive Supply – 40’ 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 40’ 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	40’ Frontage Lots				
	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
<u>Ambergrove at Whiteside Village</u> Roys e City, Texas	Royse City	\$307-\$414	97	45' x 115'	5,175
<u>Creeks haw</u> Roys e City, Texas	Royse City	\$336-\$449	6	40' x 120'	4,800
<u>Creekside*</u> Roys e City, Texas	Royse City	\$305-\$508	164	40' x 110'	4,400
<u>Waterscape</u> Roys e City, Texas	Royse City	\$305-\$500	15	40' x 110'	4,400
<u>Wildwood</u> Roys e City, Texas	Royse City	\$255-\$334	25	40' x 120'	4,800
Total			307		
*Subject's subdivision					
Subject: Creekside PID, IA #2 (Ph. 2B)	Royse City ISD			40' x 110'	4,400
Source: Metrostudy as of Fourth Quarter 2023					

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 – 40' 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 Fourth Quarter 2023.

Monthly Absorption Performance	40' Frontage Lots				
	Available Lots	Building Starts	No. Months	Units/Month	Months Supply
Ambergrove at Whiteside Village	97	53	9	5.9	16.5
Creekshaw	6	73	18	4.1	1.5
Creekside*	164	58	12	4.8	33.9
Waterscape	15	66	9	7.3	2.0
Wildwood	25	80	6	13.3	1.9
Totals/Averages	307	330		35.4	8.7
Average Units/Month				7.1	

Subject: Creekside PID, IA #2 (Ph. 2B)
Source: Metrostudy as of Fourth Quarter 2023

Based upon the number of available lots and average absorption per month, the 307 lots remaining within these residential developments indicates only a 8.7±-month supply (0.7± 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 4.1 units to 13.3 units per month, with an overall average of 7.1 units per month. To summarize, it is important to note the following facts:

- Three of the five residential developments presented (Creekshaw, Waterscape, and Wildwood) are projected to be sold out within 2.0± 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 8.7± month-supply of developed lots.
- At the effective date of this appraisal, all of the subject's 40' lots are under contract to two volume homebuilders (UnionMain Homes, LLC and William Ryan Homes Texas, Inc.). The lot contracts are summarized as follows:

Lot Contract Summary																
Homebuilder	Total Lots	Typical Lot Dimensions			Base Lot Pricing			Base Price/FF			Absorption/Month			Absorption Period (Months ±)		
		40' x 110'	50' x 110'	60' x 120'	40'	50'	60'	40'	50'	60'	40'	50'	60'	40'	50'	60'
UnionMain Homes, LLC	56	56	0	0	\$70,000	0	0	\$1,750	0	0	2.7	0	0	21.0	0	0.0
William Ryan Homes Texas, Inc.	122	52	44	26	\$70,000	\$83,750	\$96,000	\$1,750	\$1,675	\$1,600	2.7	2.8	1.1	19.3	15.9	23.0
Rockwall TX, LLC	43	0	43	0	0	\$83,750	\$0	0	\$1,675	0	0	2.6	0	0	16.4	0
Totals	221	108	87	26							5.4	5.4	1.1			

*Unionmain Homes has the option of acquiring their lots on a takedown basis or in bulk at \$65,000/lot (\$1,625/FF).
All lots are contracted with an annual 6% escalation and a \$1,500/lot marketing and maintenance fee.

- The overall lot supply within the defined submarket (Royse City ISD) is estimated to range from 1.3± to 1.4± years which is well below equilibrium lot supply levels of 2.0 – 2.5 years.



Absorption Projection – 40'

The preceding data supports a projected absorption for the subject's lots with 40' frontages at 7.0 units per month (21.0 units per quarterly period) which is supported by the overall average of the competitive supply (7.1 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 40' frontage lots.

Competitive Supply – 50' 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 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				
	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
Creekshaw Royse City, Texas	Royse City	\$350-\$450	15	50' x 120'	6,000
Creekside* Royse City, Texas	Royse City	\$300-\$508	71	50' x 110'	5,500
Waterscape Royse City, Texas	Royse City	\$290-\$550	61	50' x 120'	6,000
Wildwood Royse City, Texas	Royse City	\$255-\$334	38	50' x 120'	6,000
DeBerry Reserve Royse City, Texas	Royse City	\$325-\$432	68	50' x 120'	6,000
Verandah Royse City, Texas	Royse City	\$350-\$450	198	50' x 120'	6,000
Woodcreek Fate, Texas	Royse City	\$300-\$471	38	50'/55' x 110	5,500 - 6,050
Monterra Fate, Texas	Rockwall	\$396-\$525	48	50' x 120'	6,000
Total			537		
*Subject's subdivision					
Subject: Creekside PID, IA #2 (Ph. 2B)	Royse City ISD			50' x 110'	5,500
Source: Metrostudy as of Fourth Quarter 2023					

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 Fourth Quarter 2023.

Monthly Absorption Performance		50' Frontage Lots			
Subdivisions	Available	Building			Months Supply
	Lots	Starts	No. Months	Units/Month	
Creekshaw	15	71	12	5.9	2.5
Creekside*	71	51	12	4.3	16.7
Waterscape	61	64	9	7.1	8.6
Wildwood	38	70	6	11.7	3.3
DeBerry Reserve	68	101	18	5.6	12.1
Verandah	198	267	15	17.8	11.1
Woodcreek	38	137	12	11.4	3.3
Monterra	48	50	9	5.6	8.6
Totals/Averages	537	811		69.3	7.7
Average Units/Month				8.7	

Subject: Creekside PID, IA #2 (Ph. 2B)
Source: Metrostudy as of Fourth Quarter 2023

Based upon the number of available lots and average absorption per month, the 537 lots remaining within these residential developments indicates only a 7.7±-month supply (0.6± 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 4.3 units to 17.8 units per month, with an overall average of 8.7 units per month. To summarize, it is important to note the following facts:

- Five of the eight residential developments presented (Creekshaw, Waterscape, Wildwood, Woodcreek, and Monterra) are projected to be sold out within 8.6± 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 7.7± month-supply of developed lots.
- At the effective date of this appraisal, all of the subject’s 50’ lots are under contract to two volume homebuilders (William Ryan Homes Texas, Inc. and Rockwall TX, LLC). The lot contracts are summarized as follows:

Homebuilder	Total Lots	Typical Lot Dimensions			Base Lot Pricing			Base Price/FF			Absorption/Month			Absorption Period (Months ±)		
		40' x 110'	50' x 110'	60' x 120'	40'	50'	60'	40'	50'	60'	40'	50'	60'	40'	50'	60'
UnionMain Homes, LLC	56	56	0	0	\$70,000	0	0	\$1,750	0	0	2.7	0	0	21.0	0	0.0
William Ryan Homes Texas, Inc.	122	52	44	26	\$70,000	\$83,750	\$96,000	\$1,750	\$1,675	\$1,600	2.7	2.8	1.1	19.3	15.9	23.0
Rockwall TX, LLC	43	0	43	0	0	\$83,750	\$0	0	\$1,675	0	0	2.6	0	0	16.4	0
Totals	221	108	87	26							5.4	5.4	1.1			

*Unionmain Homes has the option of acquiring their lots on a takedown basis or in bulk at \$65,000/lot (\$1,625/FF).

All lots are contracted with an annual 6% escalation and a \$1,500/lot marketing and maintenance fee.

- The overall lot supply within the defined submarket (Royse City ISD) is estimated to range from 1.3± to 1.4± years which is well 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 9.0 units per month (27.0 units per quarterly period) which is supported by the overall average of the competitive supply (8.7 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>Reserve at Chamberlain Crossing</u> Fate, Texas	Royse City	\$327-\$385	39	60' x 110'	6,600
<u>Waterscape</u> Royse City, Texas	Royse City	\$305-\$587	50	60' x 120'/125'	7,200 - 7,500
<u>Edgewater</u> Fate, Texas	Rockwall	\$400-\$610	51	60' x 120'	7,200
<u>Monterra</u> Fate, Texas	Rockwall	\$488-\$680	109	60' x 120'	7,200
<u>Woodcreek</u> Fate, Texas	Rockwall	\$350-\$550	19	60' x 120'/130'	7,200 - 7,800
Total			268		
Subject: Creekside PID, IA #2 (Ph. 2B)	Royse City ISD			60' x 120'	7,200
Source: Metrostudy as of Fourth Quarter 2023					

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 Fourth Quarter 2023.

Monthly Absorption Performance	60' Frontage Lots				
Subdivisions	Available Lots	Building Starts	No. Months	Units/Month	Months Supply
Reserve at Chamberlain Crossing	39	73	9	8.1	4.8
Waterscape	50	70	9	7.8	6.4
Edgewater	51	15	15	1.0	51.0
Monterra	109	36	9	4.0	27.3
Woodcreek	19	106	12	8.8	2.2
Totals/Averages	268	300		29.7	9.0
Average Units/Month				5.9	
Subject: Creekside PID, IA #2 (Ph. 2B)					
Source: Metrostudy as of Fourth Quarter 2023					



Based upon the number of available lots and average absorption per month, the 268 lots remaining within these residential developments indicates only a 9.0±-month supply (0.8± 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 1.0 units to 8.8 units per month, with an overall average of 5.9 units per month. To summarize, it is important to note the following facts:

- Three of the five residential developments presented (Reserve at Chamberlain Crossing, Waterscape, and Woodcreek) are projected to be sold out within 6.4± 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 9.0± month-supply of developed lots.
- At the effective date of this appraisal, all of the subject's 60' lots are under contract to one volume homebuilder (William Ryan Homes Texas, Inc.). The lot contracts are summarized as follows:

Lot Contract Summary																
Homebuilder	Total Lots	Typical Lot Dimensions			Base Lot Pricing			Base Price/FF			Absorption/Month			Absorption Period (Months ±)		
		40' x 110'	50' x 110'	60' x 120'	40'	50'	60'	40'	50'	60'	40'	50'	60'	40'	50'	60'
UnionMain Homes, LLC	56	56	0	0	\$70,000	0	0	\$1,750	0	0	2.7	0	0	21.0	0	0.0
William Ryan Homes Texas, Inc.	122	52	44	26	\$70,000	\$83,750	\$96,000	\$1,750	\$1,675	\$1,600	2.7	2.8	1.1	19.3	15.9	23.0
Rockwall TX, LLC	43	0	43	0	0	\$83,750	\$0	0	\$1,675	0	0	2.6	0	0	16.4	0
Totals	221	108	87	26							5.4	5.4	1.1			

*Unionmain Homes has the option of acquiring their lots on a takedown basis or in bulk at \$65,000/lot (\$1,625/FF).

All lots are contracted with an annual 6% escalation and a \$1,500/lot marketing and maintenance fee.

- The overall lot supply within the defined submarket (Royse City ISD) is estimated to range from 1.3± to 1.4± years which is well 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 6.0 units per month (18.0 units per quarterly period) which is supported by the overall average of the competitive supply (5.9 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 Projection

Our quarterly absorption projections are summarized as follows for the subject:

Projected Absorption Summary							Total Aborp. Period	
Lot Type	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Lots	(Months±)
40' Lots	21	21	21	21	21	3	108	15.4
50' Lots	27	27	27	6	0	0	87	9.7
60' Lots	18	8	0	0	0	0	26	4.3
Totals	66	56	48	27	21	3	221	

As shown, the overall absorption for the subject's 221 lots is estimated to be 15.4± months (40' lots), 9.7± months (50' lots), and 4.3± months (60' lots).



Federal Reserve Rate Increases Impact on Current Valuations

Transaction indicators are the best measure of any impact on values due to the recent Federal Reserve increases. Since the beginning of the rate increase in mid-year 2022, many transactions were tabled, and market data has been scarce. Since that time period, price discovery has occurred in many markets across different property types and transactions are getting done. However, market instability remains a factor on various levels. Based on discussions and interviews with a wide range of market participants including brokers, lenders, asset managers, owners, property managers and others, a variety of concerns, and opportunities, are apparent.

Interest Rates

In 2016, the Federal Reserve began slowly raising rates as the economy recovered. Subsequently, the Federal Reserve fed funds rate steadily rose from 0.25% - 0.50% to 2.25% - 2.50% between December 2016 and December 2018. During 2019, inflation was well below the central bank's 2% target, and in response, the rate was lowered three times from 2.0%-2.50% to 1.50%-1.75%. In January 2020, the Federal Open Market Committee (FOMC) released a policy statement in January 2020 indicating that the labor market remains strong, and that economic activity has been rising at a moderate rate. Within weeks, the Covid-19 pandemic spread across the globe and in March of 2020 the target range dropped back to 0.0% to 0.25%. However, with the COVID-19 pandemic basically over, employment rate sub 4.0% nationally and inflation at 40-year highs, the Federal reserve began rapidly increasing the fed funds rate steadily from 0.25% - 0.50% in March of 2022 to 4.25% - 4.50% as of December 2022 pushing borrowing costs to the highest level since 2007. In addition, no FOMC participants anticipated that it would be appropriate to begin reducing the federal funds rate target in 2023. At their July 25-26 meeting, FOMC issued a statement that "Recent indicators suggest that economic activity has been expanding at a moderate pace. Job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 5-1/4 to 5-1/2 percent."

Macro-Economic Impacts

Not surprisingly, the markets have reacted accordingly. The markets experienced a notable change in 2022, as the economic environment was altered due to a significant increase in interest rates and a continuing increase in the inflation rate. While this had a clear impact on fixed-income investments, stocks were not immune to the effects of the changing environment. Major "repricing" took place in the stock market, and the Standard & Poor's 500 stock index, moved into a bear market, with a decline of 20% from its peak value, as did other major market indices.

As interest rates remain high, personal savers can benefit from elevated earnings on their balances. But the most recent rate hike means that borrowers will continue to see higher interest rates too, on mortgages, credit card debt, and personal loans. Higher prices combined with high-priced debts have consumers and experts still concerned about the future of the job market and the recession possibilities.

Real gross domestic product (GDP) increased at an annual rate of 2.4 percent in the second quarter of 2023, according to the "advance" estimate. In the first quarter, real GDP increased 2.0 percent. The increase in the second quarter primarily reflected increases in consumer spending and business investment that were partly offset by a decrease in exports. Imports, which are a subtraction in the calculation of GDP, decreased. Compared to the first quarter, the acceleration in GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in nonresidential fixed investment. These movements were partly offset by a downturn in exports, and decelerations in consumer spending, federal government spending, and state and local government spending. Imports decreased \$80.1 billion or 4.0 percent.

Per the latest estimate the GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2023 is 5.1 percent on October 10, up from 4.9 percent on October 5. After last week's employment situation release from the US Bureau of Labor Statistics and this morning's wholesale trade report from the US Census Bureau, the nowcasts of third quarter real gross private domestic investment growth and third-quarter real government spending growth increased from 5.9 percent and 2.2 percent, respectively, to 6.7 percent and 3.0 percent.

Rates of Return and Valuation Methodology

Offsetting the increased risk due to uncertainty in the property markets is the Federal Reserve's monetary policy of increasing rates down to get a grip on inflation and cooling down the economy. While many financial institutions have raised their loan to value ratios as a risk management tool, the cost of borrowing is at recent historic highs. The result is downward pressure on rates of return where leverage is attainable. As transactions continue to occur, the overall impact on rates of return, by property type and location, is becoming apparent.

Some market participants believe the impact on market value is reflected in capitalization rates while others believe rates are not moving. Instead, the value impact is limited to cash flow loss plus profit until re-stabilization occurs. Once again, the answers vary by property type and location.

The valuation herein reflects our analysis of current market data.

Market Sentiment/Participant Interviews

In addition to transaction data, which is slowly materializing, we look to market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. Following is a summary of key interviews undertaken:

MarketParticipantSurvey

	Respondent	Commentary
Date of Survey	First Quarter 2024	
Name	Mr. Jeff Winkler	I don't see anything right now that should change. Job creation is good and increasing interest rates have stopped. Consensus is that in Third or Fourth Quarter 2024, the Federal Reserve will move rates down. Homebuilding is still healthy with lots of activity.
Role/Title	CFO	
Company	Huffines Companies	
Date of Survey	Fourth Quarter 2023	
Name	Mr. Ben Caballero	The outlook for the DFW and statewide homebuilding markets is promising. The strength I'm seeing in new home production and sales this fall indicates that 2024 looks strong for Texas homebuilders.
Role/Title	Founder/CEO	
Company	Homes USA	
Date of Survey	Fourth Quarter 2023	
Name	Mr. Tom Cawthon	There are just so many folks that are locked in on their low interest rate mortgages from a couple of years ago, call it the pandemic era, that unless they just have to move, they're not going to move because rates have escalated so much. "Honestly, it's really been a boon to builders such as ourselves. Because we have inventory, we're able to partner with our lender partner and offer forward commitments and losing cost assistance and so forth, so it's really helped volume builders quite a bit."
Role/Title	Dallas Division President	
Company	Taylor Morrison	
Date of Survey	Fourth Quarter 2023	
Name	Mr. Tripp Davenport, III	Activity has surprisingly picked up. Despite rate increases, once stabilization occurred, both developers and builders appear to be moving forward on existing and new projects.
Role/Title	Investment Banker/Director	
Company	FMSbonds, Inc.	
Date of Survey	Fourth Quarter 2023	
Name	Mr. Pfil Hunt	We have continued to see very steady volume with no slowdown in 2023. The developer and homebuilder clients continue to have steady demand for pods, finished lots, and houses.
Role/Title	Owner/Partner	
Company	Wrathell Hunt & Associates	

Conclusion

Considering the subject's relative sensitivity to inherent risks as of the effective date of the valuation, the following valuation considerations were developed:

Valuation Approach Implications		Comment
Sales Comparison Approach		
Market conditions adjustment?	Yes	An annual market conditions adjustment of 6% was applied to the lot sales.
Transaction evidence?	Yes	
Marketing Time		
Has marketing time been adjusted?	Yes	Increase of three months from 6 – 9 months to 9 – 12 months

Property Analysis

Land Description and Analysis

Location

The Creekside PID, IA #2, Phase 2B is located northwest of SH-66 at River Bend Road in the city of Roysce City, in far southeast Collin County, Texas. It is noted River Bend Road is being extended to provide access throughout Phase 2B.

Land Area

The following table summarizes the subject’s land area.

Land Area Summary		
Tax ID	SF	Acres
Part of Tax ID 2805420	2,346,486	53.868

Source: Engineering Report

Shape and Dimensions

The site is irregular in shape, with site utility based on 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	48085C0470J
Date	June 2, 2009
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Ground Stability

A soils report was not provided for review. Based on the viewing of the subject and 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

The Creekside PID is accessed directly from SH-66 at River Bend Road which is being extended to provide access throughout Phase 2B. Additional access will be provided from the extension of existing streets constructed in earlier phases of development.

Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	City of Royse City, Texas
Sewer	City of Royse City, Texas

Zoning

The subject is within the Planned Development zone, which is intended to allow for detached single-family use. The following table summarizes the applicable zoning requirements affecting the subject.

Zoning Summary	
Zoning Jurisdiction	City of Roys e City, Texas
Zoning Designation	PD
Description	Planned Development
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Detached single-family residential use

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 preliminary plat, 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 include detached single-family residential use. No other restrictions on development are apparent.

General Description - Creekside PID, IA #2 (Phase 2B)

The subject represents Improvement Area #2 (IA #2) being developed as Phase 2B of the Creekside Public Improvement District (PID) located in the city of Royse City, Collin County, Texas. Phase 2B is currently under construction with a total of 221 single-family lots on 53.868 acres with an expected substantial completion date of June 15, 2024. Phase 2B is being developed with three typical lot types (40', 50', and 60' frontage lots) designed for front access. The PID is located within the Royse City ISD and is governed under a Planned Development District allowing for detached single-family use according to the accepted concept plan. Access to IA #2 (Phase 2B) is provided from the main entrance from SH-66 via River Bend Road as well as existing interior streets.

Improvements will also include concrete streets with curbs and gutters, streetlights, and landscaping.

The Creekside PID, IA #2 (Phase 2B) is summarized in the following exhibit:

Creekside PID, IA #2, Phase 2B, Royse City, Collin County, Texas							
		Density		Typical Lot Dimensions			Expected
Phase	Acres	Per Acre	40' x 110'	50' x 110'	60' x 120'	Total Lots	Completion Date
2B	53.868	4.1	108	87	26	221	June 15, 2024



Subject



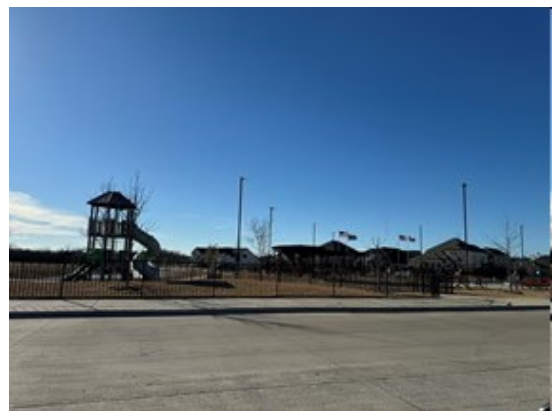
Main Entrance



SH-66



River Bend Road



Amenity



Amenity



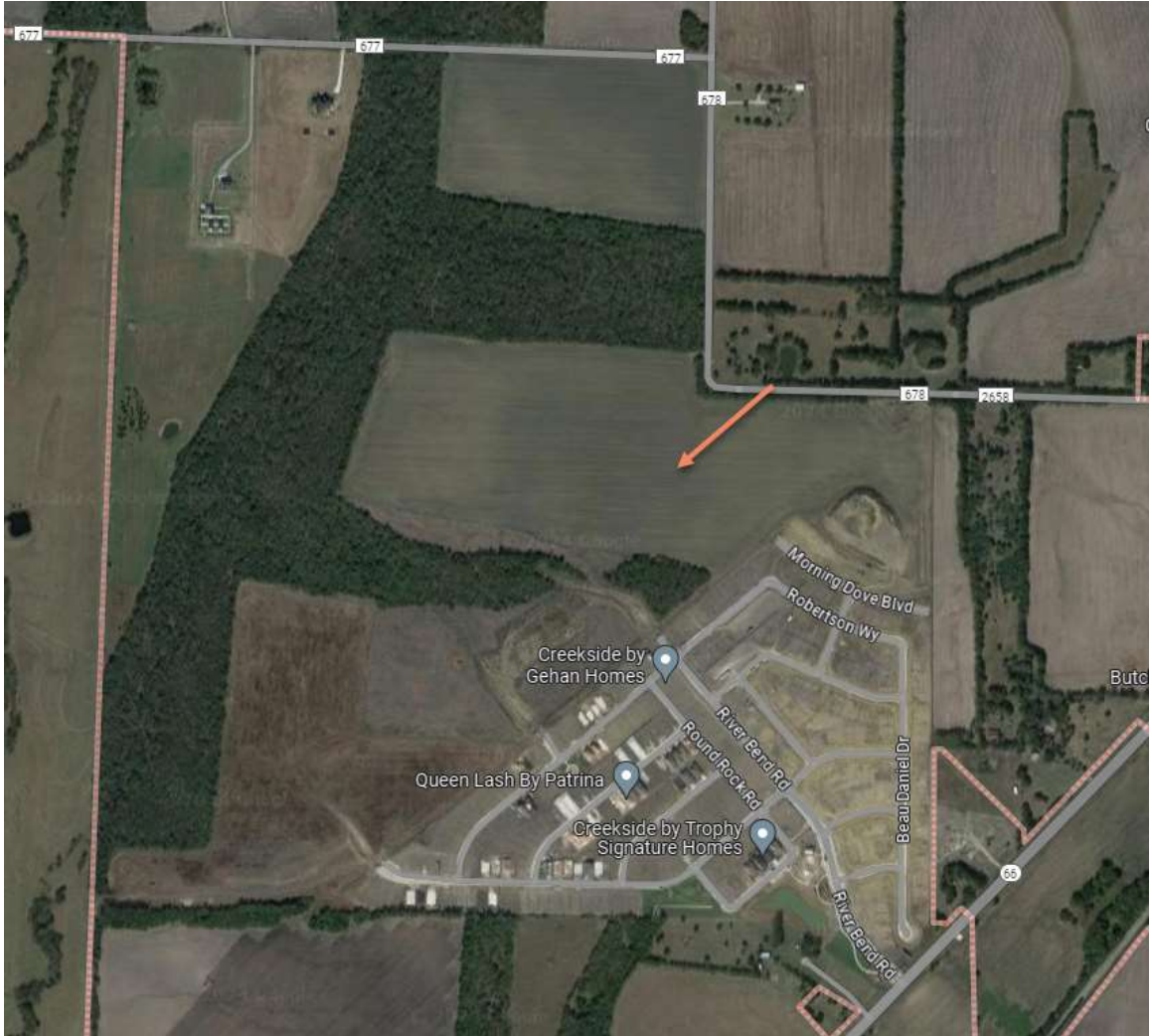
Amenity



River Bend Road



Aerial Photograph



Overall Conceptual Plan - Creekside



SINGLE-FAMILY SUMMARY:

LOT DIMENSIONS	PH 1A	PH 1B	PH 2A	PH 2B	PH 3	PH 4	PH 5	TOTAL
40' x 110'	110	82	102	108	75	43	70	+/- 590
50' x 110'	100	83	31	87	56	70	0	+/- 427
60' x 120'	5	9	7	26	27	26	0	+/- 100
Total	215	174	140	221	158	139	70	+/- 1,117



Preliminary Plat – Creekside, Phase 2B



PRELIMINARY PLAT OF CREEKSIDE

PHASE 2B
221 LOTS

LOTS 19-32 & 4X, BLK A; LOTS 26-52, 5X & 8X, BLK F; LOTS 1-26, BLK G;
LOTS 1-17, BLK H; LOTS 1-22, BLK J; LOTS 1-12 & 9X, BLK K;
LOTS 1-18 & 6X, BLK L; LOTS 44-49, BLK M; LOT 1-46, BLK N;
LOTS 35-60 & 7X, BLK P; LOTS 1-7, BLK Q

BEING 53.868 ACRES SITUATED IN THE
JOHN DAVIS SURVEY, ABSTRACT A0244
CITY OF ROYSE CITY, COLLIN COUNTY, TEXAS.

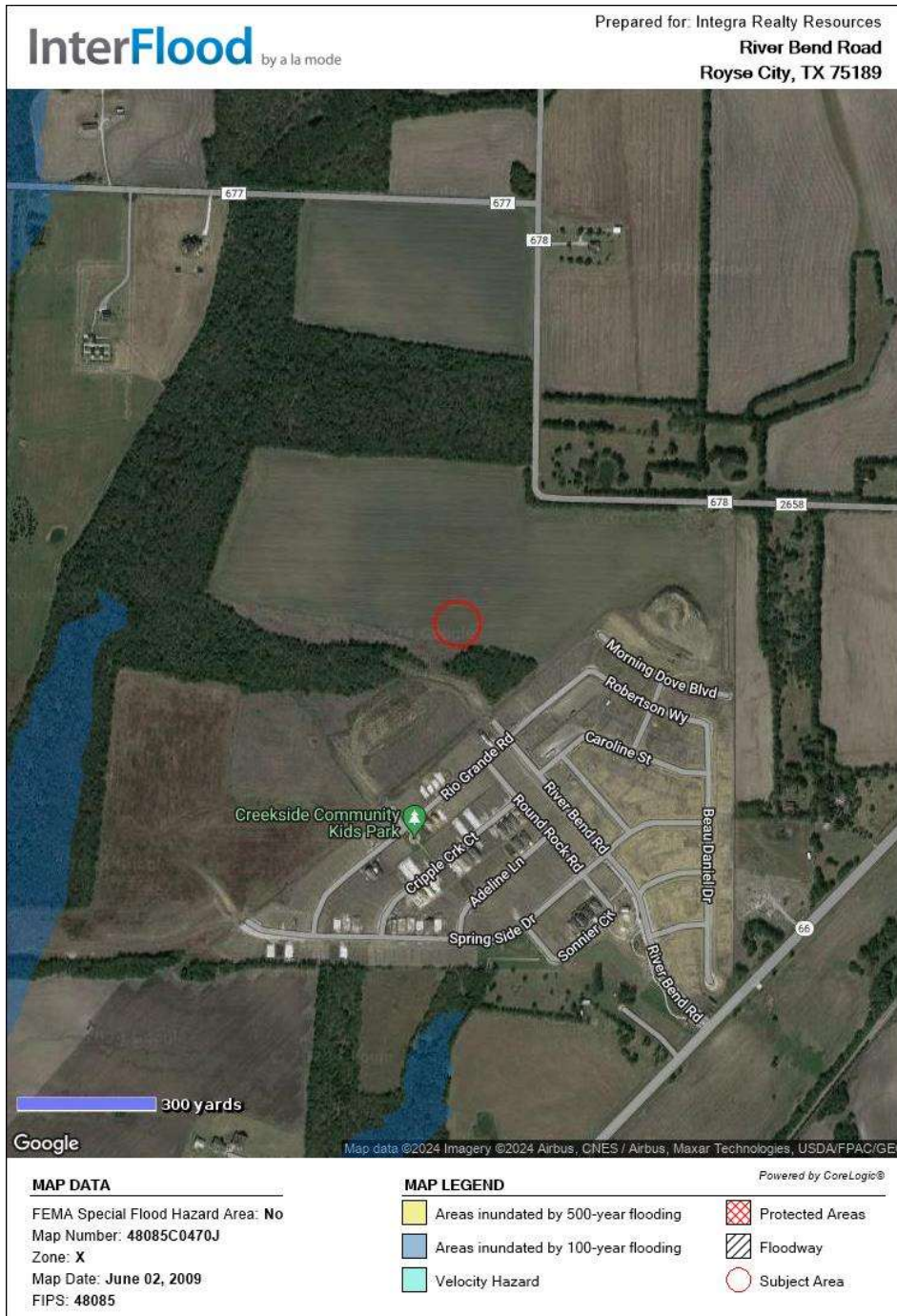
PLANNED DEVELOPMENT

Lot Type Exhibit



Lot Type 4 – 40
 Lot Type 5 – 50'
 Lot Type 6 – 60'

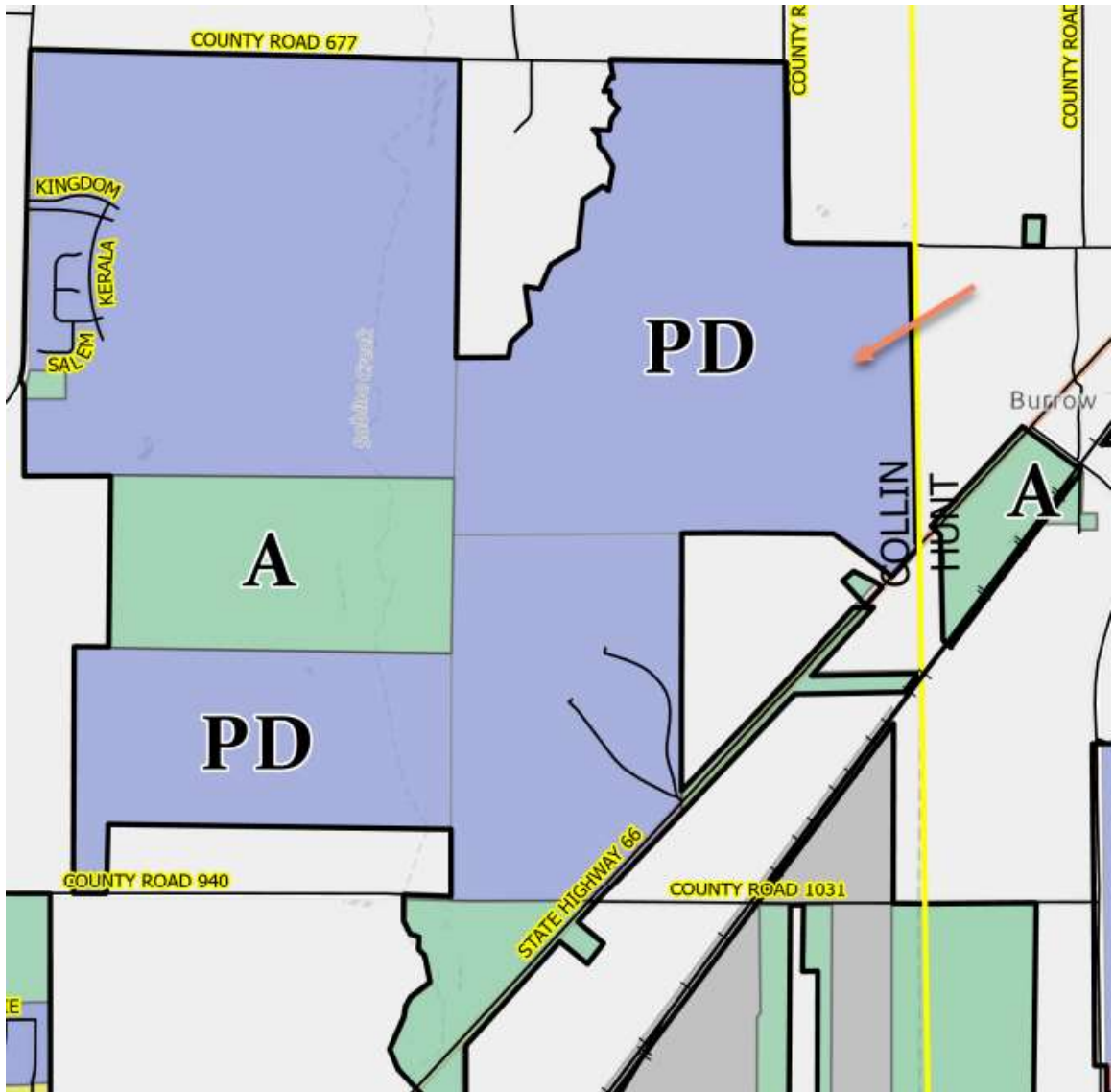
Flood Hazard Map



Creekside PID, IA #2 (Phase 2B)



Zoning Map



Allocation of Authorized Improvements

All information relative to the allocation of authorized improvements were provided by the Creekside Public Improvement District Amended and Restated Service and Assessment Plan as of January 19, 2024.

Improvement Area #2 Improvements

- *Onsite Paving*

Improvements including subgrade stabilization (includes lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #2-A and Improvement Area #2-B.

- *Onsite Water*

Improvements including trench excavation and embedment, trench safety, PVC piping (gate vales, air release vales, irrigation meters, automatic flushing valves, fire hydrant assemblies), manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2-A and Improvement Area #2-B.

- *Onsite Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2-A and Improvement Area #2-B.

- *Onsite Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, (splitter structures and appurtenances, manholes), concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots within Improvement Area #2-A and Improvement Area #2-B.

- *Soft Costs*

Improvements including Improvement Area #2's pro rata share of the costs incurred in the formation, establishment, administration, and operation of the District; costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, inspection, testing, and contingency.

Sources and Uses of Funds

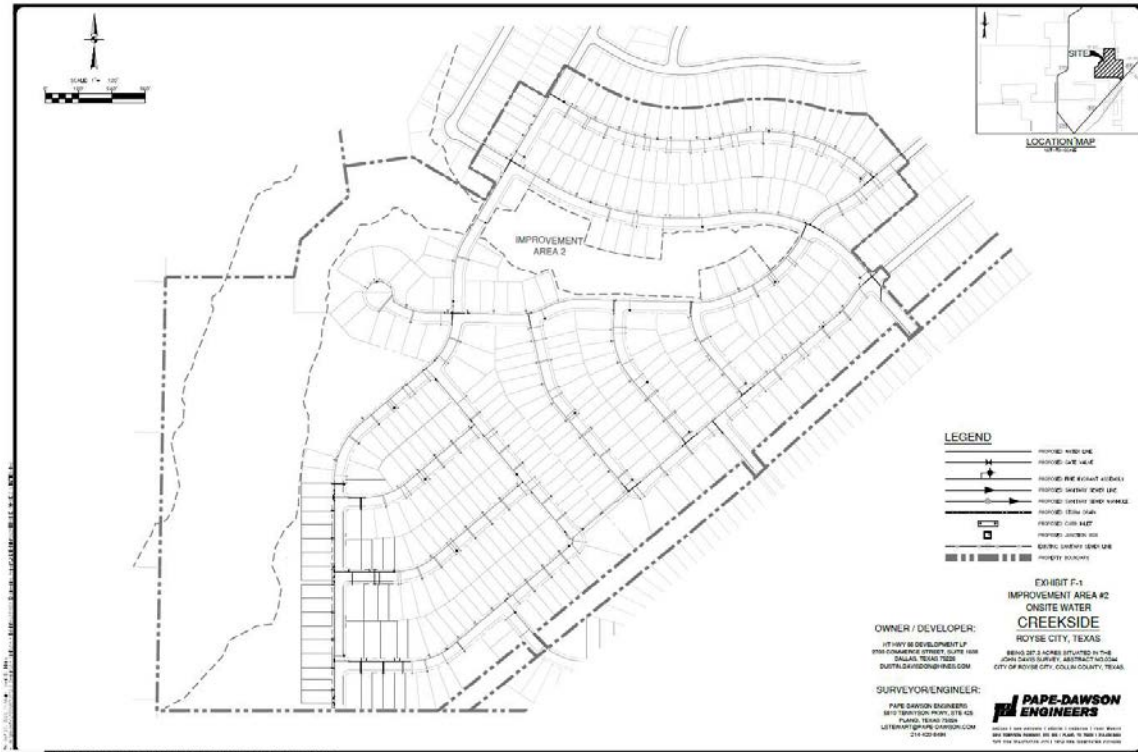
	Private	Improvement Area #1	Improvement Area #2-A	Improvement Area #2-B	Total
Sources of Funds					
Improvement Area #1 Bond Par ^(a)	\$ -	\$ 7,485,000	\$ -	\$ -	\$ 7,485,000
Improvement Area #2-B Bond Par	-	-	-	4,324,000	4,324,000
Owner Contribution - Major Improvements ^(b)	11,776,979	-	-	-	11,776,979
Owner Contribution - Improvement Area #1 Authorized Improvements ^(b)	-	1,637,862	-	-	1,637,862
Owner Contribution - Improvement Area #2 Improvements ^(b)	-	-	-	4,991,580	4,991,580
Owner Contribution - Improvement Area #2 Private ^(b)	4,360,576	-	-	-	4,360,576
Improvement Area #2-A Apportionment of Costs ^(c)	-	-	5,244,919	-	5,244,919
Total Sources	\$ 16,137,556	\$ 9,122,862	\$ 5,244,919	\$ 9,315,580	\$ 34,575,998
Uses of Funds					
Major Improvements	\$ 11,776,979	\$ -	\$ -	\$ -	\$ 11,776,979
Improvement Area #1 Improvements	-	7,976,851	-	-	7,976,851
Improvement Area #2 Improvements	-	-	5,244,919	8,415,187	13,660,106
Improvement Area #2 Private Improvements	4,360,576	-	-	-	4,360,576
	\$ 16,137,556	\$ 7,976,851	\$ 5,244,919	\$ 8,415,187	\$ 37,774,512
<i>Bond Issuance Costs - 2020 Bonds</i>					
Debt Service Reserve Fund	\$ -	\$ 445,738	\$ -	\$ -	\$ 445,738
Capitalized Interest	-	99,473	-	-	99,473
Underwriter's Discount	-	224,550	-	-	224,550
Cost of Issuance	-	366,250	-	-	366,250
	\$ -	\$ 1,136,011	\$ -	\$ -	\$ 1,136,011
<i>Other Costs - 2020 Bonds</i>					
First Year's Annual Collection Costs	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
<i>Bond Issuance Costs - 2024 Bonds</i>					
Debt Service Reserve Fund	\$ -	\$ -	\$ -	\$ 327,250	\$ 327,250
Capitalized Interest	-	-	-	122,363	122,363
Underwriter's Discount	-	-	-	129,720	129,720
Cost of Issuance	-	-	-	281,060	281,060
	\$ -	\$ -	\$ -	\$ 860,393	\$ 860,393
<i>Other Costs - 2024 Bonds</i>					
First Year's Annual Collection Costs	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
Total Uses	\$ 16,137,556	\$ 9,122,862	\$ 5,244,919	\$ 9,315,580	\$ 39,820,916

Footnotes:

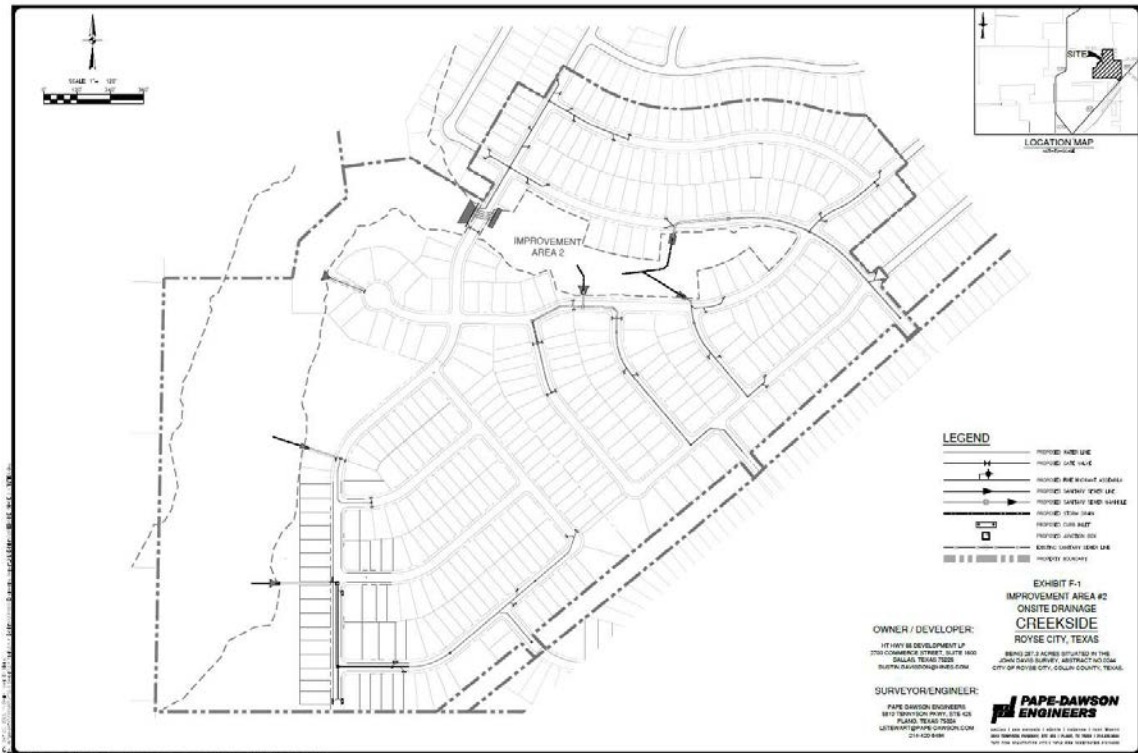
- [a] Outstanding Improvement Area #1 Assessment after principal payment due 3/31/2024 is paid using Annual Installment due 1/31/2024 is \$6,985,000.
- [b] Non-reimbursable to the Owner by the City.
- [c] Apportioned Costs to be levied in part or in full at a later date.

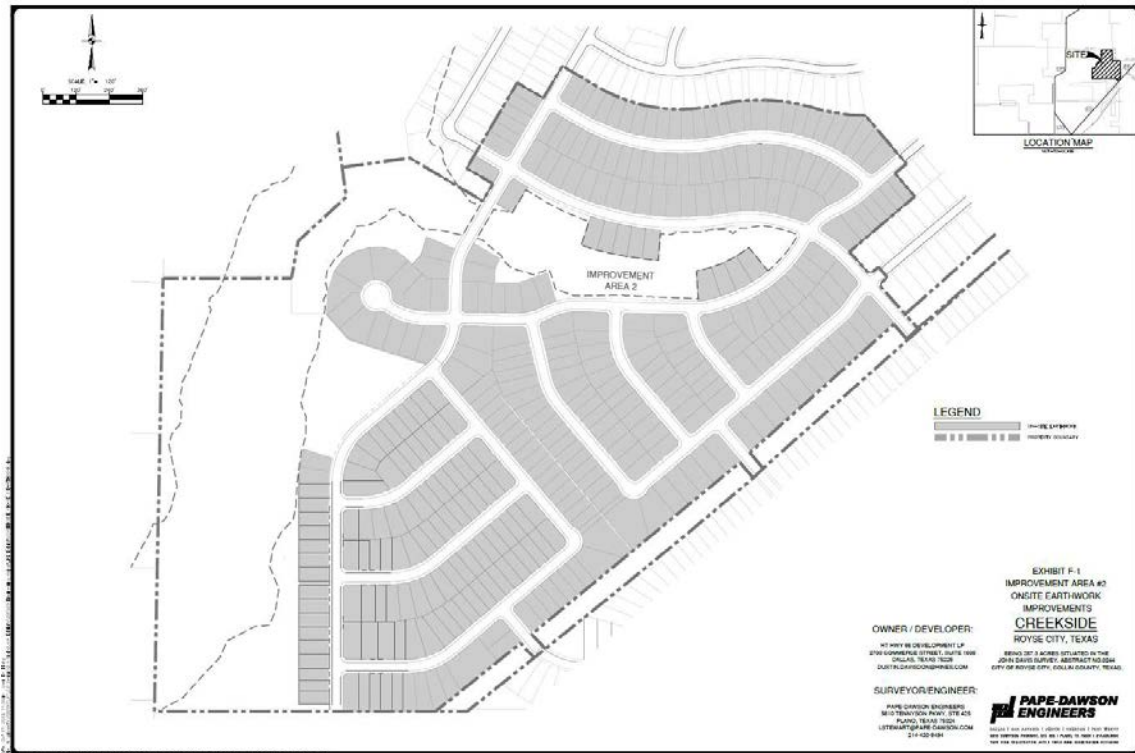


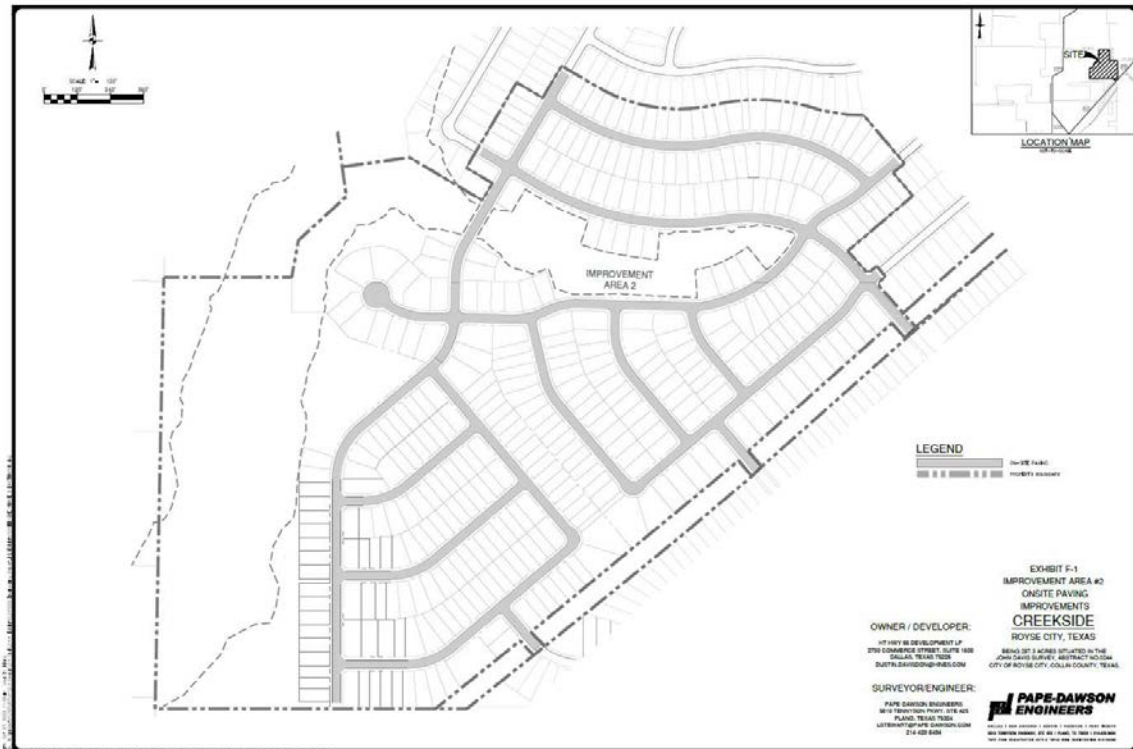
Maps of Improvement Area #2 Improvements













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								
Tax ID	Total Acres	Assessed Value			Tax Rate	Taxes and Assessments		
		Land	Improvements	Total		Ad Valorem Taxes	Agriculture Assessment	Total
2805420	136.013	\$5,236,501	\$0	\$5,236,501	2.072063%	\$108,504	\$1,471,640	\$30,493

The subject is currently assessed as part of a larger vacant tract of land comprised of 136.013 acres.

The assessed value as vacant land is irrelevant to our prospective valuation upon completion. The estimated taxes for the subject’s lots under construction will be based upon our market value opinions within the discounted cash flow statements within this report.

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 site is zoned PD, Planned Development. Permitted uses include detached single-family residential use. 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.

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.

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 - (Subdivision Development Analysis)	Applicable	Utilized

Sales Comparison Approach

To develop an opinion of the subject's lot values within the Creekside PID, IA #2 (Phase 2B), 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 three lot types on the subject's 53.868 acres, being 40-feet, 50-feet, and 60-feet in lot width.

The Sales Comparison Approach will be utilized to determine lot values for the individual lot types which are summarized as follows:

Land Parcels			
Name	SF	Units	Unit of Comparison
40' Frontage Lots	4,400	40	Front Footages
50' Frontage Lots	5,500	50	Front Footages
60' Frontage Lots	7,200	60	Front Footages

40' Frontage Lots (40' x 110'; 4,400 SF)

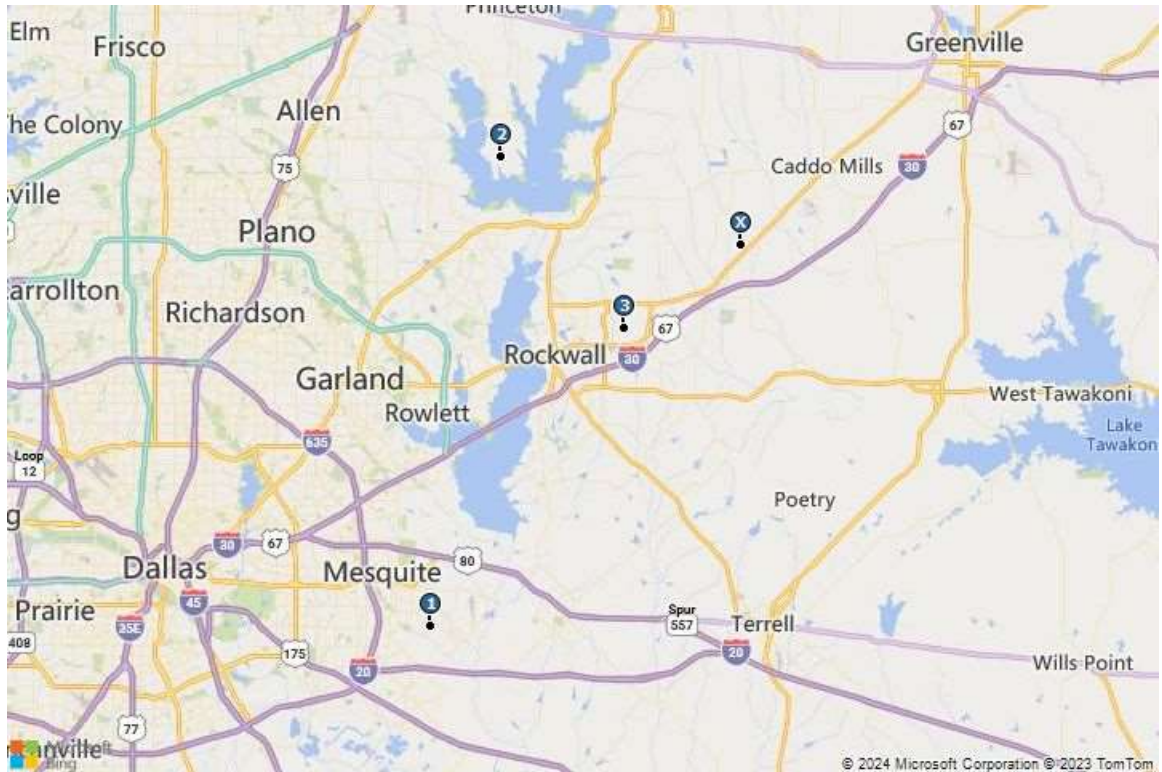
To apply the sales comparison approach to the 40' Frontage Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 40' – 50' Frontage Lots
- Use: Residential
- Transaction Date: January 2023+ or pending

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 - 40' Frontage Lots								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	\$/Front Footage	\$/SF Land
1	Solterra, Phase 1A - 40' lots Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road Mesquite Dallas County TX Comments: This master-planned development (Solterra) is located in the Mesquite ISD. There are two additional home builders at the above stated pricing (HMH Homes and Impression Homes).	Feb-23 Closed	\$66,500	4,800 0.11	40	Development Agreement	\$1,663	\$13.85
2	Tillage Farms (Proposed) - 40' Lots Northwest corner of CR-437 and FM-982 Princeton Collin County TX Comments: Lots in this proposed development are located in the Princeton ISD. The lots are designed for front access. Home prices are projected to range from \$285,000 to \$355,000.	Feb-24 In-Contract	\$70,656	4,600 0.11	40	PD	\$1,766	\$15.36
3	Monterra, Phase 1A - 50' Lots West side of Ben Payne Road, north of W. Holiday Road (SH-66) Fate Rockwall County TX Comments: This development is located in the Monterra Public Improvement District. Phase 1 is being developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the lots are contracted at \$1,450/FF. This development is located in the Rockwall ISD.	Sep-23 Closed	\$72,500	6,000 0.14	50	PD/Development Agreement	\$1,450	\$12.08
	Subject Creekside PID, IA #2 (Phase 2B) Roysse City, TX			4,400 0.10	40	PD		

Comparable Land Sales Map – 40' Frontage Lots





Sale 1
Solterra, Phase 1A - 40' lots



Sale 2
Tillage Farms (Proposed) - 40' Lots



Sale 3
Monterra, Phase 1A - 50' Lots

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.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 5-6% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 6% through the date of valuation. The sales too place from February 2023 to September 2023 with one sale scheduled to close in late February 2024. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1 and 2 are similar to the subject. No adjustments are necessary. Sale 3 is adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1 and 2 are similar to the subject and require no adjustment. Sale 3 is larger than the subject and requires an upward adjustment.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development.

All of the comparables are similar to the subject. No adjustments are necessary.

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 - 40' Frontage Lots				
	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Creekside PID, IA #2 (Phase 2B)	Solterra, Phase 1A - 40' lots	Tillage Farms (Proposed) - 40' Lots	Monterra, Phase 1A - 50' Lots
Address	Northwest of SH-66 at River Bend Road	Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road	Northwest corner of CR-437 and FM-982	West side of Ben Payne Road, north of W. Holiday Road (SH-66)
City	Royse City	Mesquite	Princeton	Fate
County	Collin	Dallas	Collin	Rockwall
State	Texas	TX	TX	TX
Sale Date		Feb-23	Feb-24	Sep-23
Sale Status		Closed	In-Contract	Closed
Sale Price		\$66,500	\$70,656	\$72,500
Effective Sale Price		\$66,500	\$70,656	\$72,500
Square Feet	4,400	4,800	4,600	6,000
Number of Front Footages	40	40	40	50
Price per Front Footage		\$1,663	\$1,766	\$1,450
Transactional Adjustments				
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—
Conditions of Sale		—	—	—
% Adjustment		—	—	—
Expenditures Made Immediately After Purchase		—	—	—
\$ Adjustment		—	—	—
Market Conditions	6/15/2024	Feb-23	Feb-24	Sep-23
Annual % Adjustment	6%	8%	2%	5%
Cumulative Adjusted Price		\$1,796	\$1,802	\$1,523
Property Adjustments				
Location		—	—	10%
Access/Exposure		—	—	—
Size		—	—	5%
Shape and Topography		—	—	—
Zoning		—	—	—
Net Property Adjustments (\$)		\$0	\$0	\$228
Net Property Adjustments (%)		0%	0%	15%
Final Adjusted Price		\$1,796	\$1,802	\$1,751
Range of Adjusted Prices		\$1,751 - \$1,802		
Average		\$1,783		
Indicated Value		\$1,780		

Land Value Conclusion – 40' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,450 - \$1,766 per front footage. After adjustment, the range is narrowed to \$1,751 - \$1,802 per front footage, with an average of \$1,783 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion	
Indicated Value per Front Footage	\$1,780
Subject Front Footages	<u>40</u>
Indicated Value	\$71,200
Rounded	\$71,200

50' Frontage Lots (50' x 110'; 5,500 SF)

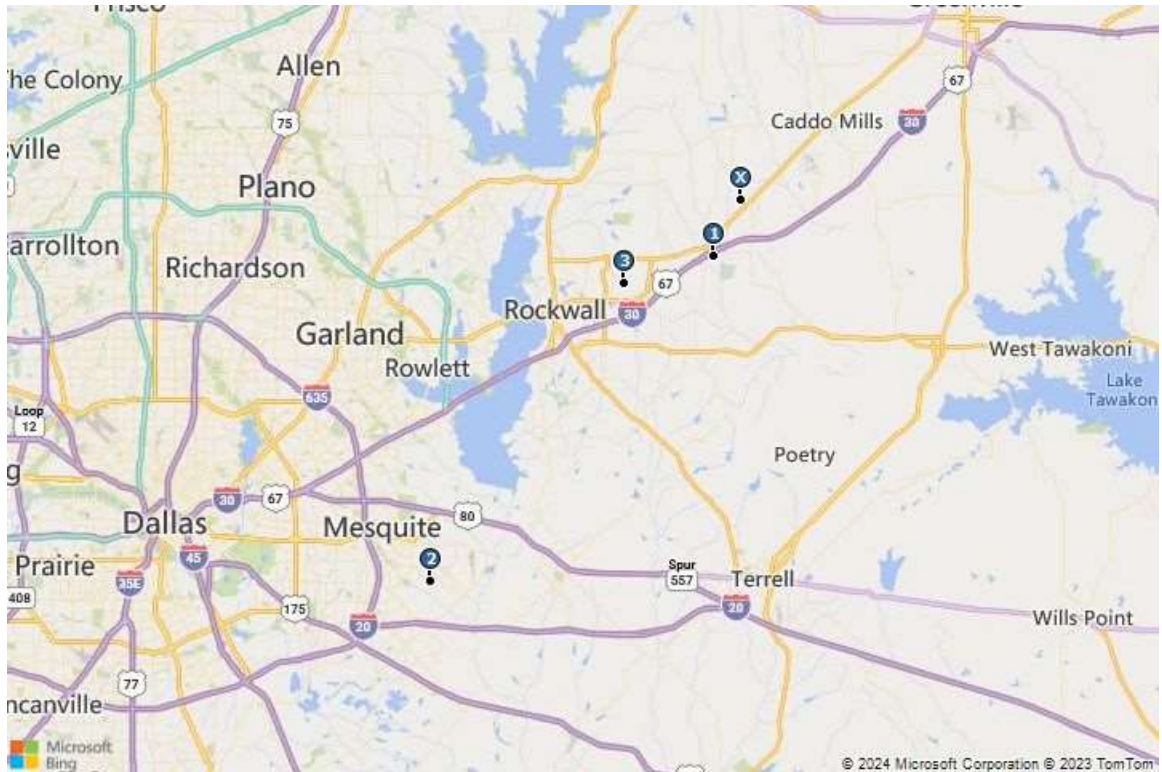
To apply the sales comparison approach to the 50' Frontage Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 50' frontage lots
- Use: Residential
- Transaction Date: January 2023+ or Pending

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 - 50' Frontage Lots								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	\$/Front Footage	\$/SF Land
1	Liberty Crossing, Phase 1 - 50' Lots Southwest corner of E. Old Greenville Road and Cemetery Road Royse City Rockwall County TX	Oct-23 Closed	\$75,000	6,000 0.14	50	PD	\$1,500	\$12.50
<i>Comments: Lots in this development are located in a public improvement district. Lots are located in the Royse City ISD.</i>								
2	Solterra, Phase 1A - 50' lots Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road Mesquite Dallas County TX	Feb-23 Closed	\$77,000	6,000 0.14	50	Development Agreement	\$1,540	\$12.83
<i>Comments: This master-planned development (Solterra) is located in the Mesquite ISD. There are four additional home builders at the above stated pricing (Castle Rock Homes, First Texas Homes, Gehan Homes and Highland Homes).</i>								
3	Monterra, Phase 1A - 50' Lots West side of Ben Payne Road, north of W. Holiday Road (SH-66) Fate Rockwall County TX	Sep-23 Closed	\$72,500	6,000 0.14	50	PD/Development Agreement	\$1,450	\$12.08
<i>Comments: This development is located in the Monterra Public Improvement District. Phase 1 is being developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the lots are contracted at \$1,450/FF. This development is located in the Rockwall ISD.</i>								
Subject				5,500	50	PD		
Creekside PID, IA #2 (Phase 2B)				0.13				
Royse City, TX								

Comparable Land Sales Map – 50' Frontage Lots





Sale 1
Liberty Crossing, Phase 1 - 50' Lots



Sale 2
Solterra, Phase 1A - 50' lots



Sale 3
Monterra, Phase 1A - 50' Lots

Creekside PID, IA #2 (Phase 2B)

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments***Real Property Rights Conveyed***

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 5-6% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 6% through the date of valuation. The sales took place from February 2023 to October 2023. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sale 2 is similar to the subject. No adjustment is necessary. Sales 1 and 3 are adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development.

All of the comparables are similar to the subject. No adjustments are necessary.

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 - 50' Frontage Lots				
	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Creekside PID, IA #2 (Phase 2B)	Liberty Crossing, Phase 1 - 50' Lots	Solterra, Phase 1A - 50' lots	Monterra, Phase 1A - 50' Lots
Address	Northwest of SH-66 at River Bend Road	Southwest corner of E. Old Greenville Road and Cemetery Road	Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road	West side of Ben Payne Road, north of W. Holiday Road (SH-66)
City	Royse City	Royse City	Mesquite	Fate
County	Collin	Rockwall	Dallas	Rockwall
State	Texas	TX	TX	TX
Sale Date		Oct-23	Feb-23	Sep-23
Sale Status		Closed	Closed	Closed
Sale Price		\$75,000	\$77,000	\$72,500
Effective Sale Price		\$75,000	\$77,000	\$72,500
Square Feet	5,500	6,000	6,000	6,000
Number of Front Footages	50	50	50	50
Price per Front Footage		\$1,500	\$1,540	\$1,450
Transactional Adjustments				
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—
Conditions of Sale		—	—	—
% Adjustment		—	—	—
Expenditures Made Immediately After Purchase		—	—	—
\$ Adjustment		—	—	—
Market Conditions	6/15/2024	Oct-23	Feb-23	Sep-23
Annual % Adjustment	6%	4%	8%	5%
Cumulative Adjusted Price		\$1,560	\$1,663	\$1,523
Property Adjustments				
Location		10%	—	10%
Access/Exposure		—	—	—
Size		—	—	—
Shape and Topography		—	—	—
Zoning		—	—	—
Net Property Adjustments (\$)		\$156	\$0	\$152
Net Property Adjustments (%)		10%	0%	10%
Final Adjusted Price		\$1,716	\$1,663	\$1,675
Range of Adjusted Prices		\$1,663 - \$1,716		
Average		\$1,685		
Indicated Value		\$1,685		

Land Value Conclusion – 50' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,450 - \$1,540 per front footage. After adjustment, the range is narrowed to \$1,663 - \$1,716 per front footage, with an average of \$1,685 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Footage	\$1,685
Subject Front Footages	<u>50</u>
Indicated Value	\$84,250
Rounded	\$84,250

60' Frontage Lots (60' x 120'; 7,200 SF)

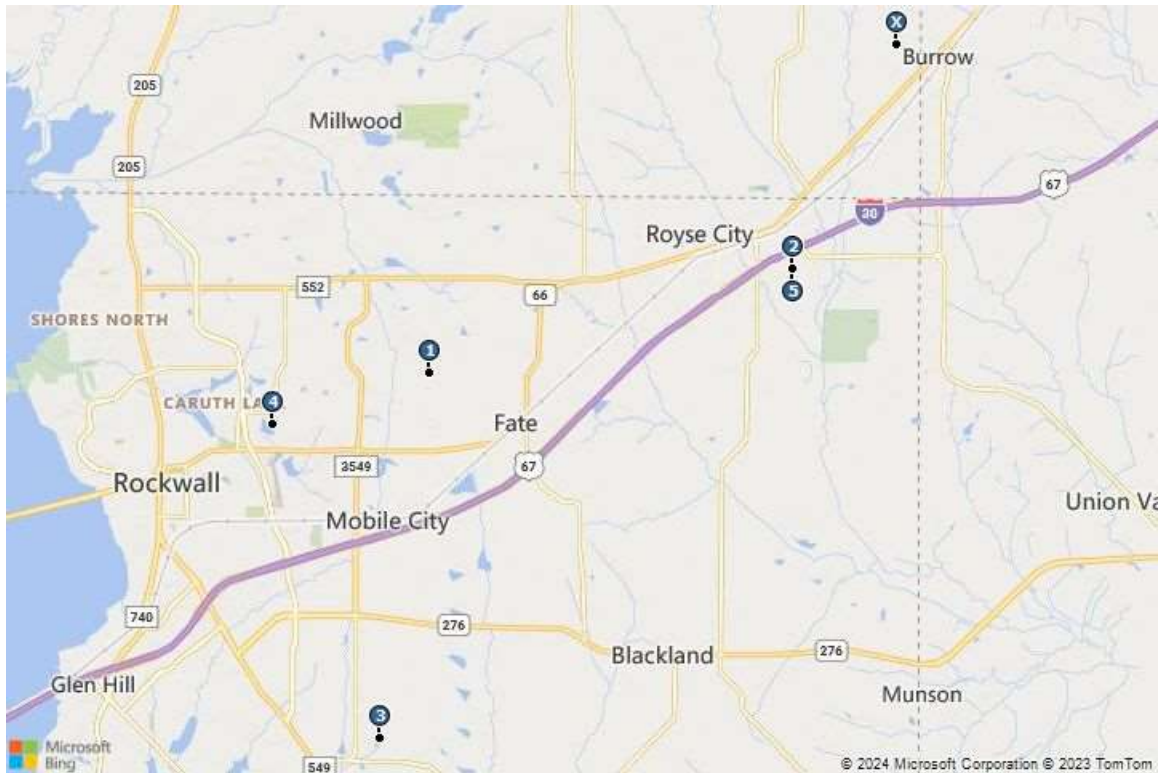
To apply the sales comparison approach to the 60' Frontage Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 50' – 62' frontage lots
- Use: Residential
- Transaction Date: January 2023+ or Pending

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	Monterra, Phase 1A - 60' Lots West side of Ben Payne Road, north of W. Holiday Road (SH-66) Fate Rockwall County TX <i>Comments: This development is located in the Monterra Public Improvement District. Phase 1 was developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the lots are located in the Rockwall ISD.</i>	Oct-23 Closed	\$87,000	7,200 0.17	60	PD/Development Agreement	\$1,450	\$12.08
2	Liberty Crossing, Phase 1 - 60' Lots Southwest corner of E. Old Greenville Road and Cemetery Road Royse City Rockwall County TX <i>Comments: This development is located within a Public Improvement District and is within the Royse City ISD</i>	Nov-23 Closed	\$85,500	7,200 0.17	60	PD	\$1,425	\$11.88
3	Homestead - 62' Lots, Rockwall, TX Northeast quadrant of FM-549 and FM-1139 Rockwall Rockwall County TX <i>Comments: This development is located in the Rockwall ISD.</i>	Mar-24 In-Contract	\$117,825	7,440 0.17	62	PD	\$1,900	\$15.84
4	The Terraces (Vallis Greene) - 62' Lots North side of SH-66 and south side of FM-1141 Rockwall Rockwall County TX <i>Comments: The development was originally to be called Vallis Greene. A total of 182 lots are platted and planned to be developed with 62', 72', 82', and 100' frontages (7,200 SF - 13,000 SF). The lots will be located within the Rockwall ISD.</i>	Jul-24 In-Contract	\$130,200	7,440 0.17	62	PD-71	\$2,100	\$17.50
5	Liberty Crossing, Phase 1 - 50' Lots Southwest corner of E. Old Greenville Road and Cemetery Road Royse City Rockwall County TX <i>Comments: Lots in this development are located in a public improvement district. Lots are located in the Royse City ISD</i>	Oct-23 Closed	\$75,000	6,000 0.14	50	PD	\$1,500	\$12.50
	Subject Creekside PID, IA #2 (Phase 2B) Rockwall County, TX			7,200 0.17	60	PD		

Comparable Land Sales Map – 60' Frontage Lots





Sale 1
Monterra, Phase 1A - 60' Lots



Sale 2
Liberty Crossing, Phase 1 - 60' Lots



Sale 3
Homstead - 62' Lots, Rockwall, TX



Sale 4
The Terraces (Vallis Greene) - 62' Lots



Sale 5
Liberty Crossing, Phase 1 - 50' Lots

Creskide PID, IA #2 (Phase 2B)

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments***Real Property Rights Conveyed***

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 5-6% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 6% through the date of valuation. The sales took place from October 2023 to November 2023 with two sales scheduled to close at substantial completion expected by March 2024 and July 2024. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 3 and 4 are adjusted downward for superior location. Sales 1, 2 and 5 are adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 2, 3 and 4 are similar to the subject and require no adjustment. Sale 5 is smaller than the subject, and a downward adjustment is applied.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development.

All of the comparables are similar to the subject. No adjustments are necessary.

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	Comparable 5
Name	Creekside PID, IA #2 (Phase 2B)	Monterra, Phase 1A - 60' Lots	Liberty Crossing, Phase 1 - 60' Lots	Homestead - 62' Lots, Rockwall, TX	The Terraces (Vallis Greene) - 62' Lots	Liberty Crossing, Phase 1 - 50' Lots
Address	Northwest of SH-66 at River Bend Road	West side of Ben Payne Road, north of W. Holiday Road (SH-66)	Southwest corner of E. Old Greenville Road and Cemetery Road	Northeast quadrant of FM-549 and FM-1139	North side of SH-66 and south side of FM-1141	Southwest corner of E. Old Greenville Road and Cemetery Road
City	Royse City	Fate	Royse City	Rockwall	Rockwall	Royse City
County	Collin	Rockwall	Rockwall	Rockwall	Rockwall	Rockwall
State	Texas	TX	TX	TX	TX	TX
Sale Date		Oct-23	Nov-23	Mar-24	Jul-24	Oct-23
Sale Status		Closed	Closed	In-Contract	In-Contract	Closed
Sale Price		\$87,000	\$85,500	\$117,825	\$130,200	\$75,000
Effective Sale Price		\$87,000	\$85,500	\$117,825	\$130,200	\$75,000
Square Feet	7,200	7,200	7,200	7,440	7,440	6,000
Number of Front Footages	60	60	60	62	62	50
Price per Front Footage		\$1,450	\$1,425	\$1,900	\$2,100	\$1,500
Transactional Adjustments						
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-
Conditions of Sale		-	-	-	-	-
% Adjustment		-	-	-	-	-
Expenditures Made Immediately After Purchase		-	-	-	-	-
\$ Adjustment		-	-	-	-	-
Market Conditions	6/15/2024	Oct-23	Nov-23	Mar-24	Jul-24	Oct-23
Annual % Adjustment	6%	4%	4%	1%	-	4%
Cumulative Adjusted Price		\$1,508	\$1,482	\$1,919	\$2,100	\$1,560
Property Adjustments						
Location		10%	10%	-15%	-25%	10%
Access/Exposure		-	-	-	-	-
Size		-	-	-	-	-5%
Shape and Topography		-	-	-	-	-
Zoning		-	-	-	-	-
Net Property Adjustments (\$)		\$151	\$148	-\$288	-\$525	\$78
Net Property Adjustments (%)		10%	10%	-15%	-25%	5%
Final Adjusted Price		\$1,659	\$1,630	\$1,631	\$1,575	\$1,638
Range of Adjusted Prices						
		\$1,575 - \$1,659				
Average		\$1,627				
Indicated Value		\$1,620				

Land Value Conclusion – 60' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,425 - \$2,100 per front footage. After adjustment, the range is narrowed to \$1,575 - \$1,659 per front footage, with an average of \$1,627 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based on the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Footage	\$1,620
Subject Front Footages	<u>60</u>
Indicated Value	\$97,200
Rounded	\$97,200

Summary of Land Values

Based upon this analysis, the individual values summarized as follows:

Summary of Land Values				
Parcel	Unit of Comparison	Front Footages	Indicated Value per Front Footage	Indicated Value
40' Frontage Lots	Front Footages	40	\$1,780	\$71,200
50' Frontage Lots	Front Footages	50	\$1,685	\$84,250
60' Frontage Lots	Front Footages	60	\$1,620	\$97,200

Cumulative Retail Lot Value

Following is the calculation for the total cumulative retail lot value for the subject's 221 lots under construction.

Cumulative Retail Lot Value Calculation

Total Lots	Front		Price/FF	Total Cumulative Retail Value
	Footage	Average Price/Lot		
108	40	\$71,200	\$1,780	\$7,689,600
87	50	\$84,250	\$1,685	\$7,329,750
26	60	\$97,200	\$1,620	\$2,527,200
221		\$79,396		\$17,546,550

As shown, the total cumulative retail lot value equates to \$17,546,550 or \$79,396/lot average.

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.

Summary of Net/Gross Value Analysis 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 First Quarter 2023. The data indicates that discounts for bulk lot sales were decreasing through 2022 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 – First Quarter 2023 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%
Northlake Estates, Phase 3	Jan-23	92	65' x 125'	8,125	\$85,000	\$104,000	81.7%
Little Elm ETJ, Texas							

Source: Developers 2019-2023

Thus, when consideration is given to the subject's shorter projected marketing periods of 15.4± months (40' lots), 9.7± months (50' lots), and 4.3± months (60' lots), 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 lots.

Net/Gross Value Analysis Conclusion

Based upon the preceding, it is our opinion that the net/gross market value for the subject utilizing overall average retail lot value of \$79,396/lot and a net/gross ratio of 90%, is \$15,790,000 (R), or an overall average of \$71,448/lot (R).

Net/Gross Ratio Market Value Summary	
Average Lot Value	\$79,396
Total Lots	221
N/G Ratio %	90%
Total Market Value (R)	\$15,790,000
Average/Lot	\$71,448

Subdivision Development Analysis (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 subdivision development analysis (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 absorption for the subject's 221 lots to be 15.4± months (40' lots), 9.7± months (50' lots), and 4.3± months (60' lots).

Our quarterly absorption projections are summarized as follows:

Projected Absorption Summary							Total Aborp. Period	
Lot Type	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Lots	(Months±)
40' Lots	21	21	21	21	21	3	108	15.4
50' Lots	27	27	27	6	0	0	87	9.7
60' Lots	18	8	0	0	0	0	26	4.3
Totals	66	56	48	27	21	3	221	

Price/Value Increases Over the Sellout Period

Per the Metrostudy/Zonda February 2024 Market Report, the Dallas new home market has been heavily impacted by mortgage rates with the new home sales rates moving in lockstep in 2023. The increased cost of borrowing has placed greater pressure on builders to keep prices in check. Despite slower market activity, the near-term outlook remains positive as the local economy remains one of the most dynamic in the nation. According to the latest Milken Institute report, Dallas was ranked eighth in the nation among best-performing large cities and second only to Austin in the state. With the Fed largely expected to hold off on further rate hikes, home sales are expected to improve this year.

Dallas remains one of the hottest housing markets in the nation and the hottest in the state. Strong job growth and favorable demographic trends underlie the metro area's dynamism. Texas ranks near the top for U-Haul moves and the number of corporate headquarters.

In the DFW area, quarterly housing starts increased 5.4% over a year ago, while the number of available vacant developed lots is up 28.7% over the same quarter last year. In terms of supply/demand balance, the market area is 4.56% undersupplied.

In conclusion, the economic outlook for Texas remains positive, but some potential headwinds could cause problems in the future.

Trends in National Inflation and Interest Rates

Year	U.S. Prime Increase in		
	Rate	U.S. CPI	Real Rate of Return
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%
2022	7.50%	6.06%	1.44%
2023	8.50%	3.35%	5.15%
03/2024*	8.50%	3.48%	5.02%

Source: Federal Reserve Bank of St. Louis, U.S. Financial Data

*Increase is compared to the previous year-to-year figures

As shown in the preceding table, CPI increases ranged from 0.70% to 6.06% from 2013 through January 2023 with prime rates ranging from 3.25% to 8.50% resulting in real annual rates of returns ranging from 1.44% - 5.41% (with the most current real rate of return at 5.41% with an 8.50% 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 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 6.0% to the prime rate (8.5%). Thus, for valuation purposes herein, we have estimated an annual escalation 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 three 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 0.5% 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 October 1, 2023, provided by PwC Real Estate Investor, as published by PricewaterhouseCoopers, Fourth Quarter, 2024.

YIELD COMPARISON
October 1, 2023

	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 JANUARY	2023 APRIL	2023 JULY	2023 OCTOBER
PwC Yield Indicator (PYI) ^a	7.58%	7.47%	7.56%	7.51%	7.43%	7.91%	8.13%	8.39%	8.71%
Long-Term Mortgages ^b	4.95%	4.71%	3.95%	4.53%	5.61%	6.57%	7.56%	7.39%	8.15%
10-Year Treasuries ^c	2.79%	2.21%	0.97%	1.40%	2.64%	3.79%	3.43%	3.86%	4.69%
Consumer Price Index Change ^d	2.50%	1.76%	1.19%	6.09%	7.54%	1.55%	5.61%	3.07%	2.59%
SPREAD TO PYI (Basis Points)									
Long-Term Mortgages	263	276	361	298	182	134	57	100	56
10-Year Treasuries	479	526	659	611	479	412	470	453	402
Consumer Price Index Change	508	571	755	142	(11)	636	252	532	612

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 Fourth Quarter 2023 “Developer Survey” with Third Quarter 2023 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 - 4th Quarter 2023*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.39%	33.27%	22.58%	14.77%	31.94%	21.68%
-100 Units	15.39%	28.68%	21.59%	14.77%	27.53%	20.73%
100-500 Units	15.77%	31.55%	22.71%	15.14%	30.28%	21.80%
500+ Units	16.16%	32.98%	23.09%	15.51%	31.66%	22.17%
Mixed Use	16.54%	33.27%	22.91%	15.88%	31.94%	22.00%
Manufactured Housing	15.71%	36.37%	24.16%	15.08%	34.92%	23.19%
-100 Units	15.71%	31.63%	23.20%	15.08%	30.36%	22.27%
100-500 Units	16.10%	34.79%	24.43%	15.46%	33.40%	23.45%
500+ Units	16.49%	36.37%	24.85%	15.83%	34.92%	23.85%
Business Parks	15.69%	33.78%	22.98%	15.06%	32.43%	22.06%
-100 Acres	15.69%	29.37%	22.08%	15.06%	28.20%	21.20%
100-500 Acres	16.08%	32.31%	23.23%	15.44%	31.02%	22.30%
500+ Acres	16.48%	33.78%	23.62%	15.82%	32.43%	22.67%
Industrial Parks	15.76%	29.31%	20.99%	15.13%	28.14%	20.15%
-100 Acres	15.76%	25.49%	20.21%	15.13%	24.47%	19.40%
100-500 Acres	16.16%	28.04%	21.21%	15.51%	26.91%	20.36%
500+ Acres	16.55%	29.31%	21.56%	15.89%	28.14%	20.69%

*3rd Quarter 2023 Data

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As shown above, the minimum actual rates in Texas are 15.39% for less than 100 units; 15.77% for 100 to 500+ units; and 16.16% for 500+ units with minimum pro-forma rates ranging from 14.77% to 15.51%.



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 15.39% for less than 100 units; 15.77% for 100 to 500+ units; and 16.16% for 500+ units with minimum pro-forma rates ranging from 14.77% to 15.51% 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 14% for the subject which takes into consideration the degree of risk and developer profit. It should be noted that our cash flow also deducts a straight 0.5% entrepreneurial coordination/remuneration (management cost) from all sales proceeds, which effectively increases the discount rate to approximately 14.5%. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly. With each of the required elements now identified, we are able to analyze the subject in the DCF analysis as shown on the following page.

Subdivision Development Analysis – Creekside PID, IA #2 (Phase 2B)

Based upon the preceding, and the cash flow presented on the following page, our prospective opinion of value as complete for the subject is \$15,795,000, or an average of \$71,471/lot.

⁴ The Dictionary of Real Estate Appraisal, 7th Edition, the Appraisal Institute, Chicago, Illinois

Reconciliation and Conclusion of Value

Prospective Reconciliation

In the previous sections, we have provided an opinion of the market value of the fee simple interest in the Creekside PID, IA #2 (Phase 2B) 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. 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 second approach used was the net/gross ratio analysis 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 analysis (discounted cash flow analysis) utilizing a projection of the future individual lot sales, historical absorption data upon development, and deducting taxes on the developed lots, costs of sales, marketing, and management expenses. In conclusion, the subdivision development analysis is considered to provide a generally good indication of value for the subject.

Summary of Prospective Opinion of Value

Summary of Prospective Market Value at Completion Indications

Net/Gross Ratio Market Value	\$15,790,000
Subdivision Development Analysis	\$15,795,000
Final Opinion of Prospective Value	\$15,795,000

Conclusion

Based upon the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinion of value is as follows:

Value Conclusion

Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed	Fee Simple	June 15, 2024	\$15,795,000

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 including land areas, lot totals, lot sizes, and other pertinent data that was provided by Pape-Dawson Consulting Engineers, LLC (engineering/surveyors), HT Hwy 66 Development, LP (owner/developer), the city of Royse City, 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 June 15, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

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 opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these 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, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

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 review of recent sales transactions for similar properties and analysis of supply and demand in the local land market, the probable exposure time for the subject at the concluded market value stated previously is 9 - 12 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 no significant changes in market conditions are foreseen in the near term, a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, the subject's marketing period is estimated at 9 - 12 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 did not inspect the property.
12. No one provided significant real property appraisal assistance to the persons 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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 Director
 Texas Licensed Residential Real Estate
 Appraiser
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Jimmy H. Jackson, MAI
 Senior Managing Director
 Texas Certified General Real Estate Appraiser
 #TX 1324004 G
 Telephone: 972.725.7724
 Email: jhackson@irr.com

Ernest Gatewood
 Senior Director
 Certified General Real Estate Appraiser
 #TX 1324355 G
 Telephone: 972.725.7755
 Email: egatewood@irr.com

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 including land areas, lot totals, lot sizes, and other pertinent data that was provided by Pape-Dawson Consulting Engineers, LLC (engineering/surveyors), HT Hwy 66 Development, LP (owner/developer), the city of Royse City, 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 June 15, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

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 38 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 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.

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 associated with National Jewish Hospital/NJH in Denver. Mr. Jackson currently serves as a national trustee for NJH 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 served for eight (8) years 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.

jhjackson@irr.com - 972.725.7724

Creekside PID, IA #2 (Phase 2B)



Integra Realty Resources - Dallas

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Integra Realty Resources - Lubbock

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T 806.656.3058

Integra Realty Resources - Oklahoma

13913 Technology Drive
Suite A1
Oklahoma City, OK, 73134

T 405.422.0718

irr.com



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 2026
New Mexico, Certified General Real Estate Appraiser, 03819-G, Expires April 2025

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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**Certified General
Real Estate Appraiser**

Appraiser: **Jimmy Huel Jackson**
License #: **TX 1324004 G** License Expires: **11/30/2024**

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:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.



Chelsea Buchholtz
Commissioner



Shelley Sivakumar

Experience

Shelley Sivakumar has over 23 years of experience as a commercial appraiser representing Jackson Claborn, Inc. and later Integra Realty Resources. 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

Texas, Licensed Residential Real Estate Appraiser, 1333354-L, Expires February 2026

Education

University of Texas at Dallas, Dallas, Texas: Bachelor of Science 1978
University of North Texas, Denton, Texas 1977
Marshall University, Huntington, West Virginia: Associate of Science 1974

Appraisal Institute Courses
A Review of Disciplinary Cases
Workfile Documentation for Appraisers
Basic Appraisal Procedures
General Appraiser Market Analysis Highest and Best Use
General Appraiser Sales Comparison Approach
General Report Writing and Case Studies
A Review of Disciplinary Cases
Workfile Documentation for Appraisers
Appraising Residential Properties
Income Property Appraisal
Real Estate Appraisal
Basic Income Capitalization

Appraisal Math & Statistics
Owner-Occupied Commercial Properties
Residential Report Writing
Modern Green Building Concepts
Ad Valorem Tax Consultation

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Shelley Sivakumar

Integra Realty Resources - Dallas

Education (Cont'd)

The Dirty Dozen
Essential Elements of Disclosure & Disclaimer
Land & Site Valuation
Commercial Clients Want Appraisers to Know

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F 972.733.1403

Market Analysis/STDB
USPAP
Expert Witness for Commercial Appraisers
General Appraiser Site Valuation
& Cost Approach
Commercial Appraisal Review
Fair Housing, Bias & Discrimination
Market Analysis/STDB
USPAP
Environmental Issues
Texas Real Estate Contracts
Texas Real Estate Agency
Modern Real Estate Practice in Texas
Statistics, Modeling and Finance
General Appraiser Income Approach
Market Disturbances in Atypical Markets & Cycles

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Creekside PID, IA #2 (Phase 2B)



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, Expires December 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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Creekside PID, IA #2 (Phase 2B)





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! 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

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 analysis, 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 or wants 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 receives 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 innovation 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.

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 given individual investment or operational objectives (may also be known as worth). (IVS)

Lease

A contract in which 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 real 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.

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:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own 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: 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)

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.

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

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 #2805420

Property Search



Property ID: 2805420 - Tax Year: 2024

For 2024 this property has one appraisal, performed by the Collin Central Appraisal District (CCAD), but the property is located in taxing entities that are utilizing different Tax Assessor/Collectors, for the billing and collection of their 2024 property taxes. [Click here to see a list of the 2024 taxing entities and collecting offices for this property.](#)

General Information

Property ID	2805420
Property Status	Active
Geographic ID	R-6244-002-0280-1
Property Type	Real
Property Address	County Road 678 Royse City, TX 75189
Total Land Area	136.0130 acres
Total Improvement Main Area	n/a
Abstract/Subdivision	 John Davis Survey
Primary State Code	D1 (Qualified Ag Land)
Legal Description	ABS A0244 JOHN DAVIS SURVEY, SHEET 2, TRACT 28, 136.013 ACRES

Owner Information

Owner ID	1126529
Owner Name(s)	 Ht Hwy 66 Development LP
Exemptions	None
Percent Ownership	100.00%
Mailing Address	2700 Commerce St Ste 1600 Dallas, TX 75226-1404
Tax Agent	 Ryan Llc

2024 Value Information

Value information for Property ID 2805420 in the 2024 tax year is unavailable. Value information for prior years may be available in the [Value History](#) section below.

Entities

Taxing Entity	Tax Rate	Collected By
CRY (Royse City)	0.584000 (2023 Rate)	Rockwall Central Appraisal District
GCN (Collin County)	0.149343 (2023 Rate)	Collin County Tax Office
JCN (Collin College)	0.081220 (2023 Rate)	Collin County Tax Office
SRY (Royse City ISD)	1.257500 (2023 Rate)	Rockwall Central Appraisal District

Improvements

Our records don't show any improvement data for Property ID 2805420 in the year 2024.

Land Segments

Land Segment #1	Undeveloped
State Code	E (Rural Non-ag Land (Not Platted, Not In City))
Homesite	No
Market Value	
Ag Use Value	n/a
Land Size	37.7830 acres 1,645,827 sq. ft.

Land Segment #2	Cropland
State Code	D1 (Qualified Ag Land)
Homesite	No
Market Value	
Ag Use Value	1D1
Land Size	98,2300 acres 4,278,899 sq. ft.

Value History

Year	Improvement	Land	Market	Ag Loss	Appraised	HS Cap Loss	Assessed
2023	\$0	\$5,236,501	\$5,236,501	\$3,764,861	\$1,471,640	\$0	\$1,471,640
2022	\$0	\$5,631,900	\$5,631,900	\$3,867,459	\$1,764,441	\$0	\$1,764,441
2021	\$0	\$6,450,300	\$6,450,300	\$4,827,576	\$1,622,724	\$0	\$1,622,724
2020	\$0	\$1,972,800	\$1,972,800	\$1,939,854	\$32,946	\$0	\$32,946

Deed History

Deed Date	Seller	Buyer	Instr #	Volume/Page
11/06/2019	CRISWELL COLLEGE	HT HWY 66 DEVELOPMENT LP	20191108001420630	

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 Description – 53.868 Acres

WHEREAS, HT HWY 66 DEVELOPMENT LP is the owner of a tract of land, situated in the John Davis Survey, Abstract No. 244, Roysse City, Collin County, Texas, being a portion of a called 197.28 acre tract of land recorded in Instrument Number 20191108001420630 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and a portion of a called 90.011 acre tract of land recorded in Instrument Number 20191108001420620 of the Official Public Records of Collin County, Texas (O.P.R.C.C.T.), and being more particularly described by metes and bounds as follows;

BEGINNING at a found 1/2-inch iron rod with yellow cap stamped "CCG INC RPLS 5129" (controlling monument) for the northwest corner of said 90.011 acre tract, for the westerly southwest corner of said 197.28 acre tract and being the southeast corner of a tract of land described in a Warranty Deed with Vendor's Lien to Curt Houseworth and Karla D. Houseworth, recorded in Instrument Number 20151027001356270 of the O.P.R.C.C.T.;

THENCE, along the meanders of said Sabine Creek branch, the following bearings and distances:

North 10 degrees 13 minutes 42 seconds East, a distance of 137.17 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 47 degrees 29 minutes 15 seconds East, a distance of 235.24 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 07 degrees 48 minutes 39 seconds West, a distance of 102.08 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

THENCE, departing the center of Sabine Creek branch, over and across said 197.28 acre tract, the following bearings and distances:

North 82 degrees 11 minutes 21 seconds East, a distance of 245.82 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 59 degrees 34 minutes 39 seconds East, a distance of 306.07 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 30 degrees 25 minutes 21 seconds East, a distance of 117.50 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 14 degrees 34 minutes 39 seconds West, a distance of 14.14 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 59 degrees 34 minutes 39 seconds West, a distance of 100.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 30 degrees 25 minutes 21 seconds East, a distance of 305.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 59 degrees 34 minutes 39 seconds East, a distance of 110.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 30 degrees 25 minutes 21 seconds East, a distance of 135.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 59 degrees 34 minutes 39 seconds East, a distance of 145.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 61 degrees 08 minutes 47 seconds East, a distance of 38.79 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 65 degrees 46 minutes 27 seconds East, a distance of 56.01 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 70 degrees 51 minutes 23 seconds East, a distance of 47.74 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 75 degrees 32 minutes 01 seconds East, a distance of 47.74 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 80 degrees 12 minutes 39 seconds East, a distance of 47.74 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 84 degrees 53 minutes 17 seconds East, a distance of 47.74 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 89 degrees 33 minutes 55 seconds East, a distance of 47.74 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 85 degrees 45 minutes 27 seconds East, a distance of 47.74 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 81 degrees 15 minutes 13 seconds East, a distance of 44.21 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 78 degrees 42 minutes 32 seconds East, a distance of 82.56 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 83 degrees 05 minutes 24 seconds East, a distance of 38.40 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 85 degrees 44 minutes 31 seconds East, a distance of 25.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 89 degrees 26 minutes 32 seconds East, a distance of 63.45 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 86 degrees 16 minutes 40 seconds East, a distance of 38.86 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 83 degrees 01 minutes 37 seconds East, a distance of 38.86 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 79 degrees 46 minutes 03 seconds East, a distance of 39.07 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 76 degrees 10 minutes 20 seconds East, a distance of 46.89 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 73 degrees 49 minutes 58 seconds East, a distance of 49.05 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 80 degrees 20 minutes 13 seconds East, a distance of 94.78 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 87 degrees 36 minutes 03 seconds East, a distance of 54.91 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 40 degrees 21 minutes 53 seconds East, a distance of 176.56 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 49 degrees 38 minutes 07 seconds West, a distance of 118.20 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 40 degrees 21 minutes 53 seconds East, a distance of 110.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 49 degrees 38 minutes 07 seconds West, a distance of 245.77 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" and being the beginning of a non-tangent curve to the right, having a radius 525.00 feet, a central angle of 04 degrees 16 minutes 08 seconds, subtended by a 39.11 feet chord which bears North 43 degrees 57 minutes 01 seconds West;

Along said curve to the right, an arch distance of 39.11 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 41 degrees 48 minutes 57 seconds East, a distance of 60.99 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 86 degrees 05 minutes 25 seconds East, a distance of 14.32 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 49 degrees 38 minutes 07 seconds East, a distance of 31.62 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 40 degrees 21 minutes 53 seconds East, a distance of 50.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 49 degrees 38 minutes 07 seconds West, a distance of 30.36 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 03 degrees 54 minutes 35 seconds West, a distance of 13.96 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 41 degrees 48 minutes 57 seconds East, a distance of 202.65 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" for the common point with Creekside, Phase 1A, an addition to Roysse City, Collin County, Texas, according to the document of record filed in Document Number 20210510010001710 in the Official Public Records of Collin County, Texas and for the common point with Creekside, Phase 1B, an addition to Roysse City, Collin County, Texas, according to the document of record filed in Document Number 2022010000184 in the Official Public Records of Collin County, Texas;

THENCE, along the Northwest boundary line of said Creekside, Phase 1A tract, the following bearings and distances;

South 48 degrees 05 minutes 57 seconds West, a distance of 50.00 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 48 degrees 11 minutes 03 seconds West, a distance of 80.03 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 48 degrees 10 minutes 30 seconds West, a distance of 120.04 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 48 degrees 10 minutes 02 seconds West, a distance of 100.30 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 48 degrees 11 minutes 03 seconds West, a distance of 349.84 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 45 degrees 02 minutes 34 seconds West, a distance of 50.16 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 49 degrees 38 minutes 07 seconds West, a distance of 410.00 feet to a found 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 50 degrees 53 minutes 53 seconds West, a distance of 98.94 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

THENCE, North 39 degrees 06 minutes 07 seconds West, over and across said 90.11 acre tract, total distance of 74.93 feet to a set 1/2-inch iron rod with yellow cap stamped "PAPE DAWSON", for the following bearings and distances;

North 40 degrees 21 minutes 53 seconds West, a distance of 720.23 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 22 degrees 13 minutes 34 seconds West, a distance of 115.20 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 49 degrees 38 minutes 07 seconds West, a distance of 145.86 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 40 degrees 21 minutes 53 seconds West, a distance of 110.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 01 degrees 29 minutes 35 seconds East, a distance of 14.90 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" and being the beginning of a non-tangent curve to the left, having a radius 275.00 feet, a central angle of 02 degrees 08 minutes 09 seconds, subtended by a 10.25 feet chord which bears North 41 degrees 15 minutes 37 seconds East;

Along said curve to the left, an arch distance of 10.25 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 49 degrees 48 minutes 30 seconds West, a distance of 50.00 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON" and being the beginning of a non-tangent curve to the right, having a radius 225.00 feet, a central angle of 08 degrees 50 minutes 14 seconds, subtended by a 34.67 feet chord which bears North 44 degrees 36 minutes 37 seconds East;

Along said curve to the right, an arch distance of 34.70 feet to a set 1/2 inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 72 degrees 22 minutes 04 seconds West, a distance of 295.99 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

North 41 degrees 44 minutes 13 seconds West, a distance of 120.97 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

South 89 degrees 51 minutes 33 seconds West, a distance of 126.85 feet to a set 1/2-inch iron rod with yellow plastic cap stamped "PAPE DAWSON";

THENCE, North 00 degrees 08 minutes 27 seconds West, along the northwest corner of said 90.011 acre tract, for the westerly southwest corner of said 197.28 acre tract and being the southeast corner of said Curt Houseworth and Karla D. Houseworth acre tract, a distance of 135.88 feet to the POINT OF BEGINNING, and CONTAINING 53.868 Acres or 2,346,486 Square Feet of land more or less, and being described in accordance with a survey made on the ground and accompanied by an exhibit or survey map prepared under job number 70097-21 by Pape Dawson Engineers, Inc.

Addendum E

Comparable Data

Land Sales - 40' Frontage Lots

Location & Property Identification

Property Name: Solterra, Phase 1A - 40' lots
 Sub-Property Type: Residential, Single Family Residence Site
 Address: Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road
 City/State/Zip: Mesquite, TX 75181
 County: Dallas
 Submarket: Mesquite
 Market Orientation: Suburban
 IRR Event ID: 2641986



Sale Information

Sale Price: \$66,500
 Effective Sale Price: \$66,500
 Sale Date: 02/21/2023
 Sale Status: Closed
 \$/Acre(Gross): \$603,448
 \$/Land SF(Gross): \$13.85
 \$/Acre(Usable): \$603,448
 \$/Land SF(Usable): \$13.85
 \$/Unit (Potential): \$1,663 /Unit
 Grantor/Seller: Lucas Farms Joint Venture
 Grantee/Buyer: Chesmar Homes LLC
 Property Rights: Fee Simple
 Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$66,500/lot (\$1,663/FF) in March 2020 for substantial completion in 1Q2023. Lots are contracted with an annual 7.0% escalation, a \$2,500/lot amenity fee, marketing fee of \$2,000 per lot, natural gas fee of \$650 and cluster mailbox fee of \$300.

Document Type: Deed
 Recording No.: 202300032834
 Verified By: Shelley Sivakumar
 Verification Date: 09/13/2023
 Confirmation Source: Jeff Winker (Huffines Communities)
 Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Solterra, Phase 1A, Block AA, Lot 20/Tax ID 38194550AA0200000

Improvement and Site Data (Cont'd)

Acres(Usable/Gross):	0.11/0.11
Land-SF(Usable/Gross):	4,800/4,800
Usable/Gross Ratio:	1.00
No. of Units (Potential):	40
Shape:	Rectangular
Topography:	Level
Frontage Feet:	40
Frontage Desc.:	40' x 120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This master-planned development (Solterra) is located in the Mesquite ISD. There are two additional home builders at the above stated pricing (HMH Homes and Impression Homes).

Location & Property Identification

Property Name:	Tillage Farms (Proposed) - 40' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	Northwest corner of CR-437 and FM-982
City/State/Zip:	Princeton, TX 75407
County:	Collin
Submarket:	Princeton
Market Orientation:	Suburban
IRR Event ID:	2912740



Sale Information

Sale Price:	\$70,656
Effective Sale Price:	\$70,656
Sale Date:	02/15/2024
Sale Status:	In-Contract
\$/Acre(Gross):	\$669,091
\$/Land SF(Gross):	\$15.36
\$/Unit (Potential):	\$1,766 /Unit
Grantor/Seller:	TCL Land Bk 3 (2022) LP
Grantee/Buyer:	Lennar Homes of Texas Land and Construction Ltd.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at \$70,656/lot for substantial completion in February 2024 with an annual 6% escalation.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	08/30/2022
Confirmation Source:	Greg Urech (469-587-5335)
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	W. W. Bell Survey, Abstract No. 37/Tax ID 2812497 and 2120386 (as vacant land)
Acres(Gross):	0.11
Land-SF(Gross):	4,600
No. of Units (Potential):	40
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	40' x 115'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Lots in this proposed development are located in the Princeton ISD. The lots are designed for front access. Home prices are projected to range from \$285,000 to \$355,000.

Tillage Farms (Proposed) - 40' Lots



Location & Property Identification

Property Name: Monterra, Phase 1A - 50' Lots

Sub-Property Type: Residential, Single Family Residence Site

Address: West side of Ben Payne Road, north of W. Holiday Road (SH-66)

City/State/Zip: Fate, TX 75087

County: Rockwall

Submarket: Rockwall

Market Orientation: Suburban

Property Location: 1307 Bay Laurel Road

IRR Event ID: 2735700



Sale Information

Sale Price: \$72,500

Effective Sale Price: \$72,500

Sale Date: 09/11/2023

Sale Status: Closed

\$/Acre(Gross): \$526,507

\$/Land SF(Gross): \$12.08

\$/Unit (Potential): \$1,450 /Unit

Grantor/Seller: WJ Monterra LP

Grantee/Buyer: Weekley Homes, LLC

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$72,500/lot (\$1,450/FF) for substantial completion in September 2023. Escalation is prime plus 1% with a floor of 6%.

Document Type: Deed

Recording No.: 20230000015234

Verified By: Shelley Sivakumar

Verification Date: 09/13/2023

Confirmation Source: Frank Murphy (214-880-8792)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Monterra, Phase 1A, Block F, Lot 10/Tax ID 331992

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/Development Agreement

Zoning Desc.: PD/Development Agreement

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Monterra PID

Source of Land Info.: Engineering Report

Comments

This development is located in the Monterra Public Improvement District. Phase 1 is being developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the

Comments (Cont'd)

lots are contracted at \$1,450/FF. This development is located in the Rockwall ISD.

Land Sales - 50' Frontage Lots

Location & Property Identification

Property Name: Liberty Crossing, Phase 1 - 50' Lots
 Sub-Property Type: Residential, Finished SFR Lots
 Address: Southwest corner of E. Old Greenville Road and Cemetery Road
 City/State/Zip: Royse City, TX 75189
 County: Rockwall
 Submarket: RoyseCity
 Market Orientation: Suburban
 Property Location: East side of Kansas Street
 IRR Event ID: 3047615



Sale Information

Sale Price: \$75,000
 Effective Sale Price: \$75,000
 Sale Date: 10/13/2023
 Sale Status: Closed
 \$/Acre(Gross): \$544,662
 \$/Land SF(Gross): \$12.50
 \$/Unit (Potential): \$1,500 /Unit
 Grantor/Seller: Liberty Crossing Land, LLC
 Grantee/Buyer: DR Horton -Texas LTD
 Property Rights: Fee Simple
 Financing: Cash to seller
 Terms of Sale Comments: This lot sale is part of a bulk sale of 38 lots at \$75,000/lot (\$1,500/FF) at substantial completion in October 2023.
 Document Type: Deed
 Recording No.: 20230000017317
 Verified By: Shelley Sivakumar
 Verification Date: 12/08/2023
 Confirmation Source: Pfilip Hunt (972-834-3472)
 Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Liberty Crossing, Phase 1, Lot 31, Block H/Tax ID 332944
 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
 Zoning Desc.: Planned Development
 Flood Plain: No
 Utilities: Water Public, Sewer
 Utilities Desc.: Liberty Crossing Public Improvement District
 Source of Land Info.: Engineering Report

Comments

Lots in this development are located in a public improvement district. Lots are located in the Royse City ISD.

Comments (Cont'd)



Location & Property Identification

Property Name: Solterra, Phase 1A - 50' lots
 Sub-Property Type: Residential, Single Family Residence Site
 Address: Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road
 City/State/Zip: Mesquite, TX 75181
 County: Dallas
 Submarket: Mesquite
 Market Orientation: Suburban
 IRR Event ID: 2642006



Sale Information

Sale Price: \$77,000
 Effective Sale Price: \$77,000
 Sale Date: 02/21/2023
 Sale Status: Closed
 \$/Acre(Gross): \$559,187
 \$/Land SF(Gross): \$12.83
 \$/Acre(Usable): \$559,187
 \$/Land SF(Usable): \$12.83
 \$/Unit (Potential): \$1,540 /Unit
 Grantor/Seller: Lucas Farms Joint Venture
 Grantee/Buyer: Chesmar Homes LLC
 Property Rights: Fee Simple
 Financing: Cash to seller

Terms of Sale Comments: The base lot price was contracted at \$77,000/lot (\$1,540/FF) in March 2020 for substantial completion in 1Q2023. The lots are contracted with an annual 7.0% escalation, a \$2,500/lot amenity fee, marketing fee of \$2,000 per lot, natural gas fee of \$650 and cluster mailbox fee of \$300.

Document Type: Deed
 Recording No.: 202300032834
 Verified By: Shelley Sivakumar
 Verification Date: 09/13/2023
 Confirmation Source: Jeff Winker (Huffines Communities)
 Verification Type: Confirmed-Seller

Improvement and Site Data

Improvement and Site Data (Cont'd)

Legal/Tax/Parcel ID:	Solterra, Phase 1A, Block W, Lot 42/Tax ID 381945500W0420000
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:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This master-planned development (Solterra) is located in the Mesquite ISD. There are four additional home builders at the above stated pricing (Castle Rock Homes, First Texas Homes, Gehan Homes and Highland Homes).

Location & Property Identification

Property Name: Monterra, Phase 1A - 50' Lots

Sub-Property Type: Residential, Single Family Residence Site

Address: West side of Ben Payne Road, north of W. Holiday Road (SH-66)

City/State/Zip: Fate, TX 75087

County: Rockwall

Submarket: Rockwall

Market Orientation: Suburban

Property Location: 1307 Bay Laurel Road

IRR Event ID: 2735700



Sale Information

Sale Price: \$72,500

Effective Sale Price: \$72,500

Sale Date: 09/11/2023

Sale Status: Closed

\$/Acre(Gross): \$526,507

\$/Land SF(Gross): \$12.08

\$/Unit (Potential): \$1,450 /Unit

Grantor/Seller: WJ Monterra LP

Grantee/Buyer: Weekley Homes, LLC

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$72,500/lot (\$1,450/FF) for substantial completion in September 2023. Escalation is prime plus 1% with a floor of 6%.

Document Type: Deed

Recording No.: 20230000015234

Verified By: Shelley Sivakumar

Verification Date: 09/13/2023

Confirmation Source: Frank Murphy (214-880-8792)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Monterra, Phase 1A, Block F, Lot 10/Tax ID 331992

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/Development Agreement

Zoning Desc.: PD/Development Agreement

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Monterra PID

Source of Land Info.: Engineering Report

Comments

This development is located in the Monterra Public Improvement District. Phase 1 is being developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the

Comments (Cont'd)

lots are contracted at \$1,450/FF. This development is located in the Rockwall ISD.

Land Sales - 60' Frontage Lots

Location & Property Identification

Property Name:	Monterra, Phase 1A - 60' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	West side of Ben Payne Road, north of W. Holiday Road (SH-66)
City/State/Zip:	Fate, TX 75087
County:	Rockwall
Submarket:	Rockwall
Market Orientation:	Suburban
Property Location:	1708 Modena Court
IRR Event ID:	3199069



Sale Information

Sale Price:	\$87,000
Effective Sale Price:	\$87,000
Sale Date:	10/02/2023
Sale Status:	Closed
\$/Acre(Gross):	\$526,316
\$/Land SF(Gross):	\$12.08
\$/Unit (Potential):	\$1,450 /Unit
Grantor/Seller:	WJ Monterra LP
Grantee/Buyer:	Weekley Homes, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at \$87,000/lot for substantial completion in September 2023 with an annual 6% escalation.

Document Type:	Deed
Recording No.:	20230000016613
Verified By:	Shelley Sivakumar
Verification Date:	02/05/2024
Confirmation Source:	Frank Murphy (214-880-8792)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Monterra, Phase 1A, Block S, Lot 13/Tax ID 332175
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/Development Agreement
Zoning Desc.:	PD/Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Utilities Desc.:	Monterra PID
Source of Land Info.:	Engineering Report

Comments

This development is located in the Monterra Public Improvement District. Phase 1 was developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the lots are located in the Rockwall ISD.

Comments (Cont'd)



Location & Property Identification

Property Name: Liberty Crossing, Phase 1 - 60' Lots

Sub-Property Type: Residential, Single Family Residence Site

Address: Southwest corner of E. Old Greenville Road and Cemetery Road

City/State/Zip: Royse City, TX 75189

County: Rockwall

Submarket: RoyseCity

Market Orientation: Suburban

IRR Event ID: 3179343



Sale Information

Sale Price: \$85,500

Effective Sale Price: \$85,500

Sale Date: 11/13/2023

Sale Status: Closed

\$/Acre(Gross): \$517,241

\$/Land SF(Gross): \$11.88

\$/Unit (Potential): \$1,425 /Unit

Grantor/Seller: Liberty Crossing Land, LLC

Grantee/Buyer: HMHY Lifestyles, LP

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$85,500/lot for substantial completion in November 2023 with an annual 6% escalation.

Document Type: Deed

Recording No.: 20230000018901

Verified By: Shelley Sivakumar

Verification Date: 12/08/2023

Confirmation Source: Pfilip Hunt

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Liberty Crossing, Phase 1, Lot 74, Block H/Taxes As Vacant Land - Part of 11490, 11512, 83184, 90707

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

Zoning Desc.: Planned Development

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Liberty Crossing Public Improvement District

Source of Land Info.: Engineering Report

Comments

This development is located within a Public Improvement District and is within the Royse City ISD.

Comments (Cont'd)

Location & Property Identification

Property Name: Homestead - 62' Lots, Rockwall, TX

Sub-Property Type: Residential, Single Family Residence Site

Address: Northeast quadrant of FM-549 and FM-1139

City/State/Zip: Rockwall, TX 75032

County: Rockwall

Submarket: Rockwall

Market Orientation: Suburban

IRR Event ID: 2892446



Sale Information

Sale Price: \$117,825

Effective Sale Price: \$117,825

Sale Date: 03/30/2024

Sale Status: In-Contract

\$/Acre(Gross): \$689,842

\$/Land SF(Gross): \$15.84

\$/Unit (Potential): \$1,900 /Unit

Grantor/Seller: SH Development Klutts Rockwall, LLC

Grantee/Buyer: Dream Finder Homes (MHI Homes)

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$117,825 for substantial completion expected in March 2024.

Document Type: Contract of Sale

Verified By: Shelley Sivakumar

Verification Date: 07/13/2022

Confirmation Source: Shaddock Homes

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: J. A. Ramsey Survey, Abstract No. 186/Tax ID 115169

Acres(Gross): 0.17

Land-SF(Gross): 7,440

No. of Units (Potential): 62

Shape: Rectangular

Topography: Level

Frontage Desc.: 62' x 120'

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Public Records

Comments

This development is located in the Rockwall ISD.

Location & Property Identification

Property Name:	The Terraces (Vallis Greene) - 62' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	North side of SH-66 and south side of FM-1141
City/State/Zip:	Rockwall, TX 75032
County:	Rockwall
Submarket:	Rockwall
Market Orientation:	Suburban
IRR Event ID:	2892576



Sale Information

Sale Price:	\$130,200
Effective Sale Price:	\$130,200
Sale Date:	07/01/2024
Sale Status:	In-Contract
\$/Acre(Gross):	\$762,295
\$/Land SF(Gross):	\$17.50
\$/Unit (Potential):	\$2,100 /Unit
Grantor/Seller:	MRJ Investments, LLC
Grantee/Buyer:	Perry Homes
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at \$130,200/lot (\$2,100/FF) for substantial completion by July 2024.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	07/13/2022
Confirmation Source:	Terra Manna (214-577-1431)
Verification Type:	Confirmed-Seller

Legal/Tax/Parcel ID:	M. B. Jones Survey, Abstract Nol. 122/Tax 11245, 46759, 10715, 46759 as vacant land
Acres(Gross):	0.17
Land-SF(Gross):	7,440
No. of Units (Potential):	62
Shape:	Rectangular
Topography:	Level
Frontage Feet:	62
Frontage Desc.:	62' x 120'
Zoning Code:	PD-71
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

The development was originally to be called Vallis Greene. A total of 182 lots are platted and planned to be developed with 62', 72', 82', and 100' frontages (7,200 SF - 13,000 SF). The lots will be located within the Rockwall ISD.

Improvement and Site Data

The Terraces (Vallis Greene) - 62' Lots



Location & Property Identification

Property Name: Liberty Crossing, Phase 1 - 50' Lots
 Sub-Property Type: Residential, Finished SFR Lots
 Address: Southwest corner of E. Old Greenville Road and Cemetery Road
 City/State/Zip: Royse City, TX 75189
 County: Rockwall
 Submarket: RoyseCity
 Market Orientation: Suburban
 Property Location: East side of Kansas Street
 IRR Event ID: 3047615



Sale Information

Sale Price: \$75,000
 Effective Sale Price: \$75,000
 Sale Date: 10/13/2023
 Sale Status: Closed
 \$/Acre(Gross): \$544,662
 \$/Land SF(Gross): \$12.50
 \$/Unit (Potential): \$1,500 /Unit
 Grantor/Seller: Liberty Crossing Land, LLC
 Grantee/Buyer: DR Horton -Texas LTD
 Property Rights: Fee Simple
 Financing: Cash to seller
 Terms of Sale Comments: This lot sale is part of a bulk sale of 38 lots at \$75,000/lot (\$1,500/FF) at substantial completion in October 2023.
 Document Type: Deed
 Recording No.: 20230000017317
 Verified By: Shelley Sivakumar
 Verification Date: 12/08/2023
 Confirmation Source: Pfilip Hunt (972-834-3472)
 Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Liberty Crossing, Phase 1, Lot 31, Block H/Tax ID 332944
 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
 Zoning Desc.: Planned Development
 Flood Plain: No
 Utilities: Water Public, Sewer
 Utilities Desc.: Liberty Crossing Public Improvement District
 Source of Land Info.: Engineering Report

Comments

Lots in this development are located in a public improvement district. Lots are located in the Royse City ISD.

Comments (Cont'd)



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CITY OF ROYSE CITY, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CREEKSIDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2-B PROJECT)



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