

## 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, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under existing law, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.*



**\$12,387,000\***  
**CITY OF ANNA, TEXAS,**  
 (a municipal corporation of the State of Texas located in Collin County)  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024**  
**(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)**

Interest to Accrue from Closing Date (defined below)

Due: September 15, as shown on the inside cover

The City of Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 Project) (the “Bonds”), are being issued by the City of Anna, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 15 and September 15, commencing March 15, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Regions Bank, an Alabama state banking corporation, 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”), and an Indenture of Trust between the City and the Trustee (the “Indenture”). ***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 Improvement Area #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve fund for the payment of principal of 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 “THE IMPROVEMENT AREA #1 PROJECTS” and “APPENDIX B – Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of revenue from Improvement Area #1 Assessments levied against Improvement Area #1 Assessed Property in Improvement Area #1 of the District in accordance with the Service and Assessment Plan, and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. 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 under the subcaption “DESCRIPTION OF THE BONDS – Redemption Provisions.”

**The Bonds involve a significant degree of risk, are speculative in nature, 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 AND LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM PLEDGED REVENUES AND OTHER ASSETS 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 ASSETS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D – Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Wolfe, Tidwell & McCoy, LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its counsel, Locke Lord LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about July 31, 2024 (the “Closing Date”).



\* Preliminary, subject to change.

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

CUSIP Prefix: \_\_\_\_\_ (a)

\$12,387,000\*  
CITY OF ANNA, TEXAS,  
(a municipal corporation of the State of Texas located in Collin County)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP Suffix: \_\_\_\_\_ (a) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP Suffix: \_\_\_\_\_ (a) (b) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP Suffix: \_\_\_\_\_ (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, 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 CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City’s Financial Advisor, or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds maturing on or after September 15, 20 \_\_, are subject to redemption before their respective scheduled maturity dates, in whole or in part, at the option of the City, on any date on or after September 15, 20 \_\_, at the redemption prices set forth 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.”

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\* Preliminary, subject to change.

**CITY OF ANNA, TEXAS  
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	Term Expires <u>(May)</u>
Pete Cain	Mayor	2027
Kevin Toten	Place 1	2027
Jody Bills	Place 2	2025
Stan Carver II	Place 3, Mayor Pro Tem	2026
Kelly Herndon	Place 4	2025
Elden Baker	Place 5, Deputy Mayor Pro Tem	2026
Lee Miller	Place 6	2025

**CITY MANAGER**  
Ryan Henderson

**FINANCE DIRECTOR**  
Aimee Rae Ferguson

**CITY SECRETARY**  
Carrie Land

**ASSESSMENT CONSULTANT**  
P3Works, LLC

**FINANCIAL ADVISOR TO THE CITY**  
Hilltop Securities Inc.

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

**UNDERWRITER'S COUNSEL**  
Orrick, Herrington & Sutcliffe LLP

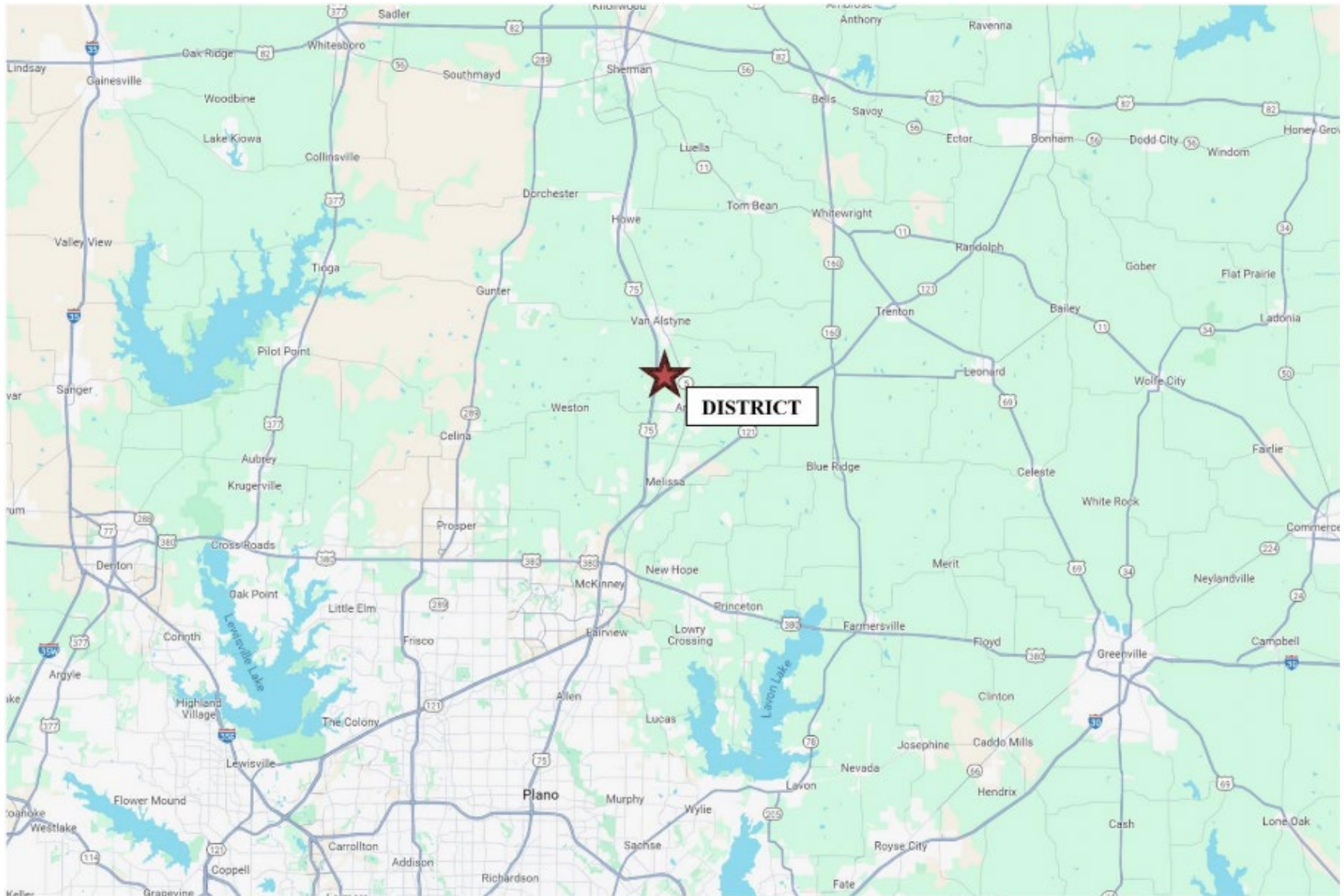
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Dallas, Texas 75201  
(214) 953-4000  
Andre.Ayala@hilltopsecurities.com

## REGIONAL LOCATION MAP OF THE DISTRICT

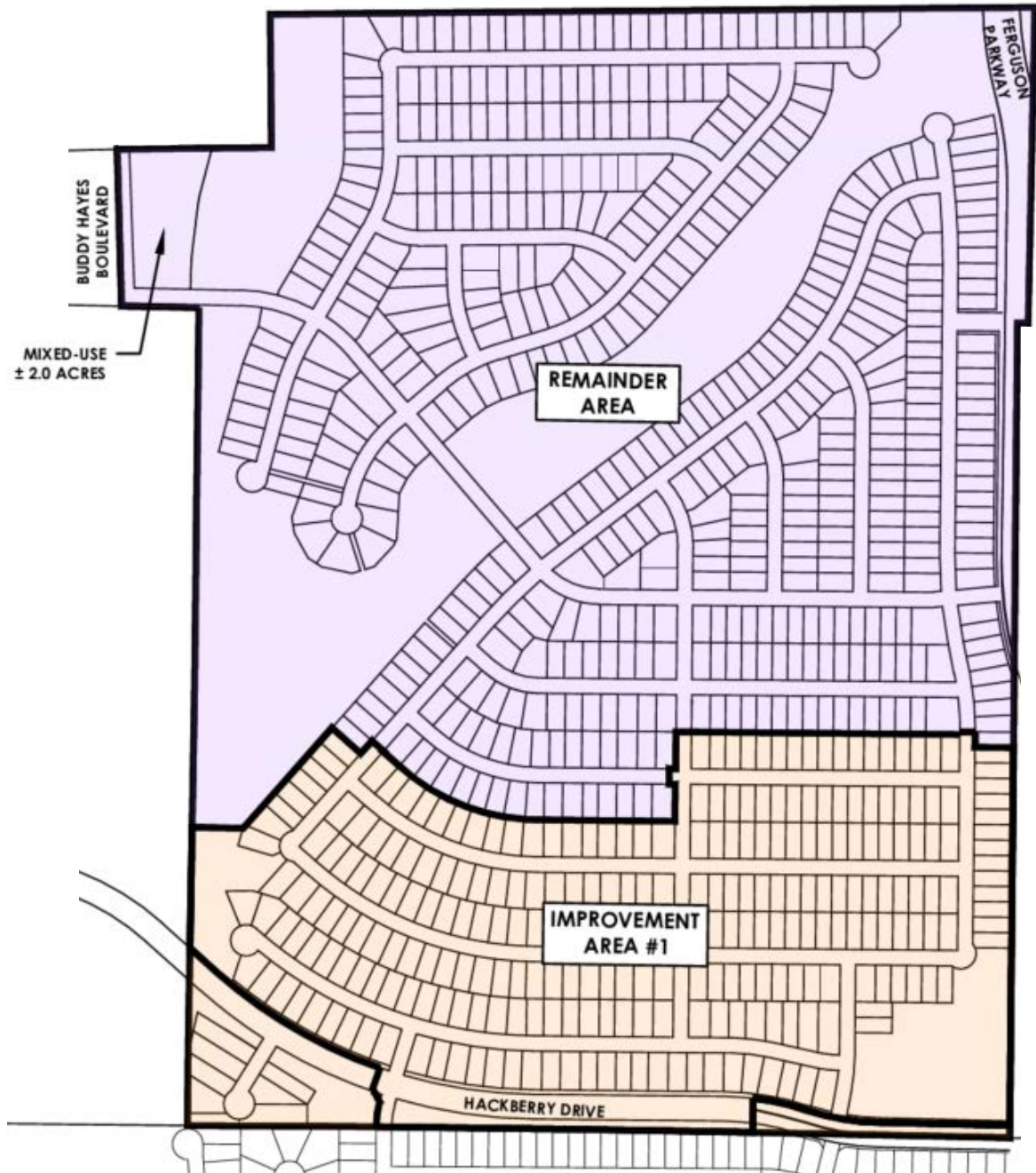




## AREA LOCATION MAP OF THE DISTRICT

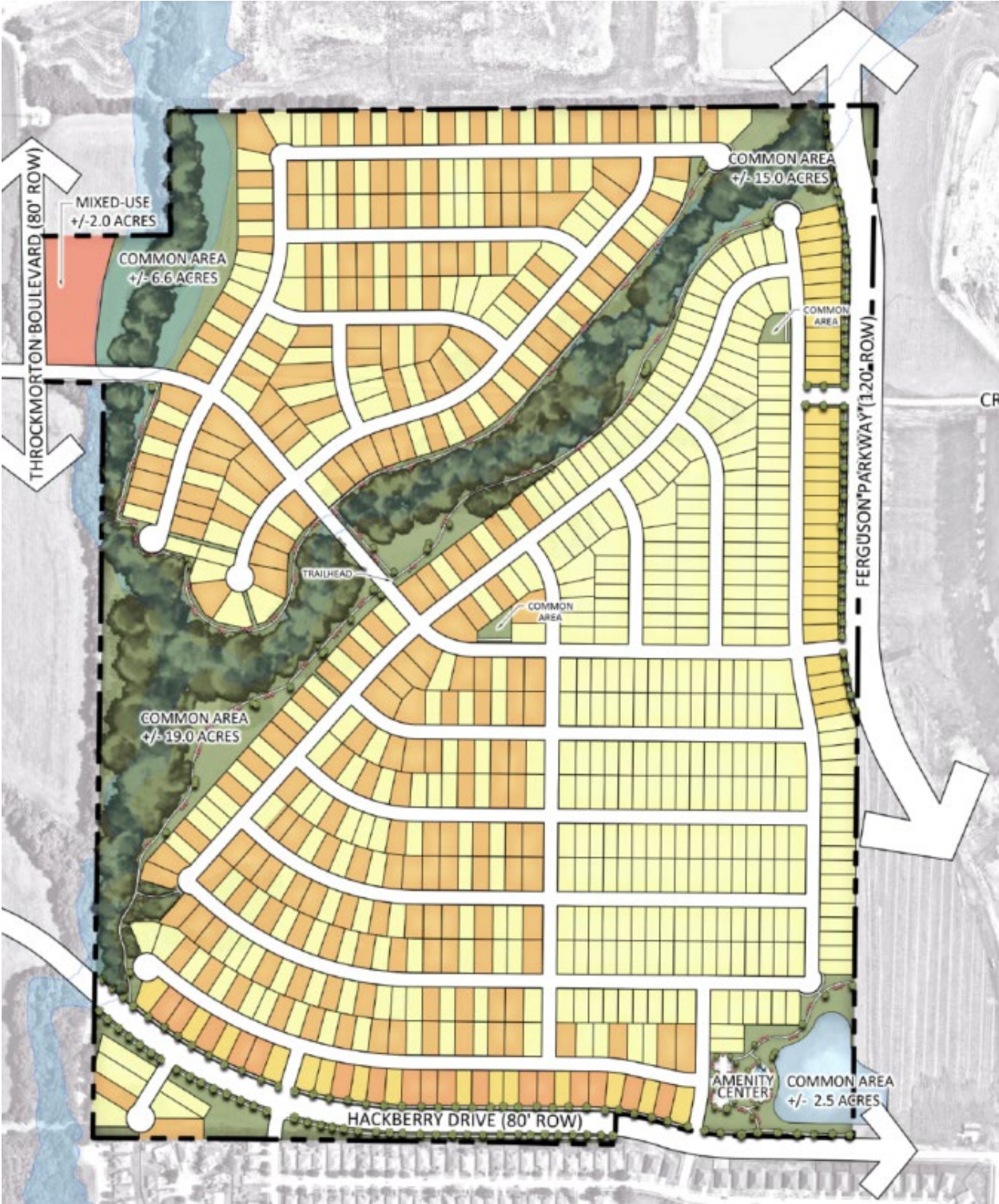


**MAP SHOWING BOUNDARIES OF THE DISTRICT,  
IMPROVEMENT AREA #1, AND THE REMAINDER AREA**





CONCEPT PLAN



## USE OF LIMITED OFFERING MEMORANDUM

*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 (THE “RULE” OR “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.” 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.” 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.

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE

MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE – THE CITY” AND “– THE DEVELOPER,” RESPECTIVELY.

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, THE RULE.

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## PRELIMINARY LIMITED OFFERING MEMORANDUM

**\$12,387,000\***

**CITY OF ANNA, TEXAS,**

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

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024**

**(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT**

**IMPROVEMENT AREA #1 PROJECT)**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover, and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Anna, Texas (the “City”), of its \$12,387,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 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. 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 “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “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”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) authorizing the issuance of the Bonds (the “Bond Ordinance”), and an Indenture of Trust (the “Indenture”), between the City and Regions Bank, an Alabama state banking corporation with offices in Houston, Texas, as trustee (the “Trustee”). *All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture.* See “APPENDIX B – Form of Indenture.”

The Bonds will be secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of revenue from Improvement Area #1 Assessments levied against Improvement Area #1 Assessed Property located within Improvement Area #1 of the District pursuant to the Assessment Ordinance, all to the extent and upon the conditions described in the Indenture. Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds.

Set forth herein are brief descriptions of the City, the District, the Developer, the Administrator, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan, the Development Agreement (defined herein), the CFA Agreement, and the Appraisal (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, Phone: (214) 302-2246. The Form of Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears in 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.

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\* Preliminary, subject to change.

## PLAN OF FINANCE

### Overview

Following receipt of a petition from the Developer in accordance with the PID Act, the City created the District on September 26, 2023. The District is composed of approximately 223.154 acres within the corporate boundaries of the City. It is located east of Highway 75 north and north of Hackberry Drive. Maps of the District and the surrounding region are included on pages iii – vi.

### Development Plan

The District is an approximately 223.154-acre master-planned community expected to be constructed in three phases (each, an “Improvement Area”) and to include approximately 764 single-family detached residential lots, two acres of land designated as mixed use (which is expected to be developed for commercial use), and the amenities described in “THE DEVELOPMENT – Amenities” (collectively, the “Development”). See the map and concept plans for the District on pages v-vi.

The land within the District is currently owned by Bloomfield Homes, L.P. (the “Developer”). Improvement Area #1 is the first area of the District to be developed by the Developer. Improvement Area #1 consists of approximately 71.042 acres and is expected to include 275 single-family detached residential lots, consisting of 190 50’ lots and 85 60’ lots. The Developer began development of Improvement Area #1 in Q4 2023 and expects it to be completed in Q2 2025. See “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT – Expected Build-Out and Home Prices in the Development,” and “APPENDIX C – Form of Service and Assessment Plan.”

A portion of the proceeds of the Bonds will be used to reimburse the Developer for the Actual Costs of the Improvement Area #1 Projects, consisting of public improvements that benefit only the Improvement Area #1 Assessed Property in Improvement Area #1. The total cost of the Improvement Area #1 Projects is expected to be approximately \$10,876,627. The City will reimburse the Developer for a portion of such costs in the approximate amount of \$9,440,000\* from proceeds of the Bonds. The balance of such costs in the approximate amount of \$1,436,627\* have been funded by the Developer from proceeds of the Revolving Credit Agreement (defined herein) and will not be reimbursed by the City. In addition, the Developer is responsible for paying, without reimbursement by the City, for certain costs allocable to Non-Assessed Property (consisting of excavation, retaining walls, and soft costs) in the approximate amount of \$7,045,780\* (the “Private Improvements”). As of May 29, 2024, the Developer has spent approximately \$1,964,618.63 on construction of the Improvement Area #1 Projects and \$1,035,336.51 on construction of the Private Improvements. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPER – History and Financing of the District,” and “APPENDIX C – Form of Service and Assessment Plan.”

The City and the Developer expect to enter into the CFA Agreement, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of the Improvement Area #1 Projects within the District, including payment to the Developer for funds expended by the Developer and used to pay costs of Improvement Area #1 Projects. See “APPENDIX G – Form of CFA Agreement.”

The Developer expects to request the City to issue in the future one or more series of bonds (collectively, the “Future Improvement Area Bonds”) to finance the costs of the public improvements benefitting future improvement areas (identified as the “Remainder Area” in the map on page v). The estimated costs of the public improvements benefitting such improvement areas will be determined as development progresses, and the Service and Assessment Plan will be updated accordingly. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the portion of the Remainder Area benefitted thereby. The Developer anticipates that Future Improvement Area Bonds will be issued over a five-year period. See “THE DEVELOPMENT – Future Improvement Area Bonds.”



## **Lot Purchase Contract; Developer as Homebuilder**

Improvement Area #1 is expected to include 275 single-family detached residential lots, comprised of 190 50' lots and 85 60' lots. The Developer has entered into a contract for purchase and sale (the "Lot Purchase Contract") with DFH Coventry, LLC, a Florida limited liability company (the "Homebuilder"), for the purchase of 72 of the 50' lots within Improvement Area #1. The Developer intends to construct homes on the remaining 203 lots in Improvement Area #1, consisting of 118 50' lots and all 85 60' lots. See "THE DEVELOPMENT – Lot Purchase Contract; Developer as Homebuilder."

## **The Bonds**

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Improvement Area #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Projects, (iii) funding a reserve fund for the payment of principal of 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. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to the Improvement Area #1 Bond Improvement Account of the Project Fund or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See "SOURCES AND USES OF FUNDS," "THE IMPROVEMENT AREA #1 PROJECTS," and "APPENDIX B – Form of Indenture."

Payment of the Bonds is secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Pledged Revenues derived from Improvement Area #1 Assessments to be levied against the Improvement Area #1 Assessed Property within Improvement Area #1 of the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES," and "APPENDIX B – Form of Indenture."

**The Bonds, any Refunding Bonds, and any Future Improvement Area 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. Neither any Refunding Bonds nor any Future Improvement Area Bonds to be issued by the City are offered pursuant to this Limited Offering Memorandum.**

## **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 "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, and "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933. 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. 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 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 #1 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 to the Trustee 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 full faith and credit of the City, the State, or any political subdivision thereof; that no right will exist to have taxes levied by the City, the State, or any political subdivision thereof for the payment of principal of 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.

## **DESCRIPTION OF THE BONDS**

### **General Description**

The Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2025 (each an “Interest Payment Date”), until maturity or prior redemption. Regions Bank is the initial Trustee, Paying Agent, and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of

a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

## Redemption Provisions

**Optional Redemption.** The City reserves the right and option to redeem the Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 15, 20\_\_, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued and unpaid interest to the date of redemption (the “Redemption Price”).

**Extraordinary Optional Redemption.** The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund from the Reserve Account of the Reserve Fund made pursuant to the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture. The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “ASSESSMENT PROCEDURES – Prepayment of Improvement Area #1 Assessments” for the definition and description of Prepayments and “APPENDIX B – Form of Indenture.”

**Mandatory Sinking Fund Redemption.** The Bonds maturing on September 15 in the years 20\_\_, 20\_\_, and 20\_\_ (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 the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

### **\$ Term Bonds Maturing September 15, 20\_\_**

<b><u>Redemption Date</u></b>	<b><u>Sinking Fund Installment Amount</u></b>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__†	

### **\$ Term Bonds Maturing September 15, 20\_\_**

<b><u>Redemption Date</u></b>	<b><u>Sinking Fund Installment Amount</u></b>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__†	

† 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 will select by lot, or any by any other customary method that

results in 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 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 30 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The Sinking Fund Installments of Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced 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 extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

*Notice of Redemption.* Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. Any such notice 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 a notice of redemption, the notice may state the City may condition redemption on the 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 are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds, 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.

*Partial Redemption.* If less than all of the Bonds are to be redeemed pursuant to the Indenture, Bonds may be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond will be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000. No redemption will result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds 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 will rely on directions provided in a City Certificate 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 will be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

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

### **BOOK-ENTRY ONLY SYSTEM**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by 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 information in this section concerning DTC and DTC's book-entry-only 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 takes any responsibility for the accuracy or completeness thereof.*

*The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC participants, (2) DTC participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC participants are on file with DTC.*

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://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 Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of



ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices for the Bonds 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 MMI 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC 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 all other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. 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/REGISTRAR, 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 DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS, THE INDIRECT 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.

Use of Certain Terms in Other Sections of this Limited Offering Memorandum. In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to 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 ASSETS 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 ASSETS 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 first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessment Revenues levied against Improvement Area #1 Assessed Property within Improvement Area #1 of the District and other assets comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. See "APPENDIX B – Form of Indenture." In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan in connection with the levy of assessments in the District (including the Improvement Area #1 Assessments), and expected to adopt a final Service and Assessment Plan in connection with the authorization of the issuance of the Bonds. The Service and Assessment Plan describes the special benefit received by the property within the District, including

Improvement Area #1, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Improvement Area #1 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 annually for the purpose of determining the annual budget for improvements and the Improvement Area #1 Annual Installments of Improvement Area #1 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, including Improvement Area #1. 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 law to finance the Improvement Area #1 Projects by levying Improvement Area #1 Assessments upon properties in Improvement Area #1 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Improvement Area #1 Assessments levied in Improvement Area #1 of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C – Form of Service and Assessment Plan.”

Pursuant to the Indenture:

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

“Additional Interest Rate” means the 0.50% additional interest charged on the Improvement Area #1 Assessments pursuant to Section 372.018 of the PID Act.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of the Bonds, and the construction, operation, and maintenance of including the Improvement Area #1 Projects, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Improvement Area #1 Assessments and Improvement Area #1 Annual Installments, including the costs of foreclosure; (4) preparing and maintaining records with respect to Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming the Bonds; (6) investing or depositing Improvement Area #1 Assessments and Improvement Area #1 Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of the Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the 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 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.

“Assessment Revenues” means the revenues received by the City from the collection of Improvement Area #1 Assessments, including Prepayments, Improvement Area #1 Annual Installments, and Foreclosure Proceeds.

“Delinquent Collection Costs” means costs related to the foreclosure on Improvement Area #1 Assessed Property and the costs of collection of delinquent Improvement Area #1 Assessments, delinquent Improvement Area #1 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.

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments against any Improvement Area #1 Assessed Property, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

“Improvement Area #1 Annual Installment” means, with respect to each Parcel of Improvement Area #1 Assessed Property, each annual payment of (i) the principal of and interest on the Improvement Area #1 Assessments as shown on the Improvement Area #1 Assessment Roll or in an Annual Service Plan Update, as shown in Exhibit F-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.

“Improvement Area #1 Assessed Property” means the property located in Improvement Area #1 that benefits from the Improvement Area #1 Projects.

“Improvement Area #1 Assessment Roll” means the “Improvement Area #1 Assessment Roll” attached to the Service and Assessment Plan as Exhibit F-1, as updated, modified, or amended from time to time.

“Improvement Area #1 Assessments” means an assessment levied against Improvement Area #1 Assessed Property based on the special benefit conferred on such Improvement Area #1 Assessed Property by the Improvement Area #1 Projects.

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

“Pledged Revenues” mean, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Improvement Area #1 Assessment.

“Trust Estate” means the Trust Estate described in the granting clauses of the Indenture, and the Trust Estate shall only include Pledged Revenues related to the Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property within Improvement Area #1, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof to be enforced continuously. See “SECURITY FOR THE BONDS – Pledged Revenue Fund,” “APPENDIX B – Form of Indenture,” and “APPENDIX C – Form of Service and Assessment Plan.”

The PID Act provides that the Improvement Area #1 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 #1 Assessed Property, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Improvement Area #1 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.”

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.”

### **Collection and Deposit of Improvement Area #1 Assessments**

The Improvement Area #1 Assessments shown on the Improvement Area #1 Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture. In the event the City owes Rebatale Arbitrage to the United States Government, the Improvement Area #1 Assessments shall first be applied to pay the full amount of Rebatale Arbitrage owed by the City, prior to any transfers to the Bond Fund.

The Improvement Area #1 Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Improvement Area #1 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 Improvement Area #1 Annual Installment of an Improvement Area #1 Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to Improvement Area #1 Assessments in the Service and Assessment Plan. Each Improvement Area #1 Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Improvement Area #1 Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds is shown on the Improvement Area #1 Assessment Roll. Sums received from the collection of the Improvement Area #1 Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds, and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first, to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Improvement Area #1 Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Account Requirement), and second, to the Redemption Fund. See “SECURITY FOR THE BONDS – Pledged Revenue Fund” and “APPENDIX B – Form of Indenture.”

The portions of the Improvement Area #1 Annual Installments of Improvement Area #1 Assessments collected to pay Annual Collection Costs and Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

### **Unconditional Levy of Improvement Area #1 Assessments**

The City will impose Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property 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 Improvement Area #1 Assessments are effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Improvement Area #1 Assessment may be paid in full or in part at any time, or in periodic Improvement Area #1 Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Improvement Area #1 Assessments. Pursuant to the Assessment Ordinance, interest on the Improvement Area #1 Assessments for each lot within Improvement Area #1 of the District will begin to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, interest on the Improvement Area #1 Assessments for each lot within Improvement Area #1 of the District will accrue at a rate specified in the Assessment Ordinance, but may not exceed the interest rate on the Bonds plus the 0.50% additional interest charged on Improvement Area #1 Assessments pursuant to Section 372.018 of the Act (“Additional Interest”). Such interest rates may be adjusted as described in the Service and Assessment Plan. Each Improvement Area #1 Annual Installment, including the interest on the unpaid amount of an Improvement Area #1 Assessment, shall be calculated annually and shall be due on October 1 of each year. Each Improvement Area #1 Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Improvement Area #1 Annual Installments of the Improvement Area #1 Assessments will be due on or about October 1, 2025, and will be delinquent if not paid prior to February 1, 2026.



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, a portion of each Improvement Area #1 Annual Installment to pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Improvement Area #1 Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected to pay Annual Collection Costs do not secure repayment of the Bonds.**

There is no discount for the early payment of Improvement Area #1 Assessments.

Improvement Area #1 Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the Improvement Area #1 Assessed Property, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the Improvement Area #1 Assessed Property regardless of whether the owners are named, and runs with the land. The lien for Improvement Area #1 Assessments and penalties and interest will begin on the effective date of the Assessment Ordinance and continue until the Improvement Area #1 Assessments are paid or until all Bonds are finally paid.

Failure to pay an Improvement Area #1 Annual Installment when due will not accelerate the payment of the remaining Improvement Area #1 Annual Installments of the Improvement Area #1 Assessments and such remaining Improvement Area #1 Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

### **Perfected Security Interest**

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

### **Pledged Revenue Fund**

Periodically upon receipt thereof, the City shall transfer or cause to be transferred, pursuant to a City Certificate provided to the Trustee for deposit to the Pledged Revenue Fund the Improvement Area #1 Assessments and Improvement Area #1 Annual Installments, other than the portion of the Improvement Area #1 Assessments and Improvement Area #1 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 such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred pursuant to a City Certificate 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 the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made as described in 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 Certificate to the Trustee to transfer to the Rebate Fund, prior to any other transfer described in 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: (i) to pay costs of the Improvement Area #1 Projects, (ii) to pay other costs permitted by the PID Act, or (iii) to deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts, and payments into which the amounts are to be deposited or paid.

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

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Indenture, there are insufficient funds to make the payments provided in the preceding paragraph 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 pursuant the Indenture 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 #1 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 to be used to redeem Bonds pursuant to the Indenture.

After satisfaction of the requirement to provide for the 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 Indenture as directed by the City in a City Certificate.

### **Bond Fund**

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

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

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

Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

<u>Date</u>	<u>Amount</u>
March 15, 2025	\$
September 15, 2025	

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred, at the direction of the City, to the Improvement Area #1 Bond Improvement Account of the Project Fund, or 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 Certificates. Disbursements from the Improvement Area #1 Bond Improvement Account of the Project Fund to pay Improvement Area #1 Project Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The funds from the Improvement Area #1 Bond Improvement Account of the Project Fund shall be disbursed in accordance with a Certification for Payment for Improvement Area #1 Projects as described in the CFA Agreement.

Except as provided in the succeeding paragraphs below, money on deposit in the Improvement Area #1 Bond Improvement Account of the Project Fund shall be used solely to pay Improvement Area #1 Project Costs.

If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1 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 #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Bond Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Bond Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #1 Bond Improvement Account shall be transferred to the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

In making any determination regarding the Project Fund pursuant to the Indenture, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Improvement Area #1 Project Costs have been paid, or that any Improvement Area #1 Projects are not required to be paid from the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Bond Improvement Account of the Project Fund and used to pay the cost of Improvement Area #1 Project Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

In the event the Developer has not completed the Improvement Area #1 Projects by July 17, 2029, then the City shall provide written direction to the Trustee to transfer all funds on deposit in the Improvement Area #1 Bond

Improvement Account to the Redemption Fund to redeem Bonds pursuant to the Indenture. Upon such transfer, the Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

### **Reserve Fund (Reserve Account and Delinquency and Prepayment Reserve Account)**

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

The City will agree 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 the 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 reaccumulated in the Delinquency and Prepayment Reserve Account. In transferring the amounts pursuant to the Indenture, the Trustee may conclusively rely on a City Certificate (which shall be based on the Improvement Area #1 Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Certificate 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.

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

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to the Indenture, the Trustee, pursuant to a City Certificate, 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 necessary to permit the 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, 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

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\* To be completed upon pricing of the Bonds.

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 thirty days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the U.S. Government in accordance with the Code, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #1 Bond Improvement Account of the Project Fund to pay costs of the Improvement Area #1 Projects if such application and the expenditure of funds is expected to occur within three years, or (iv) to the Redemption Fund to be applied to the redemption of Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of a 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 Certificate, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture. In the event that the Trustee does not receive a City Certificate 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 the Indenture 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 the Indenture.

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.

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

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.

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.

### **Administrative Fund**

The City will create under the Indenture an Administrative Fund held by the Trustee. Periodically, upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Improvement Area #1 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 Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of the Annual Collection Costs and Delinquent Collection Costs. See "APPENDIX C – Form of Service and Assessment Plan."

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

## **Defeasance**

Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer 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, 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 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, 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. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

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

## **Events of Default**

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

- i. The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- ii. The failure of the City to enforce the collection of the Improvement Area #1 Assessments, including the prosecution of foreclosure proceedings;
- iii. Default in the performance or observance of any covenant, agreement, or obligation of the City under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be

remedied shall have been given to the City by the Trustee, which may give notice in its discretion and which shall give such notice at the written request of the Owners of not less than 51% in aggregate Outstanding principal amount of the Bonds; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

- iv. The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default under the Indenture or any other agreement unless a responsible officer of the Trustee shall have actual knowledge thereof.

### **Remedies in Event of Default**

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in aggregate Outstanding principal amount of the Bonds 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 Certificate, 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 Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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 the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the 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 been notified in writing or of which the Trustee is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than 51% in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit, or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; 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 Owners of all Bonds then Outstanding. The notification, request, and furnishing of indemnity set forth in the Indenture shall, at the option of the Trustee as advised by its counsel, 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, 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, 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 or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.



The Trustee shall make payments to the Owners pursuant to the provisions above within thirty (30) days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

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

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

### **Investment or Deposit of Funds**

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate 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, 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 or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes, or other evidences of indebtedness other than the Bonds and 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 or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

### **Other Obligations or Other Liens; Refunding Bonds**

The City reserves the right, subject to the provisions contained in the Indenture, 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 the Trust Estate, or any portion thereof.

Other than Refunding Bonds issued to refund all or a portion of the Bonds, or subordinate lien obligations permitted under the Indenture, 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 thereof might or could be lost or impaired.

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 and subordinate lien obligations permitted thereunder. 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\***

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

### Sources of Funds:

Principal Amount  
Total Sources

### Uses of Funds:

Deposit to Improvement Area #1 Bond Improvement Account of the Project Fund  
Deposit to Costs of Issuance Account of the Project Fund  
Deposit to Capitalized Interest Account of the Bond Fund  
Deposit to Reserve Account of the Reserve Fund  
Deposit to Administrative Fund  
Underwriter's Discount <sup>(1)</sup>  
Total Uses

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<sup>(1)</sup> Includes Underwriter's Counsel's fee.

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\* To be completed upon pricing of the Bonds.

## DEBT SERVICE REQUIREMENTS\*

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

<b><u>Year Ending (September 30)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
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			
<b>Total</b>			

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\* To be completed upon pricing of the Bonds.

## OVERLAPPING TAXES AND DEBT

The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Improvement Area #1 Assessments.

In addition to the City, Collin County, Texas, the Collin County Community College District, and the Anna Independent School District may each levy ad valorem taxes upon land in Improvement Area #1 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

The following table shows the overlapping ad valorem tax rates currently levied on property located in Improvement Area #1 of the District.

<u>Taxing Entity</u>	<u>Tax Year 2023 Ad Valorem Tax Rate <sup>(1)</sup></u>
The City	\$0.510717
Collin County, Texas	0.149343
Collin County Community College District	0.081220
Anna Independent School District	<u>1.257500</u>
Total Existing Tax Rate	\$1.998780
Estimated Average Improvement Area #1 Annual Installment of Improvement Area #1 Assessments in Improvement Area #1 as a tax rate equivalent <sup>(2)</sup>	<u>\$0.689670</u>
<b>Estimated Total Tax Rate and Average Improvement Area #1 Annual Installment in Improvement Area #1 of the District as a tax rate equivalent <sup>(2)</sup></b>	<b><u>\$2.688450</u></b>

<sup>(1)</sup> As reported by the taxing entities. Per \$100 in taxable assessed value.

<sup>(2)</sup> *Preliminary, subject to change.* Derived from information presented in the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan. Assumes completion of homes at values estimated by the Developer. See "THE DEVELOPMENT – Expected Build-Out and Home Prices in the Development."

Sources: Collin Central Appraisal District, the City, and the Administrator.

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As noted above, Improvement Area #1 of the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1 of the District, as of June 15, 2024, and City debt secured by the Improvement Area #1 Assessments:

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of June 15, 2024</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Direct and Estimated Overlapping Debt <sup>(1)</sup></u>
The City (Improvement Area #1 Assessments – The Bonds)	\$ 12,387,000*	100.000%	\$ 12,387,000*
The City (Ad Valorem Taxes)	160,695,000	0.759%	1,219,750
Collin County, Texas	658,360,000	0.011%	72,418
Collin County Community College District	480,350,000	0.012%	58,956
Anna Independent School District	318,687,991	0.735%	2,342,108
<b>TOTAL</b>	<b><u>\$1,630,479,991</u></b>		<b><u>\$16,080,232</u></b>

\* Preliminary; subject to change.

<sup>(1)</sup> Based on the prospective market value for Improvement Area #1 of the District and the Tax Year 2023 Net Taxable Assessed Valuations for the taxing entities. See “APPRAISAL” and “APPENDIX H – Appraisal.”

Sources: Collin Central Appraisal District and Municipal Advisory Council of Texas

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land’s agricultural value. If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, “rollback taxes” are assessed for each of the previous three (3) years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land’s agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due.

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, “rollback taxes” are assessed for each of the previous five years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land’s agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land where use changed and not the entire tract.

Beginning in 2024, Improvement Area #1 will no longer be subject to an agricultural valuation. The Developer has received a change in use letter from Collin Central Appraisal District for rollback taxes due by January 31, 2025, in the estimated amount of \$207,670.59.

### Homeowners’ Association Dues

In addition to the Improvement Area #1 Assessments described above, the Developer anticipates that each property owner in Improvement Area #1 of the District will pay a property owner’s association fee to the Meadow Vista Residential Community, Inc. (the “HOA”), in the approximate amount of \$500 annually.

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## **ASSESSMENT PROCEDURES**

### **General**

As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #1 Projects through Improvement Area #1 Assessments, it must adopt a resolution generally describing the Improvement Area #1 Projects and the land within Improvement Area #1 of the District to be subject to Improvement Area #1 Assessments to pay the cost therefor. The City has caused the Improvement Area #1 Assessment Roll to be prepared, which shows the land within Improvement Area #1 of the District to be assessed, the amount of the benefit to and the Improvement Area #1 Assessment against each lot or parcel of land, and the number of Improvement Area #1 Annual Installments in which the Improvement Area #1 Assessment is divided. The Improvement Area #1 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 #1 Projects and funding a portion of the same with Improvement Area #1 Assessments. The City expects to levy the Improvement Area #1 Assessments and adopt the Assessment Ordinance on July 9, 2024. After adoption of the Assessment Ordinance, the Improvement Area #1 Assessments will become legal, valid, and binding liens upon the property against which the Improvement Area #1 Assessments were made.

Under the PID Act, the Actual Costs of the Improvement Area #1 Projects may be assessed by the City against the Improvement Area #1 Assessed Property in Improvement Area #1 of the District so long as the special benefit conferred upon the Improvement Area #1 Assessed Property by the Improvement Area #1 Projects equals or exceeds the Improvement Area #1 Assessments. The costs of the Improvement Area #1 Projects may be assessed using any methodology that results in the imposition of equal shares of cost on Improvement Area #1 Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District, including land in Improvement Area #1, 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.”

### **Improvement Area #1 Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of Improvement Area #1 Assessed Property as a result of the Improvement Area #1 Projects, provides the basis and justification for the determination that such special benefit exceeds the Improvement Area #1 Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Projects to parcels of Improvement Area #1 Assessed Property in a manner that results in equal shares of costs being apportioned to parcels of Improvement Area #1 Assessed Property similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Projects are being funded with proceeds of the Bonds, which are payable from Pledged Revenues, including Assessment Revenues, and other assets comprising the Trust Estate. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #1 Projects will be allocated to the Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Improvement Area #1 Assessed Property within Improvement Area #1 of the District based on the ratio of Estimated Buildout Value of each Lot Type in Improvement Area #1 to the Estimated Buildout Value of all Improvement Area #1 Assessed Property within Improvement Area #1. At the time the City adopts the Assessment Ordinance, the Improvement Area #1 Initial Parcel will be the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Authorized Improvements.

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The following table provides additional analysis with respect to assessment methodology, including the value to Improvement Area #1 Assessment burden ratio per Lot Type, equivalent tax rate per Lot Type, and leverage per Lot Type related to the Improvement Area #1 Assessments applicable to Improvement Area #1. The information in the table was obtained from and calculated using information provided in the Service and Assessment Plan. See “APPENDIX C – Form of Service and Assessment Plan.”

**Lien to Value Analysis, Improvement Area #1 Assessment Allocation, Equivalent Tax Rate, and Leverage per Lot Type in Improvement Area #1**

<b>Lot Type</b>	<b>Planned No. of Lots</b>	<b>Estimated Finished Value per Lot Type <sup>(1)</sup></b>	<b>Projected Average Home Value per Lot Type <sup>(2)</sup></b>	<b>Improvement Area #1 Assessment per Lot Type</b>	<b>Average Improvement Area #1 Annual Installment of Improvement Area #1 Assessment per Lot Type</b>	<b>Tax Rate Equivalent of Average Improvement Area #1 Annual Installment of Improvement Area #1 Assessment per Lot Type <sup>(3)</sup></b>	<b>Estimated Ratio of Estimated Finished Value per Lot Type to Improvement Area #1 Assessment <sup>(1)</sup></b>	<b>Estimated Ratio of Projected Average Home Value per Lot Type to Improvement Area #1 Assessment <sup>(2)</sup></b>
50'	190	\$100,000	\$500,000	\$42,421	\$3,448	\$0.689670	2.36 : 1	11.79 : 1
60'	85	\$120,000	\$600,000	\$50,905	\$4,138	\$0.689670	2.36 : 1	11.79 : 1

\* Preliminary, subject to change.

<sup>(1)</sup> Developer estimates. Differ from the lot sale price in Lot Purchase Contract and the retail lot value in the Appraisal.

<sup>(2)</sup> Estimated Buildout Value from the Service and Assessment Plan. Provided by the Developer.

<sup>(3)</sup> Per \$100 of home value.

Source: Derived from information presented in the Service and Assessment Plan.

For further explanation of the Improvement Area #1 Assessment methodology, see “APPENDIX C – Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Improvement Area #1 Assessments on parcels of Improvement Area #1 Assessed Property similarly situated within Improvement Area #1 of the District. The Improvement Area #1 Assessments and interest thereon are expected to be paid in Improvement Area #1 Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within Improvement Area #1 of the District. See “APPENDIX C – Form of Service and Assessment Plan.”

**Collection and Enforcement of Improvement Area #1 Assessment Amounts**

Under the PID Act, the Improvement Area #1 Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Improvement Area #1 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 Improvement Area #1 Assessments incur interest, penalties, and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS – Assessment Limitations.”

In the Indenture, the City will covenant to collect, or cause to be collected, Improvement Area #1 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 Improvement Area #1 Annual Installments. Each Annual Service Plan Update shall include an updated Improvement Area #1 Assessment Roll and a calculation of the Improvement Area #1 Annual Installment



for each Parcel. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Improvement Area #1 Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree, and warrant that, for so long as any Bonds are Outstanding it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 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 Improvement Area #1 Assessments.

To the extent permitted by law, notice of the Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Improvement Area #1 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 Improvement Area #1 Assessment or the corresponding Improvement Area #1 Assessed Property.

The City will implement the basic timeline and procedures for Improvement Area #1 Assessment collections and pursuit of delinquencies set forth in Exhibit C to the Continuing 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 Improvement Area #1 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 funds on deposit in the Administrative Fund.

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

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

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

## Improvement Area #1 Assessment Amounts

Improvement Area #1 Assessment Amounts. The maximum amounts of the Improvement Area #1 Assessments will be established by the methodology described in the Service and Assessment Plan. The Improvement Area #1 Assessment Roll sets forth for each year the Improvement Area #1 Annual Installment for each Improvement Area #1 Assessed Property consisting of the annual payment allocable to the Bonds and the Improvement Area #1 Projects for each Improvement Area #1 Assessed Property, which amount includes (i) the Additional Interest and (ii) the annual payment allocable to Annual Collection Costs. The Improvement Area #1 Annual Installments for the Improvement Area #1 Assessments may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessments will be levied against the parcels comprising the Improvement Area #1 Assessed Property as indicated on the Improvement Area #1 Assessment Roll. See “APPENDIX C – Form of Service and Assessment Plan” and “APPENDIX G – Form of CFA Agreement.”

The Improvement Area #1 Annual Installments shown on the Improvement Area #1 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include Additional Interest) and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

If the debt service on issued and Outstanding Bonds is reduced as the result of an economic refunding of the Bonds, the Prepayment of the Improvement Area #1 Assessments, or the redemption of the Bonds, then there would be a corresponding reduction in the Improvement Area #1 Assessments and the Improvement Area #1 Annual Installments. See “APPENDIX C – Form of Service and Assessment Plan.” In such case, the reduced Improvement Area #1 Assessment and Improvement Area #1 Annual Installment, as shown on the Improvement Area #1 Assessment Roll for Improvement Area #1, shall be reflected in the next Annual Service Plan Update and approved by City Council.

Method of Apportionment of Improvement Area #1 Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Improvement Area #1 Assessments shall be initially allocated to the Parcels consisting of the Improvement Area #1 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel in Improvement Area #1 to the Estimated Buildout Value of all Parcels in Improvement Area #1.

Division Prior to Recording of Subdivision Plat. Upon the division of any Improvement Area #1 Assessed Property prior to the recording of a subdivision plat, the Administrator shall reallocate the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to the division among the newly divided Improvement Area #1 Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Improvement Area #1 Assessment for the newly divided Improvement Area #1 Assessed Property

B = the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Improvement Area #1 Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Improvement Area #1 Assessed Properties

The calculation of the Improvement Area #1 Assessment of an Improvement Area #1 Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Improvement Area #1 Assessed Property, as relying on information from

homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Improvement Area #1 Assessed Property. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Improvement Area #1 Assessments for all newly divided Improvement Area #1 Assessed Properties shall equal the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Improvement Area #1 Assessed Property. The reallocation of an Improvement Area #1 Assessment for an Improvement Area #1 Assessed Property that is a homestead under Texas law may not exceed the Improvement Area #1 Assessment prior to the reallocation. Any reallocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Improvement Area #1 Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Improvement Area #1 Assessment for the Improvement Area #1 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 Improvement Area #1 Assessment for the newly subdivided Lot

B = the Improvement Area #1 Assessment for the Parcel prior to subdivision

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value for each Lot to be created after recording the subdivision plat as of the date the subdivision plat is anticipated to be recorded. The calculation of the Improvement Area #1 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 Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Improvement Area #1 Assessments for all newly subdivided Lots shall not exceed the Improvement Area #1 Assessment for the portion of the Improvement Area #1 Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Improvement Area #1 Assessed Property. The reallocation of an Improvement Area #1 Assessment for an Improvement Area #1 Assessed Property that is a homestead under Texas law may not exceed the Improvement Area #1 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.

Upon Consolidation. If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Improvement Area #1 Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Improvement Area #1

Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory prepayment of Improvement Area #1 Assessments.

*Maximum Assessment.* Notwithstanding the foregoing, the Service and Assessment Plan establishes a “Maximum Assessment” for each Lot Type in Improvement Area #1 of the District, which Maximum Assessment is currently calculated at \$42,421\* for the 50’ lots, and \$50,905\* for the 60’ lots. See “APPENDIX C – Form of Service and Assessment Plan.”

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Improvement Area #1 Assessment per Lot for any Lot Type exceeding the Maximum Assessment. If the Administrator determines that the resulting Improvement Area #1 Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Improvement Area #1 Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay, as a mandatory prepayment of the Improvement Area #1 Assessment, to the City the amount the Improvement Area #1 Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat.

In addition, if the Improvement Area #1 Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #1 Assessment, the owner transferring the Improvement Area #1 Assessed Property shall pay to the City the full amount of the Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Improvement Area #1 Assessed Property causes the Improvement Area #1 Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay to the City the full amount of the Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

For further information about apportionment of the Improvement Area #1 Assessments, See “APPENDIX C – Form of Service and Assessment Plan.”

### **Prepayment of Improvement Area #1 Assessments**

Pursuant to the PID Act and the Indenture, the owner of any Improvement Area #1 Assessed Property may voluntarily prepay (a “Prepayment”), at any time, all or part of an Improvement Area #1 Assessment levied against such owner’s Improvement Area #1 Assessed Property, together with accrued interest to the date of payment. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Improvement Area #1 Assessments.

### **Priority of Lien**

The Improvement Area #1 Assessments or any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district, or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Improvement Area #1 Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Improvement Area #1 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 Improvement Area #1 Annual Installment, except for unpaid Improvement Area #1 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 Improvement Area #1 Annual Installment. In such action the real property subject to the delinquent Improvement Area #1 Annual Installments may be sold at judicial

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\* Preliminary, subject to change.

foreclosure sale for the amount of such delinquent Improvement Area #1 Annual Installments, plus penalties and interest.

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

In the Indenture, the City will covenant to take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 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 Improvement Area #1 Assessments, provided that the City is not required to expend any funds for collection and enforcement of Improvement Area #1 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 Improvement Area #1 Assessments.

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

## **THE CITY**

### **Background**

The City is located in north central Collin County, 40 miles north of Dallas and 12 miles northwest of the City of McKinney. Access to the City is provided by State Highway 121, State Highway 5, US-75, and Farm Road 455. The City covers approximately 15 square miles. Some of the services that the City provides are public safety (police and fire protection), streets, water and sanitary sewer utilities, planning and zoning, and general administrative services. The 2020 Census population for the City was 16,896, while the current estimated population is 23,558.

### **City Government**

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City was incorporated in 1913, and first adopted its Home Rule Charter on May 7, 2005. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers elected for staggered three-year terms. The City Manager is the Chief Administrative Officer for the City.

The current members of the City Council and principal administrators of the City are listed on page ii hereof.

For more information regarding the City and surrounding areas, see “APPENDIX A – General Information Regarding the City and Surrounding Areas.”

## **Water and Wastewater**

The City will provide both water and wastewater service to the District. The City’s existing water and wastewater systems are sufficient to serve all of the property in Improvement Area #1 of the District.

The City is currently served by ground water through seven water wells located at five different sites. These seven wells produce a total of 1,520 gallons per minute. The City completed the construction of two additional wells which came online at the end of September 2022, thereby increasing the City’s total production to approximately 4.8 million gallons per day. The City has a total elevated storage capacity of 1,500,000 gallons of water and five ground storage tanks with total storage capacity of 2,500,000 gallons.

The City recently partnered with the Greater Texoma Utility Authority (“GTUA”) and three neighboring small cities to bring a large surface water transmission line through the City. The GTUA line provides a connection to the North Texas Municipal Water District’s (“NTMWD”) water distribution system, providing the City with access to treated surface water. This surface water line is part of the City’s long term water supply plan. Currently the City has a maximum allowable take of 5,040 gpm from the GTUA connection, providing the City with a maximum peak flow of treated water supply of 6,706 gpm. Both GTUA and the City are working on capital projects which will increase the maximum treated water supply and storage.

The City’s sanitary sewer system consists of seven lift stations and one wastewater treatment facility at the John R. Geren (Slayter Creek) Wastewater Treatment Plant. In addition, the City has two large diameter sewer transmission lines that transport wastewater directly into the NTMWD’s wastewater system to the South (Wilson Creek plant). The City’s currently wastewater treatment facility is located on Slayter Creek, just north of the confluence of Slayter Creek and Throckmorton Creek. The total treatment capacity of the City’s facility is approximately 0.50 million gallons per day. A portion of the NTMWD regional sewer is located along Throckmorton Creek, in the south-central part of the City and the other is located near Clemmons Creek in the southeastern part of the City. The City’s wastewater treatment plant is currently near capacity. The transmission lines still have significant capacity remaining. The City recently completed the Slayter Creek Interceptor Sewer project which now conveys wastewater flows in excess of the Slayter Creek Wastewater Treatment capacity to the NTMWD regional wastewater system.

In September 2022, the City issued approximately \$65 million in general obligation debt which, together with approximately \$17 million in impact fees, will be used to fund construction of a new Hurricane Creek Regional Wastewater Treatment Plant. This new plant will significantly expand the City’s ability to collect and treat wastewater as required for new development west of US 75. The District is located east of US 75.

Initially, the plant will have a capacity to treat 4 million gallons per day of wastewater, with plans to gradually expand the plant’s capacity up to 16 million gallons per day. The City will utilize the new plant to treat sewage for its own residents, as well as provide wholesale sewage treatment for the City of Van Alstyne, the City of Weston, and various water districts in the area. Additionally, the City is substantially complete with construction of a new Hurricane Creek sewer transmission main to transport wastewater throughout the new developments along the west side of US 75.

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## 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 was created by Resolution No. 2023-09-1558 of the City adopted on September 26, 2023 (the “Creation Resolution”), for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

### Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect assessments on property in the District, or portions thereof, payable 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 #1 Projects. See “THE IMPROVEMENT AREA #1 PROJECTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition, or purchase of certain road, water, sanitary sewer, storm sewer, and site fencing, retaining walls and landscape improvements benefitting Improvement Area #1 of the District comprising the Improvement Area #1 Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues and other assets comprising the Trust Estate. See “ASSESSMENT PROCEDURES” and “APPENDIX C – Form of Service and Assessment Plan.”

## THE IMPROVEMENT AREA #1 PROJECTS

### General

The Improvement Area #1 Projects will be dedicated to the City. Pursuant to the Development Agreement, the Developer is responsible for the completion of the construction, acquisition, or purchase of the Improvement Area #1 Projects.

Pursuant to the CFA Agreement and the Indenture, the City will reimburse the Developer for a portion of the Actual Costs of the Improvement Area #1 Projects from proceeds of the Bonds. See “THE DEVELOPMENT – Development Plan.”

The Improvement Area #1 Projects, a portion of which are being financed with proceeds of the Bonds, include sanitary sewer, storm sewer, and water distribution systems, paving, roads, and streets, and soft costs benefitting only Improvement Area #1 Assessed Property in Improvement Area #1 of the District, as described below.

***Sanitary Sewer:*** Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, sewer main connections, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances required to provide sanitary sewer service to all Lots within Improvement Area #1.

***Storm Sewer:*** Improvements including earthen channels, swales, trench excavation and embedment, curb and drop inlets, RCP and RCB piping and boxes, headwalls, manholes, rock rip rap, concrete outfalls, storm drain connections, trench safety, and testing, related earthwork, excavation, erosion control, traffic

control, detention pond, encasement, platting, staking, and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

**Water Distribution:** Improvements including trench excavation and embedment, trench safety, PVC piping, water main connections, water meters, service connections, testing, related earthwork, excavation, erosion control, fire hydrants, platting, staking, steel encasement, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

**Paving/Roads/Streets:** Improvements including subgrade stabilization, reinforced concrete for roadways, handicapped ramps, sidewalks, pavement connections, headers, barricades, CBU pads, signs, striping, traffic control, platting, staking, streetlights, all related earthwork, excavation, clearing and grubbing, tree removal, erosion control, intersections, signage, lighting, screening walls, and re-vegetation of all disturbed areas within the right-of-way of Improvement Area #1. The road improvements will provide benefit to each Lot within Improvement Area #1.

**Soft Costs:** Costs related to designing, constructing, and installing the Improvement Area #1 Projects, including land planning and design, inspection fees, franchise fees, City fees, engineering, soil testing, survey, construction management, contingency, legal costs, and consultants.

The total cost of the Improvement Area #1 Projects is expected to be approximately \$10,876,627. The City will reimburse the Developer for a portion of such costs in the approximate amount of \$9,440,000\* from proceeds of the Bonds. The balance of such costs in the approximate amount of \$1,436,627\* has been funded by the Developer from proceeds of the Revolving Credit Agreement and will not be reimbursed by the City. In addition, the Developer is responsible for paying, without reimbursement by the City, for the cost of the Private Improvements in the approximate amount of \$7,045,780\*. As of May 29, 2024, the Developer has spent approximately \$1,964,618.63 on construction of the Improvement Area #1 Projects and \$1,035,336.51 on construction of the Private Improvements. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 PROJECTS,” and “APPENDIX C – Form of Service and Assessment Plan.”

The following table reflects the estimated total costs of the Improvement Area #1 Projects.

<u>Type of Improvement Area #1 Project</u>	<u>Costs</u>
Sanitary Sewer	\$1,358,015
Storm Sewer	1,999,353
Water Distribution	1,353,005
Street and Alley Paving	3,276,136
Soft Costs	<u>2,890,119</u>
<b>Total</b>	<b>\$10,876,627</b>

### **Ownership and Maintenance of Improvement Area #1 Projects**

The Improvement Area #1 Projects 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 operation, maintenance, and repair of the Improvement Area #1 Projects 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, the City’s Financial Advisor, and the Underwriter, and none of the City, the City’s Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information.*

### **Development Plan**

The District is an approximately 223.154-acre master-planned community expected to be constructed in three Improvement Areas and to include approximately 764 single-family detached residential lots, two acres of land

\* Preliminary, subject to change.



zoned for mixed use (which is expected to be developed for commercial use), an amenity center, and a variety of trails and public open space (collectively, the “Development”). See the map and concept plans for the District on pages v-vi.

Improvement Area #1 is the first area of the District to be developed by the Developer. Improvement Area #1 consists of approximately 71.042 acres and is expected to include 275 single-family detached residential lots, consisting of 190 50’ lots and 85 60’ lots. The Developer began development of Improvement Area #1 in Q4 2023 and expects it to be completed in Q2 2025. See “THE IMPROVEMENT AREA #1 PROJECTS,” “– Expected Build-Out and Home Prices in the Development,” and “APPENDIX C – Form of Service and Assessment Plan.”

The approximately two acres of expected commercial development in the District is located in the Remainder Area. The Developer expects to sell such land at a future time and anticipates that it will be developed during a later phase. The Developer has not entered into any contracts or letters of intent with respect to such land.

#### **Lot Purchase Contract; Developer as Homebuilder**

Improvement Area #1 is expected to be comprised of 190 50’ lots and 85 60’ lots. The Developer has entered into a Lot Purchase Contract with the Homebuilder for the purchase of 72 of the 50’ lots within Improvement Area #1 for a price of \$98,750 per lot. The Developer intends to construct homes on the remaining 203 lots in Improvement Area #1, consisting of 118 50’ lots and all 85 60’ lots. The Developer has not entered into any lot purchase contracts for lots in the Future Improvement Areas.

The Developer expects to complete construction of the Improvement Area #1 Projects and other improvements necessary for delivery of lots in Improvement Area #1 in the second quarter of 2025. The terms of the Lot Purchase Agreement provide that the Homebuilder will purchase 10 lots within 20 days of the date that building permits are available for lots, and will purchase a minimum of eight lots during each 90-day period thereafter. The Developer expects to complete sales of lots to the Homebuilder in the second quarter of 2027. The Homebuilder has deposited \$355,500 in earnest money (the “Earnest Money Deposit”). The Earnest Money Deposit is unsecured and will be credited towards the purchase price at the lot closings. Additionally, there are circumstances described in the Lot Purchase Contract the occurrence of which may result in the termination of such agreement.

The following table reflects the number of lots on which the Homebuilder and the Developer plan to construct homes within Improvement Area #1 of the District.

#### **Improvement Area #1 Lot Allocation**

	<u>50’ Lot Size</u>	<u>60’ Lot Size</u>	<u>Total</u>
Homebuilder	72	–	72
Developer	<u>118</u>	<u>85</u>	<u>203</u>
<b>Total</b>	<b>190</b>	<b>85</b>	<b>275</b>

The expected schedule for sale of lots to the Homebuilder pursuant to the Lot Purchase Contract is shown in the following table.

#### **Expected Sale of Lots to Homebuilder in Improvement Area #1**

<u>Year End</u>	<u>50’ Lot Size</u>
2025	26
2026	32
2027	<u>14</u>
<b>Total</b>	<b>72</b>

The Developers expectations regarding absorption of homes in Improvement Area #1 is shown in the following table:

**Expected Absorption of Homes in Improvement Area #1 of the District**

<u>Expected Sale Dates to Homeowners</u>	<u>50' Lot</u>	<u>60' Lot</u>	<u>Total Lots</u>
2026	84	48	132
2027	<u>106</u>	<u>37</u>	<u>143</u>
<b>Total</b>	<b>190</b>	<b>85</b>	<b>275</b>

**Expected Lot Completion and Home Prices in the Development**

The Developer expects to complete lot development in the Development in three phases with final development of lots expected in the fourth quarter of 2029. The following tables reflect the Developer's expected completion schedules for lots in the District.

**Expected Lot Completion within the District**

<u>Improvement Area</u>	<u>Expected Completion Date</u>
#1	Q2 2025
#2	Q3 2027
#3	Q4 2029

The actual and expected single-family residential lot prices and expected average home prices in the District are as follows:

**Lot Prices and Expected Average Home Prices in the District**

<u>Lot Size</u>	<u>Number of Lots</u>	<u>Base Lot Price <sup>(1)</sup></u>	<u>Expected Average Home Price <sup>(2)</sup></u>
<b><u>Improvement Area #1</u></b>			
50'	190	\$100,000	\$500,000
60'	<u>85</u>	\$120,000	\$600,000
<b>Total</b>	<b>275</b>		
<b><u>Improvement Area #2</u></b>			
50'	237	\$100,000	\$500,000
60'	<u>51</u>	\$120,000	\$600,000
<b>Total</b>	<b>288</b>		
<b><u>Improvement Area #3</u></b>			
50'	94	\$100,000	\$500,000
60'	<u>107</u>	\$120,000	\$600,000
	<b>201</b>		

<sup>(1)</sup> Developer estimates. Estimates differ from the lot sale price in the Lot Purchase Contract and the retail lot value in the Appraisal.

<sup>(2)</sup> Developer estimates.

## **Amenities and Private Improvements**

In addition to the Improvement Area #1 Projects, the Development Agreement obligates the Developer to construct an amenity center, which will include a playground, pool, and pavilion, additional playground areas, and a variety of trails and public open space that will include benches and pet waste stations (collectively, the “Amenities”). The costs of the Amenities, expected to equal approximately \$2,828,000, will be paid entirely by the Developer, without reimbursement by the City, from proceeds of the Revolving Credit Agreement.

The Amenities will be owned, operated, and maintained by the HOA. The HOA will provide for the ongoing operation, maintenance, and repair of the Amenities through the administration of a property owner’s association fee to be paid by each lot owner within the District. See “OVERLAPPING TAXES AND DEBT – Homeowners’ Association Dues.”

In addition, the Developer is responsible for paying, without reimbursement by the City, for costs of the Private Improvements (consisting of excavation, retaining walls, and soft costs) in the approximate amount of \$7,045,780\*. The Private Improvements will be owned, operated, and maintained by the HOA.

## **Future Improvement Area Bonds**

The Developer expects to request the City to issue Future Improvement Area Bonds to finance the costs of the public improvements benefitting the Future Improvement Areas. The estimated costs of the public improvements benefitting the Future Improvement Areas will be determined as development progresses, and the Service and Assessment Plan will be updated accordingly. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the Future Improvement Areas. The Developer anticipates that Future Improvement Area Bonds will be issued over a five-year period.

The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

## **Development Agreement**

Pursuant to the Meadow Vista Development Agreement by and between the City and the Developer, effective as of June 27, 2023 (the “Development Agreement”), the Developer has the right to construct public improvements for the District, including the Improvement Area #1 Projects, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through the proceeds of assessments and/or PID Bonds (defined below). The Development Agreement provides certain requirements to be met for the issuance of the Bonds and any additional bonds issued for the payment of additional Authorized Improvements (defined in the Development Agreement and the PID Act) (collectively, “PID Bonds”), including (i) the maximum equivalent tax rate, including the PID Assessments associated with the PID Bonds and all overlapping taxing jurisdictions, may not exceed \$0.69 per \$100 taxable assessed valuation without prior written consent of the City; and (ii) the ratio of the appraised value of the property being financed, as confirmed by an independent appraisal, to the par amount of the PID Bonds proposed to be issued with respect to such property must be at least 2:1, unless a lower ratio is approved by the City. See “APPENDIX F – Development Agreement.”

In addition to construction of the Improvement Area #1 Projects, the Development Agreement obligates the Developer to:

- Construct a four-lane segment of Hackberry Drive adjacent to the Property and necessary to connect the Property to Buddy Hayes Boulevard (formerly Throckmorton Boulevard), including associated culvert improvements, the costs of which, to the extent not included in the costs of Authorized Improvements, shall be reimbursed to the Developer through credits of the City PID Fee and, if necessary, credits of Impact Fees;

- Construct seven of the following 12 amenities, the swimming pool, aquatic play feature, and pool house with restrooms to be constructed concurrently with construction of homes in Improvement Area #1:
  - Approximately 4,000 square foot swimming pool;
  - Mechanical aquatic play feature;
  - Pool house with restrooms;
  - Playground appropriate for children ages 2-5;
  - Sand volleyball court;
  - Basketball court;
  - Approximately 1,000 square foot putting green;
  - Outdoor workout equipment along hike and bike trails;
  - 20' radius pavilion;
  - Dog park; and
  - Park benches, trash cans, and pet stations along the trails and in the dog park;
- Construct certain hike and bike trails to be dedicated to the City as part of the City's park system; and
- Create a mandatory Homeowners Association.

#### **CFA Agreement**

The City and the Developer expect to enter into the CFA Agreement, effective July 9, 2024, which will provide, in part, for the deposit of proceeds of the Bonds and the payment of a portion of the costs of the Improvement Area #1 Projects, and other matters related thereto. Pursuant to the CFA Agreement, the Developer is responsible for overseeing the construction and development of the Improvement Area #1 Projects in accordance with the Development Agreement and the CFA Agreement. The City's obligation to pay or reimburse the Developer for the Improvement Area #1 Project Costs is limited to the lesser of the Actual Costs or Budgeted Costs, and any Cost Overruns (as each of such terms are defined in the CFA Agreement) are the Developer's responsibility. See "APPENDIX G – Form of CFA Agreement."

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**Photographs of Improvement Area #1**









### **Zoning/Permitting**

The District is currently zoned as a planned development district pursuant to Ordinance No. 839-2019 adopted by the City Council on December 10, 2019 (the “PDD Ordinance”). The PDD Ordinance allows certain restricted commercial, single-family residential, and single-family residential zero lot line uses and establishes guidelines pertaining to purpose, height, area, setbacks, aesthetics, landscaping, and use. Because the District lies within the city limits of the City, the City’s zoning and subdivision regulations control the aspects of development not specifically set forth in the PDD Ordinance or the Development Agreement.

### **Education**

Students in the District will attend schools in the Anna Independent School District (“AISD”). AISD serves the City and other portions of Collin County. AISD enrolls over 4,500 students in one high school, a middle school, four elementary schools, and a special programs center. Students in the District are expected to attend Bryant Elementary School (approximately 3.7 miles from the District), Slayter Creek Middle School (approximately 2 miles from the District), and Anna High School (approximately 1 mile from the District).

GreatSchools.org currently rates Bryant Elementary School 5 out of 10, Slayter Creek Middle School 4 out of 10, and Anna High School 6 out of 10. According to the Texas Education Agency (“TEA”) annual school report cards, Bryant Elementary School and Slayter Creek Middle School were rated “C” and Anna High School was rated “B” for the 2021-2022 school year. The categories for public schools are A, B, C, or Not Rated (used for grades of less than 70).

It is noted that the ratings information provided for Slayter Creek Middle School is shown on the GreatSchools.org and TEA websites as “Anna Middle School.” However, there is no school by that name in AISD and Slayter Creek Middle School is the only middle school in AISD.



## **Environmental**

A Phase One Environmental Site Assessment (the “Phase One ESA”) of the Property was completed in the first quarter of 2024 by UES, the report of which is dated March 21, 2024 (the “Report”). According to the Report, the Phase One ESA revealed no evidence of recognized environmental conditions in condition with the Property and UES was of the opinion that additional environmental assessment activities at the subject property were not warranted.

According to the website for the Texas Parks and Wildlife Department, the whooping crane is a federally recognized endangered species and the rufa red knot, piping plover, and black rail are federally recognized threatened species in Collin County. The Developer is not aware of any endangered or threatened species located on the Property.

## **Existing Mineral and Groundwater Rights, Easements and Other Third-Party Property Rights**

The Developer owns all mineral rights, royalty interests, and groundwater rights to property in the District. The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the any mineral owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect adjacent property owners to rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Improvement Area #1 Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS – Exercise of Third-Party Property Rights.”

## **Flood Zone**

According to the Federal Emergency Management Agency (“FEMA”) Flood Insurance Rate Map (“FIRM”), Community Panel Number 48085C0155J, effective June 2, 2009, all of the property within Improvement Area #1 of the District lies outside of the 500-year flood plain, referred to as Zone X. Approximately 16.51 acres in the Remainder Area is currently within the 100-year flood plain.

The Developer has applied to Collin County and FEMA for a Conditional Letter of Map Revision/Letter of Map Revision, the effect of which would be that an additional 4.27 acres in the Remainder Area will be added to the flood plain to facilitate additional capacity for stormwater runoff. See “BONDHOLDERS’ RISKS – Flood Plain and Severe Weather Events.”

## **Utilities**

Water and Wastewater. The City will provide both water and wastewater service to the District. The City’s water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the District. See “THE CITY – Water and Wastewater.”

Other Utilities. The Developer expects additional utilities to be provided by: (1) Phone/Data - AT&T; (2) Electric – Oncor; (3) Cable – AT&T; and (4) Natural Gas - Atmos Energy.

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## THE DEVELOPER

*The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information.*

### General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves, if any, 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

The Developer owns the property in the District, including Improvement Area #1. Bloomfield Properties, Inc., is the Developer's general partner (Bloomfield Properties, Inc. and Developer are, together, "Bloomfield"). Bloomfield was formed in September 2004 with Don Dykstra as President. In July 2013, Sumitomo Forestry America, Inc. ("Sumitomo") purchased 50% of Bloomfield, and in May 2017, Sumitomo purchased an additional 15% of Bloomfield and Bloomfield became a consolidated subsidiary of Sumitomo. The remaining 35% of Bloomfield is owned by entities controlled by Mr. Dykstra and Tim Stewart. Sumitomo was founded in 1691 and is a publicly traded company listed on the Tokyo Stock Exchange.

Bloomfield develops the majority of the lots that it builds homes on in approximately sixty locations throughout the Dallas – Fort Worth – Arlington Metroplex. Since its founding, Bloomfield has developed approximately 8,000 lots and constructed approximately 12,000 homes. Bloomfield has experience developing in neighborhoods with various types of district financing, including Paloma Creek in Little Elm, Texas; Cross Oak Ranch in Oak Point, Texas; Woodcreek in Fate, Texas; and Grand Heritage in Lavon, Texas; and has built homes in neighborhoods with public improvement districts, including Mira Lagos in Grand Prairie, Texas.

Bloomfield focuses on the price range between \$250,000 and \$600,000 and, per Residential Strategies Inc. ("RSI") (4th quarter 2023 report) has the fifth largest market share in the Dallas – Fort Worth – Arlington market. For 2023, Bloomfield was ranked as the 40<sup>th</sup> largest builder in the United States per Builder Magazine Top 100 Builders. Bloomfield was also named 2021 Homebuilder of the Year by the Greater Fort Worth Builder Association.

By combining development with homebuilding expertise, Bloomfield has been able to design and develop neighborhoods directly responding to the needs of targeted buyer profiles. This strategy has translated into a vertically integrated operation with great efficiencies and high sales volume.

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Examples of projects undertaken by Bloomfield include:

<u>Name</u>	<u>City</u>	<u>Number of Lots Remaining</u>	<u>Total Number of Lots</u>	<u>Average Home Prices</u>
West Crossing	Anna	68	733	\$543,000
Kreymer Estates	Wylie	80	446	\$647,000
Country Lakes	Denton	170	573	\$541,000
Arrowbrooke	Aubrey	173	702	\$590,000
Paloma Creek	Little Elm	1	531	\$558,000
Timberbrook	Justin	1,656	1,960	\$535,000

## Biographies of Key Developer Parties

Don Dykstra. Don Dykstra has been President of Bloomfield Properties, Inc., since its founding in 2004 and is primarily focused on land acquisition, entitlement, and development. From 1987 through 2003, Don worked for Pulte Home Corporation in a variety of management positions, including President of the Dallas – Fort Worth Division. From 1981 to 1987, he worked as a certified public accountant with EY & Company with a specialty in real estate. Don received his Bachelor of Science degree in Accounting from California Polytechnic University – Pomona, California, in 1981.

Tim Stewart. Tim Stewart joined Bloomfield Homes in 2010 and is Vice President of Bloomfield Properties, Inc., and President of the Developer. Tim is responsible for the homebuilding operation. From 1993 to 2010, Tim was with Pulte Home Corporation in a variety of management positions including Division President for San Antonio and Senior Vice President for Asset Management. From 1990 to 1993 Tim was a certified public accountant with Price Waterhouse & Co. Tim received his Bachelor of Science degree in Accounting from Michigan State University in 1990.

Steve Corradi. Steve Corradi has been Vice President of Finance with the Developer since 2016. Prior to joining Bloomfield, Steve held financial management positions with a number of firms in the homebuilding, contracting, and telecommunications industries. Steve also was a certified public accountant with EY & Company from 1981 to 1987. Steve received his Bachelor of Science in Accounting from the Wharton school of Business – University of Pennsylvania in 1981.

Clint Vincent. Clint Vincent has been Vice President of Land with Bloomfield since 2020 and oversees all land development activities. Clint has worked in land development for public and private companies in the Dallas – Fort Worth market since 2000. Clint received a Bachelor of Science in Civil Engineering from Texas Tech University in 1999.

## History and Financing of the District

Property Acquisition. The Developer acquired from QJR Partnership, Ltd., approximately 160.197 acres in January 2020 and approximately 61.905 acres in December 2021 for a combined purchase price of approximately \$8,240,000 using funds from the Revolving Credit Agreement described below.

Acquisition and Development Financing. The Developer has entered into a Fifth Amended and Restated Credit Agreement, dated as of April 30, 2024 (the “Revolving Credit Agreement”), with a group of lenders led by Fifth Third Bank, National Association (collectively, the “Lenders”) providing for loans in a combined maximum amount of \$440,000,000 outstanding at any time. The Revolving Credit Agreement is unsecured and matures on April 30, 2028. As of May 29, 2024, the Developer had loans outstanding in the amount of \$359,260,000, leaving \$80,740,000 available pursuant to the Revolving Credit Agreement. The Developer may repay the outstanding portion of the Revolving Credit Agreement from any available resources, including revenue generated from sales of the lots developed and homes constructed in the District.

The Revolving Credit Agreement imposes a number of conditions upon the Developer’s right to obtain loans. If the Developer were unable to satisfy such conditions, release of funds from the Revolving Credit

Agreement and the construction of the Improvement Area #1 Projects could be delayed or prevented entirely, which would adversely affect the security for the Bonds.

There are no liens against property within the District. The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within Improvement Area #1 of the District and is superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes.

*Sufficiency of Developer's Financing.* According to the Developer, the Developer's available financing sources are sufficient to fund the total budgeted costs of the Improvement Area #1 Projects in the approximate amount of \$10,876,627, the costs of the Private Improvements in the approximate amount of \$7,045,780, and the expected costs of the Amenities in the approximate amount of \$2,828,000. The Developer's financing sources include the Revolving Credit Agreement, the Earnest Money Deposit, the net proceeds of the Bonds in the approximate amount of \$9,440,000, and Developer equity. See "THE DEVELOPMENT – Amenities and Private Improvements."

### **THE ADMINISTRATOR**

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. The Administrator has reviewed this Limited Offering Memorandum and warrants and represents that the information herein under the caption "THE ADMINISTRATOR" 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 herein, in the light of the circumstances under which they are made, not misleading.

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

The Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan
- Preparation of assessment rolls for City billing and collection
- Establishing and maintaining a database of all City parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works and has been included in reliance upon the authority of such firm as an expert in the field formation and administration of public improvement districts.

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## APPRAISAL

*General.* Peyco Southwest Realty, Inc. (the “Appraiser”), prepared an appraisal report for the City dated June 10, 2024, and effective as of April 1, 2025, based upon a physical inspection of Improvement Area #1 of the District conducted on March 21, 2024 (the “Appraisal”). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1 of the District. The Appraisal is attached hereto as APPENDIX H 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 H – Appraisal.”

*Value Estimates.* The Appraiser estimated the prospective market value of the fee simple interests of the Improvement Area #1 Assessed Property. See “THE IMPROVEMENT AREA #1 PROJECTS.”

The Appraisal does not reflect the value of Improvement Area #1 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #1 of the District. See “APPENDIX H – Appraisal.”

The prospective market value estimate for the assessable property within Improvement Area #1 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of April 1, 2025, is \$24,805,000 (\$90,200/lot).

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

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

## BONDHOLDERS’ RISKS

*Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.*

### General

**THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER ASSETS 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 ASSETS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS OF 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 ASSETS 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 #1 of the District to pay Improvement Area #1 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #1 of the District, it being understood that poor economic conditions within the City, State, and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #1 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of lots within Improvement Area #1 of the District should proceed more slowly than expected and the Developer is unable to pay the Improvement Area #1 Assessments, only the value of the Improvement Area #1 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 #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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

#### **Deemed Representations and Acknowledgment by Investors**

Each Investor will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act 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 Investor 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 of the State 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 or re-imposition of restrictions.

## **Failure or Inability to Complete Proposed Development**

Proposed development within Improvement Area #1 of the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See “– Hazardous Substances” and “– Availability of Utilities” below. Land development within Improvement Area #1 of the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. Any approvals needed in the future for Improvement Area #1 of the District must come from the City. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. 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. Such limitations could adversely impact the completion of the Development as anticipated. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE IMPROVEMENT AREA #1 ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE IMPROVEMENT AREA #1 ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

## **Completion of the Improvement Area #1 Projects**

The Improvement Area #1 Projects are not complete. The cost and time for completion of the Improvement Area #1 Projects is uncertain and may be affected by changes in national, regional, and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional, and national market and economic conditions; unanticipated development costs, market preferences, and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in Improvement Area #1 of the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism, or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer and the City. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to complete timely the Improvement Area #1 Projects.

## **Completion of Homes**

The cost and time for completion of homes by the Developer and the Homebuilder is uncertain and may be affected by changes in national, regional, and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer and the Homebuilder.

## **Absorption Rates**

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

The Developer expects to construct homes on approximately 74% of the lots in Improvement Area #1 of the District. Consequently, the Developer will not be able to affect or control the absorption rates of approximately 26% of the homes in Improvement Area #1 of the District.

### **Assessment Limitations**

Improvement Area #1 Annual Installments of Improvement Area #1 Assessments are billed to property owners in Improvement Area #1 of the District. Improvement Area #1 Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES." Additionally, Improvement Area #1 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 on such principal, and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES." 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 Improvement Area #1 Annual Installments of Improvement Area #1 Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Improvement Area #1 Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Improvement Area #1 Annual Installments in Improvement Area #1 of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Improvement Area #1 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."

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any Improvement Area #1 Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Improvement Area #1 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Improvement Area #1 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Improvement Area #1 Assessments would then be an unsecured personal liability of the original property owner.

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

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. It is unclear under 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 will own 100% of the property within Improvement Area #1 of the District at the time the Improvement Area #1 Assessments are levied and is not eligible to claim homestead rights. Consequently, there are and can be no



homestead rights on the Improvement Area #1 Assessed Property superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Improvement Area #1 Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Improvement Area #1 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 IMPROVEMENT AREA #1 ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE IMPROVEMENT AREA #1 ASSESSED PROPERTY, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT, OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT.

### **Bankruptcy**

The payment of Improvement Area #1 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 Assessments might not be paid in full.

### **Direct and Overlapping Indebtedness, Assessments and Taxes**

The ability of an owner of property within Improvement Area #1 of the District to pay the Improvement Area #1 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 #1 of the District currently impose ad valorem taxes on the property within Improvement Area #1 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1 of the District. The imposition of additional liens, whether from taxes, assessments, or private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #1 Assessments. See "OVERLAPPING TAXES AND DEBT."

### **Depletion of Reserve Fund; No Prefunding of Delinquency and Prepayment Reserve Account**

Failure of the owners of property within Improvement Area #1 of the District to pay the Improvement Area #1 Assessments when due could result in the rapid, total depletion of the accounts in 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 Fund. The Delinquency and Prepayment Reserve Account of the Reserve Fund is not funded from proceeds of the Bonds. Instead, funding of the Delinquency and Prepayment Reserve Account is accumulated over time, by the mechanism described in "SECURITY FOR THE BONDS – Reserve Fund (Reserve Account and Delinquency and Prepayment Reserve Account)." The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency. The Indenture also provides that if the amount on deposit in the Delinquency and Prepayment Reserve Account shall at any time be less than the Delinquency and Prepayment Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided, however, that the City shall not be required to replenish the Delinquency and Prepayment Reserve Account in the event funds are transferred from the Delinquency

and Prepayment Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, as described under “SECURITY FOR THE BONDS – Reserve Fund (Reserve Account and Delinquency and Prepayment Reserve Account ).”

### **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 the “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 Improvement Area #1 of the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 of the District does not take into account the possible liability of the owner (or operator) for the remediation of a hazardous substance condition on the property in Improvement Area #1 of the District. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within Improvement Area #1 of the District has such a current liability with respect to any 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 Improvement Area #1 of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on a parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

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

### **Regulation**

Development within Improvement Area #1 of the District may be subject to future federal, State, and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in Improvement Area #1 of the District, the nature and extent of the 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 Improvement Area #1 of the District and property values.

### **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 the Homebuilder does not provide the required notice and prospective purchasers of property within Improvement Area #1 of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding

Improvement Area #1 Assessments on such property may 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 the Homebuilder does not provide the required notice and becomes 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 appendices 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 past 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. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Bonds.

### **Flood Plain and Severe Weather Events**

According to the FEMA FIRM, Community Panel Number 48085C0155J, effective June 2, 2009, all of the property within Improvement Area #1 of the District lies outside of the 500-year flood plain, referred to as Zone X. Approximately 16.51 acres in the Remainder Area is currently within the 100-year flood plain. The Developer has applied to Collin County and FEMA for a Conditional Letter of Map Revision/Letter of Map Revision, the effect of which would be that an additional 4.27 acres in the Remainder Area will be added to the flood plain to facilitate additional capacity for stormwater runoff.

FEMA will from time to time revise its FIRMs. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its FIRMs, whether such revisions may result in homes that are currently outside of the 500-year flood plain from being included in the 500-year or 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the rate maps.

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, 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 Improvement Area #1 of the District.

### **Exercise of Third-Party Property Rights**

As described under “THE DEVELOPMENT – Existing Mineral and Groundwater Rights, Easements and Other Third-Party Property Rights,” all of the mineral rights, royalty interests, and easement reservations located within the District are owned by the Developer.

The Developer does not expect the existence or exercise of any third-party rights in or around the District to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within Improvement Area #1 of the District to pay Improvement Area #1 Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

### **Bondholders’ Remedies and Bankruptcy**

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, the Trustee may, and at the written direction of the Owners of not less than 51% in aggregate Outstanding principal amount of the Bonds and its receipt of indemnity satisfactory to it shall,

proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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 its use rests within 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 or sell property within Improvement Area #1 in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS – Bankruptcy Limitation to Bondholders' Rights."

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Improvement Area #1 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 judgment, 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 #1 of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments, and the Improvement Area #1 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 expressly denies the right of acceleration 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 #1 of the District subject to the Improvement Area #1 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.

## **Use of Appraisal**

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value, but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in Improvement Area #1 of the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in Improvement Area #1 of 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 and date of the Appraisal.

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.

## **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 ("Chapter 9"). 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 Chapter 9, 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 Chapter 9, (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.

## **Management and Ownership**

The management and ownership of the Developer and related or affiliated 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, homebuilder, or new officers in management positions may not have comparable experience in projects comparable to the Development.

## **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. 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.

### **General Risks of Real Estate Investment and Development**

The Developer may, in certain limited circumstances, have the right to modify or change its plan for development of the District, 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 the Developer, nor is there a requirement that future developers or landowners 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. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer to develop lots and the Developer and the Homebuilder to sell single-family residential homes within Improvement Area #1 of the District may be affected by unforeseen changes in 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 Improvement Area #1 of the District, and compete with the Development, the demand for residential housing within Improvement Area #1 of the District could be reduced, thereby adversely affecting the continued development of Improvement Area #1 of the District, or its attraction to residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. Improvement Area #1 of the District will be subject to the risks generally incident to real estate investments and development. Many factors that may affect Improvement Area #1 of the District, 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 Improvement Area #1 of the District, 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.

Improvement Area #1 of the District 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 the Improvement Area #1 Projects 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 Improvement Area #1 of the District 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 Homebuilder, and any subsequent owners to pay the Improvement Area #1 Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Improvement Area #1 Assessments and could greatly reduce the value of the property within Improvement Area #1 of the District in the event such property has to be foreclosed. If Improvement Area #1 Annual Installments of Improvement Area #1 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**

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. 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 #1 of the District. 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, low supply and high demand, and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the Improvement Area #1 Projects. The Developer expects to finance a portion of the costs of the Improvement Area #1 Projects from proceeds of the Bonds. If the Actual Costs of the Improvement Area #1 Projects 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 #1 Projects or pay the Improvement Area #1 Assessments when due. If the costs of material continue to increase, it may affect the ability of the Developer and the Homebuilder to construct homes within Improvement Area #1 of the District. 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.

#### **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 (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“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 any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts.

## 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 throughout the District will be completed in accordance with the Developer's expectations. The successful development of the land within the District, the success of the Development, and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the Developer. The competitive position of the Developer in the sale of developed lots or of any homebuilder in the 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 Improvement Area #1 of the District.

There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise become able to compete with the Development. Below is a list of competitive projects in the area as of March 2024.

<b><u>Project Name</u></b>	<b><u>Developer</u></b>	<b><u>Approximate distance from District</u></b>	<b><u>Year Started</u></b>	<b><u>Number of Single-Family Units</u></b>	<b><u>Approximate Number of Units Remaining</u></b>	<b><u>Home Prices</u></b>
Villages of Hurricane Creek	Centurion American	1.5 miles	2020	1,794	1,200	\$379,950+
Anna Towne Square	Windsor/Pulte	3 miles	2015	1,915	600	\$367,990+
Anna Ranch	Brightland	3 miles	2023	556	500	\$384,990+
AnaCapri	Megatel	< 1 mile	2022	1,239	1,000	\$389,000+

*Source: The Developer*

## Availability of Utilities

The progress of development within Improvement Area #1 of the District is also dependent upon the City providing an adequate supply of water and wastewater service to the Development. If the City fails to provide water and wastewater services to the property in the District, the Development cannot be substantially completed, and the Developer will not be able to construct homes. See "THE CITY – Water and Wastewater."

## Dependence Upon Developer

The Developer will own all of the Improvement Area #1 Assessed Property in Improvement Area #1 of the District until homes begin to be sold to the Homebuilder or homebuyers. As owner all of the Improvement Area #1 Assessed Property on the date the first Improvement Area #1 Annual Installments become due on January 31, 2025, and most of the Improvement Area #1 Assessed Property on the date the second Improvement Area #1 Annual Installments become due on January 31, 2026, the Developer will have the obligation for payment of the majority of such Improvement Area #1 Annual Installments. The ability of the Developer to make full and timely payment of

the Improvement Area #1 Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds.

## **TAX MATTERS**

### **Opinion**

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state, or local tax consequences of the purchase, ownership, or disposition of the Bonds. See “APPENDIX D – FORM OF OPINION OF BOND COUNSEL.”

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

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

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

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

### **Federal Income Tax Accounting Treatment of Original Issue Discount**

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

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

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

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

### **Collateral Federal Income Tax Consequences**

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

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

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

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

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

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

### **State, Local And Foreign Taxes**

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

### **Information Reporting and Backup Withholding**

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of 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 (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., serves as Bond Counsel to the City. Orrick, Herrington and 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 Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to

the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a first lien on, security interest in, and pledge of 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," including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE – The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Improvement Area #1 Assessment Methodology" and "Improvement Area #1 Assessment Amounts"), "THE DISTRICT," "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" and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance, and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

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

#### **Litigation – The City**

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Improvement Area #1 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 wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Development Agreement, or the Bond Purchase 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"). Principals of the Developer and their affiliated entities may in the future be

parties to pending and/or 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.

### **SUITABILITY FOR INVESTMENT**

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

### **ENFORCEABILITY OF REMEDIES**

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

### **NO RATING**

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

### **CONTINUING DISCLOSURE**

#### **The City**

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), the City, the Administrator, and Regions Bank (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement of Issuer (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**

The City believes it has complied in all material respects with its continuing disclosure undertakings pursuant to the Rule during the last 5 years.

## **The Developer**

The Developer, the Administrator, and the Dissemination Agent have entered into a Continuing Disclosure Agreement of Developer (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 #1 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 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 Disclosure Agreement of Developer is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of 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**

Except as otherwise described herein, during the last five years, the Developer has complied in all material respects with its continuing disclosure agreements.

In connection with the issuance of two series of bonds for Timberbrook Public Improvement District No.1 ("Timberbrook PID #1") issued in 2018, the Developer entered into two separate continuing disclosure agreements. Such agreements contained conflicting deadlines for filing of quarterly reports with EMMA. All quarterly reports were filed with EMMA by the later of the two conflicting deadlines. The conflict was discovered in 2021 and the Developer has been in compliance with the 2018 continuing disclosure agreements since June 2021.

In connection with the issuance of the 2021 issuance of bonds for Timberbrook PID #1 (the "Series 2021 Bonds"), the Developer entered into a continuing disclosure agreement and a completion agreement, both of which required the Developer to certify as to the sufficiency of the Evidence of Available Funds (as defined in the completion agreement and provided at closing of the Series 2021 Bonds) to fund the completion of the improvements that were financed, in part, with proceeds of the Series 2021 Bonds. Although the Developer has certified in its quarterly reports for the Series 2021 Bonds as to the sufficiency of its available funds, generally, to fund such improvements, the quarterly reports for the Series 2021 Bonds have not addressed the sufficiency of the Evidence of Available Funds specifically, as required by the continuing disclosure agreement and the completion agreement. Beginning with its quarterly report for the period ending March 31, 2024, the Developer began including in its quarterly reports for the Series 2021 Bonds a copy of the Evidence of Available Funds and a certification as to its sufficiency.

## **UNDERWRITING**

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$\_\_\_\_\_ (the par amount of the Bonds, less an underwriting discount of \$\_\_\_\_\_). 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 federal 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 Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

## **LEGAL INVESTMENT 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 Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City’s investment policies are subject to change.

Under Texas law, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (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 are unconditionally 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) certificates of deposit and share certificates (i) issued by or through an institution that either 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 Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) 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 (II) a depository institution that has its main office or a 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 Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are 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; (10) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) 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 (6) above, clauses (12) through (14) below, 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, (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 270 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 Securities and Exchange Commission that comply with federal Securities and Exchange Commission Rule 2a-7, and (14) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have 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 in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

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 "AAA-m" 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 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 (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than “A” or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes 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 Texas law, City 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 investment officers of the City shall submit an investment report 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 and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (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 strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

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

yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

### **INFORMATION RELATING TO THE TRUSTEE**

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

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

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

### **SOURCES OF INFORMATION**

#### **General**

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

#### **Source of Certain Information**

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1 Projects, the Development, and the Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE – Overview," "– Development Plan," and "– Developer as Homebuilder," "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), "LEGAL MATTERS – Litigation – The Developer," APPENDIX F, and APPENDIX G have been provided by the Developer.

## **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 development planning and finance.

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

## **Updating of Limited Offering Memorandum**

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

## **FORWARD-LOOKING STATEMENTS**

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. 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 approved by resolution this Preliminary Limited Offering Memorandum and the City Council has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds. In the Bond Ordinance, the City Council will approve the form and content of the final Limited Offering Memorandum.

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## APPENDIX A

### GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREAS

The following information has been derived from various sources, including the U.S. Census and the Municipal Advisory Council of Texas. While such sources are believed to be reliable, no representation is made as to the accuracy thereof.

#### Location and Population

The City is located in north central Collin County, 40 miles north of Dallas and 12 miles northwest of the City of McKinney. Access to the City is provided by State Highway 121, State Highway 5, US-75, and Farm Road 455. The City covers approximately 15 square miles. Some of the services that the City provides are public safety (police and fire protection), streets, water and sanitary sewer utilities, planning and zoning, and general administrative services. The 2020 Census population for the City was 16,896, while the current estimated population is 23,558.

#### Historical Employment in Collin County

	Average Annual				
	2024 <sup>(1)</sup>	2023	2022	2021	2020
Civilian Labor Force	654,007	644,705	625,800	600,186	578,797
Total Employed	632,478	622,134	605,672	574,037	542,541
Total Unemployed	21,529	22,571	20,128	26,149	36,256
Unemployment Rate	3.3%	3.5%	3.2%	4.4%	6.3%

<sup>(1)</sup> Data through April 2024.

Source: Texas Workforce Commission, Department of Economic Research and Analysis.

#### Major Employers

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

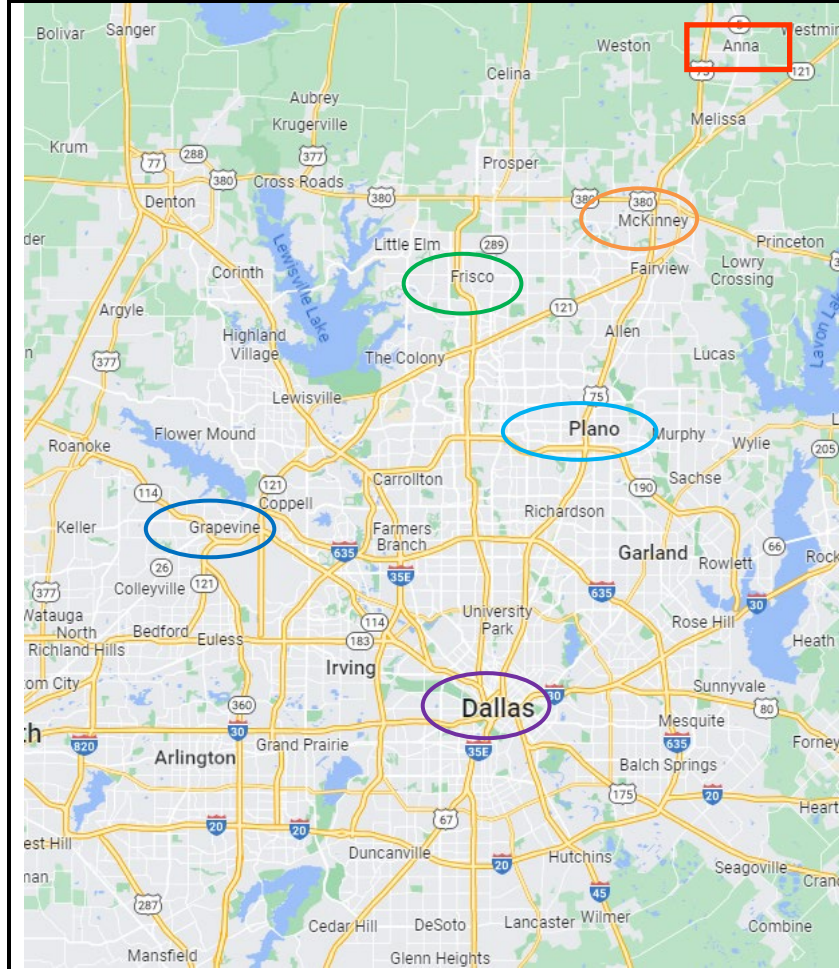
<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Anna Independent School District	Education	713
Walmart	Retail	412
Pate Rehab	Medical	162
City of Anna	Municipal Government	152
Brookshire's	Grocery Store	84
Bronco Manufacturing	Machine Shop	33
Hurricane Creek Country Club	Country Club	51
Love's Travel Shop	Retail	47
McDonald's	Restaurant	40
Tri-Country Vet	Vet Clinic	12

Source: City's Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2022

## Surrounding Economic Activity

The major employers of certain municipalities in the Dallas–Fort Worth–Arlington metropolitan area are set forth in the table below.

City of McKinney (2022)		City of Frisco (2022)		City of Plano (2023)	
Approximately 14 miles from the City		Approximately 28 miles from the City		Approximately 27 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Raytheon Space & Airborne Systems	4,347	Frisco ISD	8,088	JP Morgan Chase	9,500
McKinney ISD	2,749	T-Mobile USA	1,800	Capital One Finance	7,542
Collin County	1,964	City of Frisco	1,688	Toyota Motor North America, Inc.	4,573
Globe Life	1,600	Keurig Dr. Pepper Inc.	1,100	Bank of America	4,500
Independent Financial	1,600	Mario Sinacola & Sons Excavating	935	At&T Foundry	2,500
City of McKinney	1,428	Conifer	903	Ericsson	2,406
Encore Wire Corp.	1,325	Baylor Medical Center	663	Liberty Mutual Insurance Co.	2,385
Collin College	1,064	Baylor Scott White/Centennial Hosp.	466	Medical City Plano	2,332
Baylor	700	IKEA Frisco	423	USAA	2,092
Medical Center of McKinney	670	UT Southwestern/Texas Health Hosp.	300	Fannie Mae	2,000

City of Grapevine (2022)	
Approximately 49 miles from the City	
Employer	Employees
Gaylord Texas Resort & Conv Ctr	2,000
Dallas/Ft. Worth Int'l Airport	1,980
Grapevine-Colleyville ISD	1,700
Paycom	900
City of Grapevine	700
Baylor Medical	660
Great Wolf Lodge	600
Hyatt Regency DFW	500
Texas Toyota Grapevine	350
American Warranty Service	340

City of Dallas (2023)	
Approximately 32 miles from the City	
Employer	Employees
UT Southwestern Medical Ctr.	23,817
Dallas ISD	23,271
City of Dallas	16,000
Southwest Airlines Co.	14,618
Parkland Health & Hosp Sys	13,000
Medical City Dallas	10,974
Dallas County Comm College	8,230
Texas Instruments Inc.	7,722
Dallas County	6,500
Methodist Dallas Medical Center	6,452

Source: Municipal Advisory Council of Texas

**APPENDIX B**  
**FORM OF INDENTURE**



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**INDENTURE OF TRUST**

By and Between

**CITY OF ANNA, TEXAS**

and

**REGIONS BANK,  
as Trustee**

**DATED AS OF JULY 1, 2024**

SECURING

\$ \_\_\_\_\_

**CITY OF ANNA, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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## INDENTURE OF TRUST

THIS INDENTURE, dated as of July 1, 2024, is by and between the CITY OF ANNA, TEXAS (the "*City*"), and REGIONS BANK, an Alabama state banking corporation with offices in Houston, 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 August 2, 2023, 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 "*Meadow Vista 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 August 22, 2023, the City Council of the City (the "*City Council*") adopted Resolution No. 2023-08-1525 accepting the *Petition* and calling a public hearing on the creation of the *District* on September 26, 2023; and

WHEREAS, on September 26, 2023, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the *Petition* as required by Section 372.009 of the *PID Act* and, on September 26, 2023, the City Council made the findings required by Section 372.009(b) of the *PID Act* and, by Resolution No. 2023-09-1558 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 recorded said Creation Resolution in the real property records of Collin County, Texas as Document No. 2023000113773; 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 adoption of said Creation Resolution; and

WHEREAS, the City, pursuant to Section 372.016(b) of the *PID Act*, published notice of a public hearing in a newspaper of general circulation in the City where the proposed improvements are to be undertaken to consider the proposed "*Improvement Area #1 Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the "*Improvement Area #1 Assessments*" on property in the *District*; and

WHEREAS, on June 11, 2024, the City Council called for a public hearing to be held to consider the proposed Improvement Area #1 Assessment Roll, the Service and Assessment Plan and the levy of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property, and the City (i) published notice of such public hearing in a newspaper of general circulation in the City and (ii) mailed notice of such public hearing to the last known address of the owners of the property liable for the Improvement Area #1 Assessments pursuant to Section 372.016(c) of the Act; and

WHEREAS, the City Council convened the public hearing on July 9, 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 Improvement Area #1 Assessment Roll and the Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of Improvement Area #1 Projects, the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Assessments and the penalties and interest on Improvement Area #1 Annual Installments and on delinquent Improvement Area #1 Annual Installments of the Improvement Area #1 Assessments; and

WHEREAS, at the July 9, 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 the Improvement Area #1 Projects, the Improvement Area #1 Assessment Roll or the levy of the Improvement Area #1 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 the meeting held on July 9, 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 Improvement Area #1 Assessment Roll and levied the Improvement Area #1 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Improvement Area #1 Assessments for the purpose of (i) paying a portion of the Improvement Area #1 Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 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 Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 Project)" (the "*Bonds*"), such Bonds being payable solely from the Trust Estate and for the purposes set forth in this preamble; and

WHEREAS, the Trustee has agreed to accept the 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 first lien on, a security interest in, and pledge of 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:

"*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.

"*Actual Costs*" mean with respect to Authorized Improvements, the Developer's demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvements, as specified in a payment request in a form that has been reviewed and approved by the City. Actual Costs may include: (1) the costs incurred by or on behalf of the Developer (either directly or through affiliates) 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) construction management fees equal to 4% of costs; (4) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, and governmental fees and charges.

"*Additional Interest*" means the amount collected by the application of the Additional Interest Rate.

"*Additional Interest Rate*" means the 0.50% additional interest charged on the Improvement Area #1 Assessments pursuant to Section 372.018 of the PID Act.

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

"*Administrator*" means an employee or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

"*Annual Collection Costs*" mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of the Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Improvement Area #1 Assessments and Improvement Area #1 Annual Installments, including the costs of foreclosure; (4) preparing and maintaining records with respect to Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming the Bonds; (6) investing or depositing Improvement Area #1 Assessments and Improvement Area #1 Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) 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 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 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.

"*Assessment Ordinance*" means the ordinance adopted by the City Council on July 9, 2024, as may be amended or supplemented, that levied the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

"*Assessment Revenues*" means the revenues received by the City from the collection of Improvement Area #1 Assessments, including Prepayments, Improvement Area #1 Annual Installments and Foreclosure Proceeds.

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

"*Authorized Denomination*" means \$100,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" mean those improvements authorized by Section 372.003 of the PID Act and to be constructed within Improvement Area #1 for which Improvement Area #1 Assessments are levied, 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 Ordinance*" means the ordinance adopted by the City Council on July 9, 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 Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 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.

"*Certification for Payment*" means, with respect to payment or reimbursement of Improvement Area #1 Projects, a certificate substantially in the form of Exhibit B attached to the CFA 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 Improvement Area #1 Projects thereof, and requesting payment for such Improvement Area #1 Projects from money on deposit in the Improvement Area #1 Bond Improvement Account of the Project Fund as further described in the CFA Agreement and Section 6.5 of this Indenture.

"*CFA Agreement*" means the Improvement Area #1 Construction, Funding and Acquisition Agreement, Meadow Vista Public Improvement District, by and between the City and the Developer, dated as of July 9, 2024, as may be amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Improvement Area #1 Projects, the issuance of the Bonds, the payment or reimbursement of costs of Improvement Area #1 Projects.

"*City Certificate*" means written instructions by the City, executed by a City Representative.

"*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 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 the Additional Interest deposited to the Pledged Revenue Fund and transferred to the Delinquency and Prepayment Reserve Account.

"*Delinquent Collection Costs*" mean costs related to the foreclosure on Improvement Area #1 Assessed Property and the costs of collection of delinquent Improvement Area #1 Assessments, delinquent Improvement Area #1 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 July 31, 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 Houston, Texas, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means Bloomfield Homes, L.P., 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.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments against any Improvement Area #1 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 #1" means that portion of the District generally described in Section II of the Service and Assessment Plan and generally shown in Exhibit A-2 to the Service and Assessment Plan and as specifically described in Exhibit J-2 to the Service and Assessment Plan.

"Improvement Area #1 Annual Installments" means, with respect to each Parcel of Improvement Area #1 Assessed Property, each annual payment of: (i) the principal of and interest on the Improvement Area #1 Assessments as shown on the Improvement Area #1 Assessment Roll or in an Annual Service Plan Update, and as shown in Exhibit F-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.

"Improvement Area #1 Assessed Property" means the property located in Improvement Area #1 that benefits from the Improvement Area #1 Projects, and is defined as the "Improvement Area #1 Assessed Property" in the Service and Assessment Plan.

"Improvement Area #1 Assessment Roll" means the "Improvement Area #1 Assessment Roll", which document is attached to the Service and Assessment Plan as Exhibit F-1, as updated, modified or amended from time to time.

"Improvement Area #1 Assessments" means an assessment levied against Improvement Area #1 Assessed Property based on the special benefit conferred on such Improvement Area #1 Assessed Property by the Improvement Area #1 Projects.

"Improvement Area #1 Projects" means the Authorized Improvements which only benefit the property located in the Improvement Area #1, and are described in Section III(A) and Exhibit G-2 to the Service and Assessment Plan.

*"Improvement Area #1 Project Costs"* means the Actual Costs, as defined in the Service and Assessment Plan (excluding Annual Collection Costs), solely for the Improvement Area #1 Projects.

*"Improvement Area #1 Projects"* means the Improvement Area #1 Projects and the pro-rata portion of the Major Improvements allocable to Improvement Area #1.

*"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 March 15, 2025.

*"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. Such Investment Securities may include money market funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that such money market funds are authorized investments described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended.

*"Major Improvements"* means the Authorized Improvements which benefit the entire District, and are described in Section III(A) and Exhibit G-1 to the Service and Assessment Plan.

*"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 CFA Agreement secured in whole or in part by an assessment, other than the Improvement Area #1 Assessments securing the Bonds, levied against property within Improvement Area #1 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 of this Indenture and (iv) any 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 of this Indenture.

"*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 or by lot and block number in a final subdivision plat recorded in the real property records of Collin County.

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

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

"*PID Act*" means the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended.

"*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 of this Indenture and administered pursuant to Section 6.3 of this Indenture.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Improvement Area #1 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 of this Indenture and administered pursuant to Section 6.8 of this Indenture.

"*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 of this Indenture and administered pursuant to Section 6.6 of this Indenture.

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

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

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

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

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

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

"*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) an optional redemption pursuant to Section 4.3 or (2) 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.

"*Service and Assessment Plan*" means the document, including the Improvement Area #1 Assessment Roll, which is attached as Exhibit A of the Assessment Ordinance, as may be updated, 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 of this Indenture.

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

"*State*" means the State of Texas.

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

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

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

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to the Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property within Improvement Area #1, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

"*Trustee*" means Regions Bank, Houston, Texas, an Alabama state banking corporation with offices in Houston, Texas and authorized to do business in the State, 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 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 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, including the Pledged Revenues; 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 Improvement Area #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 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 March 15, 2025, 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>
20__		
20__		

(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 CFA Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Certificate 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 in the Mayor's absence, the 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 (or in the Mayor's Absence, the Mayor Pro-Tem) 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 City shall issue and 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 City shall issue and 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 each of the years 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\_\_

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	

Term Bonds maturing September 15, 20\_\_

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	

\* 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 30 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The Sinking Fund Installments of Term Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced 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 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 before their scheduled maturity date, 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.

#### **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(c)) 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 either Sections 4.2, 4.3 or 4.4, Bonds may 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 an Authorized Denomination; provided, however, if the amount of Outstanding Bonds 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 Certificate 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.

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

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

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

(d) 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 a notice of redemption, the notice may state the City may condition redemption on the 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 and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

(e) 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.

#### **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 ANNA, TEXAS  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DELIVERY DATE	CUSIP NUMBER
_____%	September 15, 20__	July 31, 2024	_____

The City of Anna, 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 March 15, 2025.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "*Designated Payment/Transfer Office*"), of



Regions Bank, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the close of business on 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 July 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 Improvement Area #1 Project Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 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 sources described above on a parity with this Bond.

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

The Bonds are issuable as fully registered bonds only in denominations of \$100,000 and any multiple of \$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 \$100,000, and any attempt to do so will be void and of no effect.

The Bonds maturing on September 15 in the years 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>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__*	

Term Bonds maturing September 15, 20\_\_

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__*	

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\* 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, 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 Installments 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 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 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 Sinking Fund Installments of Term Bonds required to be redeemed on any mandatory sinking fund redemption shall be reduced 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 extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 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, Bonds may 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 an Authorized Denomination; provided, however, if the amount of Outstanding Bonds 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 Certificate in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

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 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.

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 a notice of redemption, the notice may state the City may condition redemption on the 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 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 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. 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.

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 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.

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City Secretary

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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 an opinion to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

REGIONS BANK,  
as Trustee

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Dated: \_\_\_\_\_

Signature Guaranteed by:

_____ _____  Authorized Signatory	NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.
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(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 installments and bearing interest at the per annum rates set forth in the following schedule:

_____ Year	_____ Principal Amount	_____ Interest Rate"
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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 \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

### **Section 5.4. Legal Opinion.**

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

## **ARTICLE VI**

### **FUNDS AND ACCOUNTS**

#### **Section 6.1. Establishment of Funds and Accounts.**

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

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



(b) Creation of Accounts.

Bond Fund:

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

(A) Principal and Interest Account; and

(B) Capitalized 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) Improvement Area #1 Bond Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

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

**Section 6.2. Initial Deposits to Funds and Accounts.**

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

(i) to the Capitalized Interest Account of the Bond Fund: \$\_\_\_\_\_;

(ii) to the Reserve Account of the Reserve Fund: \$\_\_\_\_\_, which is equal to the initial Reserve Account Requirement;

(iii) to the Costs of Issuance Account of the Project Fund: \$ \_\_\_\_\_;

(iv) to the Improvement Area #1 Bond Improvement Account of the Project Fund: \$ \_\_\_\_\_; and

(v) to the Administrative Fund: \$ \_\_\_\_\_.

### Section 6.3. **Pledged Revenue Fund.**

(a) Periodically upon receipt thereof, the City shall transfer or cause to be transferred, pursuant to a City Certificate provided to the Trustee for deposit to the Pledged Revenue Fund the Improvement Area #1 Assessments and Improvement Area #1 Annual Installments, other than the portion of the Improvement Area #1 Assessments and Improvement Area #1 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. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred pursuant to a City Certificate 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 Certificate 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 further described in Section 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (i) pay other costs of the Improvement Area #1 Projects, (ii) pay other costs permitted by the PID Act, or (iii) 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 to be used to redeem Bonds pursuant to Section 4.4 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 Improvement Area #1 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 to be used to redeem Bonds pursuant to Section 4.4.

(f) After satisfaction of the requirement to provide for the 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 Certificate.

#### **Section 6.4. Bond Fund.**

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

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

(c) 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.

(d) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on March 15, 2025 and September 15, 2025. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Area #1 Bond Improvement Account of the Project Fund, or if the Improvement Area #1 Bond Improvement Account of the Project Fund has been closed as provided in Section

6.5(d), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

**Section 6.5. Project Fund.**

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

(b) (1) 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 Certificates.

(2) Disbursements from the Improvement Area #1 Bond Improvement Account of the Project Fund to pay Improvement Area #1 Projects shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The funds from the Improvement Area #1 Bond Improvement Account of the Project Fund shall be disbursed in accordance with a Certification for Payment for Improvement Area #1 Projects as described in the CFA Agreement. Each such Certification 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 Certification 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), (f) and (h), money on deposit in the Improvement Area #1 Bond Improvement Account of the Project Fund shall be used solely to pay Improvement Area #1 Projects.

(d) If the City Representative determines in his or her sole discretion that certain amounts then on deposit in the Improvement Area #1 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 #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Bond Improvement Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Bond Improvement Account that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the identified amounts on deposit in the Improvement Area #1 Bond Improvement Account shall be transferred to the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Improvement Area #1 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 Certificate stating that all Improvement Area #1 Projects have been completed and that all Improvement Area #1 Projects have been paid, or that any Improvement Area #1 Projects are not required to be paid from the Project Fund pursuant to a

Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

(g) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Bond Improvement Account of the Project Fund and used to pay Improvement Area #1 Projects or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

(h) In the event the Developer has not completed the Improvement Area #1 Projects by July 17, 2029, then the City shall provide written direction to the Trustee to transfer all funds on deposit in the Improvement Area #1 Bond Improvement Account to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof. Upon such transfers, the Improvement Area #1 Bond Improvement Account of the Project Fund shall be closed.

(k) In providing any disbursement under this Section, the Trustee may conclusively rely as to the completeness and accuracy of all statements in such Certification for Payment if such certificate is signed by a City Representative, and the Trustee shall not be required to make any independent investigation in connection therewith. The execution of any Certification for Payment by a City Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

#### **Section 6.6. Redemption Fund.**

The Trustee, pursuant to a City Certificate, 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 transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Certificate (which shall be based on the Improvement Area #1 Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Certificate 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 Certificate, 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 necessary to permit the 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 Certificate 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 Improvement Area #1 Bond Improvement Account of the Project Fund to pay Improvement Area #1 Projects 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 Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a 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 Certificate, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4. In the event that the Trustee does not receive a City Certificate 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) 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.

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

(h) 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.

(i) 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 Certificate, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

**Section 6.9. Administrative Fund.**

(a) Periodically upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Improvement Area #1 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 Certificate 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 Certificate 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 Certificate 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 Certificate 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 Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Certificate 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 Improvement Area #1 Assessments.**

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Improvement Area #1 Assessments against the Improvement Area #1 Assessed Property from which the Assessment Revenues will be collected and received.

##### **Section 7.2. Collection and Enforcement of Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 Assessments.

(b) To the extent permitted by law, notice of the Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 Improvement Area #1 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 Improvement Area #1 Annual Installment, and any delinquent charges and interest thereon,

including diligently prosecuting an action in district court to foreclose the currently delinquent Improvement Area #1 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 Improvement Area #1 Assessments or the corresponding particular Improvement Area #1 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 or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and 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 or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

### **Section 7.4. Records, Accounts, Accounting Reports.**

The City hereby covenants and agrees that so long as any Bonds are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 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 30 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 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 Improvement Area #1 Projects 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 #1 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 Pledged Revenue Fund and 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 #1 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 Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate 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

Certificate 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 Certificate 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 Certificate, 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 any moneys 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.

(c) 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 as 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 delivery 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.

### **Section 9.16. Offering Documentation.**

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds and, except as otherwise provided in the Continuing Disclosure Agreement of the Issuer, shall have no responsibility for compliance with any State or federal securities laws in connection with 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 a majority 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 any one 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 set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; 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 a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

#### **Section 10.9. Execution of Supplemental Indenture.**

(a) 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.

(b) No such amendment shall modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (i) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (ii) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds, and (iii) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

## **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 Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(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 may give such notice in its discretion and which shall give such notice at the written request of the Owners of not less than 51% in aggregate Outstanding principal amount of the Bonds; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default under this Indenture or any other agreement unless a responsible officer of the Trustee shall have actual knowledge thereof.

## **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 51% in aggregate Outstanding principal amount of the Bonds 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 Certificate, 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 Certificate, 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 as the Trustee may deem appropriate, 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 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 a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee 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, at the option of the Trustee as advised by its counsel, 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 shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

#### **Section 11.4. Application of Revenues and Other Moneys After Default.**

(a) All moneys, securities, funds, 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 or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners 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 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 Improvement Area #1 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, subject to the provisions contained in this Section 13.2, 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 the Trust Estate, or any portion thereof.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, or subordinate lien obligations permitted hereunder, 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.

(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 and subordinate lien obligations permitted hereunder. 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 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. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

#### **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 Anna, Texas  
120 W. 7th St.  
Anna, Texas 75409  
Attn: Director of Finance  
Telephone: (972) 924-3325

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

Regions Bank  
1717 McKinney Avenue  
Dallas, Texas 75202  
Attn: Corporate Trust Services  
Telephone: (214) 220-6158

(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. Venue and exclusive jurisdiction for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in Collin County, Texas or any federal court with diversity jurisdiction.

#### **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. CFA Agreement Amendments and Supplements.**

The City and the Developer may amend and supplement the CFA Agreement from time to time without the consent or approval of the Owners or the Trustee.

#### Section 15.10. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

#### Section 15.11. 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.

*[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 ANNA, TEXAS

By: \_\_\_\_\_  
Pete Cain, Mayor  
City of Anna, Texas

Attest:

\_\_\_\_\_  
Carrie L. Land, City Secretary  
City of Anna, Texas

(CITY SEAL)

*City Signature Page to Indenture of Trust*

REGIONS BANK,  
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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# Meadow Vista Public Improvement District

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## SERVICE AND ASSESSMENT PLAN

JULY 9, 2024



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## INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 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”, “Exhibit”, or an “Appendix” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

On September 26, 2023, the City Council passed and approved Resolution No. 2023-09-1558 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon the date the resolution was adopted in accordance with the provisions 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 223.154 acres located within the corporate limits of the City, as described by the legal description on **Exhibit J-1** and depicted on **Exhibit A-1**.

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 as 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**.

## SECTION I: DEFINITIONS

**“Actual Costs”** mean with respect to Authorized Improvements, the actual costs of constructing or acquiring such Authorized Improvements, paid by or on behalf of the Developer (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 costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, architectural, engineering, consulting fees, and 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 Developer.

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

**“Additional Interest Rate”** means up to 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 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 Roll and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this 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.

**“Annual Service Plan Update”** means an update to this 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 located within the District, other than Non-Benefited Property, to pay the costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, and is 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 #1 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 updates prepared in connection with any Annual Service Plan Update.

**“Authorized Improvements”** means (1) the improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit G-1** and **Exhibit G-2** and described in **Sections III.A** and **III.B** including soft costs; (2) District Formation Costs; and (3) Bond Issuance Costs.

**“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 Anna, 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 Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

**“Developer”** means Bloomfield Homes, L.P., a Texas limited partnership, and any successors or assignees thereof that intend to develop the property in the District for the ultimate purpose of transferring title to end users.

**“District”** means Meadow Vista Public Improvement District containing approximately 223.154 acres located within the corporate limits of the City, and more specifically described in **Exhibit J-1** and depicted in **Exhibit A-1**.

**“District Formation Costs”** means the costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City directly associated with the establishment of the District.

**“Engineer’s Report”** means a report provided by a licensed professional engineer that identifies 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, as applicable, 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. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E**.

**“Improvement Area #1”** means approximately 71.042 acres located within the District, as more specifically described in **Exhibit J-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 expected to be levied against Improvement Area #1 Assessed Property to pay the Actual Costs of the Improvement Area #1 Authorized Improvements, which Improvement Area #1 Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel 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 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 associated with the issuance of Improvement Area #1 Bonds.

**“Improvement Area #1 Bonds”** means those certain “City of Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista 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.B** and depicted on **Exhibit G-2**.

**“Improvement Area #1 Initial Parcel”** means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment is levied, as shown on the Improvement Area #1 Assessment Roll.

**“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 or supplemented from

time to time, between the City and the Trustee 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 Developer, and confirmed by the City Council, as shown on **Exhibit E**.

**“Lot Type 1”** means a Lot within Improvement Area #1 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 1 is attached in **Appendix B**.

**“Lot Type 2”** means a Lot within Improvement Area #1 marketed to homebuilders as a 60’ Lot. The buyer disclosure for Lot Type 2 is attached in **Appendix B**.

**“Major Improvements”** means those Authorized Improvements that confer a special benefit to all of the Assessed Property and Remainder Area within the District, as further described in **Section III.A** and depicted on **Exhibit G-1**.

**“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 located outside the boundary of the District that accrue special benefit from the Authorized Improvements as determined by the City Council but are not assessed. The Developer has agreed to pay for the portion of the Actual Costs of the Authorized Improvements that benefit the Non-Assessed Property in lieu of the City levying assessments against such property.

**“Non-Benefited 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 H**.

**“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.

**“Private Improvements”** means improvements required to be constructed by the Developer that are not Authorized Improvements. Costs of Private Improvements will not be paid nor reimbursed through Annual Installments.

**“Remainder Area”** means approximately 152.112 acres located within the District and entirely outside of Improvement Area #1, as more specifically described on **Exhibit J-3** and depicted on **Exhibit A-2**, to be developed as one or more future improvement areas.

**“Service and Assessment Plan”** means this Meadow Vista Public Improvement District Service and Assessment Plan as updated, amended, or supplemented from time to time.

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

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

## SECTION II: THE DISTRICT

The District includes approximately 223.154 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit J-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 764 Lots developed with single-family homes.

Improvement Area #1 includes approximately 71.042 contiguous acres, the boundaries of which are more particularly described by legal description on **Exhibit J-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 275 Lots developed with single-family homes (190 single-family homes that are on Lots classified as Lot Type 1 and 85 single-family homes that are on Lots classified as Lot Type 2).

The Remainder Area includes approximately 152.112 contiguous acres, the boundaries of which are more particularly described by the legal description on **Exhibit J-3** and depicted on **Exhibit A-2**. Development of the Remainder Area is anticipated to include approximately 489 Lots developed with single-family homes and 2 acres of mixed use.

## SECTION III: AUTHORIZED IMPROVEMENTS

Based on information in the Engineer's Report provided by the Developer 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 and Non-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 and allocation for the Authorized Improvements is shown on **Exhibit B**.

### A. Improvement Area #1 Improvements

#### ▪ *Sanitary Sewer System*

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

#### ▪ *Storm Sewer System*

Improvements including earthen channels, swales, trench excavation and embedment, curb and drop inlets, RCP & RCB piping and boxes, headwalls, manholes, rock rip rap, concrete outfalls, storm drain connections, trench safety, and testing as well as all related earthwork, excavation,

erosion control, traffic control, detention pond, encasement, platting, staking, and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Water Distribution System*

Improvements including trench excavation and embedment, trench safety, PVC piping, water main connections, water meters, service connections, testing, related earthwork, excavation, erosion control, fire hydrants, platting, staking, steel encasement, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Paving/Roads/Streets*

Improvements including subgrade stabilization, reinforced concrete for roadways, handicapped ramps, sidewalks, pavement connections, headers, barricades, CBU pads, signs, striping, traffic control, platting, staking, and streetlights. All related earthwork, excavation, clearing & grubbing, tree removal, erosion control, intersections, signage, lighting, screening walls, and re-vegetation of all disturbed areas within the right-of-way are included. The road improvements will provide benefit to each Lot within Improvement Area #1.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #1 improvements including land planning and design, inspection fees, franchise fees, City fees, bonds, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

## **B. Major Improvements**

- *Storm Sewer System*

Improvements including trench excavation and embedment, RCB piping and boxes, headwalls, handrails, rock rip rap, and trench safety as well as all related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *Paving/Roads/Streets*

Improvements including subgrade stabilization, reinforced concrete for roadways, handicapped ramps, sidewalks, headers, barricades, signs, striping, and traffic control. All related earthwork, excavation, clearing & grubbing, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The road improvements will provide benefit to each Lot within the District.

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including inspection fees, City fees, bonds, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

- *District Formation Costs*

Costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City or the Developer directly associated with the establishment of the District.

**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 under an applicable Indenture in connection with the issuance of 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 the fees of the underwriter's counsel.

- *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**

- *Deposit to Administrative Fund*

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 Improvement Area #1. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 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 and Private Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update.

## SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the 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 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 Developer and all future owners and developers of the Assessed Property.

### A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and their 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 and/or apportioned as follows:

- The costs of the Major Improvements allocated to the District shall be funded from other sources such as impact fees and private funding.
- The costs of the Improvement Area #1 Authorized Improvements shall be allocated to each Parcel within Improvement Area #1 based on the ratio of the 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. Currently, the Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Authorized Improvements.

## **B. Assessments**

The Improvement Area #1 Assessment will be levied on the Improvement Area #1 Initial Parcel according to 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** and are subject to revisions made in any Annual Service Plan Update. Upon division or subdivision of the Improvement Area #1 Initial Parcel, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

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

## **C. Findings of Special Benefit**

Acting in its legislative capacity and based on information provided by the Developer and their 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 Actual Costs of the Improvement Area #1 Authorized Improvements equal \$13,823,627 as shown on **Exhibit B**;
  - 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 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized



Improvements, which equals \$12,387,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**;

- The special benefit ( $\geq \$13,823,627$ ) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment (\$12,387,000) to be levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Authorized Improvements; and
- It is anticipated, at the time the City Council approves this Service and Assessment Plan, the Developer will own 100% of the Improvement Area #1 Initial Parcel. The Developer will acknowledge that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Initial Parcel and will consent to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developer will ratify, confirm, accept, agree to, and approve: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) this Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 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, beginning in 2025, related to a series of PID Bonds 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 relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property, as provided by the Developer. The Estimated Buildout Value for Lot Type 1, and Lot Type 2 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 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-Benefited Property

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

Prior to the recording of a subdivision plat, the Developer 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 Developer, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1 and Lot Type 2 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-Benefited 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 H.**

#### **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 as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any 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 a related series of 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 that are not expected to be used for the purposes of the project fund 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 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. 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 property not including any Non-Benefited 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 an updated Assessment Roll 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. The City Council may provide for other means of collecting Annual Installments. 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 #1 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2026.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment on the property tax bill 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. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act, or other applicable law.

#### **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-Benefited 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 **“Retained Property”**), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Retained Property after any required Prepayment as set forth below. The owner of the Retained Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Retained Property, subject to an adjustment in the Assessment applicable to the Retained Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Retained Property exceeds the applicable Maximum Assessment, the owner of the Retained Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Retained Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Retained 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 Retained 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-Benefited Property and the remaining 90 acres of Retained Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Retained Property). If the Administrator determines that the \$100 Assessment reallocated to the Retained Property would exceed the Maximum Assessment, as

applicable, on the Retained Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Retained Property and the Assessment on the Retained Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Retained Property notifies the City and the Administrator that the Taking prevents the Retained 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 Retained Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Retained 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.

## **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 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 1<sup>st</sup> of the 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 of such receipt of a 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 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 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 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 Service and Assessment Plan.

#### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 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 Service and Assessment Plan. Interpretations of this 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 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 approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

#### **E. Severability**

If any provision of this 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.

## EXHIBITS

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

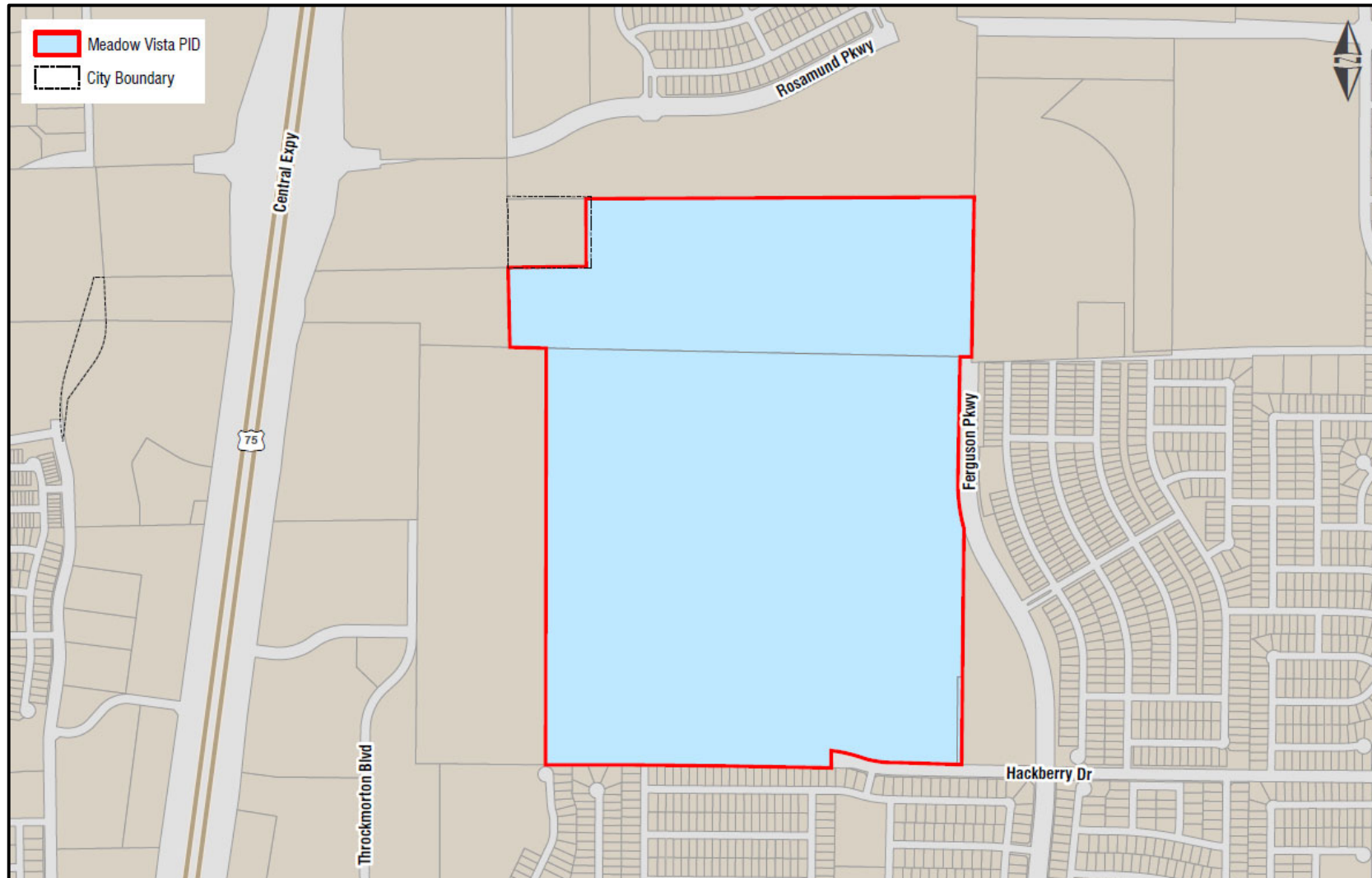
<b>Exhibit A-1</b>	Map of the District
<b>Exhibit A-2</b>	Map of Improvement Area #1 and Remainder Area
<b>Exhibit A-3</b>	Improvement Area #1 Lot Type Classification Map
<b>Exhibit B</b>	Project Costs
<b>Exhibit C</b>	Service Plan
<b>Exhibit D</b>	Sources and Uses of Funds
<b>Exhibit E</b>	Maximum Assessment and Tax Rate Equivalent
<b>Exhibit F-1</b>	Improvement Area #1 Assessment Roll
<b>Exhibit F-2</b>	Improvement Area #1 Annual Installments
<b>Exhibit G-1</b>	Maps of Major Improvements
<b>Exhibit G-2</b>	Maps of Improvement Area #1 Improvements
<b>Exhibit H</b>	Notice of Termination of Assessment
<b>Exhibit I</b>	Debt Service Schedule for Improvement Area #1 Bonds
<b>Exhibit J-1</b>	District Legal Description
<b>Exhibit J-2</b>	Improvement Area #1 Legal Description
<b>Exhibit J-3</b>	Remainder Area Legal Description

## APPENDICES

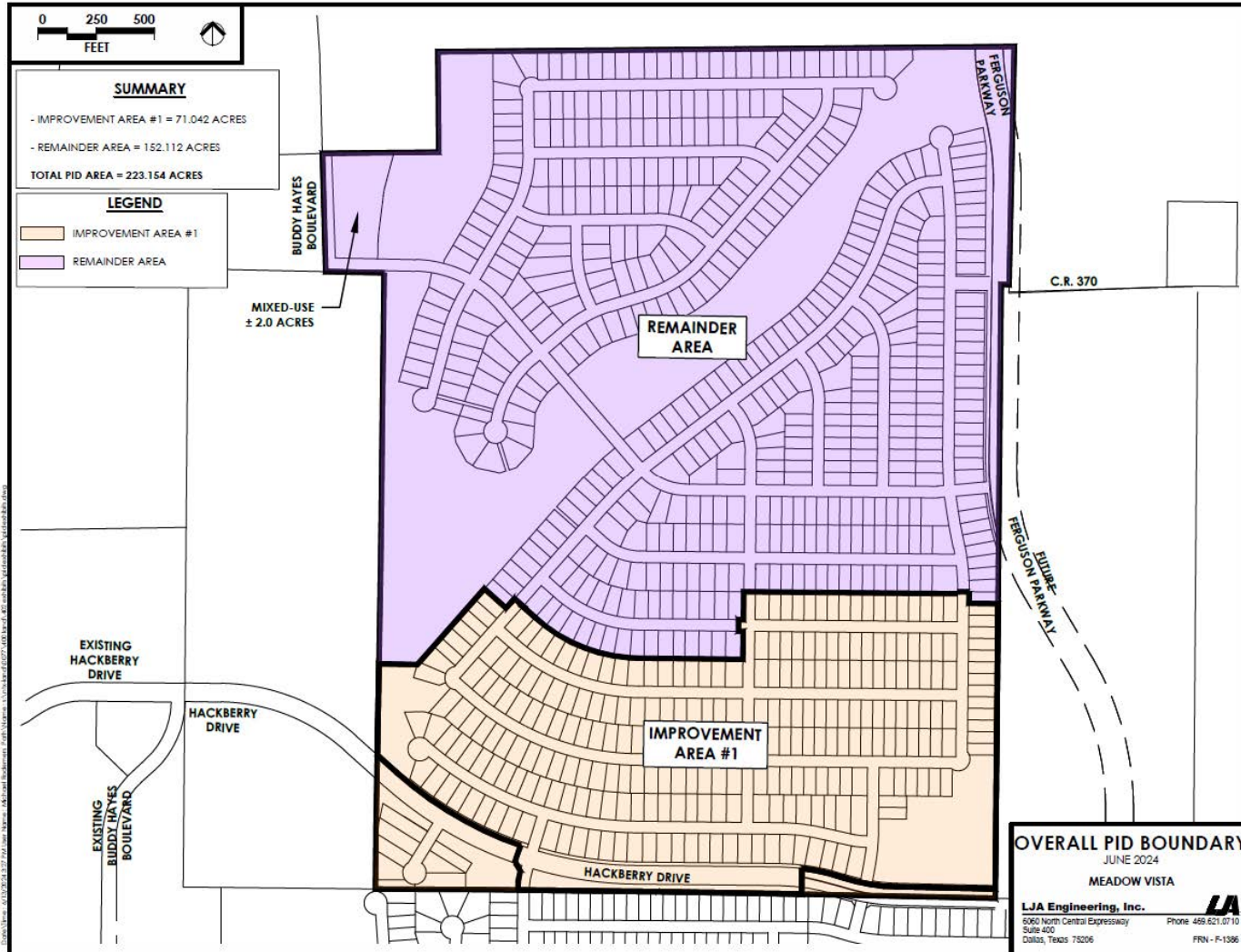
The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

<b>Appendix A</b>	Engineer's Report
<b>Appendix B</b>	Buyer Disclosure

## EXHIBIT A-1 – MAP OF THE DISTRICT

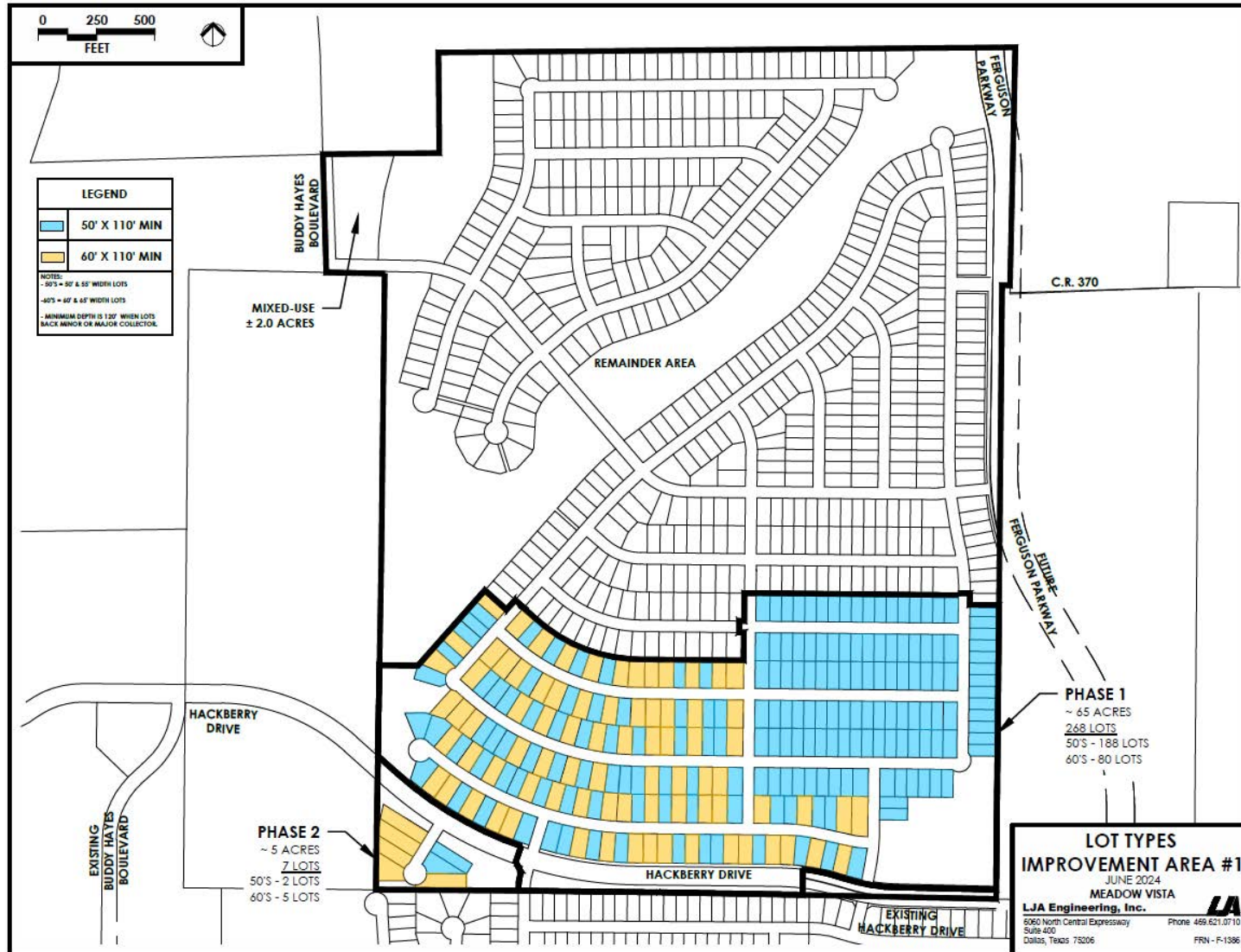


## EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1 AND REMAINDER AREA





## EXHIBIT A-3 – IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP



## EXHIBIT B – PROJECT COSTS

	Total <sup>[a]</sup>	Private <sup>[b]</sup>	Impact Fee Eligible <sup>[c]</sup>	District Eligible Costs	Improvement Area #1	
					%	Cost
<i>Improvement Area #1 Improvements</i>						
Sanitary Sewer System	\$ 1,358,015	\$ -	\$ -	\$ 1,358,015	100.00%	\$ 1,358,015
Storm Sewer System	1,999,353	-	-	1,999,353	100.00%	1,999,353
Water Distribution System	1,353,005	-	-	1,353,005	100.00%	1,353,005
Paving/Roads/Streets	3,292,096	15,960	-	3,276,136	100.00%	3,276,136
Soft Costs <sup>[d]</sup>	2,891,715	1,596	-	2,890,119	100.00%	2,890,119
	<u>\$ 10,894,183</u>	<u>\$ 17,556</u>	<u>\$ -</u>	<u>\$ 10,876,627</u>		<u>\$ 10,876,627</u>
<i>Major Improvements<sup>[e]</sup></i>						
Storm Sewer System	\$ 790,331	\$ 52,952	\$ 737,379	\$ -	0.00%	\$ -
Paving/Roads/Streets	1,878,322	125,848	1,752,474	-	0.00%	-
Soft Costs <sup>[d]</sup>	385,115	25,803	359,313	-	0.00%	-
	<u>\$ 3,053,768</u>	<u>\$ 204,602</u>	<u>\$ 2,849,166</u>	<u>\$ -</u>		<u>\$ -</u>
<i>Private Improvements<sup>[f]</sup></i>						
Private Improvements	\$ 6,823,622	\$ 6,823,622	\$ -	\$ -		\$ -
	<u>\$ 6,823,622</u>	<u>\$ 6,823,622</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
<i>Bond Issuance Costs &amp; District Formation Costs<sup>[g]</sup></i>						
Debt Service Reserve Fund	\$ 931,476	\$ -	\$ -	\$ 931,476		\$ 931,476
Capitalized Interest	831,942	-	-	831,942		831,942
Underwriter's Discount	371,610	-	-	371,610		371,610
Cost of Issuance	771,972	-	-	771,972		771,972
	<u>\$ 2,907,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,907,000</u>		<u>\$ 2,907,000</u>
<i>Other Costs</i>						
Deposit to Administrative Fund	\$ 40,000	\$ -	\$ -	\$ 40,000		\$ 40,000
	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>		<u>\$ 40,000</u>
<b>Total</b>	<b>\$ 23,718,573</b>	<b>\$ 7,045,780</b>	<b>\$ 2,849,166</b>	<b>\$ 13,823,627</b>		<b>\$ 13,823,627</b>

### Footnotes:

[a] Costs based on Engineer's Report dated 5/31/2024.

[b] Non-reimbursable to Developer from Assessments or PID Bonds.

[c] Per the Engineer's Report, 93.30% of Major Improvements are eligible to be funded via Impact Fees. The remaining 6.70% shall be PID eligible.

[d] Soft Costs include erosion control, bonds and phasing, development fees, and contingency.

[e] Major Improvements funded from other sources relate to property in the PID that may be developed as residential, commercial, or open space and is not being allocated Major Improvement costs.

[f] Private Improvements include excavation, retaining walls, landscaping, franchise fees, development fees, and contingency.

[g] Preliminary estimates only. To be updated when Improvement Area #1 Bonds are issued.

## EXHIBIT C – SERVICE PLAN

		Improvement Area #1				
Annual Installments Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Principal		\$ -	\$ 165,000.00	\$ 175,000.00	\$ 185,000.00	\$ 196,000.00
Interest		831,941.89	739,503.90	729,653.40	719,205.90	708,161.40
Capitalized Interest		(831,941.89)	-	-	-	-
	(1)	\$ -	\$ 904,503.90	\$ 904,653.40	\$ 904,205.90	\$ 904,161.40
Additional Interest	(2)	\$ 61,935.00	\$ 61,935.00	\$ 61,110.00	\$ 60,235.00	\$ 59,310.00
Annual Collection Costs	(3)	\$ 40,000.00	\$ 40,800.00	\$ 41,616.00	\$ 42,448.32	\$ 43,297.29
<b>Total Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 101,935.00</b>	<b>\$ 1,007,238.90</b>	<b>\$ 1,007,379.40</b>	<b>\$ 1,006,889.22</b>	<b>\$ 1,006,768.69</b>



## EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	Impact Fee Eligible	Improvement Area #1	Total
<b>Sources of Funds</b>				
Improvement Area #1 Bond	\$ -	\$ -	\$ 12,387,000	\$ 12,387,000
Developer Contribution - Improvement Area #1 <sup>[a]</sup>	-	-	1,436,627	1,436,627
Developer Contribution - Major Improvements <sup>[b]</sup>	204,602	2,849,166	-	3,053,768
Developer Contribution - Private Improvements <sup>[a]</sup>	6,841,178	-	-	6,841,178
<b>Total Sources</b>	<b>\$ 7,045,780</b>	<b>\$ 2,849,166</b>	<b>\$ 13,823,627</b>	<b>\$ 23,718,573</b>
<b>Uses of Funds</b>				
Improvement Area #1 Improvements	\$ 17,556	\$ -	\$ 10,876,627	\$ 10,894,183
Major Improvements	204,602	2,849,166	-	3,053,768
Private Improvements	6,823,622	-	-	6,823,622
	<u>\$ 7,045,780</u>	<u>\$ 2,849,166</u>	<u>\$ 10,876,627</u>	<u>\$ 20,771,573</u>
<i>Bond Issuance Costs &amp; District Formation Expenses<sup>[c]</sup></i>				
Debt Service Reserve Fund	\$ -	\$ -	\$ 931,476	\$ 931,476
Capitalized Interest	-	-	831,942	831,942
Underwriter's Discount	-	-	371,610	371,610
Cost of Issuance	-	-	771,972	771,972
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,907,000</u>	<u>\$ 2,907,000</u>
<i>Other Costs</i>				
Deposit to Administrative Fund	\$ -	\$ -	\$ 40,000	\$ 40,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
<b>Total Uses</b>	<b>\$ 7,045,780</b>	<b>\$ 2,849,166</b>	<b>\$ 13,823,627</b>	<b>\$ 23,718,573</b>

**Footnotes:**

[a] Non-reimbursable to Developer from Assessments or PID Bonds.

[b] A portion of the Major Improvements are reimbursable to the Developer from Impact Fees.

[c] Preliminary estimates only, to be updated upon bond issuance.

## EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units <sup>[a]</sup>	Estimated Buildout Value <sup>[a]</sup>		Assessment		Average Annual Installment		Tax Rate Equivalent
		Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1								
Lot Type 1 (50')	190	\$ 500,000	\$ 95,000,000	\$ 42,421	\$ 8,060,034	\$ 3,448	\$ 655,187	\$ 0.6897
Lot Type 2 (60')	85	\$ 600,000	\$ 51,000,000	\$ 50,905	\$ 4,326,966	\$ 4,138	\$ 351,732	\$ 0.6897
Improvement Area #1 Total	275	\$ 146,000,000		\$ 12,387,000		\$ 1,006,918		

**Footnotes:**

[a] Per information provided by the Developer.

## EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID <sup>[a]</sup>	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2025 <sup>[b]</sup>
2120875	Improvement Area #1 Initial Parcel	\$ 12,387,000.00	\$ 101,935.00
<b>Total</b>		<b>\$ 12,387,000.00</b>	<b>\$ 101,935.00</b>

**Footnotes:**

[a] The entire Improvement Area #1 is contained within Property ID 2120875. For billing purposes, the Annual Installment due 1/31/2025 shall be allocated pro rata based on acreage.

[b] Includes one year of Capitalized Interest.

## EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

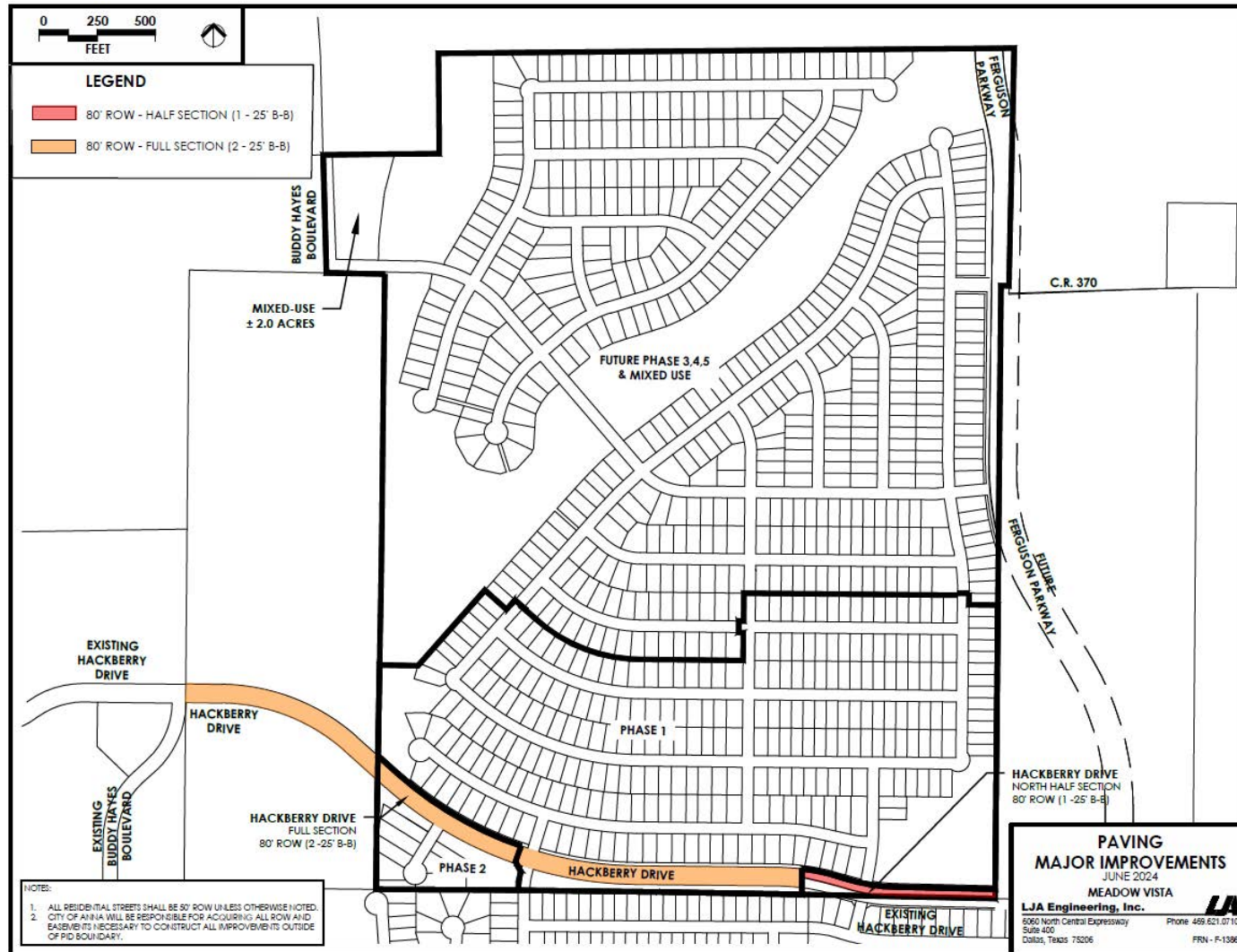
Annual Installment Due 1/31	Principal	Interest <sup>[a]</sup>	Additional Interest	Capitalized Interest	Reserve Fund	Annual Collection Costs	Annual Installment <sup>[b]</sup>
2025	\$ -	\$ 831,941.89	\$ 61,935.00	\$ (831,941.89)	\$ -	\$ 40,000.00	\$ 101,935.00
2026	\$ 165,000.00	\$ 739,503.90	\$ 61,935.00	\$ -	\$ -	\$ 40,800.00	\$ 1,007,238.90
2027	\$ 175,000.00	\$ 729,653.40	\$ 61,110.00	\$ -	\$ -	\$ 41,616.00	\$ 1,007,379.40
2028	\$ 185,000.00	\$ 719,205.90	\$ 60,235.00	\$ -	\$ -	\$ 42,448.32	\$ 1,006,889.22
2029	\$ 196,000.00	\$ 708,161.40	\$ 59,310.00	\$ -	\$ -	\$ 43,297.29	\$ 1,006,768.69
2030	\$ 208,000.00	\$ 696,460.20	\$ 58,330.00	\$ -	\$ -	\$ 44,163.24	\$ 1,006,953.44
2031	\$ 221,000.00	\$ 684,042.60	\$ 57,290.00	\$ -	\$ -	\$ 45,046.50	\$ 1,007,379.10
2032	\$ 234,000.00	\$ 670,848.90	\$ 56,185.00	\$ -	\$ -	\$ 45,947.43	\$ 1,006,981.33
2033	\$ 248,000.00	\$ 656,879.10	\$ 55,015.00	\$ -	\$ -	\$ 46,866.38	\$ 1,006,760.48
2034	\$ 263,000.00	\$ 642,073.50	\$ 53,775.00	\$ -	\$ -	\$ 47,803.71	\$ 1,006,652.21
2035	\$ 279,000.00	\$ 626,372.40	\$ 52,460.00	\$ -	\$ -	\$ 48,759.78	\$ 1,006,592.18
2036	\$ 296,000.00	\$ 609,716.10	\$ 51,065.00	\$ -	\$ -	\$ 49,734.98	\$ 1,006,516.08
2037	\$ 314,000.00	\$ 592,044.90	\$ 49,585.00	\$ -	\$ -	\$ 50,729.68	\$ 1,006,359.58
2038	\$ 334,000.00	\$ 573,299.10	\$ 48,015.00	\$ -	\$ -	\$ 51,744.27	\$ 1,007,058.37
2039	\$ 354,000.00	\$ 553,359.30	\$ 46,345.00	\$ -	\$ -	\$ 52,779.16	\$ 1,006,483.46
2040	\$ 376,000.00	\$ 532,225.50	\$ 44,575.00	\$ -	\$ -	\$ 53,834.74	\$ 1,006,635.24
2041	\$ 400,000.00	\$ 509,778.30	\$ 42,695.00	\$ -	\$ -	\$ 54,911.43	\$ 1,007,384.73
2042	\$ 424,000.00	\$ 485,898.30	\$ 40,695.00	\$ -	\$ -	\$ 56,009.66	\$ 1,006,602.96
2043	\$ 451,000.00	\$ 460,585.50	\$ 38,575.00	\$ -	\$ -	\$ 57,129.85	\$ 1,007,290.35
2044	\$ 479,000.00	\$ 433,660.80	\$ 36,320.00	\$ -	\$ -	\$ 58,272.45	\$ 1,007,253.25
2045	\$ 508,000.00	\$ 405,064.50	\$ 33,925.00	\$ -	\$ -	\$ 59,437.90	\$ 1,006,427.40
2046	\$ 540,000.00	\$ 374,736.90	\$ 31,385.00	\$ -	\$ -	\$ 60,626.66	\$ 1,006,748.56
2047	\$ 574,000.00	\$ 342,498.90	\$ 28,685.00	\$ -	\$ -	\$ 61,839.19	\$ 1,007,023.09
2048	\$ 610,000.00	\$ 308,231.10	\$ 25,815.00	\$ -	\$ -	\$ 63,075.97	\$ 1,007,122.07
2049	\$ 648,000.00	\$ 271,814.10	\$ 22,765.00	\$ -	\$ -	\$ 64,337.49	\$ 1,006,916.59
2050	\$ 689,000.00	\$ 233,128.50	\$ 19,525.00	\$ -	\$ -	\$ 65,624.24	\$ 1,007,277.74
2051	\$ 732,000.00	\$ 191,995.20	\$ 16,080.00	\$ -	\$ -	\$ 66,936.72	\$ 1,007,011.92
2052	\$ 778,000.00	\$ 148,294.80	\$ 12,420.00	\$ -	\$ -	\$ 68,275.45	\$ 1,006,990.25
2053	\$ 827,000.00	\$ 101,848.20	\$ 8,530.00	\$ -	\$ -	\$ 69,640.96	\$ 1,007,019.16
2054	\$ 879,000.00	\$ 52,476.30	\$ 4,395.00	\$ -	\$ (931,476.30)	\$ 71,033.78	\$ 75,428.78
<b>Total</b>	<b>\$ 12,387,000.00</b>	<b>\$ 14,885,799.49</b>	<b>\$ 1,238,975.00</b>	<b>\$ (831,941.89)</b>	<b>\$ (931,476.30)</b>	<b>\$ 1,622,723.23</b>	<b>\$ 28,371,079.53</b>

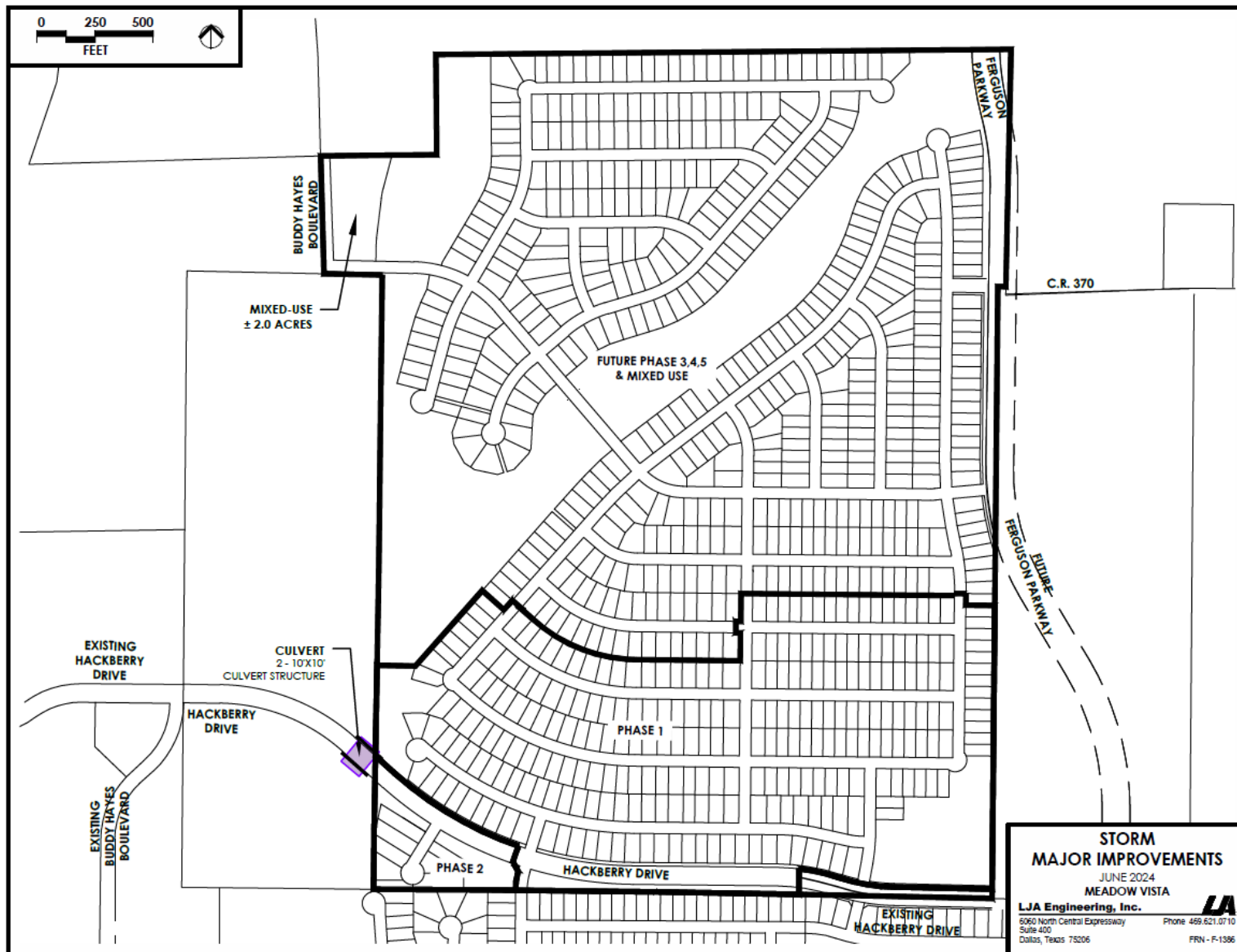
**Footnotes:**

[a] Interest on the Improvement Area #1 Bonds is calculated at a 5.97% rate for illustrative purposes.

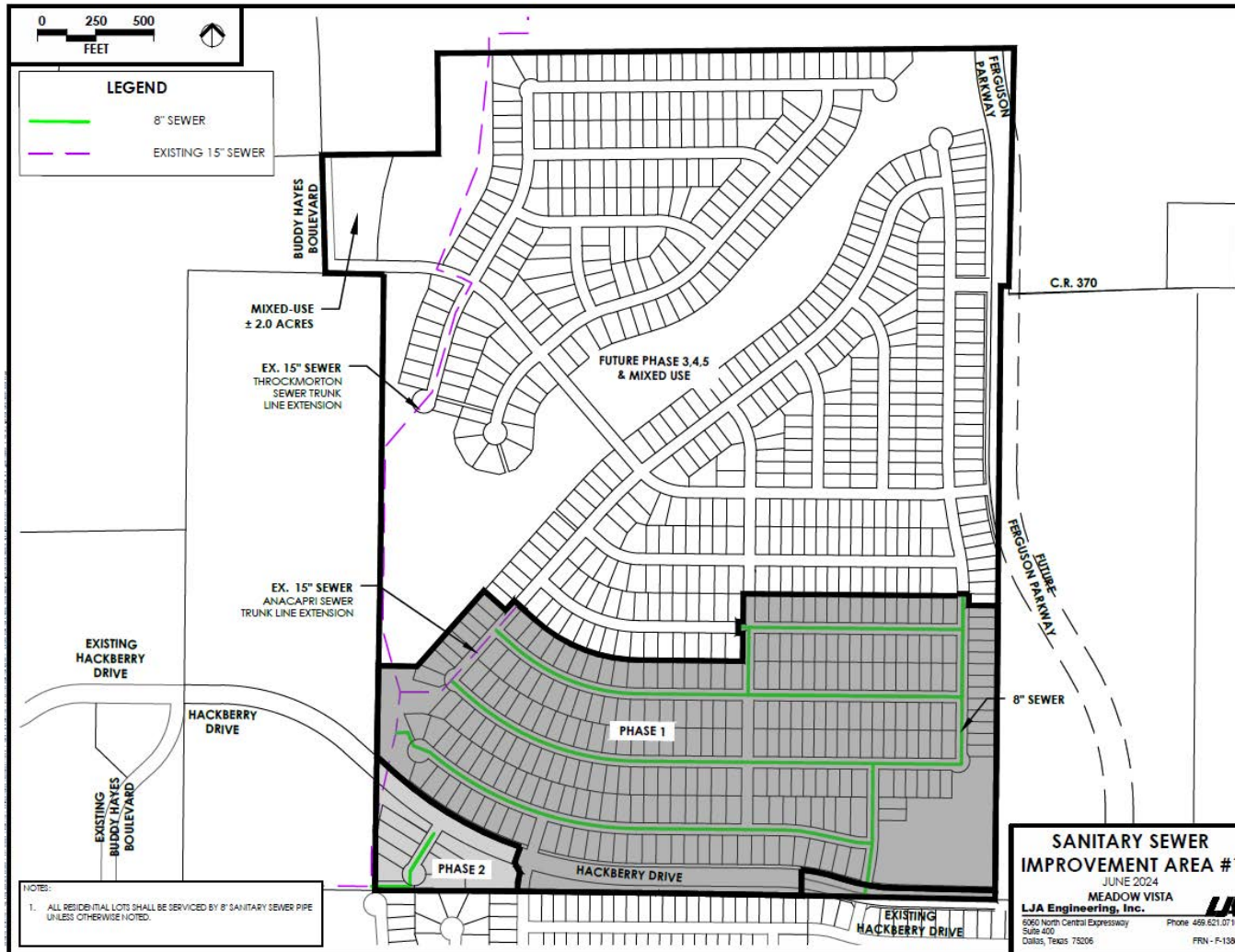
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

## EXHIBIT G-1 – MAPS OF MAJOR IMPROVEMENTS

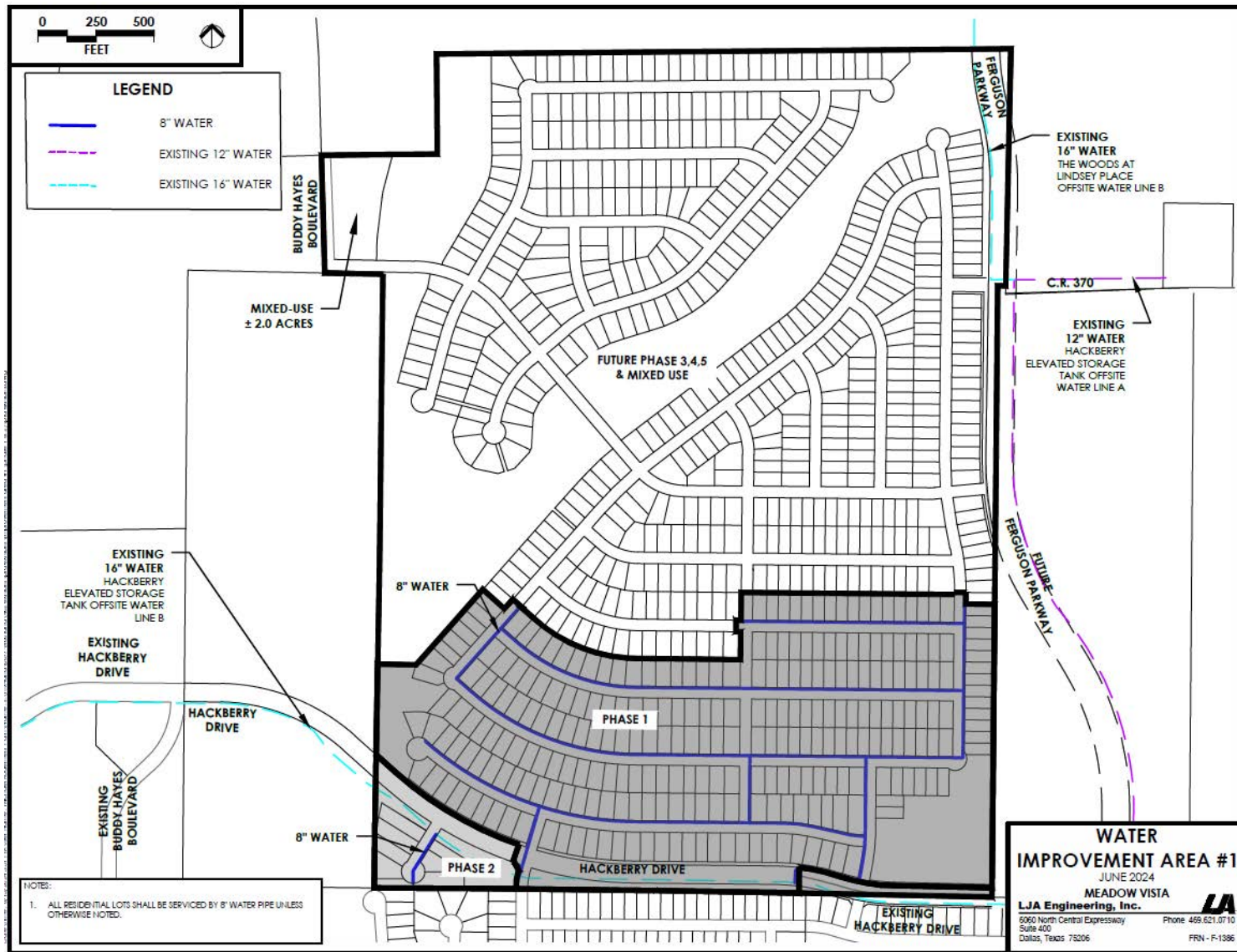




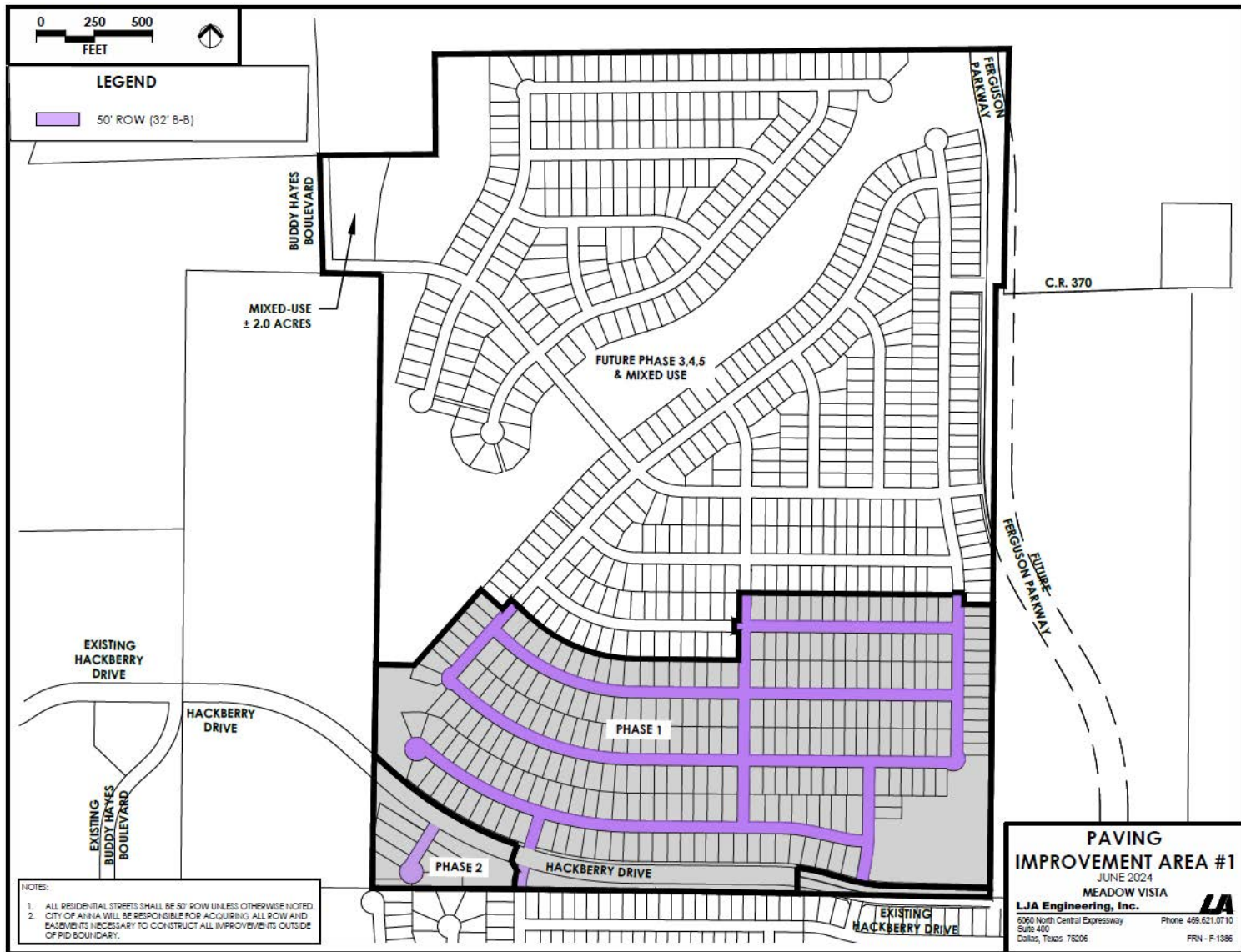
## EXHIBIT G-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS

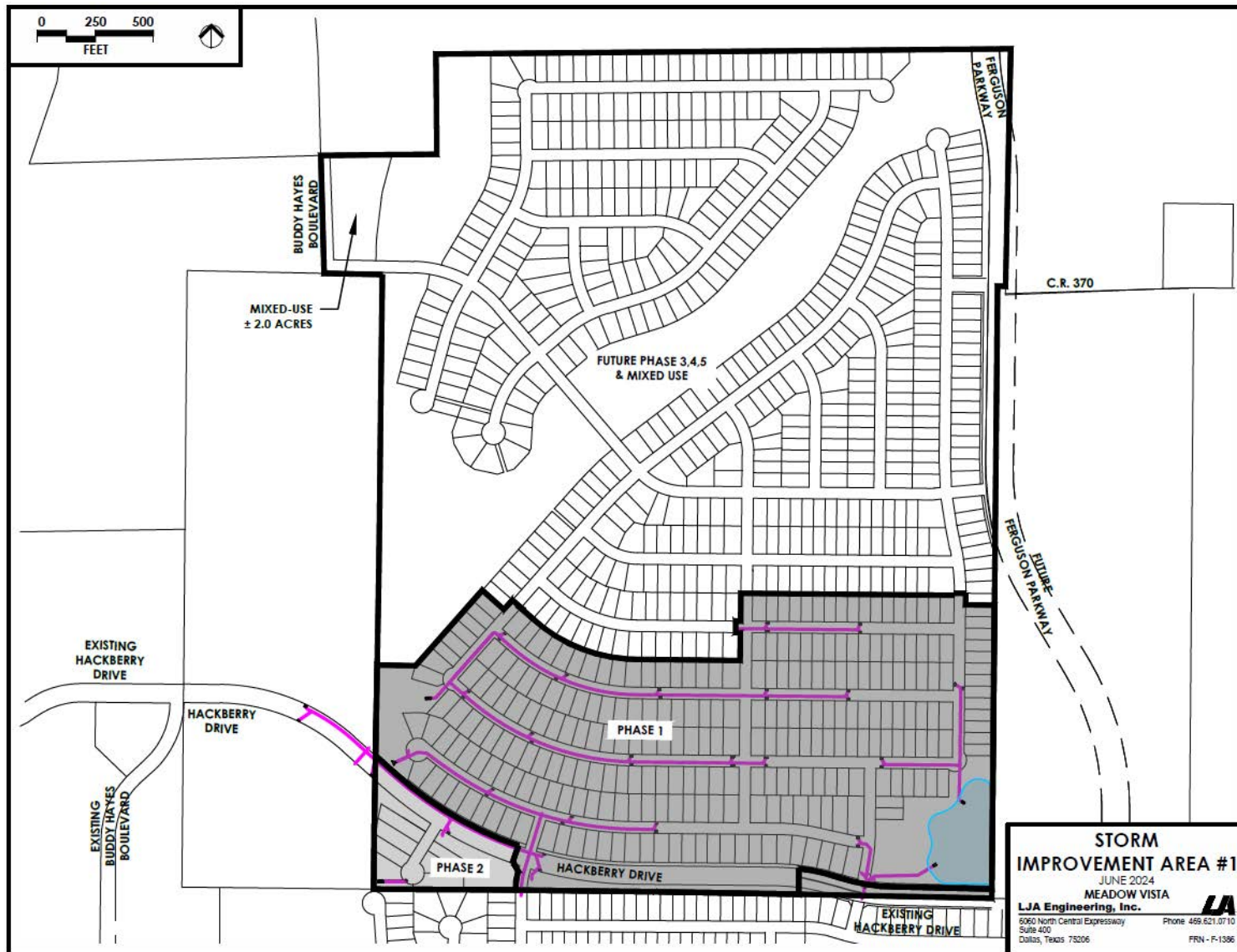












## EXHIBIT H – NOTICE OF TERMINATION OF ASSESSMENT



P3Works, LLC  
9284 Huntington Square, Suite 100  
North Richland Hills, TX 76182

[Date]

Collin County Clerk's Office  
Honorable [County Clerk Name]  
Collin County Courts Building  
2300 Bloomdale Rd, Suite 2106  
McKinney, TX 75071

**Re: City of Anna Lien Release Documents for Filing**

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Anna is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Anna  
Attn: [City Secretary]  
120 W 7<sup>th</sup> Street  
Anna, TX 75409

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

P3Works, LLC  
P: (817) 393-0353  
[admin@p3-works.com](mailto:admin@p3-works.com)  
[www.P3-Works.com](http://www.P3-Works.com)

**AFTER RECORDING RETURN TO:**

[City Secretary Name]  
120 W 7<sup>th</sup> Street  
Anna, TX 75049

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN**

STATE OF TEXAS §  
KNOW ALL MEN BY THESE PRESENTS: §  
COUNTY OF COLLIN §

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this "Full Release") is executed and delivered as of the Effective Date by the City of Anna, Texas.

**RECITALS**

**WHEREAS**, the governing body (hereinafter referred to as the "City Council") of the City of Anna, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits of the City; and

**WHEREAS**, on September 26, 2023, the City Council for the City, approved Resolution No. 2023-09-1558, creating the Meadow Vista Public Improvement District (the "District"); and

**WHEREAS**, the District consists of approximately 223.154 contiguous acres within the corporate limits of the City; and

**WHEREAS**, on or about [REDACTED], 2024, the City Council approved Ordinance No. [REDACTED], (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the District; and

**WHEREAS**, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Collin County, Texas, according to the map or plat of record in Document/Instrument No. \_\_\_\_\_ of the Plat Records of Collin County, Texas (hereinafter referred to as the "Property"); and

**WHEREAS**, the Lien Amount has been paid in full.

**RELEASE**

**NOW THEREFORE**, the City, the Developer and holder of the Lien, Instrument No. \_\_\_\_\_, in the Real Property Records of Collin County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

**EXECUTED** to be **EFFECTIVE** this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF ANNA, TEXAS,**

By: \_\_\_\_\_  
[Manager Name], City Manager

**ATTEST:**

\_\_\_\_\_  
[Secretary Name], City Secretary

<b>STATE OF TEXAS</b>	§
	§
<b>COUNTY OF COLLIN</b>	§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [Manager Name], City Manager for the City of Anna, Texas, on behalf of said municipality.

\_\_\_\_\_  
Notary Public, State of Texas



## EXHIBIT I – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

### NET DEBT SERVICE

City of Anna, Texas  
Special Assessment Revenue Bonds, Series 2024  
Meadow Vista Public Improvement District  
Improvement Area #1 Project  
Callable on 9/15/20[ ]  
\*\*\*Pricing Views as of 6/4/2024\*\*\*

Period Ending	Principal	Coupon	Interest	Total Debt Service	Additional Interest Levy	Admin	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
09/30/2025			831,941.89	831,941.89	61,935	40,000.00		831,941.89	101,935.00
09/30/2026	165,000	5.970%	739,503.90	904,503.90	61,935	40,800.00			1,007,238.90
09/30/2027	175,000	5.970%	729,653.40	904,653.40	61,110	41,616.00			1,007,379.40
09/30/2028	185,000	5.970%	719,205.90	904,205.90	60,235	42,448.32			1,006,889.22
09/30/2029	196,000	5.970%	708,161.40	904,161.40	59,310	43,297.29			1,006,768.69
09/30/2030	208,000	5.970%	696,460.20	904,460.20	58,330	44,163.24			1,006,953.44
09/30/2031	221,000	5.970%	684,042.60	905,042.60	57,290	45,046.50			1,007,379.10
09/30/2032	234,000	5.970%	670,848.90	904,848.90	56,185	45,947.43			1,006,981.33
09/30/2033	248,000	5.970%	656,879.10	904,879.10	55,015	46,866.38			1,006,760.48
09/30/2034	263,000	5.970%	642,073.50	905,073.50	53,775	47,803.71			1,006,652.21
09/30/2035	279,000	5.970%	626,372.40	905,372.40	52,460	48,759.78			1,006,592.18
09/30/2036	296,000	5.970%	609,716.10	905,716.10	51,065	49,734.98			1,006,516.08
09/30/2037	314,000	5.970%	592,044.90	906,044.90	49,585	50,729.68			1,006,359.58
09/30/2038	334,000	5.970%	573,299.10	907,299.10	48,015	51,744.27			1,007,058.37
09/30/2039	354,000	5.970%	553,359.30	907,359.30	46,345	52,779.16			1,006,483.46
09/30/2040	376,000	5.970%	532,225.50	908,225.50	44,575	53,834.74			1,006,635.24
09/30/2041	400,000	5.970%	509,778.30	909,778.30	42,695	54,911.43			1,007,384.73
09/30/2042	424,000	5.970%	485,898.30	909,898.30	40,695	56,009.66			1,006,602.96
09/30/2043	451,000	5.970%	460,585.50	911,585.50	38,575	57,129.85			1,007,290.35
09/30/2044	479,000	5.970%	433,660.80	912,660.80	36,320	58,272.45			1,007,253.25
09/30/2045	508,000	5.970%	405,064.50	913,064.50	33,925	59,437.90			1,006,427.40
09/30/2046	540,000	5.970%	374,736.90	914,736.90	31,385	60,626.66			1,006,748.56
09/30/2047	574,000	5.970%	342,498.90	916,498.90	28,685	61,839.19			1,007,023.09
09/30/2048	610,000	5.970%	308,231.10	918,231.10	25,815	63,075.97			1,007,122.07
09/30/2049	648,000	5.970%	271,814.10	919,814.10	22,765	64,337.49			1,006,916.59
09/30/2050	689,000	5.970%	233,128.50	922,128.50	19,525	65,624.24			1,007,277.74

NET DEBT SERVICE

City of Anna, Texas  
Special Assessment Revenue Bonds, Series 2024  
Meadow Vista Public Improvement District  
Improvement Area #1 Project  
Callable on 9/15/20[ ]  
\*\*\*Pricing Views as of 6/4/2024\*\*\*

Period Ending	Principal	Coupon	Interest	Total Debt Service	Additional Interest Levy	Admin	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
09/30/2051	732,000	5.970%	191,995.20	923,995.20	16,080	66,936.72			1,007,011.92
09/30/2052	778,000	5.970%	148,294.80	926,294.80	12,420	68,275.45			1,006,990.25
09/30/2053	827,000	5.970%	101,848.20	928,848.20	8,530	69,640.96			1,007,019.16
09/30/2054	879,000	5.970%	52,476.30	931,476.30	4,395	71,033.78	931,476.30		75,428.78
	12,387,000		14,885,799.49	27,272,799.49	1,238,975	1,622,723.23	931,476.30	831,941.89	28,371,079.53

Note: Preliminary, subject to change.

## EXHIBIT J-1 – DISTRICT LEGAL DESCRIPTION

### Legal Description

BEING A 223.154 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288 AND THE JOHN ELLET SURVEY, ABSTRACT NO. 296, CITY OF ANNA E.T.J., COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 162.12 ACRE TRACT AND PART OF A 64.50 ACRE TRACT OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 162.12 ACRE AND 64.50 ACRE TRACT BEING DESCRIBED IN DEED TO LORRAINE SHERLEY, AS RECORDED IN VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS. BEING ALL OF A CALLED 80 ACRE TRACT OF LAND CONVEYED AS FIRST TRACT, PART OF A CALLED 64.5 ACRE TRACT OF LAND CONVEYED AS SECOND TRACT, ALL OF A CALLED 40.86 ACRE TRACT OF LAND CONVEYED AS THIRD TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FOURTH TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FIFTH TRACT, AND ALL OF A CALLED 21.26 ACRE TRACT OF LAND CONVEYED AS SIXTH TRACT. SAID 223.154 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 21.26 ACRE SIXTH TRACT, THE COMMON NORTHWEST CORNER OF LOT 56, BLOCK F AND THE NORTHEAST CORNER OF LOT 3, BLOCK G OF CREEKSIDE PHASE 3, AN ADDITION TO THE CITY OF ANNA ACCORDING TO THE PLAT RECORDED IN CABINET P, SLIDE 623, PLAT RECORDS, COLLIN COUNTY, TEXAS AND BEING THE COMMON SOUTHEAST CORNER OF CALLED 50.53 ACRE TRACT OF LAND CONVEYED BY DEED TWO-J PARTNERS, LLLP RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS ; THENCE, ALONG THE COMMON EAST LINE OF SAID 50.53 ACRE TRACT AND THE WEST LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE WEST LINE OF SAID 10 ACRE FOURTH TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 1115.83 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 49 MINUTES 32 SECONDS EAST, A DISTANCE OF 309.20 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 36 MINUTES 32 SECONDS EAST, A DISTANCE OF 368.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 42 MINUTES 32 SECONDS EAST, A DISTANCE OF 596.23 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING SURVEYING" SET FOR CORNER, SAID POINT LYING IN COLLIN COUNTY ROAD NO. 370 (A PRESCRIPTIVE RIGHT OF WAY), SAID POINT BEING THE COMMON NORTHWEST CORNER OF SAID 10 ACRE FOURTH TRACT AND THE NORTHEAST CORNER OF SAID 50.53 ACRE



TRACT AND BEING ON THE SOUTH LINE OF AFORESAID 64.5 ACRE SECOND TRACT;

THENCE, NORTH 88 DEGREES 48 MINUTES 28 SECONDS WEST, ALONG THE COMMON NORTH LINE OF SAID 50.53 ACRE TRACT AND THE SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT, A DISTANCE OF 251.32 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE SOUTHEAST CORNER OF A 38.15 ACRE TRACT OF LAND CONVEYED BY DEED AS TRACT 7 TO MJLA ADAMS, LTD. RECORDED IN COUNTY CLERK'S FILE NO. 20110505000462590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 01 DEGREE 38 MINUTES 26 SECONDS WEST, ALONG THE COMMON WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE EAST LINE OF SAID 38.15 ACRE TRACT, A DISTANCE OF 509.20 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID 38.15 ACRE TRACT AND THE SOUTHEAST CORNER OF A 17.863 ACRE TRACT OF LAND CONVEYED BY DEED TO ANNA 18, LLC RECORDED IN COUNTY CLERK'S FILE NO. 20161020001423440, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, DEPARTING SAID WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND OVER AND ACROSS SAID 64.5 ACRE SECOND TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, A DISTANCE OF 500.77 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 31 MINUTES 21 SECONDS WEST, A DISTANCE OF 432.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE NORTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTH LINE OF A 159.725 ACRE TRACT OF LAND CONVEYED BY DEED TO LHJH MANAGEMENT COMPANY LLC RECORDED IN COUNTY CLERK'S FILE NO. 2006100300142590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, ALONG THE COMMON NORTH LINE OF SAID 64.5 ACRE SECOND TRACT, AND THE SOUTH LINE OF SAID 159.725 ACRE TRACT, A DISTANCE OF 2480.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 159.725 ACRE TRACT, SAID POINT BEING ON THE WEST LINE OF A 50.00 ACRE TRACT OF LAND CONVEYED BY DEED TO KAYASA FAMILY, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20171012001368980, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 01 DEGREE 15 MINUTES 53 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE WEST LINE OF SAID 50.00 ACRE TRACT, A DISTANCE OF 1024.64 FEET TO A 1" IRON PIPE (BENT) FOUND FOR THE SOUTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND BEING THE COMMON NORTHEASTERLY NORTHWEST CORNER OF A 111.666 ACRE TRACT OF LAND CONVEYED BY DEED TO OAKWOOD VILLAGE APARTMENTS, INC., RECORDED IN COUNTY CLERK'S FILE NO. 201712001001594200, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 57 MINUTES 17 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 33.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHWEST CORNER OF SAID 111.666

ACRE TRACT AND THE NORTHEAST CORNER OF AFORESAID 40.86 ACRE THIRD TRACT; THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 40.86 ACRE THIRD TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 2640.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "J.E. SMITH 3700" FOUND FOR THE COMMON SOUTHEAST CORNER OF SAID 40.86 ACRE THIRD TRACT AND THE SOUTHWEST CORNER OF SAID 111.666 ACRE TRACT, SAID POINT LYING ON THE NORTH LINE OF A 17.455 ACRE TRACT OF LAND CONVEYED AS TRACT 1 NORTH, TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20180614000736900, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 46 MINUTES 28 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 40.86 ACRE TRACT, THE SOUTH LINE OF AFORESAID 10.00 ACRE FIFTH TRACT, AND THE NORTH LINE OF SAID 17.455 ACRE TRACT, A DISTANCE OF 803.28 FEET TO A 5/8" IRON ROD FOUND FOR THE COMMON NORTHWEST CORNER OF SAID 17.455 ACRE TRACT AND THE NORTHEAST CORNER OF THE FALLS PHASE 2, AN ADDITION TO THE CITY OF ANNA ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET P, PAGE 870, PLAT RECORDS, COLLIN COUNTY TEXAS;

THENCE, ALONG THE COMMON NORTH LINE OF SAID THE FALLS PHASE 2, CONTINUING ALONG THE SOUTH LINE OF SAID 10.00 ACRE FIFTH TRACT AND ALONG THE SOUTH LINE OF AFORESAID 80 ACRE FIRST TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 00 MINUTES 01 SECOND WEST, A DISTANCE OF 642.80 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 13.58 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 18 MINUTES 16 SECONDS WEST, A DISTANCE OF 715.13 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AT THE COMMON NORTHWEST CORNER OF THE FALLS PHASE 2, THE NORTHEAST CORNER OF AFORESAID CREEKSIDE PHASE 3, THE SOUTHWEST CORNER OF SAID 80 ACRE FIRST TRACT AND THE SOUTHEAST CORNER OF AFORESAID 21.26 ACRE SIXTH TRACT;

THENCE, NORTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE NORTH LINE OF SAID CREEKSIDE PHASE 3, A DISTANCE OF 492.18 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 9,720,596 SQUARE FEET OR 223.154 ACRES LAND.

## EXHIBIT J-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

### LEGAL DESCRIPTION IMPROVEMENT AREA NO. 1 71.042 ACRES

BEING A 71.042 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288, CITY OF ANNA, E.T.J., COLLIN COUNTY, TEXAS AND BEING PART OF A 160.197 ACRE TRACT OF LAND CONVEYED TO BLOOMFIELD HOMES, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 20200117000076380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS. SAID 71.042 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 160.197 ACRE TRACT AND THE SOUTHEAST CORNER OF A 50.53 ACRE TRACT OF LAND CONVEYED TO TWO-J PARTNERS, LLLP, AS RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, SAID POINT BEING ON THE NORTH LINE OF CREEKSIDE, PHASE 3, AN ADDITION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2004-0060537, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, ALONG THE WEST LINE OF SAID 160.197 ACRE TRACT AND THE EAST LINE OF SAID 50.53 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 705.94 FEET TO A POINT FOR CORNER;

THENCE, OVER AND ACROSS SAID 160.197 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89 DEGREES 00 MINUTES 53 SECONDS EAST, A DISTANCE OF 165.62 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 33 MINUTES 55 SECONDS EAST, A DISTANCE OF 434.00 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 125.00 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 33 MINUTES 55 SECONDS EAST, A DISTANCE OF 55.00 FEET TO A POINT FOR CORNER;



SOUTH 48 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 41 DEGREES 33 MINUTES 55 SECONDS WEST, A DISTANCE OF 2.23 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 70.00 FEET TO A POINT FOR CORNER;

SOUTH 50 DEGREES 19 MINUTES 56 SECONDS EAST, A DISTANCE OF 58.40 FEET TO A POINT FOR CORNER;

SOUTH 55 DEGREES 30 MINUTES 47 SECONDS EAST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

SOUTH 61 DEGREES 14 MINUTES 33 SECONDS EAST, A DISTANCE OF 70.40 FEET TO A POINT FOR CORNER;

SOUTH 66 DEGREES 58 MINUTES 20 SECONDS EAST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

SOUTH 72 DEGREES 12 MINUTES 13 SECONDS EAST, A DISTANCE OF 58.68 FEET TO A POINT FOR CORNER;

SOUTH 77 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

SOUTH 83 DEGREES 09 MINUTES 52 SECONDS EAST, A DISTANCE OF 70.40 FEET TO A POINT FOR CORNER;

SOUTH 87 DEGREES 47 MINUTES 45 SECONDS EAST, A DISTANCE OF 38.68 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 447.87 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 20.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 20.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 920.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 00 DEGREES 29 MINUTES 19 SECONDS, A RADIUS OF 975.00 FEET AND A LONG CHORD THAT BEARS NORTH 00 DEGREES 15 MINUTES 49 SECONDS EAST, A DISTANCE OF 8.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 8.32 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 58 MINUTES 51 SECONDS EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 32 MINUTES 35 SECONDS, A RADIUS OF 1025.00 FEET AND A LONG CHORD THAT BEARS SOUTH 00 DEGREES 17 MINUTES 27 SECONDS WEST, A DISTANCE OF 9.72 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 9.72 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, A DISTANCE OF 40.28 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 125.01 FEET TO A POINT FOR CORNER ON THE EAST LINE OF SAID 160.197 ACRE TRACT AND THE WEST LINE OF A 111.666 ACRE TRACT OF LAND CONVEYED TO ANACAPRI LAGUNA AZURE, LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 20210405000666850, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE OF SAID 160.197 ACRE TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, AT 1224.02 FEET PASS THE EASTERLY MOST SOUTHEAST CORNER OF SAID 160.197 ACRE TRACT AND THE NORTHEAST CORNER OF A 1.052 ACRE RIGHT-OF-WAY DEDICATION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 20191220001627030, OFFICIAL PUBLIC RECORDS, COLLIN, COUNTY, TEXAS, IN ALL TOTAL DISTANCE 1264.02 FEET TO A 5/8" IRON ROD WITH CAP MARKED "J.E. SMITH 3700" FOUND FOR THE SOUTHEAST CORNER OF SAID 1.052 ACRE TRACT;

THENCE, NORTH 88 DEGREES 46 MINUTES 28 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 1.052 ACRE TRACT, A DISTANCE OF 803.28 FEET TO A 5/8" IRON ROD FOUND FOR THE NORTHEAST CORNER OF THE FALLS, PHASE 2, AS SHOWN ON PLAT RECORDED IN CABINET P, PAGE 870, PLAT RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 00' 01" WEST, ALONG THE SOUTH LINE OF SAID 1.052 ACRE TRACT AND THE NORTH LINE OF SAID THE FALLS, PHASE 2, AT 30.00 FEET PASS THE SOUTHWEST CORNER OF SAID 1.052 ACRE TRACT AND THE SOUTHERLY MOST SOUTHEAST CORNER OF SAID 160.197 ACRE TRACT IN ALL TOTAL DISTANCE 642.81 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER IN THE NORTH LINE OF SAID THE FALLS, PHASE 2, AND IN THE SOUTH LINE OF SAID 160.197 ACRE TRACT;

THENCE, CONTINUING ALONG SAID SOUTH LINE OF 160.197 ACRE TRACT AND SAID NORTH LINE OF THE FALLS, PHASE 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 13.58 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 18 MINUTES 16 SECONDS WEST, A DISTANCE OF 715.12 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, A DISTANCE OF 492.18 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 71.042 ACRES, OR 3,094,614 SQUARE FEET OF LAND.

### EXHIBIT J-3 – REMAINDER AREA LEGAL DESCRIPTION

#### LEGAL DESCRIPTION TRACT 4 – REMAINDER AREA 152.112 ACRES

BEING A 152.112 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288, CITY OF ANNA, E.T.J., COLLIN COUNTY, TEXAS AND THE JOHN ELLETT SURVEY, ABSTRACT NO. 296, CITY OF ANNA, E.T.J., COLLIN COUNTY TEXAS, AND BEING PART OF A 160.197 ACRE TRACT OF LAND CONVEYED TO BLOOMFIELD HOMES, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 20200117000076380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND ALL OF A 61.905 ACRE TRACT OF LAND CONVEYED TO BLOOMFIELD HOMES, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 2021120002555410, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS. SAID 152.112 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING** AT A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 160.197 ACRE TRACT AND THE SOUTHEAST CORNER OF A 50.53 ACRE TRACT OF LAND CONVEYED TO TWO-J PARTNERS, LLLP, AS RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, SAID POINT BEING ON THE NORTH LINE OF CREEKSIDE, PHASE 3, AN ADDITION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2004-0060537, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID CREEKSIDE, PHASE 3 AND THE NORTHWEST CORNER OF THE FALLS, PHASE 2, AN ADDITION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2004-0131577, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, A DISTANCE OF 492.18 FEET;

THENCE, ALONG THE WEST LINE OF SAID 160.197 ACRE TRACT AND THE EAST LINE OF SAID 50.53 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 705.94 FEET TO THE **POINT OF BEGINNING**;

THENCE, CONTINUING ALONG SAID WEST LINE OF 160.197 ACRE TRACT AND SAID EAST LINE OF 50.53 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES;



NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST DISTANCE OF 409.89 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 49 MINUTES 32 SECONDS EAST, A DISTANCE OF 309.20 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 36 MINUTES 32 SECONDS EAST, A DISTANCE OF 368.00 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 42 MINUTES 32 SECONDS EAST, A DISTANCE OF 596.23 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 50.53 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF SAID 160.197 ACRE TRACT, SAID POINT BEING ON THE SOUTH LINE OF SAID 61.905 ACRE TRACT, SAID POINT LYING IN COLLIN COUNTY ROAD NO. 370 (A PRESCRIPTIVE RIGHT OF WAY);

THENCE, NORTH 88 DEGREES 48 MINUTES 28 SECONDS WEST, ALONG THE NORTH LINE OF SAID 50.53 ACRE TRACT AND SAID SOUTH LINE OF 61.905 ACRE TRACT, A DISTANCE OF 251.32 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 61.905 ACRE TRACT AND THE SOUTHEAST CORNER OF A 38.15 ACRE TRACT OF LAND CONVEYED AS "TRACT 7" TO MJLA ADAMS, LTD., AS RECORDED IN COUNTY CLERK'S FILE NO. 20110505000462590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 01 DEGREES 38 MINUTES 26 SECONDS WEST, ALONG THE WEST LINE OF SAID 61.905 ACRE TRACT AND THE EAST LINE OF SAID 38.15 ACRE TRACT, A DISTANCE OF 509.20 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR THE WESTERLY MOST NORTHWEST CORNER OF SAID 61.905 ACRE TRACT, THE NORTHEAST CORNER OF SAID 38.15 ACRE TRACT AND THE SOUTHEAST CORNER OF A 17.863 ACRE TRACT OF LAND CONVEYED TO ANNA 18, LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 20161020001423440, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST ALONG A NORTH LINE OF SAID 61.905 ACRE TRACT, A DISTANCE OF 500.77 FEET TO 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR AN INTERIOR ELL CORNER OF SAID 61.905 ACRE TRACT;

THENCE, NORTH 00 DEGREES 31 MINUTES 21 SECONDS WEST ALONG THE WEST LINE OF SAID 61.905 ACRE TRACT, A DISTANCE OF 432.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET ON THE SOUTH LINE OF A 159.725 ACRE TRACT OF LAND CONVEYED TO LHJH MANAGEMENT COMPANY LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 2006100300142590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, FOR THE NORTHERLY MOST NORTHWEST CORNER OF SAID 61.905 ACRE TRACT;



THENCE, NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST ALONG THE NORTH LINE OF SAID 61.905 ACRE TRACT AND COMMON SOUTH LINE OF SAID 159.725 ACRE TRACT A DISTANCE OF 2480.20 FEET TO 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET IN THE WEST LINE OF A 50.00 ACRE TRACT CONVEYED TO KAYASA FAMILY, LTD, AS RECORDED IN COUNTY CLERK'S FILE NO. 20171012001368980, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, FOR THE NORTHEAST CORNER OF SAID 61.905 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID 159.725 ACRE TRACT;

THENCE, SOUTH 01 DEGREES 15 MINUTES 53 SECONDS WEST, ALONG THE EAST LINE OF SAID 61.905 ACRE TRACT AND THE WEST LINE OF SAID 50 ACRE TRACT, A DISTANCE OF 1024.64 FEET TO A 1" IRON PIPE (BENT) FOUND FOR THE SOUTHEAST CORNER OF SAID 61.905 ACRE TRACT AND THE COMMON NORTHEASTERLY NORTHWEST CORNER OF A 111.666 ACRE TRACT OF LAND CONVEYED TO ANACAPARI LAGUNA AZURE, LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 20210405000666850, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 57 MINUTES 17 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 61.905 ACRE TRACT AND THE NORTH LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 33.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET ON THE SOUTH LINE OF SAID 61.905 ACRE TRACT FOR THE NORTHWEST CORNER OF SAID 111.666 ACRE TRACT AND THE NORTHEAST CORNER OF SAID 160.197 ACRE TRACT;

THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE OF SAID 160.197 ACRE TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 1376.14 FEET TO A POINT FOR CORNER FROM WHICH THE SOUTHEAST CORNER OF SAID 160.197 ACRE TRACT AND THE NORTHEAST CORNER OF A 1.052 ACRE RIGHT-OF-WAY DEDICATION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 20191220001627030, OFFICIAL PUBLIC RECORDS, COLLIN, COUNTY, TEXAS, BEARS SOUTH 00 DEGREES 33 MINUTES, 44 SECONDS WEST A DISTANCE OF 1224.01 FEET;

THENCE, OVER AND ACROSS SAID 160.197 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES;

NORTH 89 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 125.00 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 40.28 FEET TO POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 00 DEGREES 32 MINUTES 35 SECONDS, A RADIUS OF 1025.00 FEET, AND A LONG CHORD THAT BEARS NORTH 00 DEGREES 17 MINUTES 27 SECONDS EAST, A DISTANCE OF 9.72 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 9.72 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 58 MINUTES 51 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 29 MINUTES 19 SECONDS, A RADIUS OF 975.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 00 DEGREES 15 MINUTES 49 SECONDS WEST, A DISTANCE OF 8.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 8.32 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 920.00 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 20.50 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 20.50 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 447.87 FEET TO A POINT FOR CORNER;

NORTH 87 DEGREES 47 MINUTES 45 SECONDS WEST, A DISTANCE OF 38.68 FEET TO A POINT FOR CORNER;

NORTH 83 DEGREES 09 MINUTES 52 SECONDS WEST, A DISTANCE OF 70.40 FEET TO A POINT FOR CORNER;

NORTH 77 DEGREES 26 MINUTES 05 SECONDS WEST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

NORTH 72 DEGREES 12 MINUTES 13 SECONDS WEST, A DISTANCE OF 58.68 FEET TO A POINT FOR CORNER;

NORTH 66 DEGREES 58 MINUTES 20 SECONDS WEST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

NORTH 61 DEGREES 14 MINUTES 33 SECONDS WEST, A DISTANCE OF 70.40 FEET TO A POINT FOR CORNER;

NORTH 55 DEGREES 30 MINUTES 47 SECONDS WEST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

NORTH 50 DEGREES 19 MINUTES 56 SECONDS WEST, A DISTANCE OF 58.40 FEET TO A POINT FOR CORNER;

NORTH 48 DEGREES 26 MINUTES 05 SECONDS WEST, A DISTANCE OF 70.00 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 33 MINUTES 55 SECONDS EAST, A DISTANCE OF 2.23 FEET TO A POINT FOR CORNER;

NORTH 48 DEGREES 26 MINUTES 05 SECONDS WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 41 DEGREES 33 MINUTES 55 SECONDS WEST, A DISTANCE OF 55.00 FEET TO A POINT FOR CORNER;

NORTH 48 DEGREES 26 MINUTES 05 SECONDS WEST, A DISTANCE OF 125.00 FEET TO A POINT FOR CORNER;

SOUTH 41 DEGREES 33 MINUTES 55 SECONDS WEST, A DISTANCE OF 434.00 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 00 MINUTES 53 SECONDS WEST, A DISTANCE OF 165.63 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 152.112 ACRES, OR 6,625,985 SQUARE FEET OF LAND.

## APPENDIX A – ENGINEER’S REPORT

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## MEADOW VISTA

## SUMMARY

### OVERALL SUMMARY

A. EXCAVATION	\$ 1,736,167.35
B. SANITARY SEWER SYSTEM	\$ 1,358,014.85
C. STORM SEWER SYSTEM	\$ 2,789,684.46
D. WATER DISTRIBUTION SYSTEM	\$ 1,353,005.26
E. STREET & ALLEY PAVING	\$ 4,532,401.05
F. RETAINING WALLS	\$ 1,309,410.00
G. MISCELLANEOUS ITEMS	\$ 334,319.50
H. LANDSCAPING	\$ 2,568,871.25
I. DEVELOPMENT FEES	\$ 2,901,374.70
<b>SUB-TOTAL:</b>	<b>\$18,883,248.42</b>
<b>10% CONTINGENCY:</b>	<b>\$1,890,000.00</b>
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$ 20,773,248.42</b>
<b>LOT COUNT:</b>	<b>275</b>
<b>COST / LOT:</b>	<b>\$75,600</b>
<b>LF OF STREET:</b>	<b>14,780</b>
<b>COST / LF OF STREET:</b>	<b>\$1,450</b>
<b>NET DEVELOPABLE ACREAGE:</b>	<b>61.39</b>
<b>COST / DEVELOPABLE ACRE:</b>	<b>\$338,400</b>
<b>TOTAL GROSS ACREAGE:</b>	<b>72.47</b>
<b>COST / GROSS ACRE:</b>	<b>\$286,700</b>



*Mickey A. Garner Jr.*

### OPINION OF PROBABLE COST MEADOW VISTA

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# MEADOW VISTA

## SUMMARY

	Total PID (Direct)	Total Private	Total Major Improvements	Total	
OVERALL SUMMARY					
A. EXCAVATION	\$ 406,736.05	\$ 1,329,431.30		\$ 1,736,167.35	
B. SANITARY SEWER SYSTEM	\$ 1,358,014.85			\$ 1,358,014.85	
C. STORM SEWER SYSTEM	\$ 1,999,353.36		\$ 790,331.10	\$ 2,789,684.46	
D. WATER DISTRIBUTION SYSTEM	\$ 1,353,005.26			\$ 1,353,005.26	
E. STREET & ALLEY PAVING	\$ 2,654,079.45		\$ 1,878,321.60	\$ 4,532,401.05	
F. RETAINING WALLS		\$ 1,309,410.00		\$ 1,309,410.00	
G. MISCELLANEOUS ITEMS	\$ 334,319.50			\$ 334,319.50	
H. LANDSCAPING		\$ 2,568,871.25		\$ 2,568,871.25	
I. DEVELOPMENT FEES	\$ 2,348,294.70	\$ 445,580.00	\$ 107,500.00	\$ 2,901,374.70	
SUB-TOTAL:	\$10,453,803.17	\$5,653,292.55	\$2,776,152.70	\$18,883,248.42	
10% CONTINGENCY:	\$1,046,000.00	\$566,000.00	\$278,000.00	\$1,890,000.00	
TOTAL CONSTRUCTION COSTS:	\$11,499,803.17	\$6,219,292.55	\$3,054,152.70	\$20,773,248.42	
LOT COUNT:	275	275	275	275	
COST / LOT:	\$41,900	\$22,700	\$11,200	\$75,600	
LF OF STREET:	14,780			14,780	
COST / LF OF STREET:	\$800			\$1,450	
NET DEVELOPABLE ACREAGE:	61.39			61.39	
COST / DEVELOPABLE ACRE:	\$187,400			\$338,400	
TOTAL GROSS ACREAGE:	72.47			72.47	
COST / GROSS ACRE:	\$158,700			\$286,700	
PID SUMMARY					
TOTAL PID QUALIFIED MAJOR IMPROVEMENTS			\$3,054,152.70	6.7%	\$204,628.23
TOTAL PID (DIRECT)			\$11,499,803.17	100.0%	\$ 11,499,803.17
TOTAL PID CONSTRUCTION COSTS:					\$11,704,431.40
TOTAL NON-PID QUALIFIED MAJOR IMPROVEMENTS			\$3,054,152.70	93.3%	\$ 2,849,524.47

## OPINION OF PROBABLE COST MEADOW VISTA

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# MEADOW VISTA

## SUMMARY

	Phase 1 PID (Direct)	Phase 2 PID (Direct)	Total PID (Direct)
<b>OVERALL SUMMARY</b>			
A. EXCAVATION	\$ 324,044.50	\$ 82,691.55	\$ 406,736.05
B. SANITARY SEWER SYSTEM	\$ 1,263,433.29	\$ 94,581.56	\$ 1,358,014.85
C. STORM SEWER SYSTEM	\$ 1,727,508.98	\$ 271,844.38	\$ 1,999,353.36
D. WATER DISTRIBUTION SYSTEM	\$ 1,246,885.90	\$ 106,119.36	\$ 1,353,005.26
E. STREET & ALLEY PAVING	\$ 2,570,513.10	\$ 83,566.35	\$ 2,654,079.45
F. RETAINING WALLS			
G. MISCELLANEOUS ITEMS	\$ 271,802.50	\$ 62,517.00	\$ 334,319.50
H. LANDSCAPING			
I. DEVELOPMENT FEES	\$ 1,878,887.50	\$ 469,407.20	\$ 2,348,294.70
SUB-TOTAL:	\$9,283,075.77	\$1,170,727.40	\$10,453,803.17
10% CONTINGENCY:	\$928,500.00	\$117,500.00	\$1,046,000.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$10,211,575.77</b>	<b>\$1,288,227.40</b>	<b>\$11,499,803.17</b>
LOT COUNT:	268	7	275
COST / LOT:	\$38,200	\$184,100	\$41,900
LF OF STREET:	12,874	1,906	14,780
COST / LF OF STREET:	\$900	\$700	\$800
NET DEVELOPABLE ACREAGE:	56.73	4.66	61.39
COST / DEVELOPABLE ACRE:	\$180,100	\$276,500	\$187,400
TOTAL GROSS ACREAGE:	65.75	6.72	72.47
COST / GROSS ACRE:	\$155,400	\$191,800	\$158,700

## OPINION OF PROBABLE COST MEADOW VISTA

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## MEADOW VISTA

## SUMMARY

	Phase 1 Private	Phase 2 Private	Total Private
<b>OVERALL SUMMARY</b>			
A. EXCAVATION	\$ 1,231,637.80	\$ 97,793.50	\$ 1,329,431.30
B. SANITARY SEWER SYSTEM			
C. STORM SEWER SYSTEM			
D. WATER DISTRIBUTION SYSTEM			
E. STREET & ALLEY PAVING			
F. RETAINING WALLS	\$ 1,046,550.00	\$ 262,860.00	\$ 1,309,410.00
G. MISCELLANEOUS ITEMS			
H. LANDSCAPING	\$ 2,378,703.75	\$ 190,167.50	\$ 2,568,871.25
I. DEVELOPMENT FEES	\$ 364,980.00	\$ 80,600.00	\$ 445,580.00
SUB-TOTAL:	\$5,021,871.55	\$631,421.00	\$5,653,292.55
10% CONTINGENCY:	\$502,500.00	\$63,500.00	\$566,000.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$5,524,371.55</b>	<b>\$694,921.00</b>	<b>\$6,219,292.55</b>
LOT COUNT:	268	7	275
COST / LOT:	\$20,700	\$99,300	\$22,700
LF OF STREET:			
COST / LF OF STREET:			
NET DEVELOPABLE ACREAGE:			
COST / DEVELOPABLE ACRE:			
TOTAL GROSS ACREAGE:			
COST / GROSS ACRE:			

## OPINION OF PROBABLE COST MEADOW VISTA

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## MEADOW VISTA

## NOTES

### GENERAL

- 1 This estimate of probable cost was prepared with the Meadow Vista Phase 1 construction plan set dated February 2, 2024 and Meadow Vista Phase 2 construction plan set dated February 2, 2024.
- 2 The tract is located within the City of Anna, within Anna ISD, and is generally described as being located northwest of the intersection of Hackberry Drive and North Ferguson Parkway. The property is zoned for single-family residential use.
- 3 This estimate used the current water, sewer, paving, and storm drainage design criteria specified by the City of Anna.
- 4 This estimate assumes public infrastructure will be conveyed to and accepted by the City of Anna at project completion. Costs for future maintenance of infrastructure has not been considered.
- 5 This estimate utilizes excavation, utility and paving contract prices & quantities for Phases 1 and 2. The contracts and change orders are listed below:
  - FCS Construction – Excavation contract dated September 7, 2023
  - FCS Construction – Excavation change order (executed) dated November 29, 2023
  - LH Lacy – Utility contract dated September 7, 2023
  - LH Lacy – Utility change order (in review) dated February 6, 2024
  - CHC – Paving contract dated September 7, 2023
  - CHC – Paving change order (in review) dated January 19, 2024
- 6 This estimate combines contract quantities with change order quantities for Phases 1 and 2.
- 7 This estimate was prepared with the benefit of geotechnical data provided in preliminary geotechnical report number B1913324 by Braun Intertec Corporation dated January 10, 2020 for Meadow Vista and G212303 by Alpha Testing dated October 27, 2021 for Crystal Park.
- 8 This estimate was prepared with the benefit of an environmental report and wetlands determination provided by Integrated Environmental Solutions on January 14, 2020.
- 9 This estimate was prepared utilizing topographic assumptions based on field survey of the site by LJA and identifies an approximate mean site grade of 3.0%.
- 10 This estimate does consider phasing or construction sequencing costs and does contemplate progression of site development.
- 11 This estimate assumes 4% inspection fee for water, sewer, storm, and paving.
- 12 This estimate assumes testing fees for water and sewer on LF basis of all related material and 3% for storm and paving total cost.
- 13 Land plan and estimate do not make considerations for any oil, gas, or mineral leases in place on the tract.

### GRADING

- 1 This estimate assumes the following grading assumptions:

Side yard max slope: 4:1 (25%) Front yard max slope: 5:1 (20%) Rear yard max slope: 12:1 (8%) Max driveway slope: 12% (measured from finished pad elevations) Minimum side yard swale slope: 1.25% Max exposed beam: 28" inches (measured from finished floor elevations)	Depressed garages are allowed (no physical step in garage) Drop garages with one physical step in garage are allowed Multi-step drop garages are not allowed. Finished floor elevation above finished pad: 0.7' Max fall across garage (front to back): 0.4 feet
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- 2 This estimate assumes lot-to-lot drainage is not allowed.

- 3 This estimate assumes a lot mix comprised of the following typical lot dimensions and is based on a concept plan:

Lot (Width x Depth)	Pad (Width x Depth)
50 ft x 115 ft	40 ft x 70 ft
50 ft x 120 ft	40 ft x 70 ft
50 ft x 125 ft	40 ft x 70 ft
55 ft x 120 ft	45 ft x 70 ft
55 ft x 125 ft	45 ft x 70 ft
60 ft x 120 ft	50 ft x 70 ft
60 ft x 125 ft	50 ft x 70 ft
65 ft x 120 ft	55 ft x 70 ft
65 ft x 125 ft	55 ft x 70 ft

- 4 This estimate assumes all lots will require 4' of moisture conditioning and poly lining.
- 5 Unit prices do not reflect rock excavation.
- 6 This estimate assumes overall development site will balance cut, fill, and spoil material at project completion and does not consider costs for interim import or export of material off project.
- 7 This estimate does not assume any offsite grading.

### SANITARY SEWER

- 1 This estimate assumes that the developed sewer basin is served by City of Anna.
- 2 This estimate assumes the sanitary sewer system is servicing 275 lots of single-family lots.
- 3 This estimate assumes no lift station is needed in order to service the single-family residential lots.

## OPINION OF PROBABLE COST - MEADOW VISTA

OPC Date: May 31, 2024  
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- 4 This estimate assumes that the Throckmorton Sewer Line (15" gravity line) by others is in place along west property boundary and has capacity for the Meadow Vista site.
- 5 This estimate was produced without the benefit of a Sanitary Sewer Study for the site.
- 6 This estimate assumes two connections to existing Throckmorton Sewer Line (15" gravity line) to be made in Phases 1 and 2.
- 7 Sewer testing includes T.V. testing.

#### **STORM DRAINAGE**

- 1 This estimate assumes there is FEMA 1% floodplain onsite. This estimate was prepared with the benefit of a flood study and a floodplain water surface elevation analysis by LJA dated January 20, 2022.
- 2 This estimate assumes proposed development may impact the FEMA 1% floodplain.
- 3 This estimate assumes Mitigation Allowance of \$150,000 for phase 2 and future phase 5 due to the possibility of jurisdictional wetlands onsite.
- 4 This estimate assumes CLOMR/LOMR allowance of \$100,000 due to potential impact of onsite FEMA 1% floodplain.
- 5 This estimate assumes offsite drainage from the North will be captured with a grade to drain and sent to the creek onsite.
- 6 This estimate assumes culvert structures to be cast-in-place.
- 7 This estimate assumes culvert structure cost to include culvert, railing, headwall, and riprap.
- 8 This estimate does not include any cost for the enlargement, reconstruction or improvement of any off-site drainage structures unless otherwise noted.
- 9 Additional grade-to-drain quantities may be required based on final design topography.
- 10 Costs for studies, easement releases, analysis of regional dams are not included in this estimate.

#### **WATER**

- 1 This estimate assumes that the tract is supplied water by City of Anna.
- 2 This estimate assumes two connections to existing 16" water line along Hackberry Drive, three connections to existing 12" water line Ferguson Parkway and one connection to existing 12" water line along Rosamond Parkway.
- 3 This estimate assumes an allowance for the potential lowering of the existing 12" waterline located in Ferguson Parkway ROW.
- 4 This estimate assumes the water system is servicing 275 lots of single-family lots.
- 5 Water line includes all fittings, tees, crosses, etc.
- 6 Fire hydrant assembly includes all fittings and tees.
- 7 Assumes all waterlines are less than 10' deep.
- 8 This estimate was performed without the benefit of a water model.
- 9 This estimate does not include cost to remove and relocate existing waterlines.
- 10 This estimate does not assume any cost for obtaining offsite water easements.

#### **PAVING**

- 1 This estimate is based on the following street sections:  
 50' ROW: 32' B-B\*, 6" reinforced concrete with 6" lime subgrade (1' offset)  
 80' ROW: 2 x 25' B-B, 8" reinforced concrete with 8" lime subgrade (1' offset)  
 120' ROW: 1 x 24.5' B-B\*\*, 8" reinforced concrete with 8" lime subgrade (1' offset)  
 \* Residential street section (50' ROW) assumes rollover curb. When standard curb is used on a 50' ROW, section is reduced to 31' B-B.  
 \*\* This estimate assumes ultimate buildout of 120' ROW by others: 2 x 37' B-B, 8" reinforced concrete with 8" lime subgrade (1' offset).
- 2 Estimate assume 36 lbs per SY for lime quantity.
- 3 Estimate does not include median paving and/or pavers.
- 4 Barrier free ramps have been included based on standard placing practice of 4 ramps at a cross intersection and 3 ramps at a tee intersection. Additional ADA ramps may be required by jurisdictions during plan review. This estimate does not contemplate ADA destinations and assumes longitudinal roadway slopes of greater 2% or greater may be used in all residential intersections.
- 5 Estimate assumes right and left lanes at intersections with Hackberry Drive in Phases 1 and 2.
- 6 Additional pavement markings and traffic signs may also be required.

#### **MISCELLANEOUS**

- 1 Single headed streetlights are spaced at a maximum of 400'.
- 2 Double headed streetlights are located along median on Hackberry Drive and are spaced at a maximum of 200'.
- 3 This estimate includes cost to relocate existing franchise lines and demo existing pavement along CR 370.
- 4 This estimate assumes City of Anna will be responsible for acquiring all right of way and easements necessary to construct all public improvements outside of the PID boundary.
- 5 Estimate does not consider walls or railing that may be required to support open space sidewalks and trails.
- 6 This estimate does not include USPS mailbox clusters.
- 7 This estimate assumes gas and electric franchise utilities will be provided at cost to the developer.
- 8 This estimate does not include plat recording fees.

### **OPINION OF PROBABLE COST - MEADOW VISTA**

OPC Date: May 31, 2024  
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#### LANDSCAPING

- 1 This estimate does include costs for Amenity Center, entry monumentation, screening walls, and landscaping of the site. Cost was provided by the client on November 3<sup>rd</sup>, 2021.
- 2 This estimate assumes masonry screening wall with masonry columns adjacent to lots along Hackberry Drive.

#### DEVELOPMENT

- 1 Estimate does not include land cost, land maintenance, interest, HOA support, legal, financing, marketing, etc.
- 2 The municipal and jurisdictional fees listed have been generated based on researched information published by the City of Anna. This estimate holds the following fee assumptions:

Applicable & Included	Potentially Applicable & Excluded	Not Applicable
City Inspection fees (Water, Sewer, Paving, Storms)	Early Grading fees	TCEQ review fee
Preliminary Plat fee	Zoning/Rezoning fee	MUD Engineer review fees
Final Plat application fee (City)	Plat filing fees	
Engineering Plan review fees (City)	Tax Certificate fees	
	Impact fees, assessments, or credits	
	District fees	

- 3 This estimate does not include a \$3600 per lot PID fee.
- 4 This estimate does not include (or) includes fees for pro rata or face foot costs to connect to existing water or sewer infrastructure.
- 5 This estimate does not include FEMA application fees.
- 6 Professional fees for engineering and surveying are assumed as 10% of projected construction costs.
- 7 This estimate does not include professional fee assumptions to prepare a flood study or revise floodplain maps.
- 8 This estimate does include professional fee assumptions for geotechnical testing and reports.
- 9 This estimate does not include professional fee assumptions for tree survey or tree mitigations.



**MEADOW VISTA****DETAIL**

Major Improvements

Lots: 0 || Gross Acreage: 0.0 Acres || Streets: 0.0

**A. EXCAVATION**

None -- See notes for additional information

**B. SANITARY SEWER SYSTEM**

None -- See notes for additional information

**C. STORM SEWER SYSTEM**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PHASE 2				
2 - 10' X 10' RCB, INCL. WYES, BENDS, ETC. - PHASE 2 HACKBERRY DRIVE	LF	\$2,300.94	114.	\$262,307.16
2 - 10' X 10' PW-1 HEADWALL WITH 4.83' EXTENDED CURB - PHASE 2 HACKBERRY DRIVE	EA	\$186,147.00	2.	\$372,294.00
PR-1 PEDESTRIAN HANDRAIL - PHASE 2 HACKBERRY DRIVE	LF	\$249.75	294.	\$73,426.50
TYPE A DRY ROCK RIPRAP - PHASE 2 HACKBERRY DRIVE	SY	\$111.00	741.	\$82,251.00
TRENCH SAFETY - STORM - PHASE 2 HACKBERRY DRIVE	LF	\$0.46	114.	\$52.44
<b>TOTAL STORM SEWER SYSTEM</b>				<b>\$ 790,331.10</b>

**D. WATER DISTRIBUTION SYSTEM**

None -- See notes for additional information

**E. STREET & ALLEY PAVING**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PHASE 1				
8" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 1 HACKBERRY DRIVE	SY	\$58.15	10,244.	\$595,688.60
8" SUBGRADE PREPARATION - PHASE 1 HACKBERRY DRIVE	SY	\$3.00	11,013.	\$33,039.00
HYDRATED LIME (36#/SY) - PHASE 1 HACKBERRY DRIVE	TON	\$315.00	199.	\$62,685.00
5' CONC. SIDEWALK - PHASE 1 HACKBERRY DRIVE	SF	\$7.15	6,755.	\$48,298.25
10' CONCRETE SIDEWALK - PHASE 1 HACKBERRY DRIVE	SF	\$8.70	18,735.	\$162,994.50
BARRIER FREE RAMP (TYPE B) - PHASE 1 HACKBERRY DRIVE	EA	\$2,750.00	4.	\$11,000.00
BARRIER FREE RAMP (TYPE C) - PHASE 1 HACKBERRY DRIVE	EA	\$2,750.00	2.	\$5,500.00
MOW RAMP - PHASE 1 HACKBERRY DRIVE	EA	\$2,600.00	2.	\$5,200.00
PAVEMENT HEADER - PHASE 1 HACKBERRY DRIVE	LF	\$15.00	25.	\$375.00
STREET BARRICADE - PHASE 1 HACKBERRY DRIVE	EA	\$1,675.00	2.	\$3,350.00
REMOVE BARRICADE & CONNECT TO EXISTING PAVEMENT HEADER - PHASE 1 HACKBERRY DRIVE	EA	\$850.00	1.	\$850.00
SAWCUT & REMOVE EXISTING CURB - PHASE 1 HACKBERRY DRIVE	LF	\$30.00	218.	\$6,540.00
STOP SIGN - PHASE 1 HACKBERRY DRIVE	EA	\$85.00	2.	\$170.00
STREET NAME BLADE PAIR - PHASE 1 HACKBERRY DRIVE	EA	\$385.00	2.	\$770.00
SPEED LIMIT SIGN - PHASE 1 HACKBERRY DRIVE	EA	\$385.00	2.	\$770.00
REVERSE CURVE RIGHT SIGN (W1-4R) - PHASE 1 HACKBERRY DRIVE	EA	\$385.00	1.	\$385.00
4" DASHED WHITE STRIPING - PHASE 1 HACKBERRY DRIVE	LF	\$1.50	3,178.	\$4,767.00
8" SOLID WHITE STRIPING - PHASE 1 HACKBERRY DRIVE	LF	\$2.75	263.	\$723.25
12" DIAGONAL WHITE STRIPING - PHASE 1 HACKBERRY DRIVE	SF	\$8.75	459.	\$4,016.25
LEFT TURN ONLY ARROW - PHASE 1 HACKBERRY DRIVE	EA	\$325.00	4.	\$1,300.00
REMOVAL OF EXISTING STRIPING (FLAILING METHOD ONLY WILL LEAVE MARKS) - PHASE 1 HACKBERRY DRIVE	LS	\$2,050.00	1.	\$2,050.00
TRAFFIC CONTROL - PHASE 1 HACKBERRY DRIVE	LS	\$5,500.00	1.	\$5,500.00
MAINTENANCE BONDS 2 YEAR 100% - PHASE 1 HACKBERRY DRIVE	LS	\$12,750.00	1.	\$12,750.00
<b>SUB-TOTAL PHASE 1</b>				<b>\$968,721.85</b>

**OPINION OF PROBABLE COST Meadow Vista**

PATH: S:\VTK-LAND\0077400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PD 1A\1 v3\405.3 MG Office\Meadow Vista PD 1A\1 OPC.dlm

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## MEADOW VISTA

## DETAIL

Major Improvements

Lots: 0 | Gross Acreage: 0.0 Acres | Streets: 0 LF

PHASE 2				
8" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 2 HACKBERRY DRIVE	SY	\$58.15	9,812.	\$570,567.80
8" SUBGRADE PREPARATION - PHASE 2 HACKBERRY DRIVE	SY	\$3.00	10,550.	\$31,650.00
HYDRATED LIME (36#/SY) - PHASE 2 HACKBERRY DRIVE	TON	\$315.00	190.	\$59,850.00
5' CONC. SIDEWALK - PHASE 2 HACKBERRY DRIVE	SF	\$7.15	7,650.	\$54,697.50
10' CONC. SIDEWALK - PHASE 2 HACKBERRY DRIVE	SF	\$8.70	16,351.	\$142,253.70
BARRIER FREE RAMP (TYPE C) - PHASE 2 HACKBERRY DRIVE	EA	\$2,750.00	4.	\$11,000.00
MOW RAMP - PHASE 2 HACKBERRY DRIVE	EA	\$2,600.00	2.	\$5,200.00
SAWCUT & REMOVE EXIST. CURB - PHASE 2 HACKBERRY DRIVE	LF	\$30.00	123.	\$3,690.00
REMOVE EXIST. SIDEWALK - PHASE 2 HACKBERRY DRIVE	LF	\$25.00	113.	\$2,825.00
STOP SIGN - PHASE 2 HACKBERRY DRIVE	EA	\$85.00	1.	\$85.00
STREET NAME BLADE PAIR - PHASE 2 HACKBERRY DRIVE	EA	\$385.00	1.	\$385.00
SPEED LIMIT SIGN - PHASE 2 HACKBERRY DRIVE	EA	\$385.00	2.	\$770.00
4" DASHED WHITE STRIPING - PHASE 2 HACKBERRY DRIVE	LF	\$1.50	3,194.	\$4,791.00
8" SOLID WHITE STRIPING - PHASE 2 HACKBERRY DRIVE	LF	\$2.75	249.	\$684.75
LEFT TURN ONLY ARROW - PHASE 2 HACKBERRY DRIVE	EA	\$325.00	2.	\$650.00
STOP BAR - PHASE 2 HACKBERRY DRIVE	EA	\$250.00	1.	\$250.00
REMOVAL OF EXIST. STRIPING (BY FLAGGING METHOD ONLY WILL LEAVE MARKS) - PHASE 2 HACKBERRY DRIVE	LS	\$2,500.00	1.	\$2,500.00
TRAFFIC CONTROL - PHASE 2 HACKBERRY DRIVE	LS	\$5,000.00	1.	\$5,000.00
MAINTENANCE BONDS - PAVING (2 YR, 100%) - PHASE 2 HACKBERRY DRIVE	LS	\$12,750.00	1.	\$12,750.00
SUB-TOTAL PHASE 2				\$909,599.75
TOTAL STREET & ALLEY PAVING				\$ 1,878,321.60

F. RETAINING WALLS None -- See notes for additional information

G. MISCELLANEOUS ITEMS None -- See notes for additional information

H. LANDSCAPING None -- See notes for additional information

### I. DEVELOPMENT FEES

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
MUNICIPALITY & JURISDICTIONAL FEES				
PAVING INSPECTION FEE	PERCENT	4.0% \$	1,878,321.60	\$75,500.00
DRAINAGE INSPECTION FEE	PERCENT	4.0% \$	790,331.10	\$32,000.00
TOTAL DEVELOPMENT FEES				\$ 107,500.00

### SUMMARY

A. EXCAVATION	\$ -
B. SANITARY SEWER SYSTEM	\$ -
C. STORM SEWER SYSTEM	\$ 790,331.10
D. WATER DISTRIBUTION SYSTEM	\$ -
E. STREET & ALLEY PAVING	\$ 1,878,321.60
F. RETAINING WALLS	\$ -
G. MISCELLANEOUS ITEMS	\$ -
H. LANDSCAPING	\$ -
I. DEVELOPMENT FEES	\$ 107,500.00

SUB-TOTAL: \$2,776,152.70

OVERALL CONTINGENCIES: 10% \$278,000.00

**TOTAL CONSTRUCTION COSTS: \$3,054,152.70**

LOT COUNT:	0	COST / LOT:	-
LF OF STREET:	-	COST / LF OF STREET:	-
NET DEVELOPABLE ACREAGE:	0.00	COST / DEVELOPABLE ACRE:	-
TOTAL GROSS ACREAGE:	0.00	COST / GROSS ACRE:	-

### OPINION OF PROBABLE COST Meadow Vista

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## MEADOW VISTA

Phase 1 PID (Direct) - Residential

Lots: 268 | Gross Acreage: 65.8 Acres | Streets: 12,874 LF

## DETAIL

### A. EXCAVATION

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
CLEARING AND GRUBBING - ROW - PHASE 1 RESIDENTIAL	ACRE	\$200.00	11.68	\$2,336.00
UNCLASSIFIED EXCAVATION - ROW - PHASE 1 RESIDENTIAL	CY	\$3.10	87,035.	\$269,808.50
SUB-TOTAL RESIDENTIAL				\$272,144.50
HACKBERRY DRIVE				
CLEARING AND GRUBBING - PHASE 1 HACKBERRY DRIVE	ACRE	\$2,000.00	4.14	\$8,280.00
HAUL OFF TREES - PHASE 1 HACKBERRY DRIVE	LS	\$14,850.00	1.	\$14,850.00
UNCLASSIFIED EXCAVATION - PHASE 1 HACKBERRY DRIVE	CY	\$3.00	9,590.	\$28,770.00
SUB-TOTAL HACKBERRY DRIVE				\$51,900.00
TOTAL EXCAVATION				\$ 324,044.50

### B. SANITARY SEWER SYSTEM

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
CONNECT TO EXISTING 8" SEWER MAIN - PHASE 1 RESIDENTIAL	EA	\$1,183.86	3.	\$3,551.58
8" SDR-26 P.V.C. PIPE (ASTM D3034) - PHASE 1 RESIDENTIAL	LF	\$83.11	912.	\$75,796.32
8" SDR-35 P.V.C. PIPE (ASTM D3034) - PHASE 1 RESIDENTIAL	LF	\$66.42	8,159.	\$541,920.78
END & PLUG 8" P.V.C. - PHASE 1 RESIDENTIAL	EA	\$53.37	1.	\$53.37
5' DIAMETER DROP MANHOLE VENTED TYPE 'S' WITH BOLTED MANHOLE COVER - PHASE 1 RESIDENTIAL	EA	\$43,595.02	1.	\$43,595.02
4' DIAMETER MANHOLE - PHASE 1 RESIDENTIAL	EA	\$8,986.13	26.	\$233,639.38
4" SERVICE LINES (INCLUDING WYE CONNECTION) - PHASE 1 RESIDENTIAL	EA	\$1,112.76	263.	\$292,655.88
4" SERVICE LINES (CONNECT TO EXISTING WYE) - PHASE 1 RESIDENTIAL	EA	\$1,288.38	9.	\$11,595.42
MANHOLE VACUUM TESTING - PHASE 1 RESIDENTIAL	EA	\$138.75	27.	\$3,746.25
TRENCH SAFETY - SEWER - PHASE 1 RESIDENTIAL	LF	\$0.78	9,071.	\$7,075.38
TESTING (EXCLUDING GEOTECH) - SEWER - PHASE 1 RESIDENTIAL	LF	\$1.93	9,071.	\$17,507.03
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 1 RESIDENTIAL	LS	\$17,166.00	1.	\$17,166.00
SUB-TOTAL RESIDENTIAL				\$1,248,302.41
HACKBERRY DRIVE				
CONNECT TO EXISTING 8" SEWER MAIN - PHASE 1 HACKBERRY DRIVE	EA	\$1,183.86	1.	\$1,183.86
8" SDR-35 P.V.C. PIPE (ASTM D3034) - PHASE 1 HACKBERRY DRIVE	LF	\$67.48	44.	\$2,969.12
4' DIAMETER MANHOLE - PHASE 1 HACKBERRY DRIVE	EA	\$9,933.99	1.	\$9,933.99
MANHOLE VACUUM TESTING - PHASE 1 HACKBERRY DRIVE	EA	\$138.75	1.	\$138.75
TRENCH SAFETY - SEWER - PHASE 1 HACKBERRY DRIVE	LF	\$0.53	44.	\$23.32
TESTING (EXCLUDING GEOTECH) - SEWER - PHASE 1 HACKBERRY DRIVE	LF	\$1.11	44.	\$48.84
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 1 HACKBERRY DRIVE	LS	\$833.00	1.	\$833.00
SUB-TOTAL HACKBERRY DRIVE				\$15,130.88
TOTAL SANITARY SEWER SYSTEM				\$ 1,263,433.29

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\VTK-LAND\077400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PID 1A#1 v3\405.3 MS Office\Meadow Vista PID 1A#1 OPC.dlm

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# MEADOW VISTA

Phase 1 PID (Direct) - Residential

Lots: 268 | Gross Acreage: 65.8 Acres | Streets: 12,874 LF

## DETAIL

### C. STORM SEWER SYSTEM

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
<b>RESIDENTIAL</b>				
18" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$102.14	936.	\$95,603.04
21" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$110.83	1,354.	\$150,063.82
24" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$128.08	1,644.	\$210,563.52
27" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$151.66	445.	\$67,488.70
30" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$163.72	579.	\$94,793.88
36" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$209.55	1,610.	\$337,375.50
42" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$271.05	312.	\$84,567.60
48" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$332.58	232.	\$77,158.56
4' X 3' RCB, INCL. WYES, BENDS, ETC. - PHASE 1 RESIDENTIAL	LF	\$409.00	298.	\$121,882.00
RUBBER GASKET PIPE (DELTA ONLY, RCB INCL. ABOVE) - PHASE 1 RESIDENTIAL	LF	\$20.00	176.	\$3,520.00
4" STORM SEWER MANHOLE - PHASE 1 RESIDENTIAL	EA	\$4,995.00	12.	\$59,940.00
5" STORM SEWER MANHOLE - PHASE 1 RESIDENTIAL	EA	\$6,105.00	2.	\$12,210.00
4' X 4' DROP INLET - PHASE 1 RESIDENTIAL	EA	\$6,382.50	2.	\$12,765.00
10' STANDARD CURB INLET - PHASE 1 RESIDENTIAL	EA	\$5,938.50	36.	\$213,786.00
12' STANDARD CURB INLET - PHASE 1 RESIDENTIAL	EA	\$6,660.00	2.	\$13,320.00
15' STANDARD CURB INLET - PHASE 1 RESIDENTIAL	EA	\$7,770.00	1.	\$7,770.00
INLET PROTECTION - PHASE 1 RESIDENTIAL	EA	\$333.00	41.	\$13,653.00
30" CH-FW-0 HEADWALL - PHASE 1 RESIDENTIAL	EA	\$3,524.25	1.	\$3,524.25
30" 4:1 SLOPED END HEADWALL - PHASE 1 RESIDENTIAL	EA	\$3,524.25	1.	\$3,524.25
36" 4:1 SLOPED END HEADWALL - PHASE 1 RESIDENTIAL	EA	\$4,051.50	1.	\$4,051.50
48" 3:1 SLOPED END HEADWALL - PHASE 1 RESIDENTIAL	EA	\$4,939.50	1.	\$4,939.50
4' X 3' CH-SW-0 HEADWALL - PHASE 1 RESIDENTIAL	EA	\$8,325.00	1.	\$8,325.00
TYPE A DRY ROCK RIPRAP - PHASE 1 RESIDENTIAL	SY	\$111.00	69.	\$7,659.00
TRENCH SAFETY - STORM - PHASE 1 RESIDENTIAL	LF	\$0.44	7,410.	\$3,260.40
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 1 RESIDENTIAL	LS	\$17,166.00	1.	\$17,166.00
<b>SUB-TOTAL RESIDENTIAL</b>				<b>\$1,628,910.52</b>
<b>HACKBERRY DRIVE</b>				
CONNECT TO EXISTING STORM DRAIN - PHASE 1 HACKBERRY DRIVE	EA	\$1,261.59	1.	\$1,261.59
18" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 HACKBERRY DRIVE	LF	\$102.08	330.	\$33,686.40
24" RCP, INCL. WYES, BENDS, ETC. - PHASE 1 HACKBERRY DRIVE	LF	\$135.48	68.	\$9,212.64
4' X 3' RCB, INCL. WYES, BENDS, ETC. - PHASE 1 HACKBERRY DRIVE	LF	\$365.23	39.	\$14,243.97
5" STORM SEWER MANHOLE - PHASE 1 HACKBERRY DRIVE	EA	\$6,105.00	1.	\$6,105.00
10' RECESSED CURB INLET - PHASE 1 HACKBERRY DRIVE	EA	\$6,216.00	3.	\$18,648.00
15' RECESSED CURB INLET - PHASE 1 HACKBERRY DRIVE	EA	\$8,103.00	1.	\$8,103.00
INLET PROTECTION - PHASE 1 HACKBERRY DRIVE	EA	\$333.00	4.	\$1,332.00
18" CH-FW-30 HEADWALL - PHASE 1 HACKBERRY DRIVE	EA	\$2,850.00	1.	\$2,850.00
REMOVE EXISTING 4' X 3' HEADWALL - PHASE 1 HACKBERRY DRIVE	EA	\$1,011.84	1.	\$1,011.84
TYPE A DRY ROCK RIPRAP - PHASE 1 HACKBERRY DRIVE	SY	\$111.00	10.	\$1,110.00
TRENCH SAFETY - STORM - PHASE 1 HACKBERRY DRIVE	LF	\$0.46	437.	\$201.02
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 1 HACKBERRY DRIVE	LS	\$833.00	1.	\$833.00
<b>SUB-TOTAL HACKBERRY DRIVE</b>				<b>\$98,598.46</b>
<b>TOTAL STORM SEWER SYSTEM</b>				<b>\$ 1,727,508.98</b>

### OPINION OF PROBABLE COST Meadow Vista

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OPC Date: May 31, 2024  
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## MEADOW VISTA

Phase 1 PID (Direct) - Residential

Lots: 268 | Gross Acreage: 65.8 Acres | Streets: 12,874 LF

## DETAIL

### D. WATER DISTRIBUTION SYSTEM

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
<b>RESIDENTIAL</b>				
8" P.V.C. WATERLINE - PHASE 1 RESIDENTIAL	LF	\$50.49	9,593.	\$484,350.57
CONNECT TO EXISTING 16" WATERLINE (CUT-IN) - PHASE 1 RESIDENTIAL	EA	\$5,478.56	1.	\$5,478.56
8" X 8" TEE - PHASE 1 RESIDENTIAL	EA	\$902.34	8.	\$7,218.72
16" X 8" TEE - PHASE 1 RESIDENTIAL	EA	\$3,086.43	1.	\$3,086.43
8" GATE VALVE & BOX - PHASE 1 RESIDENTIAL	EA	\$2,557.53	29.	\$74,168.37
16" BUTTERFLY VALVE - PHASE 1 RESIDENTIAL	EA	\$43,736.23	1.	\$43,736.23
2" AUTOMATIC FLUSH VALVE - PHASE 1 RESIDENTIAL	EA	\$7,157.52	4.	\$28,630.08
1" SINGLE WATER SERVICE (INCLUDING METER BOX) - PHASE 1 RESIDENTIAL	EA	\$1,182.33	272.	\$321,593.76
2" SINGLE WATER SERVICE (INCLUDING METER BOX) - PHASE 1 RESIDENTIAL	EA	\$2,715.37	1.	\$2,715.37
2" IRRIGATION METER - PHASE 1 RESIDENTIAL	EA	\$2,509.99	2.	\$5,019.98
WATER SAMPLING STATION - PHASE 1 RESIDENTIAL	EA	\$3,004.28	1.	\$3,004.28
4" PVC SLEEVE - PHASE 1 RESIDENTIAL	LF	\$16.14	1,054.	\$17,011.56
FIRE HYDRANT ASSEMBLY (INCL. LEAD, TEE, VALVE, AND BOX) - PHASE 1 RESIDENTIAL	EA	\$6,636.68	17.	\$112,823.56
STEEL ENCASEMENT - PHASE 1 RESIDENTIAL	LF	\$174.44	140.	\$24,421.60
TRENCH SAFETY - WATER - PHASE 1 RESIDENTIAL	LF	\$0.30	9,593.	\$2,877.90
TESTING (EXCLUDING GEOTECH) - WATER - PHASE 1 RESIDENTIAL	LF	\$1.53	9,593.	\$14,677.29
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 1 RESIDENTIAL	LS	\$17,166.00	1.	\$17,166.00
<b>SUB-TOTAL RESIDENTIAL</b>				<b>\$1,167,980.26</b>
<b>HACKBERRY DRIVE</b>				
8" P.V.C. WATERLINE - PHASE 1 HACKBERRY DRIVE	LF	\$55.56	401.	\$22,279.56
CONNECT TO EXISTING 16" WATERLINE (CUT-IN) - PHASE 1 HACKBERRY DRIVE	EA	\$5,478.56	1.	\$5,478.56
16" X 8" TEE - PHASE 1 HACKBERRY DRIVE	EA	\$3,086.43	1.	\$3,086.43
8" GATE VALVE & BOX - PHASE 1 HACKBERRY DRIVE	EA	\$2,557.53	1.	\$2,557.53
16" BUTTERFLY VALVE - PHASE 1 HACKBERRY DRIVE	EA	\$43,736.23	1.	\$43,736.23
TRENCH SAFETY - WATER - PHASE 1 HACKBERRY DRIVE	LF	\$0.23	401.	\$92.23
TESTING (EXCLUDING GEOTECH) - WATER - PHASE 1 HACKBERRY DRIVE	LF	\$2.10	401.	\$842.10
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 1 HACKBERRY DRIVE	LS	\$833.00	1.	\$833.00
<b>SUB-TOTAL HACKBERRY DRIVE</b>				<b>\$78,905.64</b>
<b>TOTAL WATER DISTRIBUTION SYSTEM</b>				<b>\$ 1,246,885.90</b>

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\V\TX-LAND\0077400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PD 1A#1 v3\405.3 MS Office\Meadow Vista PD 1A#1 OPC.docx

OPC Date: May 31, 2024  
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## MEADOW VISTA

Phase 1 PID (Direct) - Residential

Lots: 268 | Gross Acreage: 65.8 Acres | Streets: 12,874 LF

## DETAIL

### E. STREET & ALLEY PAVING

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
8" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 1 RESIDENTIAL	SY	\$58.15	290.	\$16,863.50
6" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 1 RESIDENTIAL	SY	\$49.60	36,673.	\$1,818,980.80
8" SUBGRADE PREPARATION - PHASE 1 RESIDENTIAL	SY	\$3.00	335.	\$1,005.00
6" SUBGRADE PREPARATION - PHASE 1 RESIDENTIAL	SY	\$2.75	38,883.	\$106,928.25
HYDRATED LIME (36#/SY) - PHASE 1 RESIDENTIAL	TON	\$315.00	706.	\$222,390.00
A.C. PARKING LOT 6" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 1 RESIDENTIAL	SY	\$59.80	1,174.	\$70,205.20
A.C. PARKING LOT 6" SUBGRADE PREPARATION - PHASE 1 RESIDENTIAL	SY	\$2.75	1,256.	\$3,454.00
A.C. PARKING LOT HYDRATED LIME (36#/SY) - PHASE 1 RESIDENTIAL	TON	\$315.00	23.	\$7,245.00
PAVEMENT HEADER - PHASE 1 RESIDENTIAL	LF	\$15.00	128.	\$1,920.00
STREET BARRICADE - PHASE 1 RESIDENTIAL	EA	\$1,675.00	4.	\$6,700.00
REMOVE BARRICADE & CONNECT EXISTING PAVEMENT - PHASE 1 RESIDENTIAL	EA	\$850.00	1.	\$850.00
5' CONC. SIDEWALK - PHASE 1 RESIDENTIAL	SF	\$7.15	3,885.	\$27,777.75
OPEN SPACE 5' CONC. SIDEWALK - PHASE 1 RESIDENTIAL	SF	\$7.15	128.	\$915.20
OPEN SPACE 10' CONC. SIDEWALK - PHASE 1 RESIDENTIAL	SF	\$8.70	12,465.	\$108,445.50
A.C. CONC. 5' SIDEWALK - PHASE 1 RESIDENTIAL	SF	\$7.15	3,656.	\$26,140.40
A.C. CONC. 6' SIDEWALK - PHASE 1 RESIDENTIAL	SF	\$7.50	955.	\$7,162.50
BARRIER FREE RAMP (TYPE B) - PHASE 1 RESIDENTIAL	EA	\$2,750.00	20.	\$55,000.00
BARRIER FREE RAMP (TYPE C) - PHASE 1 RESIDENTIAL	EA	\$2,750.00	8.	\$22,000.00
BARRIER FREE RAMP (MID-BLOCK) - PHASE 1 RESIDENTIAL	EA	\$2,350.00	6.	\$14,100.00
AMENITY BARRIER FREE RAMP (MID-BLOCK) - PHASE 1 RESIDENTIAL	EA	\$2,350.00	2.	\$4,700.00
CBU PAD - 9'X4' - PHASE 1 RESIDENTIAL	EA	\$1,800.00	1.	\$1,800.00
CBU PAD - 15'X4' - PHASE 1 RESIDENTIAL	EA	\$2,200.00	3.	\$6,600.00
STOP SIGN - PHASE 1 RESIDENTIAL	EA	\$85.00	16.	\$1,360.00
STREET NAME BLADE PAIR - PHASE 1 RESIDENTIAL	EA	\$385.00	18.	\$6,930.00
SPEED LIMIT SIGN - PHASE 1 RESIDENTIAL	EA	\$385.00	2.	\$770.00
WARNING SIGN (W4-4AP) - PHASE 1 RESIDENTIAL	EA	\$385.00	2.	\$770.00
STOP BAR - PHASE 1 RESIDENTIAL	EA	\$250.00	3.	\$750.00
MAINTENANCE BONDS - PAVING (2 YR, 100%) - PHASE 1 RESIDENTIAL	LS	\$28,750.00	1.	\$28,750.00
<b>TOTAL STREET &amp; ALLEY PAVING</b>				<b>\$ 2,570,513.10</b>

### F. RETAINING WALLS

None -- See notes for additional information

## OPINION OF PROBABLE COST Meadow Vista

PATH: S:\VIX-LAND\0377\400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PID 1A#1 v3\4\5.3 MS Office\Meadow Vista\_PID 1A#1 OPC.dlm

OPC Date: May 31, 2024  
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**MEADOW VISTA****DETAIL**

Phase 1 PID (Direct) - Residential

Lots: 268 | Gross Acreage: 65.8 Acres | Streets: 12,674 LF

**G. MISCELLANEOUS ITEMS**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
EROSION CONTROL				
SILT FENCE	LF	\$1.90	10,417.	\$19,792.30
CURLEX	LF	\$1.10	22,832.	\$25,115.20
CONSTRUCTION ENTRANCE	EA	\$3,000.00	2.	\$6,000.00
EROSION BLANKET	SY	\$5.00	4,771.	\$23,855.00
STREET LIGHTS				
STREET LIGHT	EA	\$5,000.00	23.	\$115,000.00
STREET LIGHT (DOUBLE HEADED)	EA	\$5,280.00	11.	\$58,080.00
4" ELECTRIC CONDUIT	LF	\$12.00	1,330.	\$15,960.00
BONDS & PHASING	PERCENT	4.0% \$	189,040.00	\$8,000.00
<b>TOTAL MISCELLANEOUS ITEMS</b>				<b>\$ 271,802.50</b>

**H. LANDSCAPING**

None -- See notes for additional information

**I. DEVELOPMENT FEES**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
MUNICIPALITY & JURISDICTIONAL FEES				
WATER INSPECTION FEE	PERCENT	4.0% \$	1,246,885.90	\$50,000.00
SEWER INSPECTION FEE	PERCENT	4.0% \$	1,263,433.29	\$51,000.00
PAVING INSPECTION FEE	PERCENT	4.0% \$	2,570,513.10	\$103,000.00
DRAINAGE INSPECTION FEE	PERCENT	4.0% \$	1,727,508.98	\$69,500.00
PARK FEE	LOT	\$0.00	268.	\$0.00
PRELIMINARY PLAT FEE	LS	\$3,180.00	1.	\$3,180.00
FINAL PLAT FEE	LS	\$3,180.00	1.	\$3,180.00
ENGINEERING CIVIL PLAN REVIEW FEE	LS	\$907.50	1.	\$907.50
PROFESSIONAL FEES				
PLANNING/ENTITLEMENT	LOT	\$300.00	268.	\$80,400.00
ENGINEERING/SURVEYING - PHASE 1	LS	\$887,920.00	1.	\$887,920.00
FINAL GEOTECHNICAL REPORT & TESTING	LOT	\$350.00	268.	\$93,800.00
FRANCHISE FEES				
GAS DISTRIBUTION FEE	LOT	\$1,000.00	268.	\$268,000.00
ELECTRIC DISTRIBUTION FEE	LOT	\$1,000.00	268.	\$268,000.00
<b>TOTAL DEVELOPMENT FEES</b>				<b>\$ 1,878,887.50</b>

**OPINION OF PROBABLE COST Meadow Vista**

PATH: S:\VTK-LAND\0677400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PID 1A\1 v3\405.3 MS Office\Meadow Vista PID 1A\1 OPC.dwg

OPC Date: May 31, 2024  
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## MEADOW VISTA

Phase 1 PID (Direct) - Residential

Lots: 268 | Gross Acreage: 65.8 Acres | Streets: 12,874 LF

## DETAIL

### SUMMARY

A. EXCAVATION			\$	324,044.50	
B. SANITARY SEWER SYSTEM			\$	1,263,433.29	
C. STORM SEWER SYSTEM			\$	1,727,508.98	
D. WATER DISTRIBUTION SYSTEM			\$	1,246,885.90	
E. STREET & ALLEY PAVING			\$	2,570,513.10	
F. RETAINING WALLS			\$	-	
G. MISCELLANEOUS ITEMS			\$	271,802.50	
H. LANDSCAPING			\$	-	
I. DEVELOPMENT FEES			\$	1,878,887.50	
SUB-TOTAL:				\$9,283,075.77	
OVERALL CONTINGENCIES:			10%	\$928,500.00	
TOTAL CONSTRUCTION COSTS:				\$10,211,575.77	
LOT COUNT:		268	COST / LOT:		\$38,200
LF OF STREET:		12,874	COST / LF OF STREET:		\$800
NET DEVELOPABLE ACREAGE:		56.73	COST / DEVELOPABLE ACRE:		\$180,100
TOTAL GROSS ACREAGE:		65.75	COST / GROSS ACRE:		\$155,400

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\NTX-LAND\0077\400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PID 1A#1 v3\405.3 MG Office\Meadow Vista PID 1A#1 OPC.xlsx

OPC Date: May 31, 2024  
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**MEADOW VISTA**

Phase 1 Private - Residential

Lots: 258 || Gross Acreage: 0.0 Acres || Streets: 0 LF

**DETAIL****A. EXCAVATION**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
CLEARING AND GRUBBING - LOTS - PHASE 1 RESIDENTIAL	ACRE	\$200.00	57.36	\$11,472.00
HAUL OFF TREES - PHASE 1 RESIDENTIAL	LS	\$51,975.00	1.	\$51,975.00
UNCLASSIFIED EXCAVATION - LOTS - PHASE 1 RESIDENTIAL	CY	\$3.10	289,145.	\$896,349.50
ROUGH LOT BENCHING +/- 0.3' - PHASE 1 RESIDENTIAL	EA	\$110.00	325.	\$35,750.00
FINAL LOT BENCHING +/- 0.3' - PHASE 1 RESIDENTIAL	EA	\$275.00	268.	\$73,700.00
INSTALL 6 MIL POLY - PHASE 1 RESIDENTIAL	EA	\$575.00	2.	\$1,150.00
PROCESS & PLACE UTILITY SPOILS - PHASE 1 RESIDENTIAL	CY	\$3.50	14,200.	\$49,700.00
STOCKPILE IN PHASE 2 - PHASE 1 RESIDENTIAL	CY	\$0.30	24,576.	\$7,372.80
STOCKPILE IN PHASE 4 - PHASE 1 RESIDENTIAL	CY	\$0.30	113,770.	\$34,131.00
STOCKPILE IN PHASE 5 - PHASE 1 RESIDENTIAL	CY	\$0.30	190,125.	\$57,037.50
TEMPORARY LOW WATER CROSSING - PHASE 1 RESIDENTIAL	LS	\$13,000.00	1.	\$13,000.00
<b>TOTAL EXCAVATION</b>				<b>\$ 1,231,637.80</b>

**B. SANITARY SEWER SYSTEM**

None -- See notes for additional information

**C. STORM SEWER SYSTEM**

None -- See notes for additional information

**D. WATER DISTRIBUTION SYSTEM**

None -- See notes for additional information

**E. STREET & ALLEY PAVING**

None -- See notes for additional information

**F. RETAINING WALLS**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
2' RETAINING WALL	LF	\$60.00	4,274.	\$256,440.00
3' RETAINING WALL	LF	\$70.00	1,821.	\$127,470.00
4' RETAINING WALL	LF	\$80.00	1,900.	\$152,000.00
5' RETAINING WALL	LF	\$130.00	432.	\$56,160.00
6' RETAINING WALL	LF	\$170.00	158.	\$26,860.00
7' RETAINING WALL	LF	\$220.00	76.	\$16,720.00
8' RETAINING WALL	LF	\$270.00	30.	\$8,100.00
9' RETAINING WALL	LF	\$340.00	10.	\$3,400.00
10' RETAINING WALL	LF	\$410.00	10.	\$4,100.00
11' RETAINING WALL	LF	\$490.00	10.	\$4,900.00
12' RETAINING WALL	LF	\$570.00	10.	\$5,700.00
13' RETAINING WALL	LF	\$660.00	10.	\$6,600.00
14' RETAINING WALL	LF	\$750.00	10.	\$7,500.00
15' RETAINING WALL	LF	\$850.00	436.	\$370,600.00
<b>TOTAL RETAINING WALLS</b>				<b>\$ 1,046,550.00</b>

**G. MISCELLANEOUS ITEMS**

None -- See notes for additional information

**H. LANDSCAPING**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
AMENITY CENTER	LS	\$1,500,000.00	1.	\$1,500,000.00
MINOR ENTRY SIGN	EA	\$20,000.00	1.	\$20,000.00
MAJOR ENTRY SIGN	EA	\$40,000.00	1.	\$40,000.00
6' MASONRY SCREENING WALL W/MASONRY COLUMNS	LF	\$150.00	2,026.	\$303,900.00
IRRIGATION AND SOD	SF	\$1.25	379,843.	\$474,803.75
LANDSCAPING TREES	EA	\$500.00	80.	\$40,000.00
<b>TOTAL LANDSCAPING</b>				<b>\$ 2,378,703.75</b>

**OPINION OF PROBABLE COST Meadow Vista**

PATH: S:\VTK-LAND\0077400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PD 1A#1 v3\405.3 MS Office\Meadow Vista PD 1A#1 OPC.dgn

OPC Date: May 31, 2024  
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## MEADOW VISTA

Phase 1 Private - Residential

Lots: 268 || Gross Acreage: 0.0 Acres || Streets: 0 LF

## DETAIL

### I. DEVELOPMENT FEES

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PROFESSIONAL FEES				
ENGINEERING/SURVEYING - PHASE 1 PRIVATE	LS	\$221,980.00	1.	\$221,980.00
LANDSCAPING (H)	PERCENT	6.0%	\$ 2,378,703.75	\$143,000.00
<b>TOTAL DEVELOPMENT FEES</b>				<b>\$ 364,980.00</b>

### SUMMARY

A. EXCAVATION	\$	1,231,637.80
B. SANITARY SEWER SYSTEM	\$	-
C. STORM SEWER SYSTEM	\$	-
D. WATER DISTRIBUTION SYSTEM	\$	-
E. STREET & ALLEY PAVING	\$	-
F. RETAINING WALLS	\$	1,046,550.00
G. MISCELLANEOUS ITEMS	\$	-
H. LANDSCAPING	\$	2,378,703.75
I. DEVELOPMENT FEES	\$	364,980.00

SUB-TOTAL: \$5,021,871.55

OVERALL CONTINGENCIES: 10% \$502,500.00

**TOTAL CONSTRUCTION COSTS: \$5,524,371.55**

LOT COUNT:	268	COST / LOT:	\$20,700
LF OF STREET:	-	COST / LF OF STREET:	-
NET DEVELOPABLE ACREAGE:	0.00	COST / DEVELOPABLE ACRE:	-
TOTAL GROSS ACREAGE:	0.00	COST / GROSS ACRE:	-

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\VNTX-LAND\0077\400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PD 1A\1 v3\405.3 MS Office\Meadow Vista PD 1A\1 OPC.docx

OPC Date: May 31, 2024  
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**MEADOW VISTA**

Phase 2 PID (Direct) - Residential

Lots: 7 || Gross Acreage: 6.7 Acres || Streets: 1,906 LF

**DETAIL****A. EXCAVATION**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
CLEARING AND GRUBBING - ROW - PHASE 2 RESIDENTIAL	ACRE	\$2,600.00	0.39	\$1,014.00
PLACE FILL - ROW - PHASE 2 RESIDENTIAL	CY	\$3.00	591.	\$1,773.00
SUB-TOTAL RESIDENTIAL				\$2,787.00
HACKBERRY DRIVE				
CLEARING AND GRUBBING - PHASE 2 HACKBERRY DRIVE	ACRE	\$1,815.00	4.57	\$8,294.55
HAUL OFF TREES - PHASE 2 HACKBERRY DRIVE	LS	\$14,850.00	1.	\$14,850.00
UNCLASSIFIED EXCAVATION - PHASE 2 HACKBERRY DRIVE	CY	\$3.00	18,920.	\$56,760.00
SUB-TOTAL HACKBERRY DRIVE				\$79,904.55
TOTAL EXCAVATION				\$ 82,691.55

**B. SANITARY SEWER SYSTEM**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
CONNECT TO EXISTING 8" SEWER MAIN - PHASE 2 RESIDENTIAL	EA	\$1,183.86	1.	\$1,183.86
RAISE EXISTING MANHOLE RIM (+0.93') - PHASE 2 RESIDENTIAL	EA	\$1,247.16	1.	\$1,247.16
8" SDR-26 P.V.C. PIPE (ASTM D3034) - PHASE 2 RESIDENTIAL	LF	\$130.12	147.	\$19,127.64
8" SDR-35 P.V.C. PIPE (ASTM D3034) - PHASE 2 RESIDENTIAL	LF	\$64.26	221.	\$14,201.46
5' DIAMETER DROP MANHOLE - PHASE 2 RESIDENTIAL	EA	\$31,508.98	1.	\$31,508.98
4' DIAMETER MANHOLE - PHASE 2 RESIDENTIAL	EA	\$8,366.18	2.	\$16,732.36
4" SERVICE LINES (INCLUDING WYE CONNECTION) - PHASE 2 RESIDENTIAL	EA	\$1,121.71	7.	\$7,851.97
MANHOLE VACUUM TESTING - PHASE 2 RESIDENTIAL	EA	\$138.75	3.	\$416.25
TRENCH SAFETY - SEWER - PHASE 2 RESIDENTIAL	LF	\$1.02	368.	\$375.36
TESTING (EXCLUDING GEOTECH) - SEWER - PHASE 2 RESIDENTIAL	LF	\$1.64	368.	\$603.52
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 2 RESIDENTIAL	LS	\$1,333.00	1.	\$1,333.00
TOTAL SANITARY SEWER SYSTEM				\$ 94,581.56

**OPINION OF PROBABLE COST Meadow Vista**

PATH: S:\NTX-LAND\0077\400 LAND\405 Cost Estimate\2004-05 Meadow Vista\_PID 1A#1 v3\405.3 MS Office\Meadow Vista PID 1A#1 OPC.dgn

OPC Date: May 31, 2004  
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## MEADOW VISTA

Phase 2 PID (Direct) - Residential

Lots: 7 || Gross Acreage: 6.7 Acres || Streets: 1,906 LF

## DETAIL

### C. STORM SEWER SYSTEM

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
<b>RESIDENTIAL</b>				
18" RCP, INCL WYES, BENDS, ETC. - PHASE 2 RESIDENTIAL	LF	\$104.33	137.	\$14,293.21
30" RCP, INCL WYES, BENDS, ETC. - PHASE 2 RESIDENTIAL	LF	\$241.95	31.	\$7,500.45
4" X 4' DROP INLET - PHASE 2 RESIDENTIAL	EA	\$6,382.50	1.	\$6,382.50
10' STANDARD CURB INLET - PHASE 2 RESIDENTIAL	EA	\$5,938.50	1.	\$5,938.50
INLET PROTECTION - PHASE 2 RESIDENTIAL	EA	\$333.00	2.	\$666.00
18" 4:1 SLOPED END HEADWALL - PHASE 2 RESIDENTIAL	EA	\$2,469.75	1.	\$2,469.75
TYPE A DRY ROCK RIPRAP - PHASE 2 RESIDENTIAL	SY	\$111.00	28.	\$3,108.00
TRENCH SAFETY - STORM - PHASE 2 RESIDENTIAL	LF	\$0.57	168.	\$95.76
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 2 RESIDENTIAL	LS	\$1,333.00	1.	\$1,333.00
<b>SUB-TOTAL RESIDENTIAL</b>				<b>\$41,787.17</b>
<b>HACKBERRY DRIVE</b>				
18" RCP, INCL WYES, BENDS, ETC. - PHASE 2 HACKBERRY DRIVE	LF	\$101.57	880.	\$89,381.60
27" RCP, INCL WYES, BENDS, ETC. - PHASE 2 HACKBERRY DRIVE	LF	\$150.97	359.	\$54,198.23
30" RCP, INCL WYES, BENDS, ETC. - PHASE 2 HACKBERRY DRIVE	LF	\$164.17	17.	\$2,790.89
36" RCP, INCL WYES, BENDS, ETC. - PHASE 2 HACKBERRY DRIVE	LF	\$224.07	91.	\$20,390.37
5' STORM SEWER MANHOLE - PHASE 2 HACKBERRY DRIVE	EA	\$6,382.50	1.	\$6,382.50
10' RECESSED CURB INLET - PHASE 2 HACKBERRY DRIVE	EA	\$6,216.00	6.	\$37,296.00
INLET PROTECTION - PHASE 2 HACKBERRY DRIVE	EA	\$333.00	6.	\$1,998.00
TRENCH SAFETY - STORM - PHASE 2 HACKBERRY DRIVE	LF	\$0.46	1,347.	\$619.62
MAINTENANCE BONDS - STORM (2 YR, 100%) - PHASE 2 HACKBERRY DRIVE	LS	\$17,000.00	1.	\$17,000.00
<b>SUB-TOTAL HACKBERRY DRIVE</b>				<b>\$230,057.21</b>
<b>TOTAL STORM SEWER SYSTEM</b>				<b>\$ 271,844.38</b>

### D. WATER DISTRIBUTION SYSTEM

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
<b>RESIDENTIAL</b>				
8" P.V.C. WATERLINE - PHASE 2 RESIDENTIAL	LF	\$63.46	241.	\$15,293.86
CONNECT TO EXISTING 16" WATERLINE (CUT-IN) - PHASE 2 RESIDENTIAL	EA	\$5,478.56	1.	\$5,478.56
16" X 8" TEE - PHASE 2 RESIDENTIAL	EA	\$3,086.43	1.	\$3,086.43
8" GATE VALVE & BOX - PHASE 2 RESIDENTIAL	EA	\$2,557.53	2.	\$5,115.06
16" BUTTERFLY VALVE - PHASE 2 RESIDENTIAL	EA	\$43,736.23	1.	\$43,736.23
2" AUTOMATIC FLUSH VALVE - PHASE 2 RESIDENTIAL	EA	\$7,157.52	1.	\$7,157.52
1" SINGLE WATER SERVICE (INCLUDING METER BOX) - PHASE 2 RESIDENTIAL	EA	\$1,251.31	7.	\$8,759.17
2" IRRIGATION METER - PHASE 2 RESIDENTIAL	EA	\$2,284.64	1.	\$2,284.64
4" PVC SLEEVE - PHASE 2 RESIDENTIAL	LF	\$16.12	410.	\$6,609.20
FIRE HYDRANT ASSEMBLY (INCL. LEAD, TEE, VALVE, AND BOX) - PHASE 2 RESIDENTIAL	EA	\$6,636.68	1.	\$6,636.68
TRENCH SAFETY - WATER - PHASE 2 RESIDENTIAL	LF	\$0.39	241.	\$93.99
TESTING (EXCLUDING GEOTECH) - WATER - PHASE 2 RESIDENTIAL	LF	\$2.22	241.	\$535.02
MAINTENANCE BONDS (2 YEAR, 100%) - PHASE 2 RESIDENTIAL	LS	\$1,333.00	1.	\$1,333.00
<b>TOTAL WATER DISTRIBUTION SYSTEM</b>				<b>\$ 106,119.36</b>

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\VIX-LAND\00771400 LAND\A05 Cost Estimate\2024-05 Meadow Vista\_PID 1A#1 v3\A05.3 MG Office\Meadow Vista PID 1A#1 OPC.dwg

OPC Date: May 31, 2024  
Sheet 19 of 23



## MEADOW VISTA

Phase 2 PID (Direct) - Residential

Lots: 7 || Gross Acreage: 6.7 Acres || Streets: 1,906 LF

## DETAIL

### E. STREET & ALLEY PAVING

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
8" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 2 RESIDENTIAL	SY	\$58.15	79.	\$4,593.85
6" (4,000 PSI) REINF. CONC. STREET PAVEMENT - PHASE 2 RESIDENTIAL	SY	\$49.60	1,192.	\$59,123.20
8" SUBGRADE PREPARATION - PHASE 2 RESIDENTIAL	SY	\$3.00	93.	\$279.00
6" SUBGRADE PREPARATION - PHASE 2 RESIDENTIAL	SY	\$2.75	1,257.	\$3,456.75
HYDRATED LIME (36#/SY) - PHASE 2 RESIDENTIAL	TON	\$315.00	25.	\$7,875.00
5' CONC. SIDEWALK - PHASE 2 RESIDENTIAL	SF	\$7.15	597.	\$4,268.55
CBU PAD - 4'X3' - PHASE 2 RESIDENTIAL	EA	\$1,500.00	1.	\$1,500.00
STOP SIGN - PHASE 2 RESIDENTIAL	EA	\$85.00	1.	\$85.00
STREET NAME BLADE PAIR - PHASE 2 RESIDENTIAL	EA	\$385.00	1.	\$385.00
STOP BAR - PHASE 2 RESIDENTIAL	EA	\$250.00	1.	\$250.00
MAINTENANCE BONDS - PAVING (2 YR, 100%) - PHASE 2 RESIDENTIAL	LS	\$1,750.00	1.	\$1,750.00
<b>TOTAL STREET &amp; ALLEY PAVING</b>				<b>\$ 83,566.35</b>

### F. RETAINING WALLS

None -- See notes for additional information

### G. MISCELLANEOUS ITEMS

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
EROSION CONTROL				
SILT FENCE	LF	\$1.90	3,280.	\$6,232.00
CURLEX	LF	\$1.10	3,950.	\$4,345.00
CONSTRUCTION ENTRANCE	EA	\$3,000.00	1.	\$3,000.00
EROSION BLANKET	SY	\$5.00	940.	\$4,700.00
STREET LIGHTS				
STREET LIGHT (DOUBLE HEADED)	EA	\$5,280.00	8.	\$42,240.00
BONDS & PHASING	PERCENT	4.0% \$	42,240.00	\$2,000.00
<b>TOTAL MISCELLANEOUS ITEMS</b>				<b>\$ 62,517.00</b>

### H. LANDSCAPING

None -- See notes for additional information

## OPINION OF PROBABLE COST Meadow Vista

PATH: S:\NTX-LAND\0077400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PID 1A#1 v3\405.3 MS Office\Meadow Vista PID 1A#1 OPC.xlsx

OPC Date: May 31, 2024  
Sheet 20 of 23





## MEADOW VISTA

Phase 2 PID (Direct) - Residential

Lots: 7 || Gross Acreage: 6.7 Acres || Streets: 1,906 LF

## DETAIL

### I. DEVELOPMENT FEES

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
MUNICIPALITY & JURISDICTIONAL FEES				
WATER INSPECTION FEE	PERCENT	4.0% \$	106,119.36	\$4,500.00
SEWER INSPECTION FEE	PERCENT	4.0% \$	94,581.56	\$4,000.00
PAVING INSPECTION FEE	PERCENT	4.0% \$	83,566.35	\$3,500.00
DRAINAGE INSPECTION FEE	PERCENT	4.0% \$	271,844.38	\$11,000.00
CLOMR FEE	LS	\$50,000.00	1.	\$50,000.00
LOMR FEE	LS	\$50,000.00	1.	\$50,000.00
PARK FEE	LOT	\$0.00	7.	\$0.00
PRELIMINARY PLAT FEE	LS	\$570.00	1.	\$570.00
FINAL PLAT FEE	LS	\$570.00	1.	\$570.00
MITIGATION ALLOWANCE	LS	\$50,000.00	1.	\$50,000.00
ENGINEERING CIVIL PLAN REVIEW FEE	LS	\$317.20	1.	\$317.20
PROFESSIONAL FEES				
PLANNING/ENTITLEMENT	LOT	\$300.00	7.	\$2,100.00
ENGINEERING/SURVEYING - PHASE 2	LS	\$276,400.00	1.	\$276,400.00
FINAL GEOTECHNICAL REPORT & TESTING	LOT	\$350.00	7.	\$2,450.00
FRANCHISE FEES				
GAS DISTRIBUTION FEE	LOT	\$1,000.00	7.	\$7,000.00
ELECTRIC DISTRIBUTION FEE	LOT	\$1,000.00	7.	\$7,000.00
<b>TOTAL DEVELOPMENT FEES</b>				<b>\$ 469,407.20</b>

### SUMMARY

A. EXCAVATION	\$	82,691.55
B. SANITARY SEWER SYSTEM	\$	94,581.56
C. STORM SEWER SYSTEM	\$	271,844.38
D. WATER DISTRIBUTION SYSTEM	\$	106,119.36
E. STREET & ALLEY PAVING	\$	83,566.35
F. RETAINING WALLS	\$	-
G. MISCELLANEOUS ITEMS	\$	62,517.00
H. LANDSCAPING	\$	-
I. DEVELOPMENT FEES	\$	469,407.20

SUB-TOTAL: \$1,170,727.40

OVERALL CONTINGENCIES: 10% \$117,500.00

**TOTAL CONSTRUCTION COSTS: \$1,288,227.40**

LOT COUNT:	7	COST / LOT:	\$184,100
LF OF STREET:	1,906	COST / LF OF STREET:	\$700
NET DEVELOPABLE ACREAGE:	4.66	COST / DEVELOPABLE ACRE:	\$276,500
TOTAL GROSS ACREAGE:	6.72	COST / GROSS ACRE:	\$191,800

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\VNTX-LAND\0077\400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PD 1A#1 v3\405.3 MS Office\Meadow Vista PD 1A#1 OPC.docx

OPC Date: May 31, 2024  
Sheet 21 of 23



## MEADOW VISTA

Phase 2 Private - Residential

Lot: 7 || Gross Acreage: 0.0 Acres || Streets: 0 LF

## DETAIL

### A. EXCAVATION

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
CLEARING AND GRUBBING - LOTS - PHASE 2 RESIDENTIAL	ACRE	\$2,600.00	2.37	\$6,162.00
HAUL OFF TREES - PHASE 2 RESIDENTIAL	LS	\$11,880.00	1.	\$11,880.00
PLACE FILL - LOTS - PHASE 2 RESIDENTIAL	CY	\$3.00	7,618.	\$22,854.00
ROUGH LOT BENCHING +/- 0.3' - PHASE 2 RESIDENTIAL	EA	\$110.00	7.	\$770.00
FINAL LOT BENCHING +/- 0.3' - PHASE 2 RESIDENTIAL	EA	\$275.00	7.	\$1,925.00
PROCESS & PLACE UTILITY SPOILS - PHASE 2 RESIDENTIAL	CY	\$3.50	2,915.	\$10,202.50
TEMPORARY LOW WATER CROSSING - PHASE 2 RESIDENTIAL	LS	\$44,000.00	1.	\$44,000.00
<b>TOTAL EXCAVATION</b>				<b>\$ 97,793.50</b>

### B. SANITARY SEWER SYSTEM

None -- See notes for additional information

### C. STORM SEWER SYSTEM

None -- See notes for additional information

### D. WATER DISTRIBUTION SYSTEM

None -- See notes for additional information

### E. STREET & ALLEY PAVING

None -- See notes for additional information

### F. RETAINING WALLS

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
RESIDENTIAL				
2' RETAINING WALL	LF	\$60.00	889.	\$53,340.00
3' RETAINING WALL	LF	\$70.00	40.	\$2,800.00
4' RETAINING WALL	LF	\$80.00	71.	\$5,680.00
5' RETAINING WALL	LF	\$130.00	142.	\$18,460.00
6' RETAINING WALL	LF	\$170.00	118.	\$20,060.00
7' RETAINING WALL	LF	\$220.00	17.	\$3,740.00
8' RETAINING WALL	LF	\$270.00	38.	\$10,260.00
9' RETAINING WALL	LF	\$340.00	77.	\$26,180.00
10' RETAINING WALL	LF	\$410.00	17.	\$6,970.00
11' RETAINING WALL	LF	\$490.00	11.	\$5,390.00
12' RETAINING WALL	LF	\$570.00	116.	\$66,120.00
13' RETAINING WALL	LF	\$660.00	21.	\$13,860.00
14' RETAINING WALL	LF	\$750.00	40.	\$30,000.00
<b>TOTAL RETAINING WALLS</b>				<b>\$ 262,860.00</b>

### G. MISCELLANEOUS ITEMS

None -- See notes for additional information

### H. LANDSCAPING

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
6" MASONRY SCREENING WALL W/MASONRY COLUMNS	LF	\$150.00	240.	\$36,000.00
IRRIGATION AND SOD	SF	\$1.25	89,734.	\$112,167.50
LANDSCAPING TREES	EA	\$500.00	84.	\$42,000.00
<b>TOTAL LANDSCAPING</b>				<b>\$ 190,167.50</b>

### I. DEVELOPMENT FEES

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PROFESSIONAL FEES				
ENGINEERING/SURVEYING - PHASE 2 PRIVATE	LS	\$69,100.00	1.	\$69,100.00
LANDSCAPING (H)	PERCENT	6.0% \$	190,167.50	\$11,500.00
<b>TOTAL DEVELOPMENT FEES</b>				<b>\$ 80,600.00</b>

## OPINION OF PROBABLE COST Meadow Vista

PATH: S:\NTX-LAND\0077\400 LAND\405 Cost Estimate\2004-05 Meadow Vista\_PD 1A\1 v3\405.3 MG Office\Meadow Vista PD 1A\1 OPC.docm

OPC Date: May 31, 2004  
Sheet 22 of 23



## MEADOW VISTA

Phase 2 Private - Residential

Lots: 7 || Gross Acreage: 0.0 Acres || Streets: 0 LF

## DETAIL

### SUMMARY

A. EXCAVATION		\$	97,793.50
B. SANITARY SEWER SYSTEM		\$	-
C. STORM SEWER SYSTEM		\$	-
D. WATER DISTRIBUTION SYSTEM		\$	-
E. STREET & ALLEY PAVING		\$	-
F. RETAINING WALLS		\$	262,860.00
G. MISCELLANEOUS ITEMS		\$	-
H. LANDSCAPING		\$	190,167.50
I. DEVELOPMENT FEES		\$	80,600.00
SUB-TOTAL:			\$631,421.00
OVERALL CONTINGENCIES:		10%	\$63,500.00
<b>TOTAL CONSTRUCTION COSTS:</b>			<b>\$694,921.00</b>
LOT COUNT:		7	COST / LOT: \$99,300
LF OF STREET:		-	COST / LF OF STREET: -
NET DEVELOPABLE ACREAGE:		0.00	COST / DEVELOPABLE ACRE: -
TOTAL GROSS ACREAGE:		0.00	COST / GROSS ACRE: -

### OPINION OF PROBABLE COST Meadow Vista

PATH: S:\NTX-LAND\0077400 LAND\405 Cost Estimate\2024-05 Meadow Vista\_PD 1A#1 v3\405.3 MG Office\Meadow Vista PD 1A#1 OPC.dgn

OPC Date: May 31, 2024  
Sheet 23 of 23



## **APPENDIX B – BUYER DISCLOSURES**

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

- Improvement Area #1
  - Improvement Area #1 Initial Parcel
  - Lot Type 1
  - Lot Type 2

*[Remainder of page intentionally left blank.]*

**MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1**  
**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 RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
THE CITY OF ANNA, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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STREET ADDRESS

**IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$12,387,000.00**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Anna, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***MEADOW VISTA 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 Anna. The exact amount of each annual installment will be approved each year by the City of Anna 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 the City of Anna.

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.

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<sup>1</sup> 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]<sup>2</sup>

<sup>2</sup> 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]<sup>3</sup>

<sup>3</sup> 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]<sup>4</sup>

<sup>4</sup> 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 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest <sup>[a]</sup>	Additional Interest	Capitalized Interest	Annual Collection Costs	Annual Installment <sup>[b]</sup>
2025	\$ -	\$ 831,941.89	\$ 61,935.00	\$ (831,941.89)	\$ 40,000.00	\$ 101,935.00
2026	\$ 165,000.00	\$ 739,503.90	\$ 61,935.00	\$ -	\$ 40,800.00	\$ 1,007,238.90
2027	\$ 175,000.00	\$ 729,653.40	\$ 61,110.00	\$ -	\$ 41,616.00	\$ 1,007,379.40
2028	\$ 185,000.00	\$ 719,205.90	\$ 60,235.00	\$ -	\$ 42,448.32	\$ 1,006,889.22
2029	\$ 196,000.00	\$ 708,161.40	\$ 59,310.00	\$ -	\$ 43,297.29	\$ 1,006,768.69
2030	\$ 208,000.00	\$ 696,460.20	\$ 58,330.00	\$ -	\$ 44,163.24	\$ 1,006,953.44
2031	\$ 221,000.00	\$ 684,042.60	\$ 57,290.00	\$ -	\$ 45,046.50	\$ 1,007,379.10
2032	\$ 234,000.00	\$ 670,848.90	\$ 56,185.00	\$ -	\$ 45,947.43	\$ 1,006,981.33
2033	\$ 248,000.00	\$ 656,879.10	\$ 55,015.00	\$ -	\$ 46,866.38	\$ 1,006,760.48
2034	\$ 263,000.00	\$ 642,073.50	\$ 53,775.00	\$ -	\$ 47,803.71	\$ 1,006,652.21
2035	\$ 279,000.00	\$ 626,372.40	\$ 52,460.00	\$ -	\$ 48,759.78	\$ 1,006,592.18
2036	\$ 296,000.00	\$ 609,716.10	\$ 51,065.00	\$ -	\$ 49,734.98	\$ 1,006,516.08
2037	\$ 314,000.00	\$ 592,044.90	\$ 49,585.00	\$ -	\$ 50,729.68	\$ 1,006,359.58
2038	\$ 334,000.00	\$ 573,299.10	\$ 48,015.00	\$ -	\$ 51,744.27	\$ 1,007,058.37
2039	\$ 354,000.00	\$ 553,359.30	\$ 46,345.00	\$ -	\$ 52,779.16	\$ 1,006,483.46
2040	\$ 376,000.00	\$ 532,225.50	\$ 44,575.00	\$ -	\$ 53,834.74	\$ 1,006,635.24
2041	\$ 400,000.00	\$ 509,778.30	\$ 42,695.00	\$ -	\$ 54,911.43	\$ 1,007,384.73
2042	\$ 424,000.00	\$ 485,898.30	\$ 40,695.00	\$ -	\$ 56,009.66	\$ 1,006,602.96
2043	\$ 451,000.00	\$ 460,585.50	\$ 38,575.00	\$ -	\$ 57,129.85	\$ 1,007,290.35
2044	\$ 479,000.00	\$ 433,660.80	\$ 36,320.00	\$ -	\$ 58,272.45	\$ 1,007,253.25
2045	\$ 508,000.00	\$ 405,064.50	\$ 33,925.00	\$ -	\$ 59,437.90	\$ 1,006,427.40
2046	\$ 540,000.00	\$ 374,736.90	\$ 31,385.00	\$ -	\$ 60,626.66	\$ 1,006,748.56
2047	\$ 574,000.00	\$ 342,498.90	\$ 28,685.00	\$ -	\$ 61,839.19	\$ 1,007,023.09
2048	\$ 610,000.00	\$ 308,231.10	\$ 25,815.00	\$ -	\$ 63,075.97	\$ 1,007,122.07
2049	\$ 648,000.00	\$ 271,814.10	\$ 22,765.00	\$ -	\$ 64,337.49	\$ 1,006,916.59
2050	\$ 689,000.00	\$ 233,128.50	\$ 19,525.00	\$ -	\$ 65,624.24	\$ 1,007,277.74
2051	\$ 732,000.00	\$ 191,995.20	\$ 16,080.00	\$ -	\$ 66,936.72	\$ 1,007,011.92
2052	\$ 778,000.00	\$ 148,294.80	\$ 12,420.00	\$ -	\$ 68,275.45	\$ 1,006,990.25
2053	\$ 827,000.00	\$ 101,848.20	\$ 8,530.00	\$ -	\$ 69,640.96	\$ 1,007,019.16
2054	\$ 879,000.00	\$ 52,476.30	\$ 4,395.00	\$ -	\$ 71,033.78	\$ 1,006,905.08
<b>Total</b>	<b>\$ 12,387,000.00</b>	<b>\$ 14,885,799.49</b>	<b>\$ 1,238,975.00</b>	<b>\$ (831,941.89)</b>	<b>\$ 1,622,723.23</b>	<b>\$ 28,371,079.53</b>

**Footnotes:**

[a] Interest on the Improvement Area #1 Bonds is calculated at a 5.97% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**MEADOW VISTA 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 RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
THE CITY OF ANNA, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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STREET ADDRESS

**IMPROVEMENT AREA #1 – LOT TYPE 1 PRINCIPAL ASSESSMENT: \$42,421.23**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Anna, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***MEADOW VISTA 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 Anna. The exact amount of each annual installment will be approved each year by the City of Anna 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 the City of Anna.

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.

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<sup>1</sup> 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]<sup>2</sup>

<sup>2</sup> 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

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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]<sup>3</sup>

<sup>3</sup> 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 \_\_\_\_\_

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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]<sup>4</sup>

<sup>4</sup> 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

Annual Installment Due 1/31	Principal	Interest <sup>[a]</sup>	Additional Interest	Capitalized Interest	Annual Collection Costs	Annual Installment <sup>[b]</sup>
2025	\$ -	\$ 2,849.12	\$ 212.11	\$ (2,849.12)	\$ 136.99	\$ 349.09
2026	\$ 565.07	\$ 2,532.55	\$ 212.11	\$ -	\$ 139.73	\$ 3,449.45
2027	\$ 599.32	\$ 2,498.81	\$ 209.28	\$ -	\$ 142.52	\$ 3,449.93
2028	\$ 633.56	\$ 2,463.03	\$ 206.28	\$ -	\$ 145.37	\$ 3,448.25
2029	\$ 671.23	\$ 2,425.21	\$ 203.12	\$ -	\$ 148.28	\$ 3,447.84
2030	\$ 712.33	\$ 2,385.14	\$ 199.76	\$ -	\$ 151.24	\$ 3,448.47
2031	\$ 756.85	\$ 2,342.61	\$ 196.20	\$ -	\$ 154.27	\$ 3,449.93
2032	\$ 801.37	\$ 2,297.43	\$ 192.41	\$ -	\$ 157.35	\$ 3,448.57
2033	\$ 849.32	\$ 2,249.59	\$ 188.41	\$ -	\$ 160.50	\$ 3,447.81
2034	\$ 900.68	\$ 2,198.88	\$ 184.16	\$ -	\$ 163.71	\$ 3,447.44
2035	\$ 955.48	\$ 2,145.11	\$ 179.66	\$ -	\$ 166.99	\$ 3,447.23
2036	\$ 1,013.70	\$ 2,088.07	\$ 174.88	\$ -	\$ 170.33	\$ 3,446.97
2037	\$ 1,075.34	\$ 2,027.55	\$ 169.81	\$ -	\$ 173.73	\$ 3,446.44
2038	\$ 1,143.84	\$ 1,963.35	\$ 164.43	\$ -	\$ 177.21	\$ 3,448.83
2039	\$ 1,212.33	\$ 1,895.07	\$ 158.72	\$ -	\$ 180.75	\$ 3,446.86
2040	\$ 1,287.67	\$ 1,822.69	\$ 152.65	\$ -	\$ 184.37	\$ 3,447.38
2041	\$ 1,369.86	\$ 1,745.82	\$ 146.22	\$ -	\$ 188.05	\$ 3,449.95
2042	\$ 1,452.05	\$ 1,664.04	\$ 139.37	\$ -	\$ 191.81	\$ 3,447.27
2043	\$ 1,544.52	\$ 1,577.35	\$ 132.11	\$ -	\$ 195.65	\$ 3,449.62
2044	\$ 1,640.41	\$ 1,485.14	\$ 124.38	\$ -	\$ 199.56	\$ 3,449.50
2045	\$ 1,739.73	\$ 1,387.21	\$ 116.18	\$ -	\$ 203.55	\$ 3,446.67
2046	\$ 1,849.32	\$ 1,283.35	\$ 107.48	\$ -	\$ 207.63	\$ 3,447.77
2047	\$ 1,965.75	\$ 1,172.94	\$ 98.24	\$ -	\$ 211.78	\$ 3,448.71
2048	\$ 2,089.04	\$ 1,055.59	\$ 88.41	\$ -	\$ 216.01	\$ 3,449.05
2049	\$ 2,219.18	\$ 930.87	\$ 77.96	\$ -	\$ 220.33	\$ 3,448.34
2050	\$ 2,359.59	\$ 798.39	\$ 66.87	\$ -	\$ 224.74	\$ 3,449.58
2051	\$ 2,506.85	\$ 657.52	\$ 55.07	\$ -	\$ 229.24	\$ 3,448.67
2052	\$ 2,664.38	\$ 507.86	\$ 42.53	\$ -	\$ 233.82	\$ 3,448.60
2053	\$ 2,832.19	\$ 348.80	\$ 29.21	\$ -	\$ 238.50	\$ 3,448.70
2054	\$ 3,010.27	\$ 179.71	\$ 15.05	\$ -	\$ 243.27	\$ 3,448.31
<b>Total</b>	<b>\$ 42,421.23</b>	<b>\$ 50,978.77</b>	<b>\$ 4,243.07</b>	<b>\$ (2,849.12)</b>	<b>\$ 5,557.27</b>	<b>\$ 97,161.23</b>

### Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 5.97% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.



**MEADOW VISTA 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 RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
THE CITY OF ANNA, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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STREET ADDRESS

**IMPROVEMENT AREA #1 – LOT TYPE 2 PRINCIPAL ASSESSMENT: \$50,905.48**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Anna, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***MEADOW VISTA 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 Anna. The exact amount of each annual installment will be approved each year by the City of Anna 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 the City of Anna.

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.

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<sup>1</sup> 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]<sup>2</sup>

<sup>2</sup> 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

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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]<sup>3</sup>

<sup>3</sup> 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 \_\_\_\_\_

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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]<sup>4</sup>

<sup>4</sup> 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

Annual Installment Due 1/31	Principal	Interest <sup>[a]</sup>	Additional Interest	Capitalized Interest	Annual Collection Costs	Annual Installment <sup>[b]</sup>
2025	\$ -	\$ 3,418.94	\$ 254.53	\$ (3,418.94)	\$ 164.38	\$ 418.91
2026	\$ 678.08	\$ 3,039.06	\$ 254.53	\$ -	\$ 167.67	\$ 4,139.34
2027	\$ 719.18	\$ 2,998.58	\$ 251.14	\$ -	\$ 171.02	\$ 4,139.92
2028	\$ 760.27	\$ 2,955.64	\$ 247.54	\$ -	\$ 174.45	\$ 4,137.90
2029	\$ 805.48	\$ 2,910.25	\$ 243.74	\$ -	\$ 177.93	\$ 4,137.41
2030	\$ 854.79	\$ 2,862.17	\$ 239.71	\$ -	\$ 181.49	\$ 4,138.16
2031	\$ 908.22	\$ 2,811.13	\$ 235.44	\$ -	\$ 185.12	\$ 4,139.91
2032	\$ 961.64	\$ 2,756.91	\$ 230.90	\$ -	\$ 188.83	\$ 4,138.28
2033	\$ 1,019.18	\$ 2,699.50	\$ 226.09	\$ -	\$ 192.60	\$ 4,137.37
2034	\$ 1,080.82	\$ 2,638.66	\$ 220.99	\$ -	\$ 196.45	\$ 4,136.93
2035	\$ 1,146.58	\$ 2,574.13	\$ 215.59	\$ -	\$ 200.38	\$ 4,136.68
2036	\$ 1,216.44	\$ 2,505.68	\$ 209.86	\$ -	\$ 204.39	\$ 4,136.37
2037	\$ 1,290.41	\$ 2,433.06	\$ 203.77	\$ -	\$ 208.48	\$ 4,135.72
2038	\$ 1,372.60	\$ 2,356.02	\$ 197.32	\$ -	\$ 212.65	\$ 4,138.60
2039	\$ 1,454.79	\$ 2,274.08	\$ 190.46	\$ -	\$ 216.90	\$ 4,136.23
2040	\$ 1,545.21	\$ 2,187.23	\$ 183.18	\$ -	\$ 221.24	\$ 4,136.86
2041	\$ 1,643.84	\$ 2,094.98	\$ 175.46	\$ -	\$ 225.66	\$ 4,139.94
2042	\$ 1,742.47	\$ 1,996.84	\$ 167.24	\$ -	\$ 230.18	\$ 4,136.72
2043	\$ 1,853.42	\$ 1,892.82	\$ 158.53	\$ -	\$ 234.78	\$ 4,139.55
2044	\$ 1,968.49	\$ 1,782.17	\$ 149.26	\$ -	\$ 239.48	\$ 4,139.40
2045	\$ 2,087.67	\$ 1,664.65	\$ 139.42	\$ -	\$ 244.27	\$ 4,136.00
2046	\$ 2,219.18	\$ 1,540.01	\$ 128.98	\$ -	\$ 249.15	\$ 4,137.32
2047	\$ 2,358.90	\$ 1,407.53	\$ 117.88	\$ -	\$ 254.13	\$ 4,138.45
2048	\$ 2,506.85	\$ 1,266.70	\$ 106.09	\$ -	\$ 259.22	\$ 4,138.86
2049	\$ 2,663.01	\$ 1,117.04	\$ 93.55	\$ -	\$ 264.40	\$ 4,138.01
2050	\$ 2,831.51	\$ 958.06	\$ 80.24	\$ -	\$ 269.69	\$ 4,139.50
2051	\$ 3,008.22	\$ 789.02	\$ 66.08	\$ -	\$ 275.08	\$ 4,138.41
2052	\$ 3,197.26	\$ 609.43	\$ 51.04	\$ -	\$ 280.58	\$ 4,138.32
2053	\$ 3,398.63	\$ 418.55	\$ 35.05	\$ -	\$ 286.20	\$ 4,138.43
2054	\$ 3,612.33	\$ 215.66	\$ 18.06	\$ -	\$ 291.92	\$ 4,137.97
<b>Total</b>	<b>\$ 50,905.48</b>	<b>\$ 61,174.52</b>	<b>\$ 5,091.68</b>	<b>\$ (3,418.94)</b>	<b>\$ 6,668.73</b>	<b>\$ 116,593.48</b>

### Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 5.97% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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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 ANNA, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

**IN THE AGGREGATE PRINCIPAL AMOUNT OF \$\_\_\_\_\_**

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**AS BOND COUNSEL** for the City of Anna, 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 Regions Bank, dated as of July 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, is 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 ANNA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF ISSUER**

This Continuing Disclosure Agreement of Issuer, dated as of July 1, 2024 (this “Disclosure Agreement”), is executed and delivered by and among the City of Anna, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and Regions Bank, acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 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 July 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collections 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 Improvement Area #1 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 subsection 4(a) of this Disclosure Agreement.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.



“Annual Service Plan Update” 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 Improvement Area #1 Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean Bloomfield Homes, L.P., a Texas limited partnership, and its designated successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of July 1, 2024, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director or City Manager 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 Regions Bank, 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 Meadow Vista Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Final Improvement Area #1 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 twelve-month period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessments” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in subsection 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” shall have the meaning assigned to such term in the Indenture.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Prepayment” shall have the meaning assigned to such term in the Indenture.

“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.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

### SECTION 3. Provision of Annual Issuer Reports.

(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, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the Audited Financial Statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer’s obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the

next Annual Issuer Report Filing Date. 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 Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5<sup>th</sup>) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer 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 Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer 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 Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer 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 the last Business Day prior to the Annual Issuer Report Filing Date.

- (b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:
  - (i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and
  - (ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

- (a) Annual Financial Information. 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(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the 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; and

(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) Audited Financial Statements. 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 and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. 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 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 Issuer Reports under this Section 4.

#### 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 Issuer Report, if such Annual Collections Report is available

when the Annual Issuer Report 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 (5<sup>th</sup>) 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 (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 hereto; 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 the last Business Day prior to the 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 Improvement Area #1 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 (1<sup>st</sup>) 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.

Any sale by the Developer of real property within Improvement Area #1 in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or

governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 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 to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

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 Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party 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 the 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 Dissemination Agent and the Administrator 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 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

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 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 Issuer Report, 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 Issuer Report, 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 Issuer Report, 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 Dissemination Agent (at the written request of 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) 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 #1, 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 termination of this Disclosure Agreement, 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 Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an 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 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 its 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 #1, 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 its 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 Improvement Area #1 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #1 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 Improvement Area #1 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, 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 Improvement Area #1 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 Improvement Area #1 Annual Installments collected from the property owners in Improvement Area #1, 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 individually, make the following representation and verifications to enable the Issuer to comply with 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, as the case may be, 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 prior to the expiration or earlier termination 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 individually, 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 Dissemination Agent and the Administrator 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.

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each individually, 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 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 individually, 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 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 individually, 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 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 ANNA, TEXAS

By: \_\_\_\_\_  
City Manager

Regions Bank  
(as Dissemination Agent)

By: \_\_\_\_\_  
Authorized Officer

P3Works, LLC  
(as Administrator)

By: \_\_\_\_\_  
Authorized Officer



**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE  
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]  
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Anna, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024  
(Meadow Vista Public Improvement District Improvement Area #1  
Project) (the “Bonds”)  
CUSIP Nos. [insert CUSIP Nos.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that the City of Anna, Texas (the “Issuer”), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of July 1, 2024, by and among the Issuer, P3Works, LLC., as “Administrator,” and Regions Bank, as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

Regions Bank, on behalf of the City of Anna,  
Texas  
(as Dissemination Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: City of Anna, Texas

**EXHIBIT B**

**CITY OF ANNA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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**ANNUAL FINANCIAL INFORMATION\***

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Nos: [insert CUSIP Nos.]

**DISSEMINATION AGENT**

Name: Regions Bank  
Address: [\_\_\_\_\_]   
City: [ ]   
Telephone: ( ) \_\_\_\_ - \_\_\_\_   
Contact Person: Attn: \_\_\_\_\_

**Section 4(a)(i)(A)**

**BONDS OUTSTANDING**

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
<b>Total</b>				

**Section 4(a)(i)(B)**

**INVESTMENTS**

Fund/ Account Name	Investment Description	Par Value <sup>(1)</sup>	Book Value <sup>(1)</sup>	Market Value <sup>(1)</sup>

<sup>(1)</sup> According to account balance statement dated as of [insert date] as provided by the Trustee.

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\*Excluding audited financial statements of the Issuer

**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 Improvement Area #1 Assessment Amount to be collected		C
<b>Net Position of Trust Estate and Outstanding Bonds and Improvement Area #1 Assessments</b>		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] Improvement Area #1 Assessment Payers <sup>(1)</sup>**

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement Area</u> <u>#1 Assessments</u>	<u>Percentage of Total</u> <u>Improvement Area</u> <u>#1 Assessments</u>
-----------------------	----------------------------	---	--	--

<sup>(1)</sup> Does not include those owing less than one percent (1%) of total Improvement Area #1 Assessments; may be fewer than five.

**Assessed Value of Improvement Area #1 of the District**

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Collin County Appraisal District.

**Foreclosure History Related to the Improvement Area #1 Assessments for the Past Five Fiscal Years**

Fiscal Year Ended (9/30)	Delinquent Improvement Area #1 Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Improvement Area #1 Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

**Collection and Delinquency History of Improvement Area #1 Annual Installments for the Past Five Fiscal Years**

Fiscal Year Ended (9/30)	Total Improvement Area #1 Annual Installment Billed	Parcels Levied <sup>(1)</sup>	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Improvement Area #1 Assessments Collected <sup>(2)</sup>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

<sup>(1)</sup> 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.

<sup>(2)</sup> [Does/does not] include interest and penalties.

**Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Improvement Area #1 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 Improvement Area #1 Annual Installments due, a list of parcel numbers for which the Improvement Area #1 Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
20__	%	
20__		
20__		
20__		
20__		

**History of Prepayment of Improvement Area #1 Assessments for the Past Five Fiscal Years**

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
20__		\$		\$
20__				
20__				
20__				

[insert any necessary footnotes]

**ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)**  
[Insert a line item for each applicable listing]

**EXHIBIT C**

**CITY OF ANNA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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**ANNUAL COLLECTIONS REPORT**

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Nos: [insert CUSIP Nos.]

**DISSEMINATION AGENT**

Name: Regions Bank  
Address: [\_\_\_\_\_]   
City: [\_\_\_\_\_, Texas \_\_\_\_\_]   
Telephone: (\_\_\_\_) \_\_\_\_ - \_\_\_\_   
Contact Person: Attn: \_\_\_\_\_

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**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO  
THE COLLECTION OF 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 SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE  
AGREEMENT**

**Foreclosure History Related to the Improvement Area #1 Annual Installments<sup>(1)</sup>**

	Delinquent Improvement Area #1 Annual Installment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Improvement Area #1 Annual Installment Amount in Foreclosure <u>Proceedings</u>	Foreclosure <u>Sales</u>	Foreclosure Proceeds <u>Received</u>
Succeeding Fiscal Year 20__	\$ _____		\$ _____		\$ _____

(i) Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

**Collection and Delinquency of Improvement Area #1 Annual Installments** <sup>(1)</sup>

Succeeding Fiscal Year 20__	Total Improvement Area #1 Annual Installments <u>Levied</u> \$	Parcels <u>Levied</u> <sup>(2)</sup>	Delinquent Amount as of 3/1 \$	Delinquent % as of 3/1 %	Total Improvement Area #1 Annual Installments <u>Collected</u> <sup>(3)</sup> \$
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<sup>(1)</sup> Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

<sup>(2)</sup> 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.

<sup>(3)</sup> [Does/does not] include interest and penalties.

**Prepayment of Improvement Area #1 Assessments** <sup>(1)</sup>

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments \$	Bond Call Date	Amount of Bonds Redeemed \$
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<sup>(1)</sup> Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

## EXHIBIT D

### BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #1 Assessments are due.
February 1	1	Improvement Area #1 Assessments delinquent if not received.
	15	Upon receipt, but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies.
		Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year.
		Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Improvement Area #1 Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Improvement Area #1 Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency.
		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.

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<sup>1</sup> Illustrates anticipated dates and procedures for pursuing the collection of delinquent Improvement Area #1 Annual Installments of Improvement Area #1 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 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, an amendment to the Code, or otherwise, such modifications shall control.



July 1

152/153

**If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.**

**Preliminary foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.**

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. 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 as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.**

**Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.**

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Improvement Area #1 Annual Installments of Improvement Area #1 Assessments.

**APPENDIX E-2**

**FORM OF DISCLOSURE AGREEMENT OF DEVELOPER**

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**CITY OF ANNA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER**

This Continuing Disclosure Agreement of Developer dated as of July 1, 2024 (this “Disclosure Agreement”), is executed and delivered by and among Bloomfield Homes, L.P., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and Regions Bank, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the captioned bonds (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 July 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that owns property within Improvement Area #1 of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

“Amenities” shall mean the amenity center, open spaces, and hike and bike trails that the Developer intends to construct in the District in accordance with the Development Agreement.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean Bloomfield Homes, L.P., a Texas limited partnership, its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Development Agreement” shall mean the Meadow Vista Development Agreement by and between the City and the Developer, effective as of June 27, 2023.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

“Dissemination Agent” shall mean Regions Bank, 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 the Meadow Vista Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Projects” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Anna, Texas.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“Lot Purchase Agreement” shall mean, with respect to lots or land within Improvement Area #1 of the District, any agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“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.

Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning December 31, 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 February 15, May 15, August 15, November 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“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 that then owns 11 or more of the single family residential lots within Improvement Area #1.

“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.

(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. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report 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 #1 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Projects, and 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 #1 undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #1 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 development of Improvement Area #1, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any 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 hereof.

(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 #1 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 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 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 Lot 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 #1 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 acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Project, 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 acknowledgement of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations

assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such 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 #1 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 acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit E (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) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’s delivery of written acknowledgement 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.

#### 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 11 or more single family residential lots within Improvement Area #1, 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 11 or more single family residential lots within Improvement Area #1, 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 Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first 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 of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Regions Bank.

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 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 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with 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 the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of the Developer, any Significant Homebuilder, or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the 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, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the Developer, Significant Homebuilder, and/or the 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, Significant Homebuilder, or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer or any Significant Homebuilder, as applicable, shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer, any Significant Homebuilder, or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to 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 termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be

construed to mean or to imply that the Administrator is an “obligated person” under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, 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 OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Developer, any Significant Homebuilder, 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. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 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 updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 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 updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. 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 Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

*Signature pages follow.*



Regions Bank,  
Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

DEVELOPER:

Bloomfield Homes, L.P., a Texas limited partnership

By: Bloomfield Properties, Inc., a Texas corporation, its General Partner

By: \_\_\_\_\_  
Donald J. Dykstra, its President

P3Works, LLC,  
Administrator

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT A**

**CITY OF ANNA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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**DEVELOPER QUARTERLY REPORT  
[INSERT QUARTERLY ENDING DATE]**

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Numbers: [Insert CUSIP Numbers]

**DISSEMINATION AGENT**

Name: Regions Bank

Address:

City:

Telephone:

Contact Person: Attn:

**I. Expenditures Paid from Accounts under Indenture**

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 PROJECTS: \$ \_\_\_\_\_

Of the budgeted costs for Improvement Area #1 Projects shown in the Service and Assessment Plan:

1. Actual costs drawn from the Improvement Area #1 Projects Account:  
\$ \_\_\_\_\_

**II. Status of Improvement Area #1 Projects**

Projected/actual completion date of the Improvement Area #1 Projects

1. [Actual/Expected] date of completion of the Improvement Area #1 Projects:  
[\_\_\_\_\_]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [\_\_\_\_\_]

**III. Unit Mix in Improvement Area #1**

<b>Product Type</b>	<b>Number of Units</b>
Single Family 50'	
Single Family 60'	

#### **IV. Lot Status in Improvement Area #1**

Of the 218 lots in Improvement Area #1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 218
2. Planned lots as of the date of this Quarterly Report: \_\_\_\_\_
3. Lots developed: \_\_\_\_\_
4. Lots platted: \_\_\_\_\_
5. Expected completion date of all lots in Improvement Area #1 (if incomplete):  
\_\_\_\_\_

#### **V. Ownership of Lots/Units in Improvement Area #1**

PLANNED LOTS IN IMPROVEMENT AREA #1: 218

Of the 218 lots in Improvement Area #1:

1. Number of lots owned by the Developer: \_\_\_\_\_
2. Number of lots under contract but not closed to Homebuilder(s): \_\_\_\_\_
3. Number of lots owned by all Homebuilder(s): \_\_\_\_\_<sup>1</sup>
  - a. Number of lots owned by [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
  - b. Number of lots owned by [*insert name of Homebuilder*]: \_\_\_\_\_
4. Number of units owned by homeowners: \_\_\_\_\_

#### **VI. Home Sales Information in Improvement Area #1**

PLANNED HOMES IN IMPROVEMENT AREA #1: 218

Of the 218 homes planned for Improvement Area #1:

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*]: \_\_\_\_\_<sup>2</sup>
  - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
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*]: \_\_\_\_\_<sup>2</sup>
  - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>
3. How many total homes have closed with homebuyers **cumulatively?** \_\_\_\_\_
  - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>

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<sup>1</sup> 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.

<sup>2</sup> Include a line item for each individual Homebuilder.

<sup>3</sup> Include a line item for each individual Homebuilder.

- b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>

## **VII. Amenities**

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: \$[\_\_\_\_\_]

Of the \$[\_\_\_\_\_] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: \$[\_\_\_\_\_]
2. [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 Lot 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 Acknowledgement pursuant to the Disclosure Agreement?
5. **Reserved.**
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 Anna, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Meadow Vista  
Public Improvement District Improvement Area #1 Project) (the  
“Bonds”)  
CUSIP Numbers: [insert CUSIP Numbers]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Developer<sup>4</sup>”] [“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  
related to such Bonds, by and among Bloomfield Homes, L.P., a Texas limited partnership (the  
“Developer”), P3Works, LLC, as Administrator, and Regions Bank, as Dissemination Agent. The  
[Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be  
[provided][filed] by \_\_\_\_\_.

Dated: \_\_\_\_\_

Regions Bank,  
on behalf of the Developer,  
as Dissemination Agent

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: City of Anna, Texas

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<sup>4</sup> If applicable, replace with applicable successor(s)/assign(s).



**EXHIBIT C**  
**TERMINATION NOTICE**

[DATE]

Name of Issuer: City of Anna, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 Project) (the “Bonds”)  
CUSIP Numbers. [insert CUSIP Numbers]  
Date of Delivery: \_\_\_\_\_, 20\_\_

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

Regions Bank  
\_\_\_\_\_  
\_\_\_\_\_

City of Anna, Texas  
120 W. 7th Street  
Anna, Texas 75409

Bloomfield Homes, L.P.  
1050 E. State Highway 114, Suite 210  
Southlake, Texas 76092

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that 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 related to such Bonds, by and among Bloomfield Homes, L.P., a Texas limited partnership (the “Developer”), P3Works, LLC, as Administrator, and Regions Bank, as Dissemination Agent.

Dated: \_\_\_\_\_

P3Works, LLC  
on behalf of the [Developer] [Significant  
Homebuilder],  
as Administrator)

By: \_\_\_\_\_

Title: \_\_\_\_\_

---

<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT D**

**CERTIFICATION LETTER**

[DATE]

Name of Issuer: City of Anna, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Meadow Vista  
Public Improvement District Improvement Area #1 Project)  
CUSIP Numbers: [insert CUSIP Numbers]  
Quarterly Ending Date: \_\_\_\_\_, 20\_\_

Re: Quarterly Report for Meadow Vista Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Bloomfield Homes, L.P., a Texas limited partnership<sup>1</sup> (the “Developer”), P3Works, LLC, as Administrator, and Regions Bank, as 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 the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

Bloomfield Homes, L.P., a Texas limited  
partnership

By: Bloomfield Properties, Inc., a Texas  
corporation, its General Partner

By: \_\_\_\_\_  
Donald J. Dykstra, its President

[OR

SIGNIFICANT HOMEBUILDER  
(as Significant Homebuilder)

By: \_\_\_\_\_  
Title: \_\_\_\_\_]

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<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT E**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

**Re: Meadow Vista Public Improvement District – Improvement Area #1 – 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 #1 Projects or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Improvement Area #1 of the Meadow Vista Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among Bloomfield Homes, L.P., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and Regions Bank (the “Dissemination Agent”), with respect to the “City of Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 Project),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 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.

Sincerely,

Bloomfield Homes, L.P., a Texas limited  
partnership

By: Bloomfield Properties, Inc., a Texas  
corporation, its General Partner

By: \_\_\_\_\_  
Donald J. Dykstra, its President

Acknowledged by:

**[INSERT ASSIGNEE NAME]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT F**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

**Re: Meadow Vista Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

As of \_\_\_\_\_, 20\_\_\_\_, you own \_\_\_\_\_ lots within Improvement Area #1 of Meadow Vista Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the “Disclosure Agreement of Developer”) by and among Bloomfield Homes, L.P., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and Regions Bank (the “Dissemination Agent”), with respect to the “City of Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 Project),” any entity that owns 11 or more of the single family residential lots within Improvement Area #1 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Bloomfield Homes, L.P., a Texas limited  
partnership

By: Bloomfield Properties, Inc., a Texas  
corporation, its General Partner

By: \_\_\_\_\_  
Donald J. Dykstra, its President

Acknowledged by:

**[INSERT ASSIGNEE NAME]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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**APPENDIX F**  
**DEVELOPMENT AGREEMENT**

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## MEADOW VISTA DEVELOPMENT AGREEMENT

This Meadow Vista Development Agreement (this “Agreement”) is entered into by and between the CITY OF ANNA, TEXAS, a Texas home-rule municipality (the “City”) and BLOOMFIELD HOMES, L.P., a Texas limited partnership (“Developer”) (each individually, a “Party,” and collectively, the “Parties”), to be effective on the Effective Date.

### **SECTION 1** **RECITALS**

**WHEREAS**, certain capitalized terms used in these recitals are defined in Section 2; and

**WHEREAS**, the City is a home-rule municipality of the State of Texas; and

**WHEREAS**, Developer owns approximately 223.154 acres of real property, described by metes and bounds in Exhibit A and depicted in Exhibit B (the “Property”); and

**WHEREAS**, the Property is located within the corporate limits of the City; and

**WHEREAS**, it is intended that the Property be developed as generally depicted on the Concept Plan, and contain single-family homes of various sizes over multiple phases and is to be known and referred as Meadow Vista (the “Project”); and

**WHEREAS**, it is the intent of the Parties that the Property will be developed substantially in compliance with an agreed upon Concept Plan (as defined herein), which is attached hereto as Exhibit C, and which may be revised as set forth in this Agreement and in accordance with applicable City Regulations and the planned development zoning approved by the City Council on December 10, 2019 pursuant to Ordinance No. 839-2019, as may be amended (the “PD”), which PD is attached hereto as Exhibit D; and

**WHEREAS**, the Property is subject to that certain Development Agreement (the “Original Agreement”), attached hereto as Exhibit E, effective as of December 10, 2019, between the City and QJR Partnership LTD., predecessor-in-interest to Developer, which Original Agreement is fully incorporated herein, and the Parties intend for this Agreement to supplement the Original Agreement; and

**WHEREAS**, the Concept Plan is intended to comply with the vision of the 2050 Comprehensive Plan; and

**WHEREAS**, the Parties intend for the City to provide water and sewer service to the Property; and

**WHEREAS**, Developer desires and intends to construct and/or make financial contributions to certain on-site and/or off-site public improvements to serve the development of the Property (“Authorized Improvements”), which Authorized Improvements are generally identified in Exhibit F and that Developer’s costs incurred therewith will be financed or reimbursed through PID Bond Proceeds; and



**WHEREAS**, in consideration of Developer's agreements contained herein, the City shall use reasonable efforts to exercise its powers under the PID Act to provide financing arrangements that will enable Developer to do the following in accordance with the procedures and requirements of the PID Act and this Agreement: (a) fund or be reimbursed for a specified portion of the costs of the Authorized Improvements using the proceeds of PID Bonds; or (b) obtain reimbursement for the specified portion of the costs of the Authorized Improvements, the source of which reimbursement will be installment payments from Assessments within the Property, provided that such reimbursements shall be subordinate to the payment of PID Bonds and Administrative Expenses; and

**WHEREAS**, the Parties desire and intend for the design, construction, and installation of the Authorized Improvements to occur in a phased manner over the Term of this Agreement and that Developer will dedicate to and the City will accept the Authorized Improvements for public use and maintenance, subject to the City's approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and the City Regulations; and

**WHEREAS**, the City, subject to the consent and approval of the City Council, and in accordance with the terms of this Agreement and all legal requirements, including but not limited to any Indenture, intends to: (i) adopt a Service and Assessment Plan; (ii) adopt an Assessment Ordinance (to pay for a specified portion of the Budgeted Cost(s) shown on Exhibit F and approved by the City's Director of Public Works or his designee and the costs associated with the administration of the PID and the issuance of PID Bonds); and (iii) issue, in multiple series, PID Bonds for the purpose of financing a specified portion of the costs of the Authorized Improvements and paying associated costs as described herein; and

**WHEREAS**, the City shall use reasonable efforts to issue PID Bonds to finance the Authorized Improvements in accordance with the Service and Assessment Plan; and

**WHEREAS**, prior to or concurrent with the sale of any PID Bond issue: (a) the City Council shall have approved and adopted the PID Resolution, a Service and Assessment Plan and an Assessment Ordinance (collectively, the "PID Documents") and (b) the City shall have reviewed and approved the Home Buyer Disclosure Program and a Landowner Agreement(s) to be executed by owners of the Property constituting all of the acreage in the applicable phase of the PID for which PID Bonds are being issued; and

**WHEREAS**, to the extent funds must be advanced to pay for any costs associated with the creation of the PID, the issuance of PID Bonds, or the preparation of documentation related thereto, including any costs incurred by the City and its consultants and advisors (excluding the fees associated with closing the PID Bonds), Developer shall be responsible for advancing such funds, shall have a right to reimbursement for certain funds advanced from a combination of PID Bond Proceeds and/or Assessments, and the City will not be responsible for such reimbursement or the payment of such costs from any other sources of funds; and

**WHEREAS**, unless expressly set forth to the contrary in this Agreement, it is the Parties' mutual intent that this Agreement shall supersede City Regulations only to the extent that City Regulations directly conflict with the terms of this Agreement; and

**WHEREAS**, Developer understands and acknowledges that the obligations undertaken under this Agreement are primarily for the benefit of the Property; and

**WHEREAS**, Developer understands and acknowledges that acceptance of this Agreement is not an exaction or a concession demanded by the City but rather is an undertaking of Developer's voluntary design to ensure consistency, quality, and adequate infrastructure that will benefit Developer's development of the Property; and

**WHEREAS**, the Parties acknowledge that the Property may be developed and used in accordance with this Agreement; and

**WHEREAS**, this Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code;

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

## **SECTION 2** **DEFINITIONS**

Certain terms used in this Agreement are defined in this Section 2. Other terms used in this Agreement are defined in the recitals or in other sections of this Agreement. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

2050 Comprehensive Plan means the Anna 2050 Comprehensive Plan and application provisions of the Anna 2050 Parks Open Space Trails Master Plan adopted by the City Council on April 27, 2021.

Administrative Expenses means reasonable expenses incurred by the City and Developer in the establishment, administration, and operation of the PID.

Administrator means an employee, consultant, or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

Assessment(s) means the special assessments levied on the Property pursuant to the PID Act, under one or more Assessment Ordinances adopted on a phase-by-phase basis to reimburse Developer for a portion of the Authorized Improvements benefitting the applicable phase(s) as set forth in the Service and Assessment Plan, as well as payment of Administrative Expenses and repayment of any PID Bonds and the costs associated with the issuance of the PID Bonds in relation to such phase or phases.

Assessment Ordinance means an ordinance approved by the City Council under the PID Act establishing one or more Assessment(s).

Authorized Improvements means all on- and off-site public water, sewer, drainage, and roadway facilities, rights-of-way, along with other public improvements, such as landscaping and

screening, that benefit the Property, are to be constructed by Developer, are identified on **Exhibit E**, and for which the Parties intend Developer will be fully or partially reimbursed pursuant to the terms of this Agreement.

**Authorized Improvements Cost** means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements and all actual costs related in any manner to the Authorized Improvements.

**Bond Ordinance** means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of one or more series of PID Bonds.

**Budgeted Cost** means, with respect to any given Authorized Improvement, the estimated cost of the improvement as set forth by phase in **Exhibit F**.

**Capital Improvement(s)** shall mean the “capital improvements” described in **Section 5.11(a)** hereof.

**Capital Improvement Costs** means any construction, contributions, or dedications of Capital Improvements, including actual costs of design, engineering, construction, acquisition, and inspection, and all costs related in any manner to the Capital Improvement.

**Capital Improvements Plan (“CIP”)** means all capital improvements plan(s) duly adopted by the City under Chapter 395, Texas Local Government Code, as may be updated or amended from time to time.

**Chapter 245** means Chapter 245, Texas Local Government Code, as amended.

**Chapter 395** means Chapter 395, Texas Local Government Code, as amended.

**City** means the City of Anna, a home rule municipality located in Collin County, Texas.

**City Code** means the Anna City Code of Ordinances and all of its provisions and regulations or standards adopted by reference in said Code in effect on the Effective Date; provided, however, that as it relates to Public Infrastructure for any given phase, the applicable construction standards (including, without limitation, uniform building codes) shall be those that the City has duly adopted at the time of the filing of an application for a preliminary plat for that phase unless construction has not commenced within two years of approval of such preliminary plat in which case the construction standards shall be those that the City has duly adopted at the time that construction commences, except that to the extent there is a conflict between the City Code and the PD, the PD shall control.

**City Council** means the City Council of the City.

**City Manager** means the current or acting City Manager of the City of Anna or a person designated to act on behalf of the City Manager if the designation is in writing and signed by the current or acting City Manager.

City PID Fee means the fee required to be paid by Developer to the City in accordance with the City's established PID Policy based on the number of residential lots in each phase of development and which shall be calculated based on the number of residential lots in such phase of development in accordance with Section 3.3; provided that such City PID Fee shall be reduced in accordance with Section 5.4 hereof and such reduced City PID Fee shall constitute the City PID Fee for the purpose hereof.

City Regulations mean City Code provisions, ordinances, design standards (including but not limited to the City's Neighborhood Design Standards and the PD), uniform codes, policies, requirements, limitations, restrictions, and other regulations (including but not limited to all fees and land dedications applicable to the Project) duly adopted by the City and in effect on the Effective Date; provided, however, that as it relates to Public Infrastructure for any given phase, the applicable construction standards (including, without limitation, uniform building codes) shall be those that the City has duly adopted at the time of the filing of an application for a preliminary plat for that phase unless construction has not commenced within two years of approval of such preliminary plat in which case the construction standards shall be those that the City has duly adopted at the time that construction commences, except that to the extent there is a conflict between the City Regulations and the PD, the PD shall control. The term does not include Park Fees, which shall be assessed on the Property in accordance with this Agreement.

Concept Plan means the conceptual plan for the Project attached hereto as Exhibit C, as may be amended.

Developer Cash Contribution means any amount required to pay Authorized Improvements Cost that for a phase of development that is not funded or reimbursed with PID Bond Proceeds from the PID Bonds issued for such phase.

Developer Continuing Disclosure Agreement means any continuing disclosure agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

Developer Improvement Account means an account into which Developer shall deposit the Developer Cash Contribution to provide security and to fund any amount of Authorized Improvements Cost not funded or reimbursed with PID Bond Proceeds.

Effective Date means the effective date of this Agreement, which shall be the date upon which all Parties have fully executed and delivered this Agreement and the City's legal counsel has signed this Agreement, approving same as to form.

End User means any tenant, user, or owner of a Fully Developed and Improved Lot, but excluding the HOA.

Fully Developed and Improved Lot means any privately-owned lot in the Project, regardless of proposed use, intended to be served by the Authorized Improvements and for which a final plat has been approved by the City and recorded in the Real Property Records of Collin County.

Governing Regulations mean the regulations identified in Section 5.13(d).

HOA means the homeowners association formed with respect to the Project, which shall privately function as a homeowners association for the Project to be named the Meadow Vista Homeowners Association or such similar name as may be available with Texas Secretary of State or its successors.

Home Buyer Disclosure Program means the disclosure provisions relating to property located in public improvement districts set forth in Chapter 5 of the Texas Property Code, which establish a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the PID.

Impact Fees means those fees assessed and charged against the Project in accordance with Chapter 395 and as defined therein.

Impact Fee Accounts means the interest-bearing deposit accounts maintained by the City pursuant to Section 395.024, Texas Local Government Code, as amended.

Impact Fee Credits means reimbursements of Impact Fees and/or credits against Impact Fees otherwise due from the Project.

Improvement Account of the Project Fund means the construction fund account created under a particular Indenture, funded by the PID Bond Proceeds, and used to pay or reimburse for certain portions of the construction or acquisition of the Authorized Improvements.

Indenture means a trust indenture by and between the City and a trustee bank under which PID Bonds are issued and funds are held and disbursed.

Independent Appraisal means, in establishing the appraised value, (i) the appraised value of a specific assessed parcel or assessed parcels, as applicable, in a specific phase for which Assessments have been levied as established by publicly available data from the Collin Central Appraisal District, (ii) the Collin Central Appraisal District Chief Appraiser's estimated assessed valuation for completed homes (home and lot assessed valuation) and estimated lot valuation for lots on which homes are under construction, (iii) an "as-complete" appraisal delivered by an independent appraiser licensed in the State of Texas, which appraisal shall assume completion of the particular phase for which said Assessments have been or will be levied, as applicable (iv) a certificate delivered to the City by a qualified independent third party (which party may be the PID Administrator or a licensed appraiser) certifying on an individual lot type basis, the value of each lot in the particular phase, as applicable, for which such Assessments have been levied based on either (x) the average gross sales price (which is the gross amount including escalations and reimbursements due to the seller of the lots) for each lot type based on closings of lots in such phase for which the Assessments have been levied or (y) the sales price in the actual lot purchase contracts in the particular phase for which such Assessments have been or will be levied, as applicable.

Non-Benefited Property means parcels or lots that accrue no special benefit from the Authorized Improvements, including but not limited to property encumbered with a public utility easement that restricts the use of such property to such easement.

Landowner Agreement means an agreement, which may or may not be part of a PID reimbursement agreement, by and between the City and the owner(s) of the Property consenting to the creation of the PID, the levy of the Assessments, and undertaking certain other obligations relating to providing notice to subsequent owners of all or a portion of the Property, including a Declaration of Covenants, Conditions, and Restrictions and the Home Buyer Disclosure Program.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

Park Fees means those fees assessed and charged against the Project in accordance with Sections 9.02.135 and A3.006 of the City Code.

PD means the planned development zoning for the Property approved by the City Council on December 10, 2019 pursuant to Ordinance No. 839-2019 attached as Exhibit D, as the same may be amended.

PID means the “Meadow Vista Public Improvement District” for which the City agrees to exert reasonable efforts to create for the benefit certain portions of the Project pursuant to the PID Act and this Agreement.

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

PID Bond(s) means assessment revenue bonds, but not Refunding Bonds, issued by the City pursuant to the PID Act to finance the Authorized Improvements.

PID Bond Proceeds means the funds generated from the sale of the PID Bonds.

PID Documents means, collectively, the PID Resolution, the SAP, and the Assessment Ordinance(s).

PID Financial Summary means the document attached to this Agreement as Exhibit M, which summarizes financial data related to the PID.

PID Policy means the City of Anna Public Improvement District Policy adopted by the City Council on June 23, 2020 via Resolution No. 2020-06-747.

PID Resolution means the resolution adopted by the Council creating the PID.

Public Infrastructure means all water, wastewater/sewer, detention and drainage, roadway, park and trail, and other infrastructure necessary to serve the full development of the Project and/or to be constructed by Developer and dedicated to the City under this Agreement. The term includes the Authorized Improvements that will be owned and maintained by the City. The term does not include any retention and detention ponds, open spaces, trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and any other common improvements or appurtenances developed in the Project and owned by the HOA.

Real Property Records means the official land recordings of the Collin County Clerk’s Office.

Refunding Bonds means bonds issued pursuant to Section 372.027 of the PID Act.

Service and Assessment Plan ("SAP") means the service and assessment plan for the PID, to be adopted and amended annually by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against portions of the Project located within the boundaries of the PID having terms, provisions, and findings approved by the City, as required by this Agreement.

### **SECTION 3** **PUBLIC IMPROVEMENT DISTRICTS**

3.1 Creation of the PID; Levy of Assessments. The City shall use reasonable efforts to initiate and approve all necessary documents and ordinances, including without limitation the PID Documents, required to effectuate this Agreement, to create the PID, and to levy the Assessments. The City will prepare and approve a Preliminary Service and Assessment Plan providing for the levy of the Assessments on the Property. Promptly following preparation and approval of a preliminary SAP acceptable to the Parties and subject to the City Council making findings that the Authorized Improvements confer a special benefit on the Property, the City Council shall consider an Assessment Ordinance. Developer shall develop the Property consistent with the terms of this Agreement. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council's legislative discretion or functions.

3.2 Acceptance of Assessments and Recordation of Covenants Running with the Land. Following the levy of the Assessment applicable to a particular phase of the Project, Developer shall: (a) approve and accept in writing the levy of the Assessment(s) on all land owned by Developer; (b) approve and accept in writing the Home Buyer Disclosure Program related to such phase; and (c) cause covenants running with the land to be recorded against the portion of the Property within the applicable phase that will bind any and all current and successor developers and owners of all or any part of such phase of the Project to: (i) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and that the purchasers of such land take their title subject to and expressly assume the terms and provisions of such assessments and the liens created thereby; and (ii) comply with the Home Buyer Disclosure Program. The covenants required to be recorded under this paragraph shall be recorded substantially contemporaneously with the recordation of the plat of the applicable phase, except for the Final SAP which will be recorded by the City upon its approval in accordance with the PID Act.

3.3 City PID Fee. Developer shall pay to the City, by no later than the closing of the applicable series of PID Bonds issued under this Agreement, the amount of the City PID Fee based upon the number of residential lots in the applicable phase of development for which the PID Bonds are being issued. The City PID Fee shall be \$3,400 per lot, and the aggregate amount of the City PID Fee shall not exceed \$2,594,200 (763 single-family residential lots multiplied by \$3,400) and shall not be refundable for any reason. Notwithstanding the foregoing, the aggregate City PID Fee shall be reduced, on a per lot basis, in accordance with Section 5.4(d) hereof for costs related to the Off-Site Hackberry Drive Improvements (as defined herein). The City PID Fee, if any, shall be calculated and be payable after the completion of the Off-Site Hackberry Drive Improvements and calculation of the per lot credit described in Section 5.4(d) hereof. The City

PID Fee constitutes consideration paid to the City for the creation of the PID and the levy of the respective Assessments and shall not be reimbursable from Assessments or PID Bond Proceeds. The City PID Fee shall not be increased, for any reason, including without limitation a change in the number of lots ultimately developed within the Project.

#### **SECTION 4** **AUTHORIZED IMPROVEMENTS**

4.1 Authorized Improvements. Prior to the issuance of PID Bonds, the Budgeted Costs, Authorized Improvements, and Authorized Improvements Cost are subject to change as may be agreed upon by Developer and the City and, if changed, shall be updated by Developer and the City consistent with the Service and Assessment Plan and the PID Act. All approved final plats within the Property shall include those Authorized Improvements located therein and the respective Authorized Improvements Costs shall be finalized before the applicable final plat is approved by the City Council. Without limiting the foregoing, and on a phase-by-phase basis, as applicable, Budgeted Costs, Authorized Improvements Costs, the timetable for installation of the Authorized Improvements, and all other pertinent information and data will be reviewed at least annually by the Parties in an annual update of the Service and Assessment Plan adopted and approved by the City consistent with the requirements of Section 372.013(b) of the PID Act.

4.2 Construction, Ownership, and Transfer of Authorized Improvements.

(a) Contract Award. Developer's engineers shall prepare, or cause the preparation of, and provide all contract specifications and necessary related documents. Certain portions of the Budgeted Cost(s) shall be paid from the proceeds of PID Bonds in accordance with the applicable Indenture.

(b) Construction Standards and Inspection. The Authorized Improvements and all other Public Infrastructure required for the development of the Property shall be constructed and inspected—and all fees applicable to the Project shall be paid by Developer—in accordance with applicable state law, City Regulations, the applicable Bond Ordinance and other development requirements, including those imposed by any other governing body or entity with jurisdiction over the Authorized Improvements.

(c) Contract Letting. This Agreement and construction of the Authorized Improvements are anticipated to be exempt from competitive bidding pursuant to Texas Local Government Code Section 252.022(a)(9) based upon current cost estimates. However, in the event that the actual costs for the Authorized Improvements do not meet the parameters for exemption from the competitive bid requirement, then either competitive bid or alternative delivery methods may be utilized by the City as allowed by law. The Parties acknowledge that the construction contracts for the construction of Authorized Improvements have not been awarded as of the Effective Date and contract prices have not yet been determined. Before entering into any construction contract for the construction of all or any part of the Authorized Improvements, the Parties agree as follows:

(1) Developer's engineers shall prepare, or cause the preparation of, and submit to the City all contract specifications and necessary related documents, including but not



limited to the proposed construction contract showing the negotiated total contract price and scope of work.

(2) Developer shall submit all such documents along with a written notice of intention to let a construction contract at least 20 days in advance of the date that Developer intends to execute such contract.

(3) Within 15 days after receipt of the written notice and associated documents, the City Manager may: (i) approve the amount of the contract price and provide written notice to Developer that Developer may execute the construction contract and provide a copy to the PID Administrator, which approval shall not be unreasonably withheld; or (ii) require that the contract be procured through competitive bidding or competitive sealed proposals (“Competitive Procurement”) solely to the extent that the Authorized Improvements for which such construction contract is to be let do not meet the parameters for exemption from the competitive bidding pursuant to Texas Local Government Code Section 252.022. If the City fails to notify Developer within such 15-day period, the City shall be deemed to have approved the contract price and authorized Developer to execute the construction contract; provided, however, no such contract shall be deemed to be approved and Developer shall not be deemed to be authorized to execute such contract unless Developer submits the written notice and associated documents with a written statement prominently displayed on the first page of the notice in bold-face, underline, capitalized text in at least 12-point size font reading as follows: **“WARNING: IF THE CITY FAILS TO RESPOND TO THIS NOTICE WITHIN FIFTEEN (15) DAYS IN ACCORDANCE WITH SECTION 4.2(c)(3) OF THE MEADOW VISTA DEVELOPMENT AGREEMENT, THE SUBMITTED PROPOSED CONTRACT(S) SHALL BE DEEMED TO BE APPROVED BY THE CITY AND DEVELOPER SHALL BE DEEMED TO BE AUTHORIZED TO EXECUTE THE PROPOSED CONTRACT(S).”**

(4) In order to require Competitive Procurement, the City must provide Developer with written notice of said requirement within 15 days of delivery to the City of the written notice required under Section 4.2(c)(2) above.

(5) If the City Manager requires Competitive Procurement, then Developer must: (i) advertise for and award the contract in the same manner set forth for competitive sealed bids or competitive sealed proposals Local Government Code Chapter 252 as if the City were pursuing a public improvement contract subject to said Chapter 252 as approved by the City Manager; and (ii) supply the City with true and complete copies of all notices of bid/proposal requests and all bids/proposals subsequently received.

(d) Ownership. All of the Authorized Improvements shall be owned by the City upon acceptance of them by the City. Developer agrees to take any action reasonably required by the City to transfer or otherwise dedicate or ensure the dedication of easements or property for the Authorized Improvements to the City and the public.

(e) Operation and Maintenance. Upon inspection, approval, and acceptance of the Authorized Improvements, the City shall maintain and operate the accepted Authorized Improvements.

(f) Applicability. Subsections (a)-(c), above, shall not apply to Public Infrastructure that the City is obligated to fund and construct under this Agreement, if any.

## **SECTION 5** **ADDITIONAL OBLIGATIONS**

### **5.1 Wastewater/Sanitary Sewer Facilities.**

(a) Developer's General Obligations. Developer is responsible for the design, installation, and construction of all wastewater/sanitary sewer improvements necessary to serve the Property, as generally depicted in **Exhibit G**. The design of all wastewater/sanitary sewer improvements shall be approved by the City in advance of the construction of same. Subject to the City's obligations under Section 12.10, Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for wastewater/sewer facilities (the size and extent of each such easement or other property interest to be approved by the City) for all development. The locations of said easements or other property interests shall be approved by the City's Director of Public Works or his/her designee as part of the platting process. The reasonable costs of obtaining such easements may be included in the applicable Authorized Improvements Costs to be reimbursed to Developer through the PID.

(b) Timing of Developer's Obligations. Except as otherwise provided herein, Developer shall complete in a good and workmanlike manner all wastewater/sanitary sewer improvements necessary to serve each phase of the Project prior to the recordation of the final plat covering such phase.

(c) Oversizing of Wastewater/Sanitary Sewer Improvements. Wastewater/sanitary sewer improvements shall be an Authorized Improvement to the extent they confer a special benefit on the Property; provided that, to the extent the City requires Developer to oversize the wastewater/sanitary sewer improvements beyond what is necessary to serve the Property, such portion of the wastewater/sanitary sewer improvements shall constitute Oversized Public Infrastructure, and the City shall pay the cost of such oversizing as provided in Section 5.6 hereof.

### **5.2 Water Facilities.**

(a) Developer's General Obligations. Developer is responsible for design, installation, and construction of all water improvements necessary to serve the Property, as generally depicted in **Exhibit H**. The design of water improvements shall be approved by the City in advance of the construction of same. Subject to the City's obligations under Section 12.10, Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for water facilities (the size and extent of each such easement or other property interest to be approved by the City) for all development upon and within the Property. The locations of said easements or other property interests shall be approved by the City's Director of Public Works or his/her designee as part of the platting process. The reasonable costs of obtaining such easements may be included in the applicable Authorized Improvements Costs to be reimbursed to Developer through the PID.

(b) Timing of Developer's Obligations. Except as otherwise provided herein, Developer shall complete in a good and workmanlike manner all water improvements necessary to serve each phase of the Project prior to the recordation of the final plat covering such phase.

(c) Off-Site Water Line. Developer shall construct an off-site water as depicted on **Exhibit J** (the "Off-Site Water Line"), and such Off-Site Water Line shall be an Authorized Improvement to the extent it confers a special benefit on the Property; provided that, to the extent the City requires Developer to oversize the Off-Site Water Line beyond what is necessary to serve the Property, such portion of the Off-Site Water Line shall constitute Oversized Public Infrastructure, and the City shall pay the cost of such oversizing as provided in Section 5.6 hereof. Developer shall, subject to the City's obligations in Section 12.10 hereof, obtain easements necessary for the construction of the Off-Site Sewer Line.

### 5.3 Water and Wastewater Services.

(a) The City represents and confirms that it currently has and reasonably expects to continue to have the capacity to provide to the Property continuous and adequate retail wastewater service at times and in capacities sufficient to meet the service demands of the Project as it is developed. To the extent that the City elects to be the retail water provider to the Project or any portion thereof, it shall take all actions necessary to have the capacity to provide continuous and adequate retail water service at times and in capacities sufficient to meet the service demands of the Project as it is developed.

(b) Upon acceptance by the City of the water and wastewater facilities described herein, the City shall operate or cause to be operated said water and wastewater facilities serving the Project and use them to provide service to all customers within the Project at the same rates as similar projects located within the City. Upon acceptance by the City, the City shall at all times maintain said water and wastewater facilities, or cause the same to be maintained, in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same.

### 5.4 Roadway Facilities and Drainage Improvements.

(a) Developer's General Obligations. Developer is responsible for the design, installation, and construction of all roadway facilities, including appurtenant drainage therefor, required to serve the Property, as generally depicted in **Exhibit I**. The design of all roadway improvements shall be approved by the City in advance of the construction of same.

(b) Timing of General Obligations. Prior to the recordation of any final plat for any phase of the Project, Developer shall complete, in a good and workmanlike manner, construction of all roadway facilities and related improvements necessary to serve such phase in accordance with construction plans approved by the City. Thereafter, the roads shall be conveyed to the City for ownership and maintenance.

(c) Drainage/Detention Infrastructure. Developer shall have full responsibility for designing, installing, and constructing the drainage/detention infrastructure that will serve the Property and the cost thereof and said infrastructure shall be designed and constructed in

accordance with applicable City Regulations. Prior to the recordation of the final plat for any phase of development, Developer shall complete in a good and workmanlike manner construction of the drainage/detention improvements necessary to serve such phase. Upon inspection, approval, and acceptance, City shall maintain and operate the drainage and roadway improvements for the Property. The HOA will own, maintain and operate all detention facilities except to the extent expressly set forth to the contrary in this Agreement.

(d) Off-Site Roadway Facilities and Drainage Improvements; PID Fee and Impact Fee Credits. Developer shall construct: (i) as part of the roadway facilities (including storm drainage improvements), the four-lane portion of Hackberry Drive immediately adjacent to the Property necessary to connect the Property to Buddy Hayes Boulevard as shown on Exhibit J (“Off-Site Hackberry Drive Improvements”), and (ii) as part of the drainage improvements, the culvert improvements immediately adjacent to the Property to connect Hackberry Drive to the Property (the “Off-Site Culvert Improvements”), as shown on Exhibit J. Such Off-Site Hackberry Drive Improvements and Off-Site Culvert Improvements shall each be an Authorized Improvement to the extent they confer a special benefit on the Property.

To the extent that the costs of the Off-Site Hackberry Drive Improvements are not included in the costs of the Authorized Improvements (the “Non-PID Eligible Hackberry Drive Improvements Costs”), such Non-PID Eligible Hackberry Drive Improvements Costs shall be funded as follows:

(i) first, through a credit to the City PID Fee, which credit shall operate to reduce the number of lots for which a City PID Fee is due based on the following calculation [(Non-PID Eligible Hackberry Drive Improvements Costs)/\$3,400 = reduction in number of lots for which a City PID Fee is due]. For example, if the Non-PID Eligible Hackberry Drive Improvements Costs are \$2,000,000:

$$\begin{array}{l} \$2,000,000 \text{ (Non-PID Eligible Hackberry Drive Improvements Costs)} \\ \div \quad \$3,400 \\ = \quad 588.23 \text{ reduction in number of lots for which the City PID Fee is due} \end{array}$$

In this example, the final number of lots for which the City PID Fee would be payable is 175.

As so reduced pursuant to this Section 5.4(d)(i), the number of lots for which the City PID Fee is payable shall constitute the aggregate City PID Fee payable pursuant to Section 3.3 hereof; and

(ii) second, to the extent that the Non-PID Eligible Hackberry Drive Improvements Costs are not funded through a reduction in the City PID Fee as described in the foregoing, the remaining portion of the Non-PID Eligible Hackberry Drive Improvements Costs shall be funded through Impact Fee Credits as provided in Section 5.11 hereof.

Developer shall, subject to the City’s obligations in Section 12.10 hereof, obtain easements necessary for the construction of the Off-Site Hackberry Drive Improvements and Off-Site Culvert Improvements.

5.5 Screening, Landscaping, and Entryways. On or before one hundred fifty (150) days after final City acceptance of the Public Infrastructure for each phase of development, Developer shall complete construction, in a good and workmanlike manner, of the landscaping, screening and entryways for such phase in accordance with City Regulations. Said improvements shall thereafter be maintained in good appearance and repair by the HOA.

5.6 Infrastructure Oversizing. Developer shall not be required to construct or fund any Public Infrastructure so that it is oversized to provide a benefit to land outside the Property (“Oversized Public Infrastructure”) unless, by the commencement of construction, the City has made arrangements to finance the City’s portion of the costs of construction attributable to the oversizing required by the City from sources other than PID Bond Proceeds or Assessments. In the event Developer constructs or causes the construction of any Oversized Public Infrastructure on behalf of the City, the City shall be solely responsible for all costs attributable to the oversizing of the Oversized Public Infrastructure and the PID shall not be utilized for financing the costs of Oversized Public Infrastructure that is attributable to the oversizing of the Oversized Public Infrastructure. To the extent that any Oversized Public Infrastructure constitutes a Roadway Capital Improvement or Water Capital Improvement entitling Developer to Impact Fee Credits under Section 5.11, the portion of the costs of such Oversized Public Infrastructure constituting a Roadway Capital Improvement or Water Capital Improvement shall be funded by Impact Fee Credits pursuant to Section 5.11.

5.7 Mandatory Homeowners Association. As relates to the Property, Developer will create, in a manner acceptable to the City, a mandatory homeowner association (“HOA”), which HOA, whether one or more, shall be required to levy and collect from home owners within the Property annual fees in an amount calculated to maintain the open spaces, common areas, the Community Amenities as described and defined in this Agreement, hike and bike trails located in common areas, portions of which will be open to the public, right-of-way irrigation systems, raised medians and other right-of-way landscaping, and screening walls within the Property. Common areas including but not limited to the Community Amenities, screening, landscaping, entrances to the Property and right-of-way landscaping shall be maintained solely by the HOA. Maintenance of public rights-of-way landscaping and screening by the HOA shall comply with City Regulations and the HOA shall be subject to enforcement by the City.

5.8 Concept Plan.

(a) The Concept Plan illustrates the approved development layout for the Property but has not been engineered and does not represent the final design that will be approved through the final platting process. As a result, Developer may revise the Concept Plan as part of an administrative approval of the Concept Plan provided the number of residential lots shown on the Concept Plan does not exceed the maximum number of lots set forth in the PD, the numbers of residential lots in each category shown on the Concept Plan does not increase by greater than five percent (5%), and the amount of open space shown on the Concept Plan does not decrease by greater than five percent (5%). If the City Manager does not administratively approve such revisions to the Concept Plan within 15 days after receipt of a written request for approval, City Council approval of such revisions shall be required. Nothing in this paragraph shall preclude Developer from applying directly to the City Council for approval of any Concept Plan revisions, including revisions greater than the percentages listed herein.

(b) Except as otherwise provided in subsection (a) of this section, all other revisions to the Concept Plan require the approval of the City Council, including without limitation any approval of the Concept Plan that is part of approval of zoning or platting processes, and such approval shall be considered an amendment to **Exhibit C** attached hereto.

(c) If Developer submits a Concept Plan as provided by this section and the City Manager or his/her designee determines that the Concept Plan should be administratively approved, the City Manager or his or her designee shall cause the revised Concept Plan to be attached to the official version of this Agreement on file with the City's Secretary's office, and Developer shall record a memorandum of the revised Concept Plan in the Land Recordings of the Collin County Clerk's office.

5.9 **Community Amenities.** Developer will (or will cause) the design, construction, maintenance, and operation of certain amenities in the Project. Developer shall construct seven (7) of the following twelve (12) amenities: (i) approximately 4,000 square foot swimming pool; (ii) mechanical aquatic play feature; (iii) pool house with restrooms; (iv) playground (2-5 years of age); (v) playground (5-8 years of age); (vi) sand volleyball court; (vii) basketball court; (viii) approximately 1,000 square foot putting green; (ix) outdoor workout equipment along hike and bike trails; (x) 20 ft radius pavilion; (xi) dog park; and (xii) Park benches, trash cans, and pet stations along the trail and in the dog park (collectively, the "**Community Amenities**"). Developer shall complete the swimming pool, aquatic play feature, pool house with restrooms, and the hike and bike trails for the first phase of development of the Property concurrently with construction of homes in the first phase of development. General depictions of a portion of the Community Amenities are included on **Exhibit L**. To the extent that any Community Amenities may be included as Authorized Improvements pursuant to the PID Act, the City may, at the City's sole discretion, accept dedication of such Community Amenities, and such Community Amenities may be maintained by the City or the HOA, as follows: to the extent any Community Amenities are not owned or dedicated to the City and maintained by the City, such Community Amenities shall be owned and maintained by the HOA.

5.10 **Parkland Dedication Credit.** Developer shall construct certain pedestrian paths within the Project (the "**Community Trails**") as generally depicted on the Trail and Open Space Map attached hereto as **Exhibit K**, which Community Trails are intended to be in compliance with the 2050 Comprehensive Plan (and must be a minimum of 10' in width). At the City's sole discretion, Developer shall: (a) dedicate the Community Trails to the City in fee simple and the City shall maintain the Community Trails as part of the City's park system; or (2) grant a public access easement over the Community Trails allowing access by the general public sufficient to allow such Community Trails to constitute Authorized Improvements, and the HOA shall maintain the Community Trails. The Community Trails, if dedicated to the City in fee simple, shall be used to offset a portion of applicable parkland dedication or improvement requirements or fees required in lieu thereof, of any kind, including requirements for the payment of Park Fees.

5.11 **Impact Fee Credits.**

(a) **Roadway Capital Improvements.** The City acknowledges that Hackberry Drive, which Developer is required to construct from Ferguson Parkway to Buddy Hayes Boulevard, including Off-Site Hackberry Drive Improvements and the Off-Site Culvert

Improvements, is reflected on the City's Capital Improvements Plan and constitutes "Roadway Capital Improvements". The City agrees that, subject to Section 5.4(d), Developer shall be entitled to Impact Fee Credits up to the full amount of the cost of said Roadway Capital Improvements (the "Roadway Impact Fee Credits"). The Roadway Impact Fee Credits may only be used to offset Roadway Impact Fees otherwise due as relates to any phase of the Property without any obligation to apply the credits pro rata or otherwise to spread the credits throughout the Project. The primary source of funding due to Developer from the City as relates to the costs of the Roadway Capital Improvements (the "Roadway Capital Improvements Costs") shall be in the form of Roadway Impact Fee Credits derived from the Project even if the cumulative value of said credits is less than the Roadway Capital Improvements Costs. Notwithstanding the foregoing, to the extent that a portion of the Roadway Capital Improvements are allocable to the Property, such portion of the Roadway Capital Improvements may constitute an Authorized Improvement and may be funded through the PID.

(b) Water Capital Improvements. The City acknowledges that the Off-Site Water Improvements, which Developer is to construct are or shall be reflected on the City's Capital Improvements Plan and constitute "Water Capital Improvements" to the extent that such Off-Site Water Improvements constitute Oversized Public Infrastructure. The City agrees that Developer shall be entitled to Impact Fee Credits up to the full amount of the cost of said Water Capital Improvements (the "Water Impact Fee Credits"). The Water Impact Fee Credits may only be used to offset Water Impact Fees otherwise due as relates to any phase of the Property without any obligation to apply the credits pro rata or otherwise to spread the credits throughout the Project. The primary source of funding due to Developer from the City as relates to the costs of the Water Capital Improvements (the "Water Capital Improvements Costs") shall be in the form of Water Impact Fee Credits derived from the Project even if the cumulative value of said credits is less than the Water Capital Improvements Costs. Notwithstanding the foregoing, to the extent that a portion of the Water Capital Improvements are allocable to the Property, such portion of the Water Capital Improvements may constitute an Authorized Improvement and may be funded through the PID.

5.12 Withholding of Building Permits, Etc. The City shall not be required to issue any building permits or certificates of occupancy or provide utilities for any structure on the Property until after final acceptance of any Authorized Improvements necessary to serve such Property. To assist in the determination as to whether building permits for any phase of development should be issued, Developer shall include all Authorized Improvements and other Public Infrastructure necessary to serve such phase in the construction plans required to be submitted under applicable City Regulations.

5.13 Governing Regulations. Development of the Property shall be governed by the following regulations (collectively, the "Governing Regulations," all of which are incorporated into this Agreement as if set forth in full):

- (a) City Code, Article 9.02, the subdivision regulations of the City, in effect on the Effective Date (the "Subdivision Regulations");
- (b) the PD set forth on Exhibit D;

(c) City Code, Article 9.05, in effect on the Effective Date (the “Sign Ordinance”);

(d) the Concept Plan set forth on Exhibit C;

(e) the uniform building codes, as amended from time to time, including any local amendments thereto adopted by the City (the “Building Codes”). The term “Building Codes,” as applied to a particular building shall mean the Building Codes in effect on the date the first application is filed for a building permit for the building in question. As it relates solely to Property Public Infrastructure for any given phase of the Project—notwithstanding any provision of this Agreement—the applicable construction standards (including, without limitation, the Building Codes) shall be those that the City has duly adopted at the time of the filing of an application for a preliminary plat for such phase containing the Property Public Infrastructure in question; and

(f) except as set forth in this Agreement to the contrary, any other applicable provisions of Chapter 4 (Building Regulations), Chapter 6 (Fire Prevention and Protection), Chapter 9 (Planning and Development Regulations), Chapter 12 (Utilities) and Appendix A (Fee Schedule) of the City Code.

The Governing Regulations are the controlling regulations for development of the Property, and no other City Regulations, rules, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City) apply to the use or development of the Property to the extent such regulations or requirements are in conflict with the Governing Regulations or this Agreement. The Governing Regulations are considered part of this Agreement and are incorporated herein by reference for all purposes.

5.14 Compliance with Materials and Methods Regulations. It is expressly understood that the City Regulations (as amended by the Governing Regulations and this Agreement) are enforceable as relates to the Property and its use and development, including but not limited to any such City Regulations that would otherwise be unenforceable under Chapter 3000 of the Texas Government Code (“Materials and Methods Regulations”) and the Material and Methods Regulations are incorporated herein as if set forth in full; provided, however, to the extent of any conflict between the requirements of the Materials and Methods Regulations and the requirements of this Agreement, this Agreement shall control.

5.15 Conflicts. In the event of any conflict between the PD and the Subdivision Regulations, Sign Ordinance, or Building Codes, the PD shall control. In the event of a conflict between the Governing Regulations and the City Regulations, the Governing Regulations shall control. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, unless otherwise agreed by the Parties, this Agreement shall control. In the event of any conflict between the Concept Plan and PD in Exhibit D, the PD in Exhibit D shall control.



5.16 Access to Books and Records. The City shall, upon reasonable prior written notice to the Developer and during normal business hours have the right to audit and inspect the Developer's records, books, and all other relevant records related to this Agreement.

## **SECTION 6** **PID BONDS**

6.1 PID Bond Issuance. Subject to the satisfaction of conditions set forth in this article, the City may issue PID Bonds solely for the purposes of acquiring or constructing Authorized Improvements. Developer may request issuance of PID Bonds by filing with the City a list of the Authorized Improvements to be funded with the PID Bonds and the estimated costs of such Authorized Improvements. Developer acknowledges that the City may require at that time a professional services agreement that obligates Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, which amount shall be agreed to by the Parties and considered a cost payable from such PID Bonds. The issuance of PID Bonds is subject to all of the following conditions.

(1) The City has evaluated and determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for liability.

(2) The City has determined that the PID Bonds assessment level, structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the Authorized Improvements Costs to be financed and that there is sufficient security for the PID Bonds to be creditworthy.

(3) All costs incurred by the City that are associated with the administration of the PID shall be paid out of special assessment revenue levied against property within the PID. City administration costs shall include without limitation those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements.

(4) The adoption of a Service and Assessment Plan and an assessment ordinance levying assessments on all or any portion of the Property benefitted by such Authorized Improvements in amounts sufficient to pay all costs related to such PID Bonds.

(5) The City has formed and utilized its own financing team including, but not limited to, bond counsel, financial advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(6) The City has chosen its own continuing disclosure consultant. Any and all costs incurred by these activities will be included in City administration costs recouped from Assessments. The continuing disclosure will be divided into City disclosure and Developer disclosure, and the City will not be responsible or liable for Developer disclosure but the City's disclosure professional will be used for both disclosures.

(7) Each series of PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements or portions thereof for which such PID Bonds are being issued.

(8) Delivery by Developer to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred on the properties being assessed for the Authorized Improvements increase the value of the property to an amount at least equal to two times the amount assessed against such property.

(9) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(10) Developer is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Assessments.

(11) Developer is not in default under this Agreement or, with respect to the Property, any other agreement to which Developer and the City are parties.

(12) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(13) The Administrator has certified that the specified portions of the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(14) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the applicable Governing Regulations.

(15) The City has determined that the amount of proposed PID assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the project costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(16) The maximum maturity for PID Bonds shall not exceed 30 years from the date of delivery thereof.

(17) The final maturity for any PID Bonds shall be not later than 45 years from the date of this Agreement.

(18) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(19) Unless otherwise agreed to by the City, the PID Bonds shall be sold and may be transferred or assigned only (i) in compliance with applicable securities laws and (ii) in minimum denominations of \$25,000 or integral multiples of \$1,000 in excess thereof; provided, however, that the limitation on transferability or assignment in this subparagraph (ii) shall not apply if the PID Bonds have a rating of not less than BBB-from Fitch Ratings or Standard & Poor's Ratings Services or Baa3 from Moody's Investors Service, Inc.

(20) If the applicable portion of Authorized Improvements has not already been constructed and to the extent PID Bond Proceeds are insufficient to fund such Authorized Improvements Costs, Developer shall, at time of closing the PID Bonds, fund or provide evidence of funding sources (including, but not limited to a letter of credit or evidence of available funds through a loan to Developer) sufficient to fund the difference between the Authorized Improvements Costs and the PID Bond Proceeds available to fund such Authorized Improvements Costs related to the applicable Authorized Improvement (without limiting any other provision, in the event Developer does not or cannot provide such funding or evidence of funding sources, the City shall not be required to sell such PID Bonds, and Developer shall reimburse the City for all expenses and liabilities incurred by the City in connection with the proposed issuance of the PID Bonds).

(21) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(22) Developer agrees to provide periodic information and notices of material events regarding Developer and Developer's development within the Project in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by Developer in connection with the issuance of PID Bonds.

(23) Developer is not in default under a Developer Continuing Disclosure Agreement.

(24) The issuance of any Refunding Bonds, the amount of assessment necessary to pay the Refunding Bonds shall not exceed the amount of the assessments that were levied to pay the PID Bonds that are being refunded.

(25) The maximum tax equivalent assessment rate for the assessment levy shall not exceed \$0.69 per \$100.00 taxable assessed valuation, without prior, written consent of the City, in its sole discretion.

(26) Developer has completed and the City has accepted the Authorized Improvements for any previous phase of development; and

(27) Unless otherwise agreed to by the City, the value to lien ratio shall not be less than 2:1. The appraised value of the portion of the Property in the applicable phase to the par amount of PID Bonds issued with respect to such phase shall be confirmed by an Independent Appraisal.

(28) Developer and the City shall have entered into a PID reimbursement agreement that provides for Developer's construction of certain Authorized Improvements and the City's reimbursement to Developer of certain Authorized Improvements Costs.

(29) The City's Public Works Director determines that the Authorized Improvements Cost shown on Exhibit F, as updated and amended, are reasonable.

(30) Unless otherwise agreed to by the City, the proposed structure of the PID Bond issuance does not materially conflict with the PID Financial Summary; provided that (i) changes to lot mix in connection with an approved Concept Plan, (ii) changes reflecting market prices of lots or homes at the time such PID Bonds are issued and (iii) changes reflecting market interest rates at the time of PID Bond issuance shall not be deemed material conflicts.

6.2 Disclosure Information. Prior to the issuance of PID Bonds by the City, Developer agrees to provide all relevant information, including financial information, that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. Developer agrees, represents, and warrants that any information provided by Developer for inclusion in a disclosure document for an issue of PID Bonds will not, to Developer's actual knowledge, contain any untrue statement of a material fact or omit any statement of 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, and Developer further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

6.3 Developer Cash Contribution. If at closing on any series of PID Bonds intended to fund construction of Authorized Improvements that have not already been constructed by Developer for the phase of development where such Authorized Improvements are to be constructed, and Developer has not otherwise provided evidence of available funds pursuant to Section 6.1(20) hereof, Developer shall deposit into the Developer Improvement Account the Developer Cash Contribution.

6.4 Tax Certificate. If, in connection with the issuance of the PID Bonds, the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the IRC, 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. 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 best of the knowledge of the officers of 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 the PID Bond Proceeds, including, but not limited to, the use of the Authorized Improvements, 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.

## **SECTION 7**

### **PAYMENT AND REIMBURSEMENT OF AUTHORIZED IMPROVEMENTS**

7.1 Improvement Account of the Project Fund and Developer Improvement Account. The Improvement Accounts of the Project Fund and the Developer Improvement Account shall be administered and controlled by the City and funds in the Improvement Account of the Project Fund and the Developer Improvement Account shall be deposited and disbursed in accordance with the terms of the respective Indenture.

7.2 Cost Overrun. If the total Authorized Improvements Cost for any phase of development exceeds the total amount of monies on deposit in the Improvement Account of the Project Fund and the Developer Improvement Account (a “Cost Overrun”), Developer shall be solely responsible for the Cost Overrun, except as provided in Section 7.3 below.

7.3 Cost Underrun. Upon the final acceptance by City of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the Budgeted Cost (a “Cost Underrun”), any remaining Budgeted Cost, to the extent available in the monies on deposit in the Improvement Account of the Project Fund and the Developer Improvement Account, will be available to pay Cost Overruns on any other Authorized Improvement. Upon request by Developer, the City shall promptly confirm that such remaining amounts are available to pay such Cost Overruns, and Developer and the City will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements.

## **SECTION 8** **GOVERNING REGULATIONS**

8.1 Zoning. The Property is currently zoned by the PD attached hereto as **Exhibit D**. Through this Agreement, Developer expressly consents and agrees to the PD zoning of the Property. Any amendment to the PD zoning of the Property shall otherwise be in accordance with all procedures set forth in the applicable City Regulations.

8.2 Phasing. The Property may be developed in phases and Developer must submit the appropriate plat(s) for each phase, and, if permitted under applicable law, may submit a replat or amending plat for all or any portions of the Property. Any plat, replat or amending plat shall be in conformance with applicable Governing Regulations and be subject to City approval.

8.3 Vested Rights. This Agreement shall constitute a “permit” (as defined in Chapter 245) that is deemed filed with the City on the Effective Date.

## **SECTION 9** **EVENTS OF DEFAULT; REMEDIES**

9.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given. Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within thirty (30) days after it is due. A nondefaulting party may terminate this Agreement by giving written notice of termination to the defaulting party only if the

defaulting party was previously given notice of such default in accordance with this Section 9.1 and failed to cure the default within the applicable time period(s). A notice of termination is effective as of the date the notice is deemed received under Section 12.14.

9.2 **Remedies.** As compensation for the other party's default, an aggrieved Party is limited to seeking specific performance of the other party's obligations under this Agreement or terminating this Agreement to the extent permitted under Section 9.1 or Section 9.3.

9.3 **Performance Window; Election to Terminate.** In the event that, in connection with the issuance of the initial series of PID Bonds, Developer does not satisfy all of its obligations under its control pursuant to Section 6.1 applicable to the initial series of PID Bonds or does not request that the City issue the initial series of PID Bonds on or before December 1, 2024, neither Party shall thereafter be required to perform under this Agreement and this Agreement will terminate. If this Agreement is terminated under this Section 9.3 or is otherwise terminated early under Section 9.1, Developer must within 30 days of such termination file or caused to be filed with the City an irrevocable petition by the owners of the Property to dissolve the PID and shall thereafter promptly undertake any and all reasonable actions to facilitate the dissolution of the PID. Notwithstanding any provision of this Agreement, Developer's obligations regarding the dissolution of the PID in accordance with this Section 9.3 shall survive such termination.

## **SECTION 10**

### **ASSIGNMENT; ENCUMBRANCE**

10.1 **Assignment.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto. The obligations, requirements, or covenants to develop the Property subject to this Agreement shall be freely assignable, in whole or in part, to any affiliate or related entity of Developer, or any lienholder on the Property, without the prior written consent of the City. Except as otherwise provided in this paragraph, the obligations, requirements or covenants to the development of the Property shall not be assigned, in whole or in part, by Developer to a non-affiliate or non-related entity of Developer without the prior written consent of the City Manager, which consent shall not be unreasonably withheld or delayed if the assignee demonstrates financial ability to perform. An assignee shall be considered a "Party" for the purposes of this Agreement. Each assignment shall be in writing executed by Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. Developer shall maintain written records of all assignments made by Developer to assignees, including a copy of each executed assignment and, upon written request from any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property. Notwithstanding the foregoing, no assignment of this Agreement or any rights of or receivables due Developer under this Agreement or any other agreement relating to the PID may be made by Developer to any party or entity for the purpose of or relating to the issuance of bonds or other obligations.

10.2 Assignees as Parties. An Assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance herewith shall be considered a "Party" for the purposes of this Agreement. With the exception of: (a) the City, (b) an End User, (c) a purchaser of a Fully Developed and Improved Lot, any person or entity upon becoming an owner of land within the PID or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Developer" and have all of the rights and obligations of Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

10.3 Third Party Beneficiaries. Except as otherwise provided herein, this Agreement inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

10.4 Notice of Assignment. Subject to Section 10.1 of this Agreement, the following requirements shall apply in the event that Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement: (i) Developer must provide written notice to the City to the extent required under Section 10.1; (ii) said notice must describe the extent to which any rights or benefits under this Agreement will be sold, assigned, transferred, or otherwise conveyed; (iii) said notice must state the name, mailing address, telephone contact information, and, if known, email address, of the person(s) that will acquire any rights or benefits as a result of any such sale, assignment, transfer or other conveyance; and (iv) said notice must be signed by a duly authorized person representing Developer and a duly authorized representative of the person that will acquire any rights or benefits as a result of the sale, assignment, transfer or other conveyance. Notwithstanding anything to the contrary, notice shall not be required in connection with a sale, conveyance, or transfer to any End User of a Fully Developed and Improved Lot.

## **SECTION 11** **RECORDATION AND ESTOPPEL CERTIFICATES**

11.1 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the Real Property Records. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon Developer and the City, and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End User of a Fully Developed and Improved Lot except for land use and development regulations that apply to such lots.

11.2 Estoppel Certificates. From time to time, upon written request of a Developer under this Agreement, and upon the payment to the City of a \$100.00 fee plus all reasonable costs incurred by the City in providing the certificate described in this section, the City Manager, or his/her designee will, in his/her official capacity and to his/her reasonable knowledge and belief, execute a written estoppel certificate identifying any obligations of a Developer under this Agreement that are in default.

## **SECTION 12**

### **GENERAL PROVISIONS**

12.1 **Term.** Unless otherwise extended by mutual agreement of the Parties, the term of this Agreement shall be thirty (30) years after the Effective Date (the “**Original Term**”). Upon expiration of the Original Term, the City shall have no obligations under this Agreement with the exception of maintaining and operating the PID in accordance with the SAP and the Indenture.

12.2 **Public Infrastructure, Generally.** Except as otherwise expressly provided for in this Agreement, Developer shall provide all Public Infrastructure necessary to serve the Project, including without limitation streets, utilities, drainage, sidewalks, trails, street lighting, street signage, and all other required improvements, at no cost to the City except as provided herein, and in accordance with City Regulations, and as approved by the City’s Director of Public Works or his/her designee. Developer shall cause the installation of such improvements within all applicable time frames in accordance with the City Regulations unless otherwise approved herein. Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by City Regulations. Such plans shall be approved by the City’s Director of Public Works or his/her designee prior to approval of a final plat. Construction of any portion of the Public Infrastructure shall not be initiated until a pre-construction conference that includes a City representative has been held regarding the proposed construction and City has issued a written notice to proceed.

12.3 **Maintenance Bonds.** Developer shall execute or cause to be executed a valid maintenance bond in accordance with applicable City Regulations that guarantees the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Public Improvements, arising from defective workmanship or materials used therein, for a full period of two years from the date of final acceptance of the Public Improvements constructed under any such contract(s).

12.4 **Inspections, Acceptance of Public Infrastructure, and Developer’s Remedy.** The City shall inspect, as required by City Regulations, the construction of all Authorized Improvements and any Public Infrastructure necessary to support the proposed development within the Property, including without limitation water, sanitary sewer, drainage, streets, park facilities, electrical, and street lights and signs. The City’s inspections shall not release Developer from its responsibility to construct, or ensure the construction of adequate Authorized Improvements and Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of the Agreement if the City withholds building permits, certificates of occupancy, and/or City utility services as to any portion of the Property until all required Public Infrastructure necessary to such portion is properly constructed according to the approved engineering plans and City Regulations, and until such Public Infrastructure has been dedicated to and accepted by the City. From and after the inspection and acceptance by the City of the Public Infrastructure and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City. Developer’s sole remedy for



nonperformance of this Agreement by the City shall be to seek specific performance and cost reimbursements pursuant to the terms of this Agreement.

12.5 Approval of Plats/Plans. Approval by the City, the City's engineer, or other City employee or representative, of any plans, designs, or specifications submitted by Developer pursuant to this Agreement or pursuant to applicable City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Developer, its engineers, employees, officers, or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Developer or Developer's engineers, or their respective officers, agents, servants or employees, it being the intent of the Parties that approval by the City's Director of Public Works or his/her designee signifies approval on only the general design concept of the improvements to be constructed.

12.6 Agricultural Exemption. The City acknowledges that some or all of the Property may now have or may in the future have an agricultural, timber, or wildlife management use tax classification, and—provided that Developer satisfies all of its then applicable obligations under Section 6.1—the City may not request removal of any such tax classification until PID Bonds secured by the Property are issued to pay for the costs of the Authorized Improvements and related costs, notwithstanding any waiver of such exemption for other political subdivisions or public entities.

12.7 Insurance. Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the full and final completion of the Public Infrastructure and acceptance thereof by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than \$1,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Public Infrastructure construction contracts, whether by Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Infrastructure construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of the same, the City shall receive written notice of such cancellation, non-renewal or modification.

12.8 INDEMNIFICATION and HOLD HARMLESS. DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY AND ITS OFFICIALS, OFFICERS, AGENTS, REPRESENTATIVES, SERVANTS AND EMPLOYEES (COLLECTIVELY, THE "RELEASED PARTIES"), FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS AGAINST THE

CITY OR ANY OF THE RELEASED PARTIES, WHETHER REAL OR ASSERTED INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF DEVELOPER, INCLUDING THE NEGLIGENCE OF ITS RESPECTIVE EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN, AND/OR AGENTS, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY PUBLIC INFRASTRUCTURE, STRUCTURES, OR OTHER FACILITIES OR IMPROVEMENTS THAT ARE REQUIRED OR PERMITTED UNDER THIS AGREEMENT (TOGETHER, "CLAIMS"); **AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH CLAIMS SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE CLAIMS EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT NEGLIGENCE SUBJECT TO THE TERMS OF THIS SECTION. DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST CLAIMS CAUSED BY THE CITY'S SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.** IF THE CITY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF DEVELOPER AND THE CITY, DEVELOPER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, FURTHER COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE CITY AGAINST ANY AND ALL CLAIMS BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY PRIOR TO THE EFFECTIVE DATE WHO HAS NOT SIGNED THIS AGREEMENT IF SUCH CLAIMS RELATE IN ANY MANNER OR ARISE IN CONNECTION WITH: (1) THE CITY'S RELIANCE UPON DEVELOPER'S REPRESENTATIONS IN THIS AGREEMENT; (2) THIS AGREEMENT OR OWNERSHIP OF THE PROPERTY; OR (3) THE CITY'S APPROVAL OF ANY TYPE OF DEVELOPMENT APPLICATION OR SUBMISSION WITH RESPECT TO THE PROPERTY.

12.9 Status of Parties. At no time shall the City have any control over or charge/supervision of Developer's design, construction, installation or other work related to any of the Public Infrastructure, nor the means, methods, techniques, sequences, or procedures utilized for said design, construction, installation or other work. This Agreement does not create a joint enterprise or venture or employment relationship between the City and Developer.

12.10 Eminent Domain. Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, required for the Public Infrastructure. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within ninety (90) days of commencing efforts to obtain the needed easements and right-of-way, the City agrees to take reasonable steps to secure same (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") actually incurred by the City in the exercise of its eminent domain powers that for any reason are not funded by the PID Bond Proceeds and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiation of each eminent domain proceeding and as funds

are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Public Infrastructure can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. Any unused escrow funds will be refunded to Developer within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this section is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

12.11 Payee Information. With respect to any and every type of payment/remittance due to be paid at any time by the City to Developer after the Effective Date under this Agreement, the name and delivery address of the payee for such payment shall be:

Bloomfield Homes, L.P.  
Donald J. Dykstra, President  
1050 E. Highway 114, Suite 210  
Southlake, TX 76092

Developer may change the name of the payee and/or address set forth above by delivering written notice to the City designating a new payee and/or address or through an assignment of Developer's rights hereunder.

12.12 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement; and (d) are fully incorporated into this Agreement for all purposes. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

12.13 Acknowledgments. In negotiating and entering into this Agreement, the Parties respectively acknowledge and understand that:

(a) Developer's obligations hereunder are primarily for the benefit of the Property;

(b) the improvements to be constructed and the open space dedications and donations of real property that Developer is obligated to set aside and/or dedicate under this Agreement will benefit the Project by positively contributing to the enhanced nature thereof, increasing property values within the Project, and encouraging investment in and the ultimate development of the Project;

(c) Developer's consent and acceptance of this Agreement is not an exaction or a concession demanded by the City, but is an undertaking of Developer's voluntary design to ensure consistency, quality, and adequate public improvements that will benefit the Property;

(d) the Authorized Improvements will benefit the City and promote state and local economic development, stimulate business and commercial activity in the City for the development and diversification of the economy of the state, promote the development and expansion of commerce in the state, and reduce unemployment or underemployment in the state; and

(e) nothing contained in this Agreement shall be construed as creating or intended to create a contractual obligation that controls, waives, or supplants the City Council's legislative discretion or functions with respect to any matters not specifically addressed in this Agreement.

12.14 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Anna, Texas Attn: City Manager 111 N. Powell Parkway Anna, Texas 75409
With a copy to:	Wolfe, Tidwell & McCoy, LLP Attn: Clark McCoy 2591 Dallas Parkway, Suite 300 Frisco, Texas 75034
And to:	McCall, Parkhurst & Horton L.L.P. Attn: Rodolfo Segura Jr 717 North Harwood, Suite 900 Dallas, TX 75201
To Developer:	Bloomfield Homes, L.P. Donald J. Dykstra, President 1050 E. Highway 114, Suite 210 Southlake, TX 76092
With a copy to:	Locke Lord LLP Attn: Drew Slone 2200 Ross Ave., Suite 2800 Dallas, Texas 75201

Any Party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other Party.

12.15 Interpretation. Each Party has been actively involved in negotiating and drafting this Agreement. Accordingly, a rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

12.16 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

12.17 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that each individual executing this Agreement on behalf of Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions.

12.18 Limited Waiver of Immunity. The Parties are entering into this Agreement in reliance upon its enforceability. Consequently, the City unconditionally and irrevocably waives all claims of sovereign and governmental immunity which it may have (including, but not limited to, immunity from suit and immunity to liability) to the extent, but only to the extent, that a waiver is necessary to enforce specific performance of this Agreement (including all of the remedies provided under this Agreement) and to give full effect to the intent of the Parties under this Agreement. Notwithstanding the foregoing, the waiver contained herein shall not waive any immunities that the City may have with respect to claims of injury to persons or property, which claims shall be subject to all of their respective immunities and to the provisions of the Texas Tort Claims Act. Further, the waiver of immunity herein is not enforceable by any party not a Party to this Agreement.

12.19 Amendment; Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the Parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

12.20 Applicable Law; Venue. This Agreement is entered into pursuant to and is to be construed and enforced in accordance with the laws of the State of Texas and all obligations of the Parties are performable in Collin County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in a state district court in Collin County.

12.21 Non Waiver. Any failure by a Party to insist upon performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

12.22 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

12.23 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Depiction of the Property
Exhibit C	Concept Plan
Exhibit D	PD
Exhibit E	Original Agreement
Exhibit F	Authorized Improvements and Budgeted Costs
Exhibit G	Sewer Improvements
Exhibit H	Water Improvements
Exhibit I	Roadway/Drainage Improvements
Exhibit J	Off-Site Improvements
Exhibit K	Parks, Trails and Connectivity Plan Map
Exhibit L	Depiction of Community Amenities
Exhibit M	PID Financial Summary

12.24 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten (10) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give written notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care. A Party that has claimed the right to temporarily suspend its performance under this section shall provide written reports to the other Party at least once every week detailing: (i) the extent to which the force majeure event or circumstance continues to prevent the Party’s performance; (ii) all of the measures being employed to regain the ability to fully perform; and (iii) the projected date upon which the Party will be able to resume full performance.

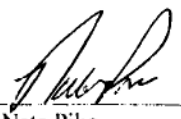
12.25 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the Parties expressly amending the terms of this Agreement.

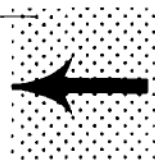
12.26 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

[SIGNATURES PAGES AND EXHIBITS FOLLOW;  
REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

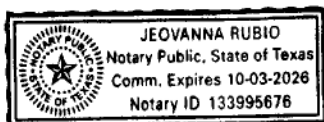
CITY OF ANNA, TEXAS

By:   
Name: Nate Pike  
Title: Mayor  
Date: 6-27-2023

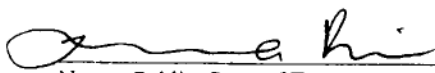


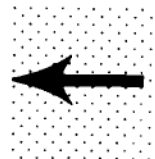
STATE OF TEXAS       §  
COUNTY OF COLLIN   §

This instrument was acknowledged before me on this June 27, 2023, by Nate Pike,  
Mayor of the City of Anna, Texas, on behalf of said City.

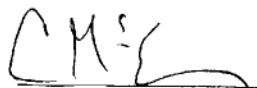


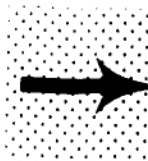
[SEAL]

  
Notary Public, State of Texas



Approved as to form:

  
Clark McCoy, City Attorney



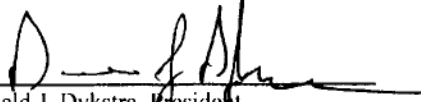
Development Agreement Signature Page



**DEVELOPER:**

**BLOOMFIELD HOMES, L.P.,**  
a Texas limited partnership

By: Bloomfield Properties, Inc.,  
a Texas corporation, its General Partner

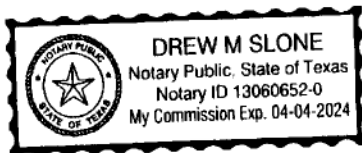
By:   
Donald J. Dykstra, President

STATE OF TEXAS §  
COUNTY OF COLLIN §

This instrument was acknowledged before me, on the 27<sup>th</sup> day of June, 2023,  
by Donald J. Dykstra, President of Bloomfield Properties, Inc., a Texas corporation, general  
partner of Bloomfield Homes, L.P., on behalf of said partnership.

[SEAL]  
Notary Public, State of Texas





## EXHIBIT A

### Legal Description

BEING A 223.154 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288 AND THE JOHN ELLET SURVEY, ABSTRACT NO. 296, CITY OF ANNA E.T.J., COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 162.12 ACRE TRACT AND PART OF A 64.50 ACRE TRACT OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 162.12 ACRE AND 64.50 ACRE TRACT BEING DESCRIBED IN DEED TO LORRAINE SHERLEY, AS RECORDED IN VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS. BEING ALL OF A CALLED 80 ACRE TRACT OF LAND CONVEYED AS FIRST TRACT, PART OF A CALLED 64.5 ACRE TRACT OF LAND CONVEYED AS SECOND TRACT, ALL OF A CALLED 40.86 ACRE TRACT OF LAND CONVEYED AS THIRD TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FOURTH TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FIFTH TRACT, AND ALL OF A CALLED 21.26 ACRE TRACT OF LAND CONVEYED AS SIXTH TRACT. SAID 223.154 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 21.26 ACRE SIXTH TRACT, THE COMMON NORTHWEST CORNER OF LOT 56, BLOCK F AND THE NORTHEAST CORNER OF LOT 3, BLOCK G OF CREEKSIDE PHASE 3, AN ADDITION TO THE CITY OF ANNA ACCORDING TO THE PLAT RECORDED IN CABINET P, SLIDE 623, PLAT RECORDS, COLLIN COUNTY, TEXAS AND BEING THE COMMON SOUTHEAST CORNER OF CALLED 50.53 ACRE TRACT OF LAND CONVEYED BY DEED TWO-J PARTNERS, LLLP RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS ;

THENCE, ALONG THE COMMON EAST LINE OF SAID 50.53 ACRE TRACT AND THE WEST LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE WEST LINE OF SAID 10 ACRE FOURTH TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 1115.83 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 49 MINUTES 32 SECONDS EAST, A DISTANCE OF 309.20 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 36 MINUTES 32 SECONDS EAST, A DISTANCE OF 368.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 42 MINUTES 32 SECONDS EAST, A DISTANCE OF 596.23 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT LYING IN COLLIN COUNTY ROAD NO. 370 (A PRESCRIPTIVE RIGHT OF WAY), SAID POINT BEING THE COMMON NORTHWEST CORNER OF SAID 10 ACRE FOURTH TRACT AND THE NORTHEAST CORNER OF SAID 50.53 ACRE TRACT AND BEING ON THE SOUTH LINE OF AFORESAID 64.5 ACRE SECOND TRACT;

THENCE, NORTH 88 DEGREES 48 MINUTES 28 SECONDS WEST, ALONG THE COMMON NORTH LINE OF SAID 50.53 ACRE TRACT AND THE SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT, A DISTANCE OF 251.32 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE SOUTHEAST CORNER OF A 38.15 ACRE TRACT OF LAND CONVEYED BY DEED AS TRACT 7 TO MJLA ADAMS, LTD. RECORDED IN COUNTY CLERK'S FILE NO. 20110505000462590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 01 DEGREE 38 MINUTES 26 SECONDS WEST, ALONG THE COMMON WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE EAST LINE OF SAID 38.15 ACRE TRACT, A DISTANCE OF 509.20 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID 38.15 ACRE TRACT AND THE SOUTHEAST CORNER OF A 17.863 ACRE TRACT OF LAND CONVEYED BY DEED TO ANNA 18, LLC RECORDED IN COUNTY CLERK'S FILE NO. 20161020001423440, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, DEPARTING SAID WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND OVER AND ACROSS SAID 64.5 ACRE SECOND TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, A DISTANCE OF 500.77 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 31 MINUTES 21 SECONDS WEST, A DISTANCE OF 432.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE NORTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTH LINE OF A 159.725 ACRE TRACT OF LAND CONVEYED BY DEED TO LHJH MANAGEMENT COMPANY LLC RECORDED IN COUNTY CLERK'S FILE NO. 2006100300142590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, ALONG THE COMMON NORTH LINE OF SAID 64.5 ACRE SECOND TRACT, AND THE SOUTH LINE OF SAID 159.725 ACRE TRACT, A DISTANCE OF 2480.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 159.725 ACRE TRACT, SAID POINT BEING ON THE WEST LINE OF A 50.00 ACRE TRACT OF LAND CONVEYED BY DEED TO KAYASA FAMILY, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20171012001368980, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 01 DEGREE 15 MINUTES 53 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE WEST LINE OF SAID 50.00 ACRE TRACT, A DISTANCE OF 1024.64 FEET TO A 1" IRON PIPE (BENT) FOUND FOR THE SOUTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND BEING THE COMMON NORTHEASTERLY NORTHWEST CORNER OF A 111.666 ACRE TRACT OF LAND CONVEYED BY DEED TO OAKWOOD VILLAGE APARTMENTS, INC., RECORDED IN COUNTY CLERK'S FILE NO.

201712001001594200, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS; THENCE, NORTH 88 DEGREES 57 MINUTES 17 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 33.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHWEST CORNER OF SAID 111.666 ACRE TRACT AND THE NORTHEAST CORNER OF AFORESAID 40.86 ACRE THIRD TRACT;

THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 40.86 ACRE THIRD TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 2640.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "J.E. SMITH 3700" FOUND FOR THE COMMON SOUTHEAST CORNER OF SAID 40.86 ACRE THIRD TRACT AND THE SOUTHWEST CORNER OF SAID 111.666 ACRE TRACT, SAID POINT LYING ON THE NORTH LINE OF A 17.455 ACRE TRACT OF LAND CONVEYED AS TRACT 1 NORTH, TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20180614000736900, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 46 MINUTES 28 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 40.86 ACRE TRACT, THE SOUTH LINE OF AFORESAID 10.00 ACRE FIFTH TRACT, AND THE NORTH LINE OF SAID 17.455 ACRE TRACT, A DISTANCE OF 803.28 FEET TO A 5/8" IRON ROD FOUND FOR THE COMMON NORTHWEST CORNER OF SAID 17.455 ACRE TRACT AND THE NORTHEAST CORNER OF THE FALLS PHASE 2, AN ADDITION TO THE CITY OF ANNA ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET P, PAGE 870, PLAT RECORDS, COLLIN COUNTY TEXAS;

THENCE, ALONG THE COMMON NORTH LINE OF SAID THE FALLS PHASE 2, CONTINUING ALONG THE SOUTH LINE OF SAID 10.00 ACRE FIFTH TRACT AND ALONG THE SOUTH LINE OF AFORESAID 80 ACRE FIRST TRACT, THE FOLLOWING COURSES AND DISTANCES:

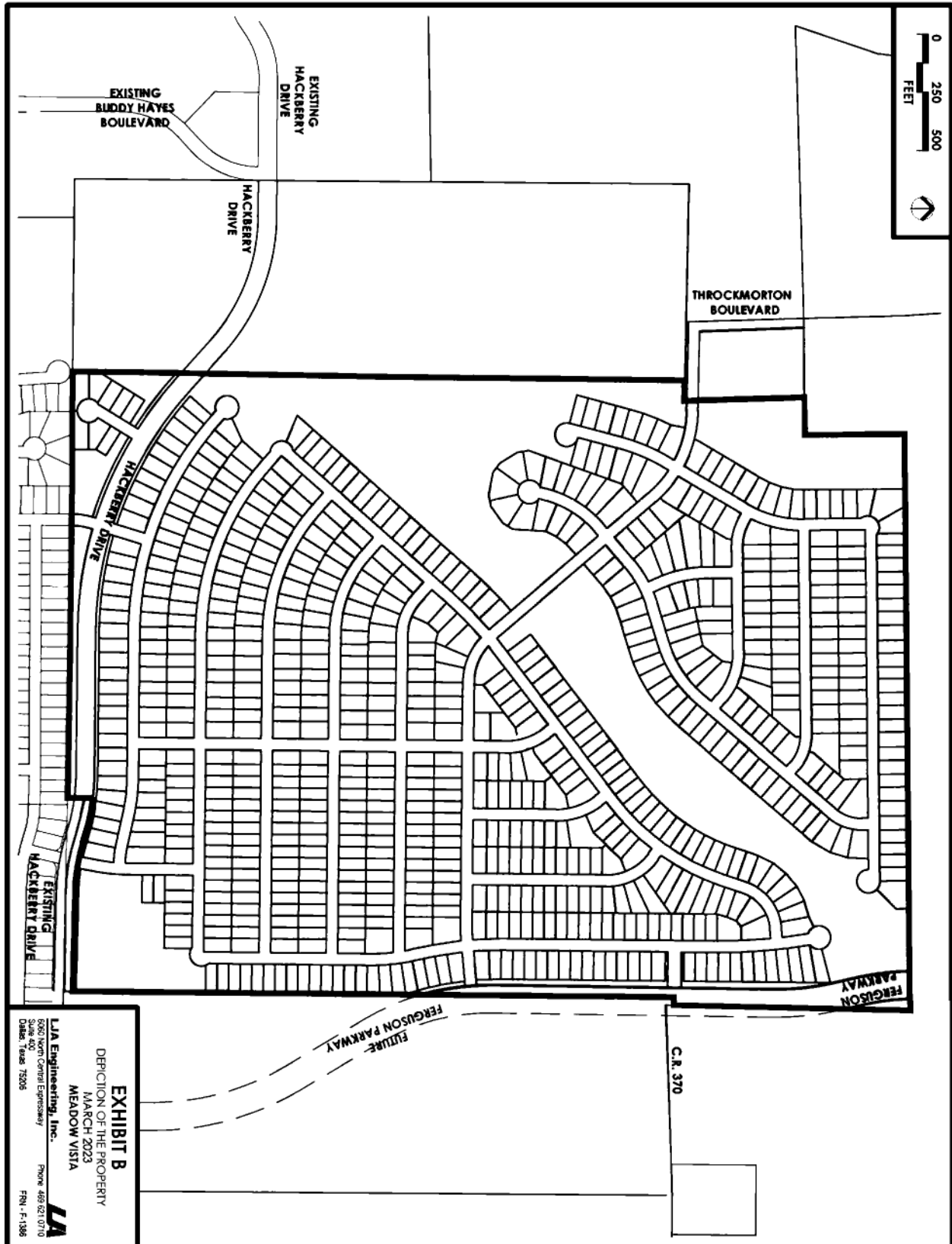
NORTH 89 DEGREES 00 MINUTES 01 SECOND WEST, A DISTANCE OF 642.80 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 13.58 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 18 MINUTES 16 SECONDS WEST, A DISTANCE OF 715.13 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AT THE COMMON NORTHWEST CORNER OF THE FALLS PHASE 2, THE NORTHEAST CORNER OF

AFORESAID CREEKSIDE PHASE 3, THE SOUTHWEST CORNER OF SAID 80 ACRE FIRST TRACT AND THE SOUTHEAST CORNER OF AFORESAID 21.26 ACRE SIXTH TRACT;  
THENCE, NORTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE NORTH LINE OF SAID CREEKSIDE PHASE 3, A DISTANCE OF 492.18 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 9,720,596 SQUARE FEET OR 223.154 ACRES LAND.

# EXHIBIT B Depiction of the Property



**EXHIBIT B**  
 DEPICTION OF THE PROPERTY  
 MARCH 2023  
 MEADOW VISTA  
 LJA Engineering, Inc.  
 15021 North Central Expressway  
 Suite 400  
 Dallas, Texas 75205  
 Phone 469.621.0710  
 FPN - F-1386

[illegible]

**EXHIBIT D**  
**PD**

**CITY OF ANNA, TEXAS**

(Property rezoned under this ordinance is generally located on the north side of Hackberry Drive,  
480± feet west of Ferguson Parkway)

ORDINANCE NO. 839-2019

**AN ORDINANCE OF THE CITY OF ANNA, TEXAS AMENDING THE CITY'S COMPREHENSIVE PLAN, ZONING MAP, AND ZONING ORDINANCE AND CHANGING THE ZONING OF CERTAIN PROPERTY AS DESCRIBED HEREIN; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR A PENALTY CLAUSE NOT TO EXCEED \$2,000 OR THE HIGHEST PENALTY AMOUNT ALLOWED BY LAW, WHICHEVER IS LESS; AND, PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.**

**WHEREAS**, the City of Anna, Texas ("City") has previously adopted ordinances, rules and regulations governing the zoning in the City; and

**WHEREAS**, the City has received a requested zoning change on Property described in Exhibit A ("Property") attached hereto and incorporated herein for all purposes as if set forth in full; and

**WHEREAS**, said Property generally located on the north side of Hackberry Drive, 480± feet west of Ferguson Parkway being rezoned from Single-Family Residential - Large Lot (SF-E) to Planned Development (PD) zoning; and

**WHEREAS**, the Planning and Zoning Commission of the City and the City Council of the City of Anna ("City Council") have given the requisite notices by publication and otherwise and have held the public hearings as required by law and afforded a full and fair hearing to all property owners and generally to all persons interested in and situated in the affected area and in the vicinity thereof, the City Council has concluded that the Zoning Ordinance of the City should be amended as set forth below.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS THAT:**

**Section 1. Recitals Incorporated**

The above recitals are incorporated herein by reference for all purposes.

**Section 2. Zoning Change**

The Anna City Code of Ordinances are hereby amended by changing the zoning of the Property described in Exhibit A from Single-Family Residential - Large Lot (SF-E) to Planned Development (PD) zoning. The Planned Development (PD) zoning regulations limit the permitted uses and development standards of the Property or any part thereof to those permitted in the SF-60 Single-Family Residence District and C-1 Restricted Commercial District, unless otherwise specified herein, as depicted in the Concept Plan on the attached Exhibit B.



A. Development Standards:

1. SF-60 Residential Zoning District Area Regulations:

- a. Side Yard, Interior: 5 feet.
- b. Rear yard:
  - i. 20 feet - lots backing to either a minor or major collector, to include the minimum 15 feet-wide landscape tract adjacent to a major collector.
  - ii. 10 feet - all other lots
- c. Front Yard: 20 feet with no additional encroachments.
- d. Min. Lot Area: 5,500 sq. ft. / overall average 6,600 sq. ft.
- e. Min. Lot Width: 50 feet / overall average 60 feet.
- f. Min. Lot Depth:
  - i. 120 feet - lots backing to either a minor or major collector, to include the minimum 15 feet-wide landscape tract adjacent to a major collector.
  - ii. 110 feet - all other lots.
- g. Max. Lot Coverage: 60%
- h. Building Size: min. 1,500 sq. ft.

2. Maximum total residential lots not to exceed 800.

3. Single-family development is restricted to a front-entry product.

4. Streets:

- a. The maximum length of any block or street segment shall be 1,600 feet and the minimum length shall be 300 feet.
- b. The street patterns depicted in the approved Concept Plan shall fulfill minimum curvilinear street requirement, either as a whole or by phase.
- c. The Planned Development is responsible for construction of one-half of the divided roadway section of future Ferguson Parkway and one-half of the divided roadway of future Hackberry Drive to the extent located within or adjacent to the Planned Development.

5. Fencing: Fencing along the rear property boundary of any lot backing to natural drainage areas or creeks are restricted to wrought iron, tubular steel, or tubular aluminum and must be at least 50% open construction.
  6. Amenities: Amenity center with swimming pool, restroom and changing area, an 8-foot wide concrete sidewalk/trail, and a trailhead with playground and park benches along with pet waste stations shall be provided in general conformance to the locations identified on the approved Concept Plan.
  7. The area identified as "Mixed Use" on the approved Concept Plan may be developed entirely as either C-1 Restricted Commercial or SF-60 Single-Family Residence District as amended by the PD.
- B. Plats and/or site plans submitted for the development of the PD shall conform to the data presented and approved on the Conceptual Development plan. Non-substantial changes of detail on the final development plan(s) that differ from the Conceptual Development plan may be authorized by the City Council with the approval of the final development plan(s) and without public hearing.
- C. The Conceptual Development Plan will expire after two (2) years of approval.

### **Section 3. Official Zoning Map**

The official Zoning Map of the City shall be corrected to reflect the change in zoning described herein.

### **Section 4. Savings, Repealing and Severability Clauses**

It is hereby declared to be the intention of the City Council that the words, sentences, paragraphs, subdivisions, clauses, phrases, and provisions of this ordinance are severable and, if any phrase, sentence, paragraph, subdivision, clause, or provision of this ordinance shall be declared unconstitutional or otherwise invalid or inapplicable by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality, invalidity or inapplicability shall not affect any of the remaining words, sentences, paragraphs, subdivisions, clauses, phrases, or provisions of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional, invalid or inapplicable words, sentences, paragraphs, subdivisions, clauses, phrases, or provisions. Further, all ordinances or parts of ordinances in force when the provisions of this ordinance become effective that are consistent and do not conflict with the terms and provisions of this ordinance are hereby ratified to the extent of such consistency and lack of conflict, and all ordinances or parts of ordinances in force when the provisions of this ordinance become effective that are inconsistent or in conflict with the terms and provisions contained in this ordinance are hereby repealed only to the extent of any such conflict.

### **Section 5. Penalty**

Any violation of any of the terms of this ordinance, whether denominated in this ordinance as unlawful or not, shall be deemed a misdemeanor. Any person convicted of any such violation shall be fined in an amount not to exceed \$2,000 for each incidence of violation. Each day a violation exists is considered a separate offense and will be punished separately.


**Section 6. Publication of the Caption and Effective Date**

This ordinance shall be effective upon its passage by the City Council, approval by the Mayor, and posting and/or publication, if required by law, of its caption. The City Secretary is hereby authorized and directed to implement such posting and/or publication.

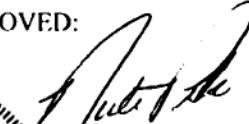
**PASSED** by the City Council of the City of Anna, Texas this 10th day of December 2019.

ATTESTED:

APPROVED:

  
Carrie L. Smith, City Secretary



  
Kate Pike, Mayor

# EXHIBIT A

## LEGAL DESCRIPTION TRACT 1 161.250 ACRES

BEING A 161.250 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288, CITY OF ANNA E.T.J., COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 162.12 ACRE TRACT OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 162.12 ACRE TRACT BEING DESCRIBED IN DEED TO LORRAINE SHERLEY, AS RECORDED IN VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS. BEING ALL OF A CALLED 80 ACRE TRACT OF LAND CONVEYED AS FIRST TRACT, ALL OF A CALLED 40.86 ACRE TRACT OF LAND CONVEYED AS THIRD TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FOURTH TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FIFTH TRACT, AND ALL OF A CALLED 21.26 ACRE TRACT OF LAND CONVEYED AS SIXTH TRACT. SAID 161.250 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 21.26 ACRE SIXTH TRACT, THE COMMON NORTHWEST CORNER OF LOT 56, BLOCK F AND THE NORTHEAST CORNER OF LOT 3, BLOCK G OF CREEKSIDE PHASE 3, AN ADDITION TO THE CITY OF ANNA ACCORDING TO THE PLAT RECORDED IN CABINET P, SLIDE 623, PLAT RECORDS, COLLIN COUNTY, TEXAS AND BEING THE COMMON SOUTHEAST CORNER OF CALLED 50.53 ACRE TRACT OF LAND CONVEYED BY DEED TWO-J PARTNERS, LLLP RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS ;

THENCE, ALONG THE COMMON EAST LINE OF SAID 50.53 ACRE TRACT AND THE WEST LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE WEST LINE OF SAID 10 ACRE FOURTH TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 1115.83 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 49 MINUTES 32 SECONDS EAST, A DISTANCE OF 309.20 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 36 MINUTES 32 SECONDS EAST, A DISTANCE OF 368.00 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 42 MINUTES 32 SECONDS EAST, A DISTANCE OF 596.23 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING SURVEYING" SET FOR CORNER, SAID POINT LYING IN COLLIN COUNTY ROAD NO. 370 (A PRESCRIPTIVE RIGHT OF WAY), SAID POINT BEING THE COMMON NORTHWEST CORNER OF SAID 10 ACRE FOURTH TRACT AND THE NORTHEAST CORNER OF SAID 50.53 ACRE TRACT AND BEING ON THE SOUTH LINE OF A CALLED 64.5 TRACT ACRE OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 64.5 ACRE TRACT BEING DESCRIBED AS SECOND TRACT IN SAID VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 56 MINUTES 00 SECONDS EAST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINES OF SAID 10 ACRE FOURTH TRACT, SAID 21.26 ACRE SIXTH TRACT, SAID 80 ACRE FIRST TRACT, SAID 10 ACRE FIFTH TRACT, AND SAID 40.86 ACRE THIRD TRACT, A DISTANCE OF 2,654.98 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 40.86 ACRE THIRD TRACT AND THE COMMON NORTHWEST CORNER OF A CALLED A 111.666 ACRE TRACT OF LAND CONVEYED BY DEED TO OAKWOOD VILLAGE APARTMENTS, INC., RECORDED IN COUNTY CLERK'S FILE NO. 20171201001594200, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 40.86 ACRE THIRD TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 2640.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "J.E. SMITH 3700" FOUND FOR THE COMMON SOUTHEAST CORNER OF SAID 40.86 ACRE THIRD TRACT AND THE SOUTHWEST CORNER OF SAID 111.666 ACRE TRACT, SAID POINT LYING ON THE NORTH LINE OF A 17.455 ACRE TRACT OF LAND CONVEYED AS TRACT 1 NORTH, TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20180614000736900, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 46 MINUTES 28 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 40.86 ACRE THIRD TRACT, THE SOUTH LINE OF AFORESAID 10.00 ACRE FIFTH TRACT, AND THE NORTH LINE OF SAID 17.455 ACRE TRACT, A DISTANCE OF 803.28 FEET TO A 5/8" IRON ROD FOUND FOR THE COMMON NORTHWEST CORNER OF SAID 17.455 ACRE TRACT AND THE NORTHEAST CORNER OF THE FALLS PHASE 2, AN ADDITION TO THE CITY OF

ANNA ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET P, PAGE 870, PLAT RECORDS, COLLIN COUNTY TEXAS;

THENCE, ALONG THE COMMON NORTH LINE OF SAID THE FALLS PHASE 2, CONTINUING ALONG THE SOUTH LINE OF SAID 10.00 ACRE FIFTH TRACT AND ALONG THE SOUTH LINE OF AFORESAID 80 ACRE FIRST TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 00 MINUTES 01 SECOND WEST, A DISTANCE OF 642.80 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 13.58 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 18 MINUTES 16 SECONDS WEST, A DISTANCE OF 715.13 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AT THE COMMON NORTHWEST CORNER OF THE FALLS PHASE 2, THE NORTHEAST CORNER OF AFORESAID CREEKSIDE PHASE 3, THE SOUTHWEST CORNER OF SAID 80 ACRE FIRST TRACT AND THE SOUTHEAST CORNER OF AFORESAID 21.26 ACRE SIXTH TRACT;

THENCE, NORTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE NORTH LINE OF SAID CREEKSIDE PHASE 3, A DISTANCE OF 492.18 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 7,024,033 SQUARE FEET OR 161.250 ACRES OF LAND.

**LEGAL DESCRIPTION  
TRACT 2  
61.905 ACRES**

BEING A 61.905 ACRE TRACT OF LAND SITUATED IN THE JOHN ELLET SURVEY, ABSTRACT NO. 296, CITY OF ANNA E.T.J., COLLIN COUNTY, TEXAS, AND BEING PART OF A 64.50 ACRE TRACT OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 64.5 ACRE TRACT BEING DESCRIBED AS SECOND TRACT IN THE DEED TO LORRAINE SHERLEY, AS RECORDED IN VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS. SAID 61.905 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 1" IRON PIPE (BENT) FOUND FOR THE SOUTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND BEING THE COMMON NORTHEASTERLY NORTHWEST CORNER OF A 111.666 ACRE TRACT OF LAND CONVEYED BY DEED TO OAKWOOD VILLAGE APARTMENTS, INC., RECORDED IN COUNTY CLERK'S FILE NO. 20171201001594200, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, FROM WHICH 5/8" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 111.666 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 50.00 ACRE TRACT OF LAND CONVEYED BY DEED TO KAYASA FAMILY, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20171012001368980, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS BEARS SOUTH 01 DEGREE 15 MINUTES 53 SECONDS WEST, A DISTANCE OF 36.09 FEET;

THENCE, NORTH 88 DEGREES 57 MINUTES 17 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 33.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHWEST CORNER OF SAID 111.666 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF A CALLED 40.86 ACRE THIRD TRACT AS RECORDED IN SAID VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 56 MINUTES 00 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINES OF SAID 40.86 ACRE THIRD TRACT, A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FIFTH TRACT, A CALLED 80 ACRE TRACT OF LAND CONVEYED AS FIRST TRACT, A CALLED 21.26 ACRE TRACT OF LAND CONVEYED AS SIXTH

TRACT, AND A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FOURTH TRACT, AS RECORDED IN SAID VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS, A DISTANCE OF 2,654.98 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR THE NORTHWEST CORNER OF SAID FOURTH TRACT AND THE COMMON NORTHEAST CORNER OF A CALLED 50.53 ACRE TRACT OF LAND CONVEYED BY DEED TWO-J PARTNERS, LLLP RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 48 MINUTES 28 SECONDS WEST, ALONG THE COMMON NORTH LINE OF A 50.53 ACRE TRACT AND THE SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT, A DISTANCE OF 251.32 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE SOUTHEAST CORNER OF A 38.15 ACRE TRACT OF LAND CONVEYED BY DEED AS TRACT 7 TO MJLA ADAMS, LTD. RECORDED IN COUNTY CLERK'S FILE NO. 20110505000462590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 01 DEGREE 38 MINUTES 26 SECONDS WEST, ALONG THE COMMON WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE EAST LINE OF SAID 38.15 ACRE TRACT, A DISTANCE OF 509.20 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID 38.15 ACRE TRACT AND THE SOUTHEAST CORNER OF A 17.863 ACRE TRACT OF LAND CONVEYED BY DEED TO ANNA 18, LLC RECORDED IN COUNTY CLERK'S FILE NO. 20161020001423440, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, DEPARTING SAID WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND OVER AND ACROSS SAID 64.5 ACRE SECOND TRACT, THE FOLLOWING COURSES AND DISTANCES:

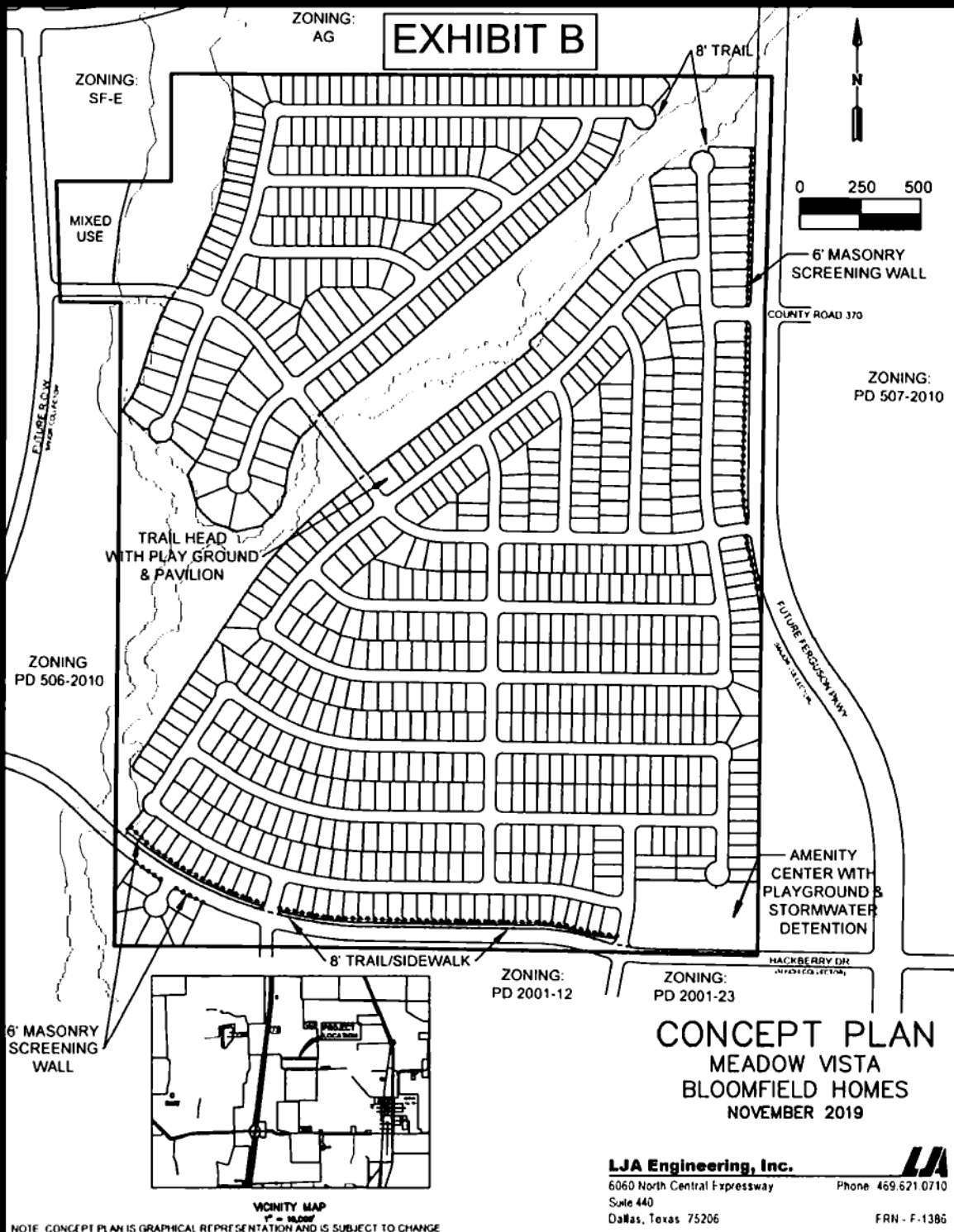
NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, A DISTANCE OF 500.77 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 31 MINUTES 21 SECONDS WEST, A DISTANCE OF 432.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE NORTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTH LINE OF A 159.725 ACRE TRACT OF LAND CONVEYED BY DEED TO LHJH MANAGEMENT COMPANY LLC RECORDED IN COUNTY CLERK'S FILE NO. 20061003001424590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;



THENCE, NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, ALONG THE COMMON NORTH LINE OF SAID 64.5 ACRE SECOND TRACT, AND THE SOUTH LINE OF SAID 159.725 ACRE TRACT, A DISTANCE OF 2,480.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 159.725 ACRE TRACT, SAID POINT BEING ON THE WEST LINE OF AFORESAID KAYASA FAMILY 50.00 ACRE TRACT;

THENCE, SOUTH 01 DEGREE 15 MINUTES 53 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE WEST LINE OF SAID 50.00 ACRE TRACT, A DISTANCE OF 1024.64 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 2,696,563 SQUARE FEET OR 61.905 ACRES OF LAND.



CITY OF ANNA  
PLANNING & ZONING COMMISSION

December 2, 2019

**Agenda Item No. 6B**

**Applicant: Bloomfield Homes**

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**DESCRIPTION:**

Request to rezone 223.0± acres located on the north side of Hackberry Drive, 480± feet west of Ferguson Parkway from Single-Family Residential - Large Lot to Planned Development-Single-Family Residence-60/Restricted Commercial District.

**REMARKS:**

The applicant is requesting to rezone the subject property to Planned Development-Single-Family Residence-60/Restricted Commercial District (PD-SF-60/C-1) to allow for a single-family residential development with modified development standards which may include a nonresidential component. A PD district is intended to provide for combining and mixing of uses allowed in various districts with appropriate regulations and to permit flexibility in the use and design of land and buildings in situations where modification of specific provisions of this article is not contrary to its intent and purpose or significantly inconsistent with the planning on which it is based and will not be harmful to the community. A PD district may be used to permit new and innovative concepts in land utilization. While great flexibility is given to provide special restrictions which will allow development not otherwise permitted, procedures are established herein to insure against misuse of the increased flexibility. The SF-60 Single-Family Residential District is designed to accommodate single-family residential development on relatively ample lots. The district can be appropriately located in proximity to agricultural and single-family residential uses. The C-1 district is established to accommodate the shopping needs of residents in adjacent residential areas. This district is meant to be used in limited areas, where retail or service establishments deal directly with customers. Businesses in the C-1 district should be oriented to satisfying the daily and frequent shopping needs of the neighborhood consumer.

A concept plan, Meadow Vista, accompanies this request as Agenda Item 6C.

### **Surrounding Land Use and Zoning**

North	Vacant land zone Agricultural
East	Across future Ferguson Parkway vacant land zoned Agricultural and vacant land zoned PD-SF-72 Single-Family Residence. At the southeastern portion of the tract vacant land zoned PD-NC Neighborhood Convenience
South	Across future Hackberry Drive vacant land zoned PD-SF-72, and two existing residential subdivisions (The Falls and Creekside) zoned PD-R-1.
West	Vacant tract zoned PD-C-1 Restricted Commercial and vacant tracts zoned SF-E Single-Family Residential – Large Lot

### **Proposed Planned Development Stipulations**

The requested zoning is PD-SF-60/C-1. There are two primary parts to this request: land use and design standards.

**Land Use** - The applicant is proposing to rezone the subject property to allow for a single-family residential subdivision with a nonresidential component.

**Design Standards** - The language in the proposed PD district would allow for a single-family residential development with modified area regulations and nonresidential that would be limited to the northwest portion of the zoning request.

### **Conformance with the City of Anna Strategic Plan and Comprehensive Plan**

#### **Anna Vision 2034**

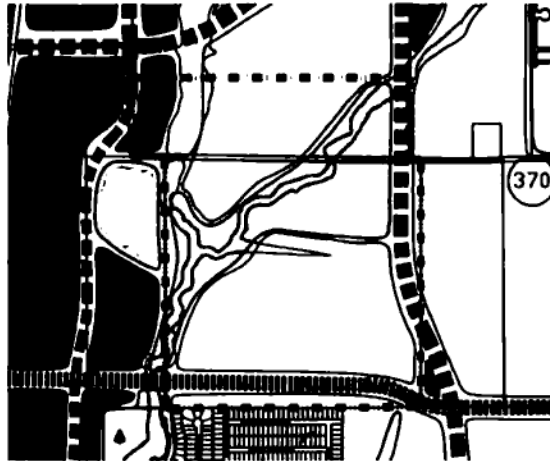
- a. Principle 3: Preserved some natural areas/open space through the community.
- b. Principle 5: Great Housing Opportunities.
  - i. Diverse housing choices for all family generations: small lots, townhomes, estate homes, "ranchette", apartments, mixed-use development.
  - ii. Safe, well-design, well-maintained multi-family and single-family rental housing.

#### **City of Anna Goals for 2024**

- a. Goal 2: Sustainable Anna Community Through Planned, Managed Growth.
  - i. Having new buildings and homes that are attractive and using the appropriate building materials and meeting City's architectural standards.

- ii. Develop City infrastructure to support a growing community.
- iii. Having a range of housing choice available in Anna.

**Future Land Use Plan** - The Future Land Use Plan identifies four land use designations within the subject property. Single Family (yellow) Parks (green), and medium density (orange), and Commercial (red). The proposed zoning request is in conformance with the Future Land use Plan.



**Adequacy of Public Facilities** - Water and sanitary sewer services are available to serve the subject property; however, the applicant may be responsible for making improvements to either the water and/or sanitary sewer system to increase the system capacity if required.

#### **ISSUES:**

##### **Residential Form**

The applicant has indicated the zoning request is a continuation of the established subdivisions to the south with the exception of the minimum lot depth which has been increased to allow for a larger building pad site.

Below is a comparison between the proposed area regulations and the existing subdivisions regulations

	<i>PD-SF-60</i>	<i>The Falls &amp; Creekside</i>	<i>SF-60</i>
<i>Min. front yard</i>	20 ft.	20 ft.	25 ft.
<i>Min. side yard</i>	5 ft. / 15 ft. corner	5 ft. / 10 ft. corner	10 ft. / 15 ft. corner
<i>Min. rear</i>	15 ft. adjacent to collector R.O.W. / 10 ft. elsewhere	15 ft.	25 ft.
<i>Min. lot area</i>	5,500 sq. ft. / 6,600 sq. ft. average	6,000 sq. ft.	6,000 sq. ft.
<i>Min. lot width</i>	50 ft.	50 ft.	50 ft.

<i>Min. lot depth</i>	120 ft. adjacent to collector R.O.W. / 110 ft. elsewhere	90 ft.	120 ft.
<i>Min. building size</i>	1,500 sq. ft.	1,200 sq. ft.	1,600 sq. ft.
<i>Max. lot coverage</i>	60%	50%	45%

#### **SUMMARY:**

The applicant is requesting to rezone 223.0± acres to allow for the development of a SF-60 single-family residential subdivision with modified standards. As part of the request the applicant is reserving an area that can be built either to C-1 Restricted Commercial district standards or modified SF-60 standards that is shown on the companion Concept Plan. The request is in conformance with the future land use plan and elements of the City of Anna Strategic Plan due to diversifying housing stock, preserving and enhancing natural areas with a trail system, meeting masonry building material requirements, and extending two significant collector roadways. For these reasons, staff is in support of the rezoning request.

#### **RECOMMENDATION:**

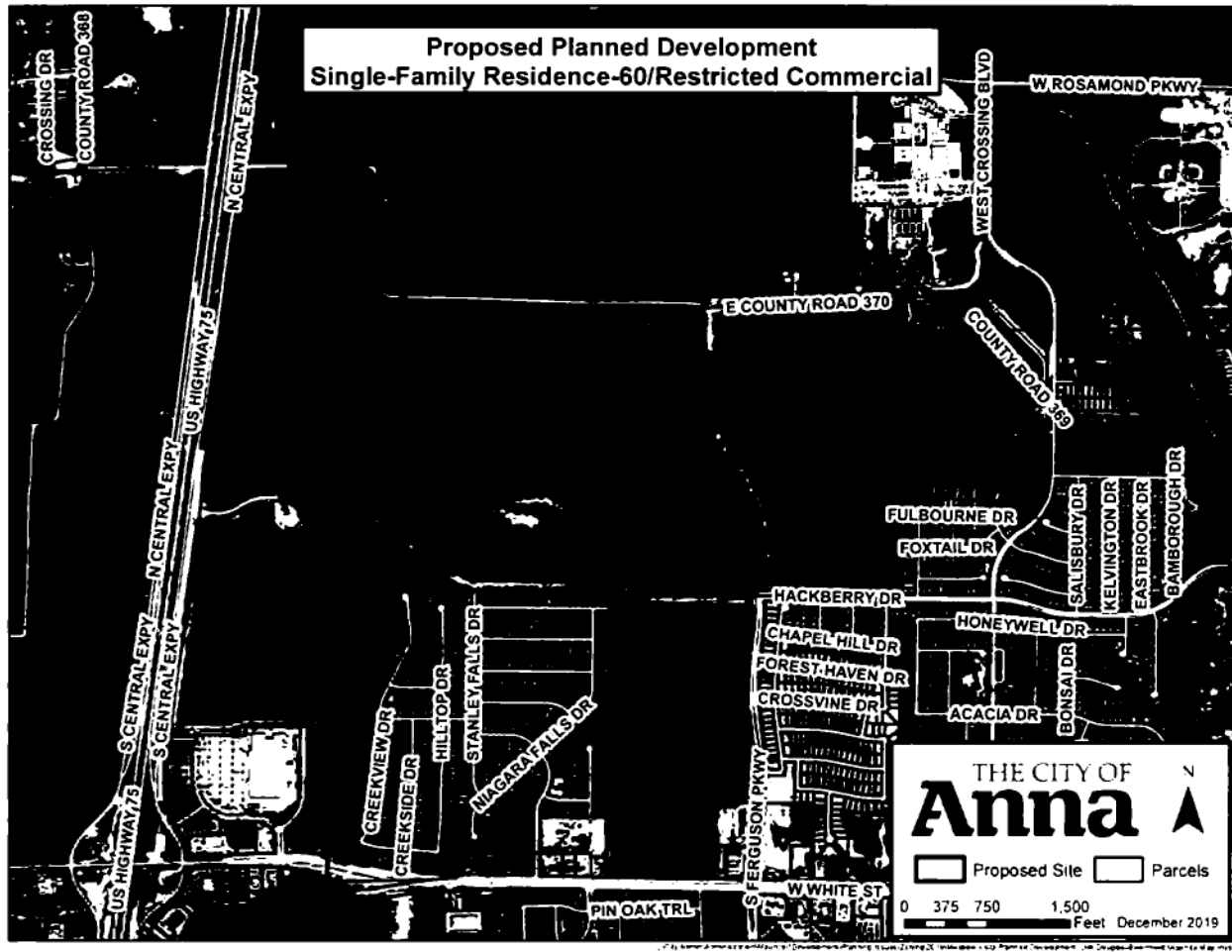
Recommended for approval as follows:

The permitted uses and standards shall be in conformance with the SF-60 Single-Family Residence District and C-1 Restricted Commercial District, unless otherwise specified herein.

##### **1. SF-60 Residential Zoning District Area Regulations:**

- a. Side Yard, Interior: 5 feet.
- b. Rear yard:
  - i. 20 feet - lots backing to either a minor or major collector, to include the minimum 15 feet-wide landscape tract adjacent to a major collector.
  - ii. 10 feet - all other lots
- c. Front Yard: 20 feet with no additional encroachments.
- d. Min. Lot Area: 5,500 sq. ft. / overall average 6,600 sq. ft.
- e. Min. Lot Width: 50 feet / overall average 60 feet.
- f. Min. Lot Depth:

- i. 120 feet - lots backing to either a minor or major collector, to include the minimum 15 feet-wide landscape tract adjacent to a major collector.
  - ii. 110 feet - all other lots.
- g. Max. Lot Coverage: 60%
- h. Building Size: min. 1,500 sq. ft.
- 2. Maximum total residential lots not to exceed 800.
- 3. Single-family development is restricted to a front-entry product.
- 4. Streets:
  - a. The maximum length of any block or street segment shall be 1,600 feet and the minimum length shall be 300 feet.
  - b. The street patterns depicted in the approved Concept Plan shall fulfill minimum curvilinear street requirement, either as a whole or by phase.
  - c. The Planned Development is responsible for construction of one-half of the divided roadway section of future Ferguson Parkway and one-half of the divided roadway of future Hackberry Drive to the extent located within or adjacent to the Planned Development.
- 5. Fencing: Fencing along the rear property boundary of any lot backing to natural drainage areas or creeks are restricted to wrought iron, tubular steel, or tubular aluminum and must be at least 50% open construction.
- 6. Amenities: Amenity center with swimming pool, restroom and changing area, an 8-foot wide concrete sidewalk/trail, and a trailhead with playground and park benches along with pet waste stations shall be provided in general conformance to the locations identified on the approved Concept Plan.
- 7. The area identified as "Mixed Use" on the approved Concept Plan may be developed entirely as either C-1 Restricted Commercial or SF-60 as amended by the PD.





**EXHIBIT E**  
**Original Agreement**

**DEVELOPMENT AGREEMENT**

This Development Agreement (this "**Agreement**") is entered effective as of December 10, 2019 ("Effective Date") between and among the City of Anna, Texas ("**City**") and QJR Partnership, LTD ("**Property Owner**") as follows:

**RECITALS**

**WHEREAS**, the Property Owner is the sole owner of real property described and depicted on Exhibit A, attached hereto (the "**Property**"); and,

**WHEREAS**, the Property Owner has applied to rezone the Property to allow for single-family residential and restricted commercial uses; and,

**WHEREAS**, the City's Planning & Zoning Commission and City Council have given the requisite notices by publication and otherwise and have scheduled public hearings with respect to the rezoning of the Property as required by law; and,

**WHEREAS**, in the case of the Property being rezoned, the City and Property Owner desire to enter into a development agreement to establish development and design regulations to ensure that future development is appropriate for the area and fits in well with adjacent properties; and,

**WHEREAS**, it is the Parties' mutual intent that this agreement shall govern only the subject matter specifically set forth herein and shall supersede City Regulations only to the extent that any such City Regulations directly conflict with the terms of this development agreement; and,

**NOW, THEREFORE**, in consideration of the above recitals and the mutual consideration as reflected in the covenants, duties and obligations contained herein, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows, effective as of the Effective Date:

**SECTION 1. RECITALS INCORPORATED.**

The recitals set forth above are incorporated herein as if set forth in full to further describe the Parties' intent under this development agreement and said recitals constitute representations by Property Owner, Developer and the City.

**SECTION 2. PRELIMINARY CONCEPT PLAN.**

The Property shall be developed as conceptually described and illustrated on Exhibit B (the "PRELIMINARY CONCEPT PLAN"). The Preliminary Concept Plan may be amended from time to time with approval from the City's Planning & Zoning Commission and the City Council.

### SECTION 3. BUILDING MATERIALS.

The Property Owner agrees to comply or to cause the builders to comply and any other successors or assigns to comply with the masonry material requirements and all other requirements of the Anna City Code of Ordinances, Article 9.04 Zoning Ordinance, Section 9.04.034 Supplementary District Regulations, Subsection (e) Architectural Design Standards and to comply with the following regulations:

- A. Except as noted below, the exterior walls (excluding windows and doors) on the first-floor front elevation of any single-family home shall be 90 percent masonry and 80 percent on the second-floor front elevation. The total cumulative surface area of the remaining exterior walls (excluding windows and doors) shall be 80% masonry.
- B. Second floor Dutch gable roof elements are not required to be masonry if set back at least 3 feet from the first-floor front elevation vertical plane.
- C. The masonry standards that apply to the front elevation of a single-family home as described in subsection (A) above shall also apply to any exterior walls on a single-family home that are: (i) adjacent to and face a public street or right-of-way; or (ii) visible from and located immediately adjacent to a public park, reserved open space or neighborhood common area, or an undeveloped flood hazard or drainage area that is also adjacent to a public street.
- D. Roofing materials in all residential districts may only consist of architectural asphalt shingles (including laminated dimensional shingles), clay and concrete tile, metal shingles, mineral-surfaced row roofing, slate and slate-type shingles, wood shingles, wood shakes or an equivalent or better product as compared with said materials. Should architectural shingles be used as roofing material, said shingles shall be accompanied with a minimum 25-year warranty. Under no circumstance shall three-tab shingles be used as roofing material.
- E. Border fencing shall be of stone or masonry construction.

### SECTION 4. NOTICES.

Any and all notices required to be given by either of the parties hereto must be in writing and will be deemed delivered upon personal service, if hand-delivered, or when mailed in the United States mail, certified, return receipt requested, addressed as follows:

To City:                      City Manager  
                                    City of Anna  
                                    111 North Powell Parkway  
                                    PO Box 776  
                                    Anna, Texas 75409

To Property Owner: QJR Partnership LTD  
                                    822 County Road 370  
                                    Anna, Texas 75409  
                                    Attn: J.D. Rollins

## **SECTION 5. MODIFICATIONS OR TERMINATION.**

This Agreement may only be modified and/or terminated as follows: (a) by mutual agreement of Property Owner and City; and/or (b) unilaterally by City upon default of the Property Owner or Developer. Notwithstanding the foregoing or any other provision of this Agreement, this Agreement shall terminate and be null and void if the City does not approve the rezoning of the Property to be zoned as (PD-SF-60/C-1), Planned Development-Single Family Residential-60/Restricted Commercial District), as set forth in Section 9.04 of the Anna City Code of Ordinances, ("Zoning Ordinance"). The parties acknowledge and agree that the rezoning of the Property is a legislative act and that this Agreement does not bind the City Council to approve any proposed rezoning of the Property.

## **SECTION 6. DEFAULT.**

If Property Owner or Developer, its heirs, successors or assigns, subsequent owners of the Property or any other person acquiring an interest in the Property, fails to fully comply with all the terms and conditions included in this Agreement, City will have the following non-exclusive and cumulative remedies.

- A. Withholding of utilities or withholding or revocation of permits and other approvals required for development and use of the Property including without limitation building permits and certificates of occupancy.
- B. The defaulting Property Owner or Developer, or their respective heirs, successors or assigns, subsequent owners of the Property or any other person acquiring an interest in the Property (collectively, the "Defaulting Developer Parties") shall be jointly and severally liable to pay to the City the sum of \$2,000 for each failure to fully comply with the development standards set forth in Section 3 of this Agreement. The Defaulting Developer Parties shall be liable to pay the City said \$2,000 sum per day for each day that such failure to comply occurs. The sums of money to be paid for such failure(s) is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages that accrue per day that such a failure shall exist or occur. The said amounts are fixed and agreed upon by the parties because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the City in such event would sustain; and said amounts are agreed to be the amounts of damages which the City would sustain. Notwithstanding the foregoing, none of the Defaulting Developer Parties shall be liable to pay the liquidated damages that accrue under this paragraph unless there is a breach of any material term or condition of this Agreement and such breach remains uncured after forty-five (45) calendar days following receipt of written notice from the City provided in accordance with this Agreement describing said breach in reasonable detail (or, if the cure of the breach has diligently and continuously been undertaken but reasonably requires more than forty-five (45) calendar days to cure, then such additional amount of time as is reasonably necessary

to effect the cure, as determined by both Parties mutually and in good faith but in no event shall such additional period exceed 120 days unless agreed to in writing by the parties to this Agreement). In the event of a breach that is not timely cured in accordance with this paragraph, the sum of liquidated damages shall be calculated to include each and every day of the occurrence of the breach beginning on the date that the City first provided written notice of such breach under this paragraph and the City shall not be required to provide a subsequent written notices as to subsequent dates or times during which such breach is repeated or continues to occur.

- C. In the event of a default, the City will additionally have any and all remedies available to it at equity or in law.

#### **SECTION 7. BINDING ON SUCCESSORS, AGREEMENT RUNS WITH THE LAND.**

This Agreement will be binding upon and inure to the benefit of the parties' respective successors, assigns and personal representatives. This Agreement will run with the land and be binding on all subsequent Property Owners and Developers.

#### **SECTION 8. INDEMNIFICATION AND HOLD HARMLESS.**

THE DEVELOPER AND THE PROPERTY OWNER, INCLUDING THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (THE "INDEMNIFYING PARTIES"), HEREBY COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY AND ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "CLAIMS") AGAINST THE CITY, WHETHER REAL OR ASSERTED INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE INDEMNIFYING PARTIES, INCLUDING THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF ANY OF THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN, AND AGENTS, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY PUBLIC INFRASTRUCTURE, STRUCTURES, OR OTHER FACILITIES OR IMPROVEMENTS THAT ARE REQUIRED OR PERMITTED UNDER THIS AGREEMENT AND/OR CITY REGULATIONS AND/OR ANY APPLICABLE DEVELOPMENT STANDARDS AND/OR ANY OTHER GOVERNING REGULATIONS; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH CLAIMS SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE CLAIMS EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT NEGLIGENCE SUBJECT TO THE TERMS OF THIS SECTION. THE INDEMNIFYING PARTIES SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST CLAIMS CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF ANY OF THE INDEMNIFYING PARTIES AND THE CITY, THE INDEMNIFYING PARTIES' INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE INDEMNIFYING PARTIES' OWN PERCENTAGE OF RESPONSIBILITY. THE INDEMNIFYING

PARTIES FURTHER COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE CITY AGAINST ANY AND ALL CLAIMS BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY WHO HAS NOT SIGNED THIS AGREEMENT IF SUCH CLAIMS RELATE IN ANY MANNER OR ARISE IN CONNECTION WITH: (1) THE CITY'S RELIANCE UPON ANY OF THE INDEMNIFYING PARTIES' REPRESENTATIONS IN THIS AGREEMENT; (2) THIS AGREEMENT OR OWNERSHIP OF THE PROPERTY; OR (3) THE CITY'S APPROVAL OF ANY TYPE OF DEVELOPMENT APPLICATION OR SUBMISSION WITH RESPECT TO THE PROPERTY. At no time shall the City have any control over or charge of the design, construction or installation of any of the improvements to the Property or related work or undertakings, nor the means, methods, techniques, sequences or procedures utilized for the design, construction or installation related to same. This Agreement does not create a joint enterprise or venture between the City and any of the Indemnified Parties. This Section 8 will survive the termination of this Agreement.

#### **SECTION 9. REQUIREMENT FOR RECORDATION.**

City will record this document, including all the Exhibits, in conjunction with the formal adoption by the City Council, and immediately provide a recorded copy to the City.

#### **SECTION 10. ENTIRE AGREEMENT.**

This Agreement is the entire agreement of the parties regarding the subject matter hereto.

#### **SECTION 11. RECITALS AND EXHIBITS.**

The recitals herein and exhibits attached hereto are hereby incorporated by reference.

#### **SECTION 12. AUTHORITY.**

Property Owner represents and warrants to the City that the Property Owner owns the Property that this Agreement is binding and enforceable on the Property.

#### **SECTION 13. INVALID PROVISIONS.**

If any provision of this Agreement is held not valid, such provision will be deemed to be excised therefrom and the invalidity thereof will not affect any of the other provisions contained herein.

#### **SECTION 14. EFFECTIVE DATE.**

This Agreement will be effective upon the Effective Date first stated herein.

[REMAINDER OF PAGE LEFT BLANK, SIGNATURE PAGE(S) FOLLOW.]

CITY OF ANNA

By: \_\_\_\_\_  
Jim Proce, City Manager

IN WITNESS WHEREOF:

STATE OF TEXAS

COUNTY OF COLLIN

Before me, the undersigned notary public, on the \_\_\_\_\_ day of \_\_\_\_\_, 2019, appeared Jim Proce, known to me (or proved to me) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same in his capacity as City Manager of the City of Anna, Texas.

\_\_\_\_\_  
Notary Public, State of Texas

QJR Partnership LTD

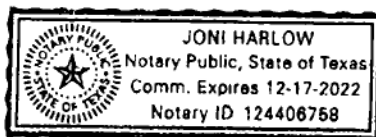
By: J.D. Rollins  
J.D. Rollins, Property Owner

IN WITNESS WHEREOF:

STATE OF TEXAS

COUNTY OF COLLIN

Before me, the undersigned notary public, on the 5<sup>th</sup> day of December, 2019, appeared J.D. Rollins, Property Owner known to me (or proved to me) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same in his capacity as representative of QJR Partnership LTD.



Joni Harlow  
Notary Public, State of Texas

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

**TRACT 1**  
**161.250 ACRES**

BEING A 161.250 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288, CITY OF ANNA E.T.J., COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 162.12 ACRE TRACT OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 162.12 ACRE TRACT BEING DESCRIBED IN DEED TO LORRAINE SHERLEY, AS RECORDED IN VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS. BEING ALL OF A CALLED 80 ACRE TRACT OF LAND CONVEYED AS FIRST TRACT, ALL OF A CALLED 40.86 ACRE TRACT OF LAND CONVEYED AS THIRD TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FOURTH TRACT, ALL OF A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FIFTH TRACT, AND ALL OF A CALLED 21.26 ACRE TRACT OF LAND CONVEYED AS SIXTH TRACT. SAID 161.250 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 21.26 ACRE SIXTH TRACT, THE COMMON NORTHWEST CORNER OF LOT 56, BLOCK F AND THE NORTHEAST CORNER OF LOT 3, BLOCK G OF CREEKSIDE PHASE 3, AN ADDITION TO THE CITY OF ANNA ACCORDING TO THE PLAT RECORDED IN CABINET P, SLIDE 623, PLAT RECORDS, COLLIN COUNTY, TEXAS AND BEING THE COMMON SOUTHEAST CORNER OF CALLED 50.53 ACRE TRACT OF LAND CONVEYED BY DEED TWO-J PARTNERS, LLLP RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS ;

THENCE, ALONG THE COMMON EAST LINE OF SAID 50.53 ACRE TRACT AND THE WEST LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE WEST LINE OF SAID 10 ACRE FOURTH TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 1115.83 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 49 MINUTES 32 SECONDS EAST, A DISTANCE OF 309.20 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 36 MINUTES 32 SECONDS EAST, A DISTANCE OF 368.00 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 42 MINUTES 32 SECONDS EAST, A DISTANCE OF 596.23 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING SURVEYING" SET FOR CORNER, SAID POINT LYING IN COLLIN COUNTY ROAD NO. 370 (A PRESCRIPTIVE RIGHT OF WAY), SAID POINT BEING THE COMMON NORTHWEST CORNER OF SAID 10 ACRE FOURTH TRACT AND THE NORTHEAST CORNER OF SAID 50.53 ACRE TRACT AND BEING ON THE SOUTH LINE OF A CALLED 64.5 TRACT ACRE OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 64.5 ACRE TRACT BEING DESCRIBED AS SECOND TRACT IN SAID VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 88 DEGREES 56 MINUTES 00 SECONDS EAST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINES OF SAID 10 ACRE FOURTH TRACT, SAID 21.26 ACRE SIXTH TRACT, SAID 80 ACRE FIRST TRACT, SAID 10 ACRE FIFTH TRACT, AND SAID 40.86 ACRE THIRD TRACT, A DISTANCE OF 2,654.98 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 40.86 ACRE THIRD TRACT AND THE COMMON NORTHWEST CORNER OF A CALLED A 111.666 ACRE TRACT OF LAND CONVEYED BY DEED TO OAKWOOD VILLAGE APARTMENTS, INC., RECORDED IN COUNTY CLERK'S FILE NO. 20171201001594200, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 40.86 ACRE THIRD TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 2640.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "J.E. SMITH 3700" FOUND FOR THE COMMON SOUTHEAST CORNER OF SAID 40.86 ACRE THIRD TRACT AND THE SOUTHWEST CORNER OF SAID 111.666 ACRE TRACT, SAID POINT LYING ON THE NORTH LINE OF A 17.455 ACRE TRACT OF LAND CONVEYED AS TRACT 1 NORTH, TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20180614000736900, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 46 MINUTES 28 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 40.86 ACRE THIRD TRACT, THE SOUTH LINE OF AFORESAID 10.00 ACRE FIFTH TRACT, AND THE NORTH LINE OF SAID 17.455 ACRE TRACT, A DISTANCE OF 803.28 FEET TO A 5/8" IRON ROD FOUND FOR THE COMMON NORTHWEST CORNER OF SAID 17.455 ACRE TRACT AND THE NORTHEAST CORNER OF THE FALLS PHASE 2, AN ADDITION TO THE CITY OF



ANNA ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET P, PAGE 870, PLAT RECORDS, COLLIN COUNTY TEXAS;

THENCE, ALONG THE COMMON NORTH LINE OF SAID THE FALLS PHASE 2, CONTINUING ALONG THE SOUTH LINE OF SAID 10.00 ACRE FIFTH TRACT AND ALONG THE SOUTH LINE OF AFORESAID 80 ACRE FIRST TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 00 MINUTES 01 SECOND WEST, A DISTANCE OF 642.80 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 13.58 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 18 MINUTES 16 SECONDS WEST, A DISTANCE OF 715.13 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AT THE COMMON NORTHWEST CORNER OF THE FALLS PHASE 2, THE NORTHEAST CORNER OF AFORESAID CREEKSIDE PHASE 3, THE SOUTHWEST CORNER OF SAID 80 ACRE FIRST TRACT AND THE SOUTHEAST CORNER OF AFORESAID 21.26 ACRE SIXTH TRACT;

THENCE, NORTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 21.26 ACRE SIXTH TRACT AND THE NORTH LINE OF SAID CREEKSIDE PHASE 3, A DISTANCE OF 492.18 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 7,024,033 SQUARE FEET OR 161.250 ACRES OF LAND.

**TRACT 2**  
**61.905 ACRES**

BEING A 61.905 ACRE TRACT OF LAND SITUATED IN THE JOHN ELLET SURVEY, ABSTRACT NO. 296, CITY OF ANNA E.T.J., COLLIN COUNTY, TEXAS, AND BEING PART OF A 64.50 ACRE TRACT OF LAND CONVEYED TO QJR PARTNERSHIP, LTD. BY DEED RECORDED IN VOLUME 5106, PAGE 2380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND SAID 64.5 ACRE TRACT BEING DESCRIBED AS SECOND TRACT IN THE DEED TO LORRAINE SHERLEY, AS RECORDED IN VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS. SAID 61.905 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 1" IRON PIPE (BENT) FOUND FOR THE SOUTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND BEING THE COMMON NORTHEASTERLY NORTHWEST CORNER OF A 111.666 ACRE TRACT OF LAND CONVEYED BY DEED TO OAKWOOD VILLAGE APARTMENTS, INC., RECORDED IN COUNTY CLERK'S FILE NO. 20171201001594200, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, FROM WHICH 5/8" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 111.666 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 50.00 ACRE TRACT OF LAND CONVEYED BY DEED TO KAYASA FAMILY, LTD., RECORDED IN COUNTY CLERK'S FILE NO. 20171012001368980, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS BEARS SOUTH 01 DEGREE 15 MINUTES 53 SECONDS WEST, A DISTANCE OF 36.09 FEET;

THENCE, NORTH 88 DEGREES 57 MINUTES 17 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINE OF SAID 111.666 ACRE TRACT, A DISTANCE OF 33.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHWEST CORNER OF SAID 111.666 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF A CALLED 40.86 ACRE THIRD TRACT AS RECORDED IN SAID VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 56 MINUTES 00 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE NORTH LINES OF SAID 40.86 ACRE THIRD TRACT, A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FIFTH TRACT, A CALLED 80 ACRE TRACT OF LAND CONVEYED AS FIRST TRACT, A CALLED 21.26 ACRE TRACT OF LAND CONVEYED AS SIXTH

TRACT, AND A CALLED 10 ACRE TRACT OF LAND CONVEYED AS FOURTH TRACT, AS RECORDED IN SAID VOLUME 784, PAGE 34, DEED RECORDS, COLLIN COUNTY, TEXAS, A DISTANCE OF 2,654.98 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR THE NORTHWEST CORNER OF SAID FOURTH TRACT AND THE COMMON NORTHEAST CORNER OF A CALLED 50.53 ACRE TRACT OF LAND CONVEYED BY DEED TWO-J PARTNERS, LLLP RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 88 DEGREES 48 MINUTES 28 SECONDS WEST, ALONG THE COMMON NORTH LINE OF A 50.53 ACRE TRACT AND THE SOUTH LINE OF SAID 64.5 ACRE SECOND TRACT, A DISTANCE OF 251.32 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE SOUTHEAST CORNER OF A 38.15 ACRE TRACT OF LAND CONVEYED BY DEED AS TRACT 7 TO MJLA ADAMS, LTD. RECORDED IN COUNTY CLERK'S FILE NO. 20110505000462590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 01 DEGREE 38 MINUTES 26 SECONDS WEST, ALONG THE COMMON WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE EAST LINE OF SAID 38.15 ACRE TRACT, A DISTANCE OF 509.20 FEET TO A P.K. NAIL WITH SHINER STAMPED "LJA SURVEYING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID 38.15 ACRE TRACT AND THE SOUTHEAST CORNER OF A 17.863 ACRE TRACT OF LAND CONVEYED BY DEED TO ANNA 18, LLC RECORDED IN COUNTY CLERK'S FILE NO. 20161020001423440, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

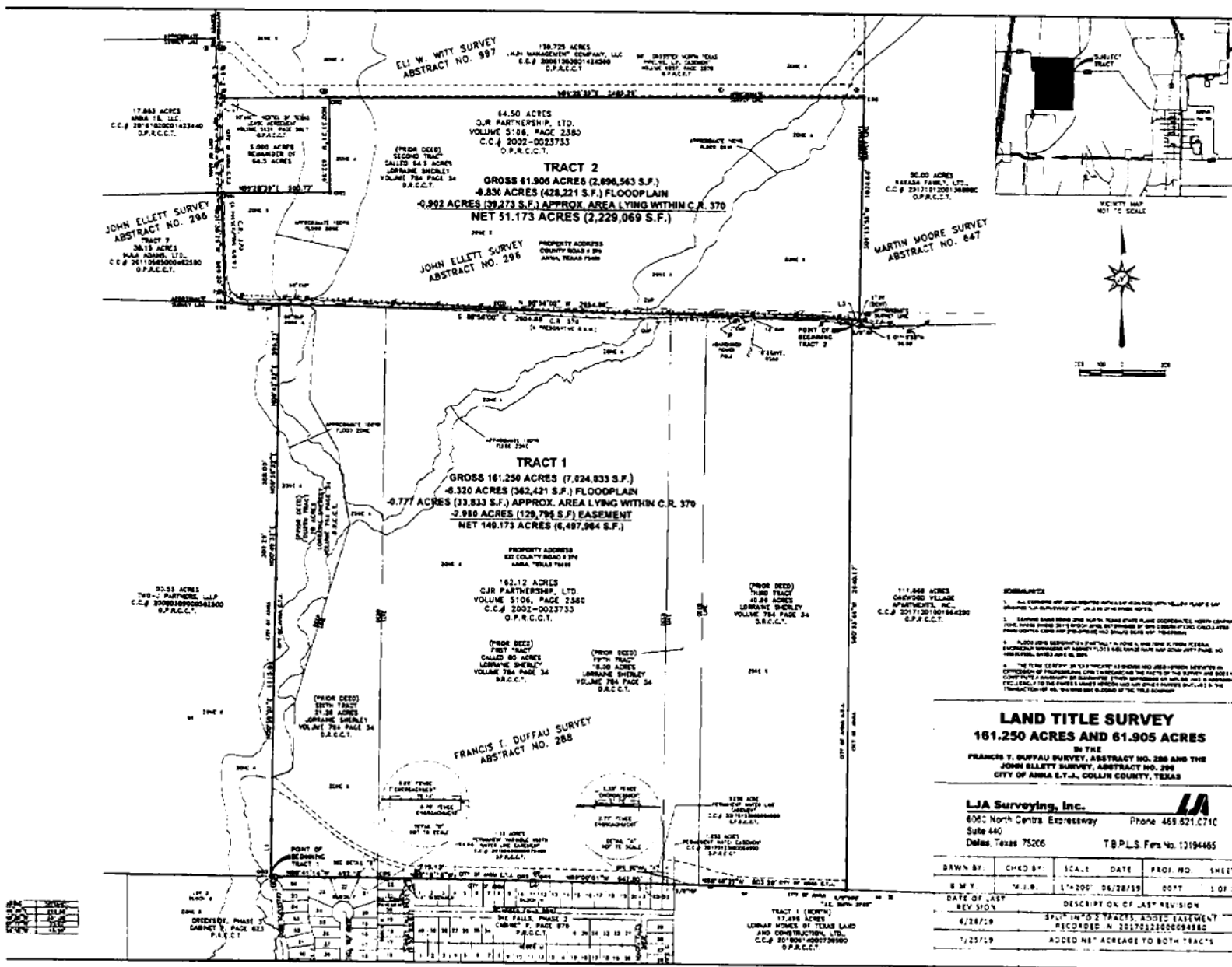
THENCE, DEPARTING SAID WEST LINE OF SAID 64.5 ACRE SECOND TRACT AND OVER AND ACROSS SAID 64.5 ACRE SECOND TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, A DISTANCE OF 500.77 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 31 MINUTES 21 SECONDS WEST, A DISTANCE OF 432.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE NORTH LINE OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTH LINE OF A 159.725 ACRE TRACT OF LAND CONVEYED BY DEED TO LHJH MANAGEMENT COMPANY LLC RECORDED IN COUNTY CLERK'S FILE NO. 20061003001424590, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

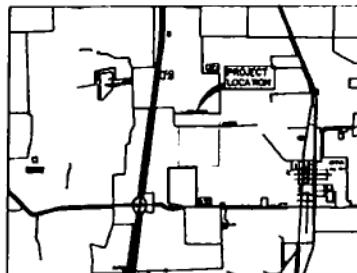
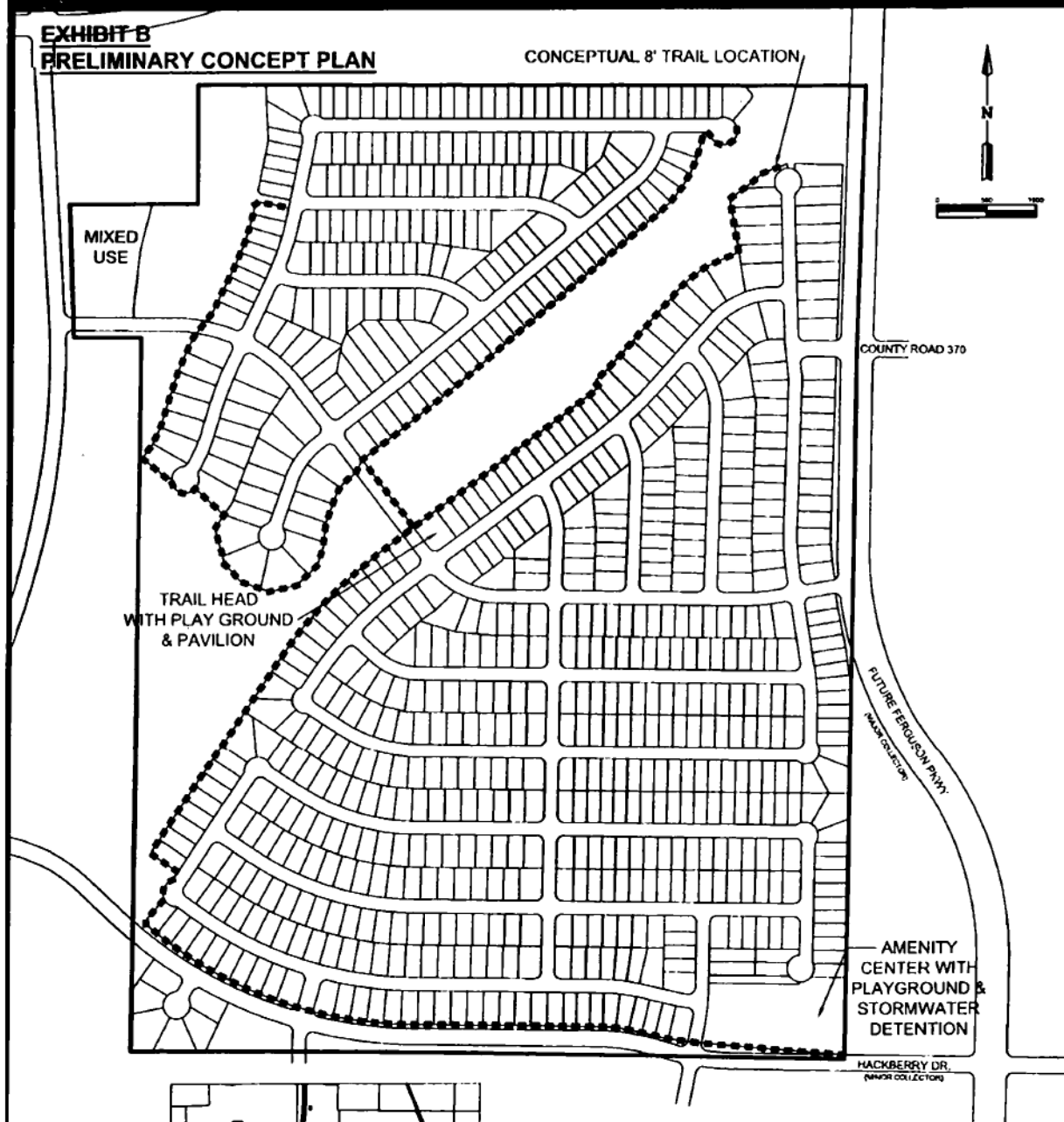
THENCE, NORTH 89 DEGREES 28 MINUTES 39 SECONDS EAST, ALONG THE COMMON NORTH LINE OF SAID 64.5 ACRE SECOND TRACT, AND THE SOUTH LINE OF SAID 159.725 ACRE TRACT, A DISTANCE OF 2,480.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTHEAST CORNER OF SAID 64.5 ACRE SECOND TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 159.725 ACRE TRACT, SAID POINT BEING ON THE WEST LINE OF AFORESAID KAYASA FAMILY 50.00 ACRE TRACT

THENCE, SOUTH 01 DEGREE 15 MINUTES 53 SECONDS WEST, ALONG THE COMMON EAST LINE OF SAID 64.5 ACRE SECOND TRACT AND THE WEST LINE OF SAID 50.00 ACRE TRACT, A DISTANCE OF 1024.64 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 2,696,563 SQUARE FEET OR 61.905 ACRES OF LAND.



**EXHIBIT B**  
**PRELIMINARY CONCEPT PLAN**

CONCEPTUAL 8' TRAIL LOCATION



VICINITY MAP  
1" = 10,000'

**ZONING CONCEPT PLAN**

MEADOW VISTA

OCTOBER 2019

**LJA Engineering, Inc.**

6060 North Central Expressway

Suite 440

Dallas, Texas 75206

Phone 469.621.0710



FRN - F-1386

# **EXHIBIT F** **Authorized Improvements and Budgeted Costs**

## **MEADOW VISTA**

## **SUMMARY**

<b>OVERALL SUMMARY</b>	
A. EXCAVATION	\$ 4,989,318.00
B. SANITARY SEWER SYSTEM	\$ 4,388,444.50
C. STORM SEWER SYSTEM	\$ 5,971,394.00
D. WATER DISTRIBUTION SYSTEM	\$ 4,020,937.00
E. STREET & ALLEY PAVING	\$ 10,923,657.00
F. RETAINING WALLS	\$ 2,893,794.00
G. MISCELLANEOUS ITEMS	\$ 891,443.10
H. LANDSCAPING	\$ 5,541,900.00
I. DEVELOPMENT FEES	\$ 7,109,673.92
<i>SUB-TOTAL:</i>	<i>\$46,730,561.52</i>
<i>10% CONTINGENCY:</i>	<i>\$4,676,500.00</i>
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$ 51,407,061.52</b>
<i>LOT COUNT:</i>	<i>763</i>
<i>COST / LOT:</i>	<i>\$67,400</i>
<i>LF OF STREET:</i>	<i>37,646</i>
<i>COST / LF OF STREET:</i>	<i>\$1,400</i>
<i>NET DEVELOPABLE ACREAGE:</i>	<i>172.71</i>
<i>COST / DEVELOPABLE ACRE:</i>	<i>\$297,700</i>
<i>TOTAL GROSS ACREAGE:</i>	<i>221.39</i>
<i>COST / GROSS ACRE:</i>	<i>\$232,200</i>

# MEADOW VISTA

## SUMMARY

	Total Master	Total PID	Total Private	TOTAL
<b>OVERALL SUMMARY</b>				
A. EXCAVATION		\$ 540,862.70	\$ 4,448,455.30	\$ 4,989,318.00
B. SANITARY SEWER SYSTEM	\$ 518,084.00	\$ 3,870,360.50		\$ 4,388,444.50
C. STORM SEWER SYSTEM		\$ 5,971,394.00		\$ 5,971,394.00
D. WATER DISTRIBUTION SYSTEM	\$ 129,020.00	\$ 3,891,917.00		\$ 4,020,937.00
E. STREET & ALLEY PAVING	\$ 2,885,235.00	\$ 8,038,422.00		\$ 10,923,657.00
F. RETAINING WALLS			\$ 2,893,794.00	\$ 2,893,794.00
G. MISCELLANEOUS ITEMS		\$ 891,443.10		\$ 891,443.10
H. LANDSCAPING		\$ 5,541,900.00		\$ 5,541,900.00
I. DEVELOPMENT FEES	\$ 498,000.00	\$ 5,876,173.92	\$ 735,500.00	\$ 7,109,673.92
SUB-TOTAL:	\$4,030,339.00	\$34,622,473.22	\$8,077,749.30	\$46,730,561.52
10% CONTINGENCY:	\$404,500.00	\$3,463,000.00	\$809,000.00	\$4,676,500.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$4,434,839.00</b>	<b>\$38,085,473.22</b>	<b>\$8,886,749.30</b>	<b>\$51,407,061.52</b>
LOT COUNT:	763	763	763	763
COST / LOT:	\$5,900	\$50,000	\$11,700	\$67,400
LF OF STREET:	6,103	31,543		37,646
COST / LF OF STREET:	\$750	\$1,250		\$1,400
NET DEVELOPABLE ACREAGE:	10.05	162.66		172.71
COST / DEVELOPABLE ACRE:	\$441,300	\$234,200		\$297,700
TOTAL GROSS ACREAGE:	10.05	211.34		221.39
COST / GROSS ACRE:	\$441,300	\$180,300		\$232,200



# MEADOW VISTA

## SUMMARY

	Phase 1 Master	Phase 2 Master	Phase 3 Master	Phase 4 Master	Phase 5 Master	Total Master
<b>OVERALL SUMMARY</b>						
A. EXCAVATION						
B. SANITARY SEWER SYSTEM			\$ 518,084.00			\$ 518,084.00
C. STORM SEWER SYSTEM						
D. WATER DISTRIBUTION SYSTEM					\$ 129,020.00	\$ 129,020.00
E. STREET & ALLEY PAVING	\$ 1,028,852.00	\$ 1,017,523.00	\$ 17,236.00	\$ 706,109.00	\$ 115,515.00	\$ 2,885,235.00
F. RETAINING WALLS						
G. MISCELLANEOUS ITEMS						
H. LANDSCAPING						
I. DEVELOPMENT FEES	\$ 144,500.00	\$ 143,000.00	\$ 76,000.00	\$ 99,500.00	\$ 35,000.00	\$ 498,000.00
SUB-TOTAL:	\$1,173,352.00	\$1,160,523.00	\$611,320.00	\$805,609.00	\$279,535.00	\$4,030,339.00
10% CONTINGENCY:	\$117,500.00	\$116,500.00	\$61,500.00	\$81,000.00	\$28,000.00	\$404,500.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$1,290,852.00</b>	<b>\$1,277,023.00</b>	<b>\$672,820.00</b>	<b>\$886,609.00</b>	<b>\$307,535.00</b>	<b>\$4,434,839.00</b>
LOT COUNT:	266	7	129	158	203	763
COST / LOT:	\$4,900	\$182,500	\$5,300	\$5,700	\$1,600	\$5,900
LF OF STREET:	2,074	1,664	50	1,872	443	6,103
COST / LF OF STREET:	\$650	\$800	\$13,500	\$500	\$700	\$750
NET DEVELOPABLE ACREAGE:	3.00	3.06	0.14	3.04	0.81	10.05
COST / DEVELOPABLE ACRE:	\$430,300	\$417,400	\$4,805,900	\$291,700	\$379,300	\$441,300
TOTAL GROSS ACREAGE:	3.00	3.06	0.14	3.04	0.81	10.05
COST / GROSS ACRE:	\$430,300	\$417,400	\$4,805,900	\$291,700	\$379,700	\$441,300

# MEADOW VISTA

## SUMMARY

	Phase 1 PID	Phase 2 PID	Phase 3 PID	Phase 4 PID	Phase 5 PID	Total PID
<b>OVERALL SUMMARY</b>						
A. EXCAVATION	\$ 287,914.10	\$ 40,224.50	\$ 125,242.30	\$ 60,951.60	\$ 26,530.20	\$ 540,862.70
B. SANITARY SEWER SYSTEM	\$ 1,368,404.50	\$ 53,287.50	\$ 716,940.50	\$ 695,318.50	\$ 1,036,409.50	\$ 3,870,360.50
C. STORM SEWER SYSTEM	\$ 1,503,978.00	\$ 798,179.00	\$ 1,123,276.00	\$ 692,797.00	\$ 1,853,164.00	\$ 5,971,394.00
D. WATER DISTRIBUTION SYSTEM	\$ 1,285,053.00	\$ 42,141.00	\$ 735,671.00	\$ 735,244.00	\$ 1,093,808.00	\$ 3,891,917.00
E. STREET & ALLEY PAVING	\$ 2,486,200.00	\$ 88,996.00	\$ 1,377,146.00	\$ 1,623,842.00	\$ 2,462,238.00	\$ 8,038,422.00
F. RETAINING WALLS						
G. MISCELLANEOUS ITEMS	\$ 289,152.50	\$ 65,307.00	\$ 88,638.60	\$ 221,875.00	\$ 226,470.00	\$ 891,443.10
H. LANDSCAPING	\$ 2,378,703.75	\$ 190,167.50	\$ 612,487.50	\$ 853,085.00	\$ 1,507,456.25	\$ 5,541,900.00
I. DEVELOPMENT FEES	\$ 1,844,127.50	\$ 331,007.20	\$ 959,054.40	\$ 1,079,046.73	\$ 1,662,938.09	\$ 5,876,173.92
SUB-TOTAL:	\$11,443,533.35	\$1,609,309.70	\$5,738,456.30	\$5,962,159.83	\$9,869,014.04	\$34,622,473.22
10% CONTINGENCY:	\$1,144,500.00	\$161,000.00	\$574,000.00	\$596,500.00	\$987,000.00	\$3,463,000.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$12,588,033.35</b>	<b>\$1,770,309.70</b>	<b>\$6,312,456.30</b>	<b>\$6,558,659.83</b>	<b>\$10,856,014.04</b>	<b>\$38,085,473.22</b>
LOT COUNT:	266	7	129	158	203	763
COST / LOT:	\$47,400	\$253,000	\$49,000	\$41,600	\$53,500	\$50,000
LF OF STREET:	10,800	242	6,004	5,358	9,139	31,543
COST / LF OF STREET:	\$1,200	\$7,350	\$1,100	\$1,250	\$1,200	\$1,250
NET DEVELOPABLE ACREAGE:	53.73	1.60	27.72	32.13	47.48	162.66
COST / DEVELOPABLE ACRE:	\$234,300	\$1,106,500	\$227,800	\$204,200	\$228,700	\$234,200
TOTAL GROSS ACREAGE:	62.75	3.66	37.30	40.63	67.00	211.34
COST / GROSS ACRE:	\$200,700	\$483,700	\$169,300	\$161,500	\$162,100	\$180,300

# MEADOW VISTA

## SUMMARY

	Phase 1 Private	Phase 2 Private	Phase 3 Private	Phase 4 Private	Phase 5 Private	Total Private
<b>OVERALL SUMMARY</b>						
A. EXCAVATION	\$ 2,521,121.20	\$ 76,392.20	\$ 694,904.40	\$ 504,962.00	\$ 651,075.50	\$ 4,448,455.30
B. SANITARY SEWER SYSTEM						
C. STORM SEWER SYSTEM						
D. WATER DISTRIBUTION SYSTEM						
E. STREET & ALLEY PAVING						
F. RETAINING WALLS	\$ 707,255.00	\$ 165,633.00	\$ 516,616.00	\$ 256,289.00	\$ 1,248,001.00	\$ 2,893,794.00
G. MISCELLANEOUS ITEMS						
H. LANDSCAPING						
I. DEVELOPMENT FEES	\$ 323,000.00	\$ 24,500.00	\$ 121,500.00	\$ 76,500.00	\$ 190,000.00	\$ 735,500.00
SUB-TOTAL:	\$3,551,376.20	\$266,525.20	\$1,333,020.40	\$837,751.00	\$2,089,076.50	\$8,077,749.30
10% CONTINGENCY:	\$355,500.00	\$27,000.00	\$133,500.00	\$84,000.00	\$209,000.00	\$809,000.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$3,906,876.20</b>	<b>\$293,525.20</b>	<b>\$1,466,520.40</b>	<b>\$921,751.00</b>	<b>\$2,298,076.50</b>	<b>\$8,886,749.30</b>
LOT COUNT:	266	7	129	158	203	763
COST / LOT:	\$14,700	\$42,000	\$11,400	\$5,900	\$11,400	\$11,700
LF OF STREET:						
COST / LF OF STREET:						
NET DEVELOPABLE ACREAGE:						
COST / DEVELOPABLE ACRE:						
TOTAL GROSS ACREAGE:						
COST / GROSS ACRE:						

**GENERAL**

- 1 This estimate of probable cost was prepared for the preliminary concept plan dated May 2021.
- 2 The tract is located within the City of Anna, within Anna ISD, and is generally described as being located northwest of the intersection of Hackberry Drive and North Ferguson Parkway. The property is zoned for single-family residential use.
- 3 This estimate used the current water, sewer, paving, and storm drainage design criteria specified by the City of Anna.
- 4 This estimate assumes public infrastructure will be conveyed to and accepted by the City of Anna at project completion. Costs for future maintenance of infrastructure has not been considered.
- 5 This estimate is based on unit prices updated in July 2022.
- 6 This estimate was prepared with the benefit of geotechnical data provided in preliminary geotechnical report number 81913324 by Braun Intertec Corporation dated January 10, 2020 for Meadow Vista and G212303 by Alpha Testing dated October 27, 2021 for Crystal Park
- 7 This estimate was prepared with the benefit of an environmental report and wetlands determination provided by Integrated Environmental Solutions on January 14, 2020.
- 8 This estimate was prepared utilizing topographic assumptions based on field survey of the site by LJA and identifies an approximate mean site grade of 3.0%.
- 9 This estimate does consider phasing or construction sequencing costs and does contemplate progression of site development.
- 10 This estimate assumes 4% inspection fee for water, sewer, storm, and paving.
- 11 This estimate assumes testing fees for water and sewer on LF basis of all related material and 3% for storm and paving total cost.
- 12 Land plan and estimate do not make considerations for any oil, gas, or mineral leases in place on the tract.

**GRADING**

- 1 This estimate assumes the following grading assumptions.
 

Side yard max slope: 4:1 (25%) Front yard max slope: 5:1 (20%) Rear yard max slope: 12:1 (8%) Max driveway slope: 12% <i>(measured from finished pad elevation)</i> Minimum side yard swale slope: 1.25% Max exposed beam: 28" inches <i>(measured from finished floor elevation)</i>	Depressed garages are allowed <i>(no physical step in garage)</i> Drop garages with one physical step in garage are allowed Multi-step drop garages are not allowed. Finished floor elevation above finished pad: 0.7' Max fall across garage (front to back): 0.4 feet
--	---
- 2 This estimate assumes lot-to-lot drainage is not allowed.
- 3 This estimate assumes a lot mix comprised of the following typical lot dimensions and is based on a concept plan:
 

Lot <small>16.00m x 120.00m</small>	Pad <small>16.00m x 120.00m</small>
50 ft x 115 ft	40 ft x 70 ft
50 ft x 120 ft	40 ft x 70 ft
50 ft x 125 ft	40 ft x 70 ft
55 ft x 120 ft	45 ft x 70 ft
55 ft x 125 ft	45 ft x 70 ft
60 ft x 120 ft	50 ft x 70 ft
60 ft x 125 ft	50 ft x 70 ft
65 ft x 120 ft	55 ft x 70 ft
65 ft x 125 ft	55 ft x 70 ft
- 4 This estimate assumes all lots will require 4" of moisture conditioning and poly lining.
- 5 Unit prices do not reflect rock excavation.
- 6 This estimate assumes overall development site will balance cut, fill, and spoil material at project completion and does not consider costs for interim import or export of material off project.
- 7 This estimate does not assume any offsite grading.

**SANITARY SEWER**

- 1 This estimate assumes that the developed sewer basin is served by City of Anna.
- 2 This estimate assumes the sanitary sewer system is servicing 763 lots of single-family lots.
- 3 This estimate assumes no lift station is needed in order to service the single-family residential lots.
- 4 This estimate assumes that the Throckmorton Sewer Line (15" gravity line) by others is in place along west property boundary and has capacity for the Meadow Vista site.
- 5 This estimate was produced without the benefit of a Sanitary Sewer Study for the site.
- 6 This estimate assumes three connections to existing Throckmorton Sewer Line (15" gravity line) to be made in Phases 1, 2, and 5.
- 7 Sewer testing includes T.V. testing.

#### **STORM DRAINAGE**

- 1 This estimate assumes there is FEMA 1% floodplain onsite. This estimate was prepared with the benefit of a flood study and a floodplain water surface elevation analysis by LJA dated January 20, 2022.
- 2 This estimate assumes proposed development may impact the FEMA 1% floodplain
- 3 This estimate assumes Mitigation Allowance of \$150,000 for 2 phases (Phase 2 & 5) due to the possibility of jurisdictional wetlands onsite
- 4 This estimate assumes CLOMR/LOMR allowance of \$100,000 due to potential impact of onsite FEMA 1% floodplain.
- 5 This estimate assumes offsite drainage from the North will be captured with a grade to drain and sent to the creek onsite.
- 6 This estimate assumes culvert structures to be cast-in-place
- 7 This estimate assumes culvert structure cost to include culvert, railing, headwall, and riprap.
- 8 This estimate does not include any cost for the enlargement, reconstruction or improvement of any off-site drainage structures unless otherwise noted.
- 9 This estimate does not consider any culvert improvements at northern creek crossing of Ferguson Parkway
- 10 Additional grade-to-drain quantities may be required based on final design topography.
- 11 Costs for studies, easement releases, analysis of regional dams are not included in this estimate.

#### **WATER**

- 1 This estimate assumes that the tract is supplied water by City of Anna.
- 2 This estimate assumes two connections to existing 16" water line along Hackberry Drive, three connections to existing 12" water line Ferguson Parkway and one connection to existing 12" water line along Rosamond Parkway.
- 3 This estimate assumes an allowance for the potential lowering of the existing 12" waterline located in Ferguson Parkway ROW.
- 4 This estimate assumes the water system is servicing 763 lots of single-family lots.
- 5 Water line includes all fittings, tees, crosses, etc.
- 6 Fire hydrant assembly includes all fittings and tees.
- 7 Assumes all waterlines are less than 10' deep.
- 8 This estimate was performed without the benefit of a water model.
- 9 This estimate does not include cost to remove and relocate existing waterlines.
- 10 This estimate does not assume any cost for obtaining offsite water easements.

#### **PAVING**

- 1 This estimate is based on the following street sections:
  - 50' ROW: 32' B-B\*, 6" reinforced concrete with 6" lime subgrade (1' offset)
  - 80' ROW: 2 x 25' B-B, 8" reinforced concrete with 8" lime subgrade (1' offset)
  - 120' ROW: 1 x 24.5' B-B\*\*, 8" reinforced concrete with 8" lime subgrade (1' offset)

\* Residential street section (50' ROW) assumes rollover curb. When standard curb is used on a 50' ROW, section is reduced to 31' B-B.

\*\* This estimate assumes ultimate buildout of 120' ROW by others: 2 x 37' B-B, 8" reinforced concrete with 8" lime subgrade (1' offset).
- 2 Estimate assumes only two lanes of the western half of Ferguson Parkway will be constructed.
- 3 Estimate assume 36 lbs per SY for lime quantity
- 4 Estimate does not include median paving and/or pavers.
- 5 Barrier free ramps have been included based on standard placing practice of 4 ramps at a cross intersection and 3 ramps at a tee intersection. Additional ADA ramps may be required by jurisdictions during plan review. This estimate does not contemplate ADA destinations and assumes longitudinal roadway slopes of greater 2% or greater may be used in all residential intersections.
- 6 Estimate assumes right and left lanes at intersections with Hackberry Drive in Phases 1 and 2 and Ferguson Parkway in Phases 3 and 4.
- 7 Additional pavement markings and traffic signs may also be required.

#### **MISCELLANEOUS**

- 1 Single headed streetlights are spaced at a maximum of 400'.
- 2 Double headed streetlights are located along median on Hackberry Drive, Ferguson Parkway, and Throckmorton Boulevard are spaced at a maximum of 200'.
- 3 This estimate includes cost to relocate existing franchise lines and demo existing pavement along CR 370.
- 4 This estimate assumes City of Anna will be responsible for acquiring all right of way and easements necessary to construct all public improvements outside of the PID boundary.
- 5 Estimate does not consider walls or railing that may be required to support open space sidewalks and trails.
- 6 This estimate does not include USPS mailbox clusters.
- 7 This estimate assumes gas and electric franchise utilities will be provided at cost to the developer.
- 8 This estimate does not include plat recording fees.

**LANDSCAPING**

- 1 This estimate does include costs for Amenity Center, entry monumentation, screening walls, and landscaping of the site. Cost was provided by the client on November 3<sup>rd</sup>, 2021.
- 2 This estimate includes cost for Amenity Center, entry monumentation, screening walls, and landscaping of the site.
- 3 This estimate assumes masonry screening wall with masonry columns adjacent to lots along Hackberry Drive, Ferguson Parkway, and lots adjacent to northern boundary line.

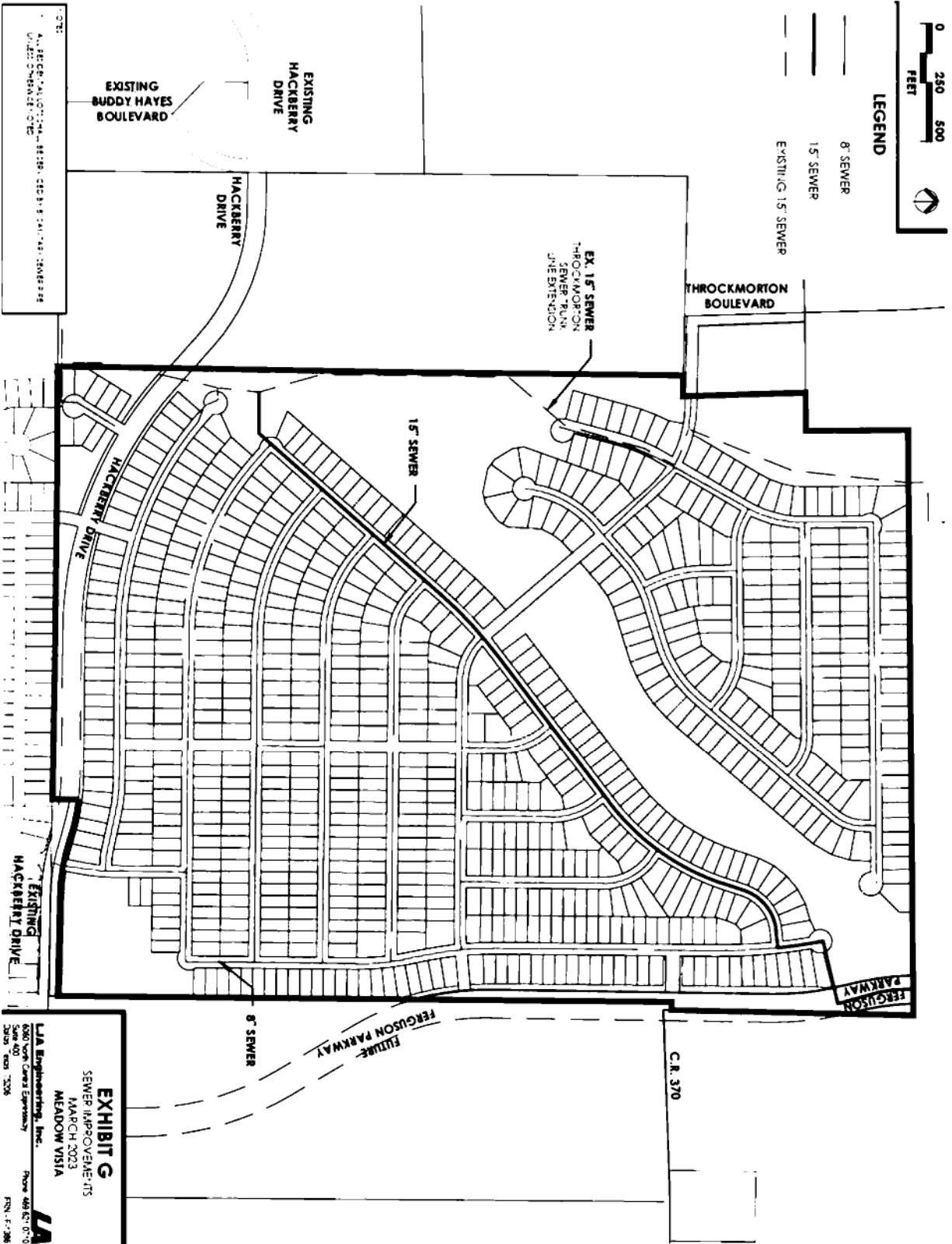
**DEVELOPMENT**

- 1 Estimate does not include land cost, land maintenance, interest, HOA support, legal, financing, marketing, etc.
- 2 The municipal and jurisdictional fees listed have been generated based on researched information published by the City of Anna. This estimate holds the following fee assumptions:

Applicable & Included	Potentially Applicable & Excluded	Not Applicable
City inspection fees (Water, Sewer, Paving, Storm)	Early Grading fees	TCEQ review fee
Preliminary Plat fee	Zoning/Rezoning fee	MLD Engineer review fees
Final Plat application fee (City)	Plat filing fees	
Engineering Plan review fees (City)	Tax Certificate fees	
	Impact fees, assessments, or credits	
	District fees	

- 3 This estimate does not include a \$3600 per lot PID fee.
- 4 This estimate does not include (or) includes fees for pro rata or face foot costs to connect to existing water or sewer infrastructure.
- 5 This estimate does not include FEMA application fees.
- 6 Professional fees for engineering and surveying are assumed as 10% of projected construction costs.
- 7 This estimate does not include professional fee assumptions to prepare a flood study or revise floodplain maps.
- 8 This estimate does include professional fee assumptions for geotechnical testing and reports.
- 9 This estimate does not include professional fee assumptions for tree survey or tree mitigations.

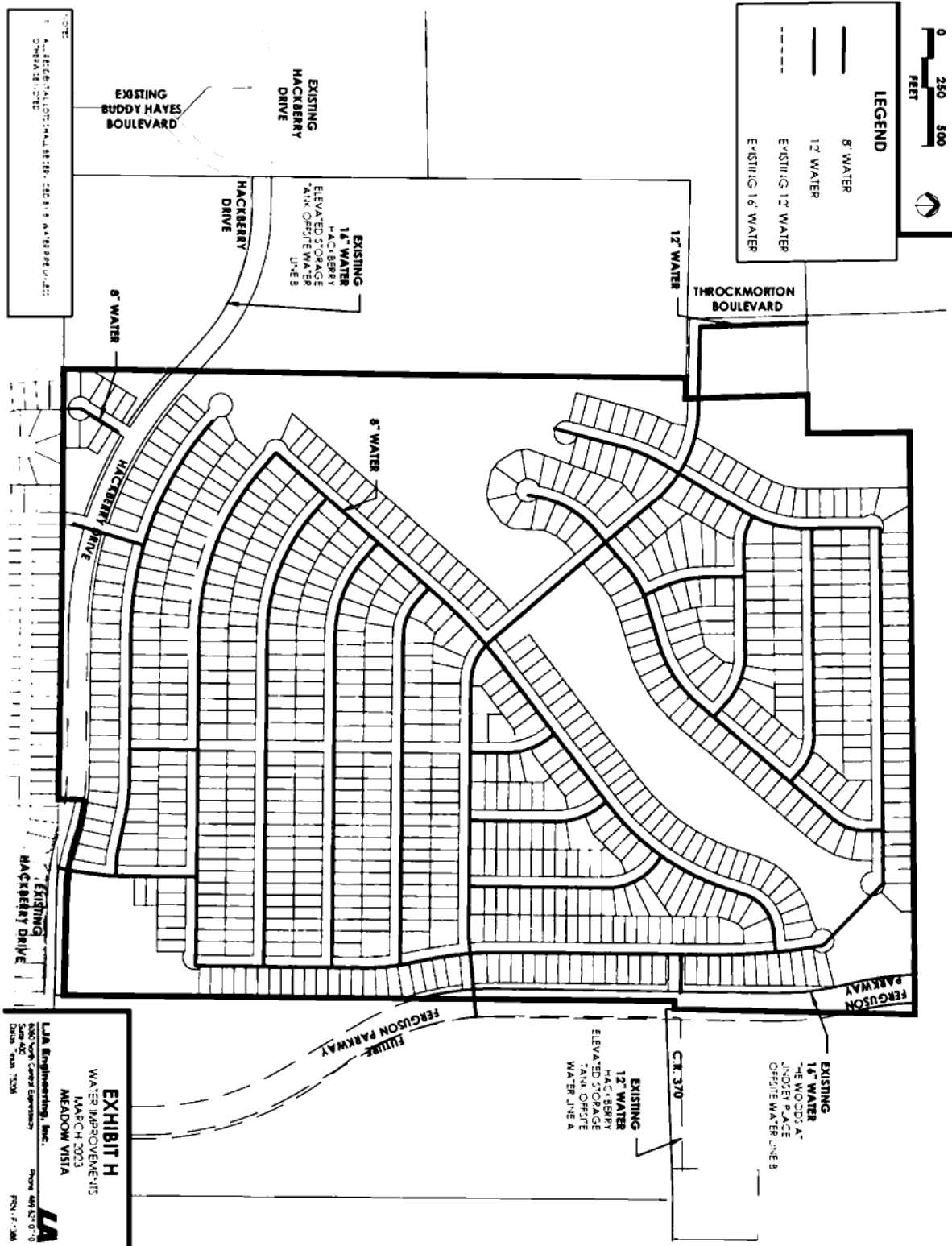
# **EXHIBIT G** **Sewer Improvements**



**EXHIBIT G**  
SEWER IMPROVEMENTS  
MARCH 2023  
MEADOW VISTA

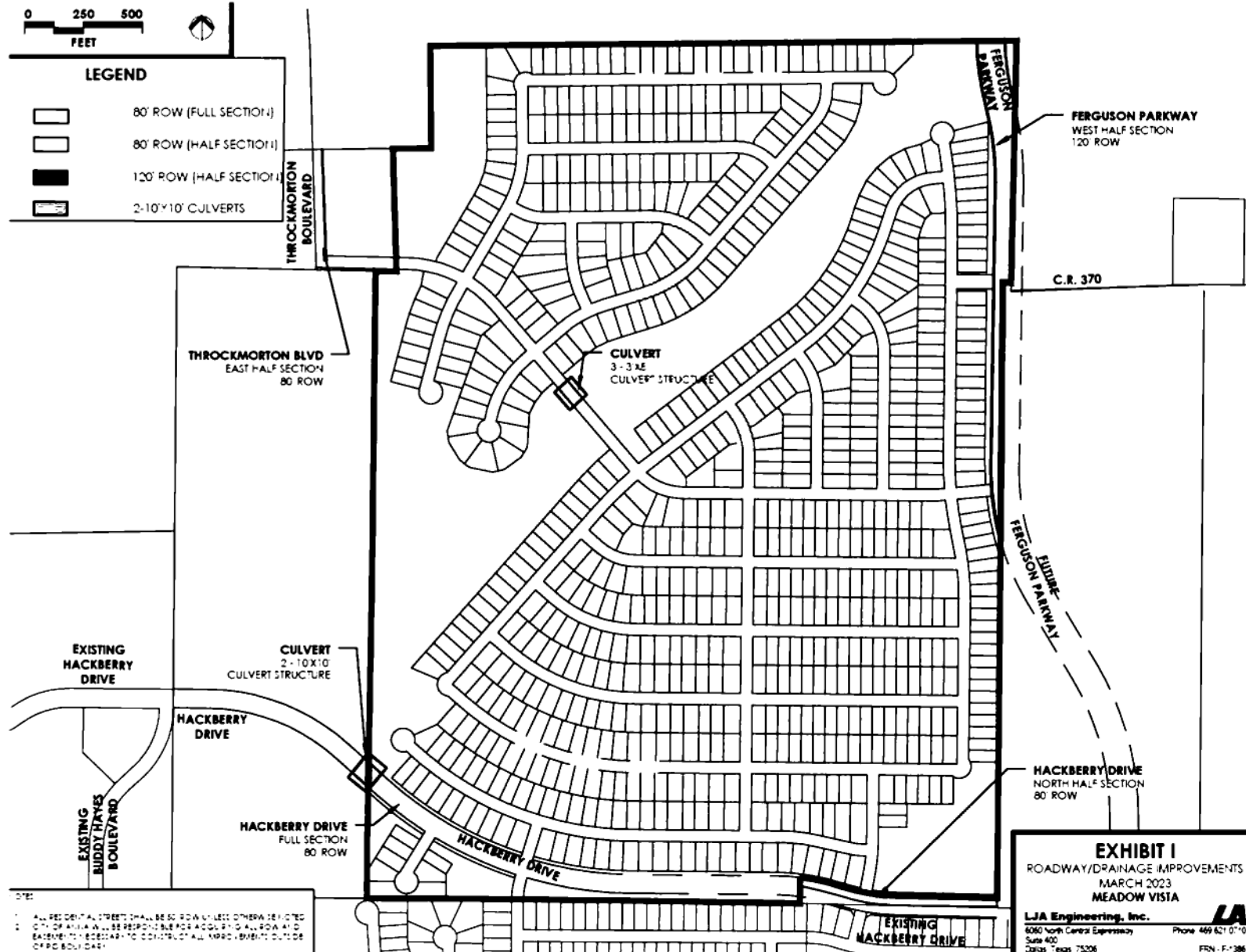
**LA Engineering, Inc.**  
6550 North Central Expressway  
Suite 200  
Dallas, Texas 75206  
Phone 469.637.0770  
FAX 469.637.2986

# EXHIBIT H Water Improvements

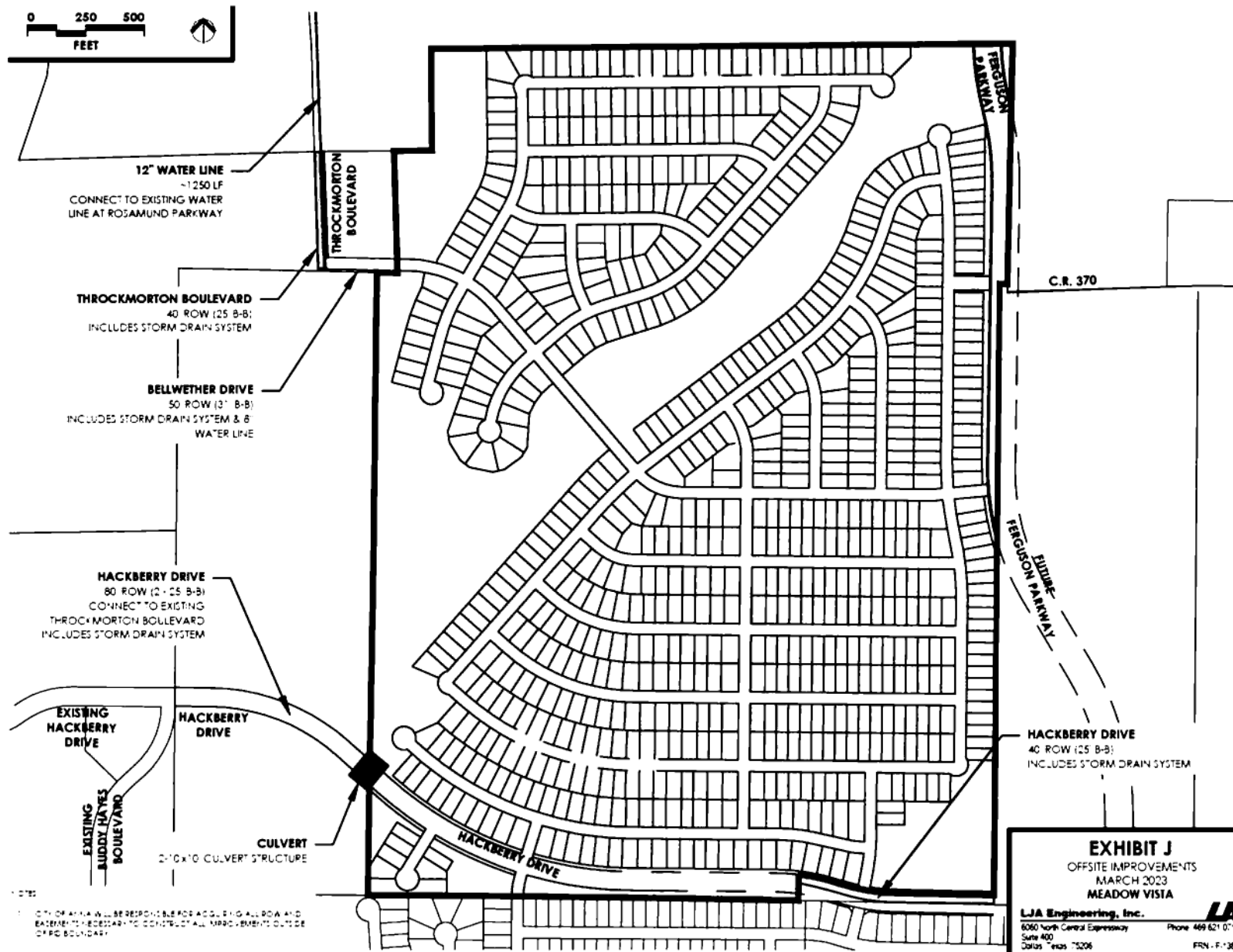




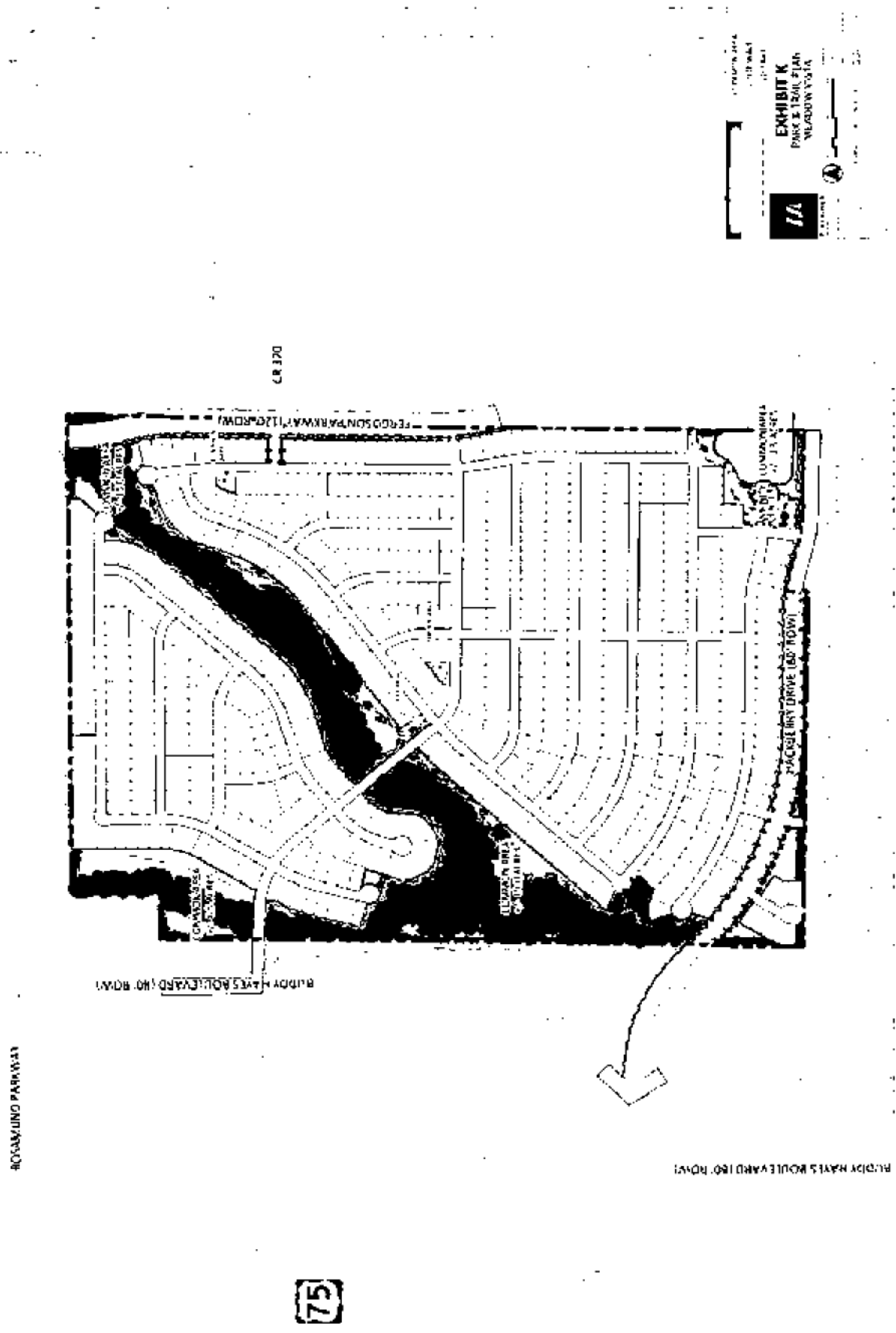
# **EXHIBIT I** **Roadway/Drainage Improvements**



# **EXHIBIT J** Offsite Improvements



# EXHIBIT K



**EXHIBIT L**  
**Depiction of Community Amendments**





## EXHIBIT M

### PID Financial Summary

<b>City of Anna, Texas</b> <b>Meadow Vista Public Improvement District</b> <b>PROPOSED DEVELOPMENT PLAN</b>	DRAFT for discussion purposes only
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TOTAL MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT					
Category	No. of Units	<i>Expected Finished Lot Unit Value</i>	<i>Expected Build Out Unit Value</i>	<i>Expected Finished Lots Value</i>	<i>Expected Build Out Value</i>
SF 50'	523	\$ 100,000	\$ 500,000	\$ 52,300,000	\$ 261,500,000
SF 60'	240	120,000	600,000	28,800,000	144,000,000
	763			\$ 81,100,000	\$ 405,500,000
<i>Single Family Unit Weighted Average.....</i>				\$106,291	\$531,455

**Notes:**

Information provided by the Developer on 5/16/23. Subject to change.

## Meadow Vista Public Improvement District

## PROJECT DEBT CAPACITY SUMMARY

	<b>TOTAL PID BONDS</b>
<b>SOURCES OF FUNDS</b>	
<i>Estimated</i> Par Amount of Bonds	<b>\$ 35,444,000</b>
Total Sources of Funds	<b>\$ 35,444,000</b>
<b>USES OF FUNDS</b>	
Project Fund (Bond Proceeds PID Projects)	<b>\$ 29,274,339</b>
Capitalized Interest Fund <sup>(1)</sup>	<b>-</b>
Debt Service Reserve Fund <sup>(2)</sup>	<b>2,625,261</b>
Financing Costs & Admin Fees <sup>(3)</sup>	<b>3,544,400</b>
Total Uses of Funds	<b>\$ 35,444,000</b>
 <i>Expected</i> Value-to-Lien per Parcel at Bond Issuance <sup>(4)</sup>	 <b>2.29x</b>
Assumed Bond Interest Rate <sup>(5)</sup>	<b>5.90%</b>
Average Annual Installment as Tax Rate Equivalent	<b>\$0.6899</b>
Term of Bonds	<b>30 years</b>
Number of Benefited Units	<b>763</b>
PID Assessment per Benefited Unit	<b>\$46,453</b>
Project Funds per Benefited Unit	<b>\$38,367</b>
City PID Fee per SF Unit <sup>(6)</sup>	<b>(\$3,400)</b>
Net Project Funds per Benefited Unit	<b>\$34,967</b>

**Notes:**

- (1) Assumes no use of capitalized interest, subject to change. Use of Cap-I reduces project funds generated through bond proceeds.
- (2) Assumes to be the maximum annual debt service payment. Not to exceed maximum annual debt service payment, 125% of average annual debt service payment or 10% of bond proceeds.
- (3) Assumed to be 10% of par amount for illustration and discussion purposes only. Subject to change.
- (4) Assumes no appraisal discounts for illustration purposes only. Subject to change.
- (5) For discussion and illustration purposes only, subject to change.
- (6) \$3,400 PID Fee per benefited unit as per Development Agreement; total of \$2,594,200.

City of Anna, Texas  
Meadow Vista Public Improvement District  
PROJECTED TAX STATEMENT

DRAFT for discussion purposes only

Projected Tax Statement

	2022 Tax Rate	Tax Levy on \$500,000 50' Home	Tax Levy on \$600,000 60' Home
City of Anna	\$ 0.5398	\$ 2,698.75	\$ 3,238.50
Collin County	0.1524	762.22	914.66
Collin County Community College District	0.0812	406.11	487.33
Anna Independent School District	1.4429	7,214.50	8,657.40
<b>Total Tax Rate</b>	<b>\$ 2.2163</b>	<b>\$ 11,081.58</b>	<b>\$ 13,297.89</b>
 Avg. Annual Installment as a Tax Rate Equivalent/Levy <sup>(1)</sup>	 \$ 0.6899	 \$ 3,449.45	 \$ 4,139.33
 <b>Total Overlapping Tax Rate Equivalent/Levy plus Special Assessment</b>	 <b>\$ 2.9062</b>	 <b>\$ 14,531.02</b>	 <b>\$ 17,437.22</b>

(1) Inclusive of principal, interest, additional interest and admin levies. Targeted Avg. Annual Installment as Tax Rate Equivalent/Levy \$0.69 per \$100.

Sharefile - Where Companies C...



**City of Anna, Texas**  
**Meadow Vista Public Improvement District**  
**PID BONDS DEBT CAPACITY**

DRAFT for discussion purposes only

Bond Year	PID Bonds			Administrative Levy <sup>(3)</sup>	TOTAL LEVY	Total Levy as Tax Rate Equivalent
	Principal	Interest <sup>(1)</sup>	Additional Interest Levy <sup>(2)</sup>			
1	\$ 439,000	\$ 2,091,196	\$ 177,220	\$ 90,000	<b>\$ 2,797,416</b>	<b>0.6899</b>
2	465,000	2,065,295	175,025	91,800	<b>2,797,120</b>	<b>0.6898</b>
3	493,000	2,037,860	172,700	93,636	<b>2,797,196</b>	<b>0.6898</b>
4	523,000	2,008,773	170,235	95,509	<b>2,797,517</b>	<b>0.6899</b>
5	554,000	1,977,916	167,620	97,419	<b>2,796,955</b>	<b>0.6898</b>
6	588,000	1,945,230	164,850	99,367	<b>2,797,447</b>	<b>0.6899</b>
7	624,000	1,910,538	161,910	101,355	<b>2,797,803</b>	<b>0.6900</b>
8	662,000	1,873,722	158,790	103,382	<b>2,797,894</b>	<b>0.6900</b>
9	702,000	1,834,664	155,480	105,449	<b>2,797,593</b>	<b>0.6899</b>
10	745,000	1,793,246	151,970	107,558	<b>2,797,774</b>	<b>0.6900</b>
11	790,000	1,749,291	148,245	109,709	<b>2,797,245</b>	<b>0.6898</b>
12	839,000	1,702,681	144,295	111,904	<b>2,797,880</b>	<b>0.6900</b>
13	890,000	1,653,180	140,100	114,142	<b>2,797,422</b>	<b>0.6899</b>
14	945,000	1,600,670	135,650	116,425	<b>2,797,745</b>	<b>0.6899</b>
15	1,003,000	1,544,915	130,925	118,753	<b>2,797,593</b>	<b>0.6899</b>
16	1,065,000	1,485,738	125,910	121,128	<b>2,797,776</b>	<b>0.6900</b>
17	1,130,000	1,422,903	120,585	123,551	<b>2,797,039</b>	<b>0.6898</b>
18	1,200,000	1,356,233	114,935	126,022	<b>2,797,190</b>	<b>0.6898</b>
19	1,275,000	1,285,433	108,935	128,542	<b>2,797,910</b>	<b>0.6900</b>
20	1,354,000	1,210,208	102,560	131,113	<b>2,797,881</b>	<b>0.6900</b>
21	1,438,000	1,130,322	95,790	133,735	<b>2,797,847</b>	<b>0.6900</b>
22	1,527,000	1,045,480	88,600	136,410	<b>2,797,490</b>	<b>0.6899</b>
23	1,622,000	955,487	80,965	139,148	<b>2,797,490</b>	<b>0.6899</b>
24	1,723,000	859,689	72,855	141,921	<b>2,797,465</b>	<b>0.6899</b>
25	1,830,000	758,032	64,240	144,759	<b>2,797,031</b>	<b>0.6898</b>
26	1,945,000	650,062	55,090	147,655	<b>2,797,807</b>	<b>0.6900</b>
27	2,066,000	535,307	45,365	150,608	<b>2,797,280</b>	<b>0.6898</b>
28	2,195,000	413,413	35,035	153,620	<b>2,797,068</b>	<b>0.6898</b>
29	2,333,000	283,908	24,060	156,692	<b>2,797,660</b>	<b>0.6899</b>
30	2,479,000	146,261	12,395	159,826	<b>2,797,482</b>	<b>0.6899</b>
	<b>\$ 35,444,000</b>	<b>\$ 41,327,553</b>	<b>\$ 3,502,335</b>	<b>\$ 3,651,127</b>	<b>\$ 83,925,015</b>	

(1) Assumes an interest rate of 5.90% for discussion purposes only, subject to change

(2) Calculated at 0.5% of outstanding bonds.

(3) For illustration purposes only, subject to change after input from PID Administrator. Assumes administrative expenses for two improvement areas.

## Meadow Vista Public Improvement District

## PROJECT IMPACT ON THE CITY (AD VALOREM PROPERTY TAXES)

	No. of Units	Average Build Out Unit Value	Average Build Out Total Value	At 2022 Rate City Taxes Generated per Unit	At 2021 Rate City Taxes Generated at Build Out
Proposed Single Family Homes	763	\$531,455	\$405,500,000	\$2,869	\$2,188,686
	No. of Units	Average Build Out Unit Value	Average Build Out Total Value	Proposed Average PID Assessment Annual Installment per Unit	Proposed Average PID Assessment Annual Installment at Build Out
Proposed Single Family Homes	763	\$531,455	\$405,500,000	\$3,666	\$2,797,501

**Collin County  
Honorable Stacey Kemp  
Collin County Clerk**

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**Instrument Number:** 2023000081567

eRecording - Real Property

AGREEMENT

Recorded On: July 19, 2023 03:01 PM

Number of Pages: 92

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**" Examined and Charged as Follows: "**

Total Recording: \$386.00

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

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

**File Information:**

Document Number: 2023000081567  
Receipt Number: 20230719000520  
Recorded Date/Time: July 19, 2023 03:01 PM  
User: Abby H  
Station: Station 2

**Record and Return To:**

CSC



**STATE OF TEXAS  
COUNTY OF COLLIN**

**I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Public Records of Collin County, Texas.**

Honorable Stacey Kemp  
Collin County Clerk  
Collin County, TX

**APPENDIX G**

**FORM OF CFA AGREEMENT**

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**MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1  
CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

**THIS MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT** (this “Agreement”), dated as of July 9, 2024, is by and between the **CITY OF ANNA, TEXAS**, a home-rule municipality of the State of Texas (the “City”), and **BLOOMFIELD HOMES, L.P.**, a Texas limited partnership (the “Developer”).

**ARTICLE I  
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means the costs of the Improvement Area #1 Projects actually paid or incurred for construction and installation of the Improvement Area #1 Projects in accordance with the Service and Assessment Plan.

“**Administrator**” means, initially, P3 Works, LLC, or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan and approved by ordinance adopted by the City.

“**Assessments**” shall have the meaning given to it in the Indenture.

“**Authorized Improvements**” means improvements authorized by Section 372.003(b) of the Act.

“**Bond Ordinance**” means the ordinance adopted by the City Council on July 9, 2024 authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated "City of Anna, Texas, Special Assessment Revenue Bonds, Series 2024 (Meadow Vista Public Improvement District Improvement Area #1 Project)".

“**Budgeted Costs**” means the anticipated, agreed upon costs of the Improvement Area #1 Projects as shown in Exhibit B-1 of the Service and Assessment Plan.

**“Certification for Payment”** means a certificate, substantially in the form of **Exhibit B** hereto or such other form agreed to by the Developer, the Administrator and the City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, provided no more frequently than once per each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Improvement Area #1 Projects under the Indenture.

**“City Inspector”** means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

**“City Manager”** means the City Manager of the City, or its designee.

**“City Representative”** means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

**“Closing Disbursement Request”** means the certificate, substantially in the form of **Exhibit A** hereto or such other form agreed to by the Developer, Administrator, and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amounts to be disbursed for the costs related to the creation of the District.

**“Construction Contracts”** means the contracts for the construction of an Improvement Area #1 Project. **“Construction Contract”** means any one of the Construction Contracts.

**“Costs”** means the Budgeted Costs or the Actual Costs of an Improvement Area #1 Project as reflected in a Construction Contract, if different than the Budgeted Costs.

**“Costs of Issuance Account”** means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

**“Cost Overrun”** means, with respect to each Improvement Area #1 Project, the Actual Cost, as appropriate, of such Improvement Area #1 Project in excess of the Budgeted Cost.

**“Cost Underrun”** has the meaning assigned such term in Section 4.04 hereof

**“Development Agreement”** means that certain Development Agreement between the City and the Developer, effective as of June 27, 2023 and as the same may be amended from time to time.

**“District”** shall mean the Meadow Vista Public Improvement District created September 26, 2023.

**“Final Completion”** means completion of an Improvement Area #1 Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

**“Improvement Area #1”** means the initial improvement area to be developed and generally shown in Appendix A to the Service and Assessment Plan, as specifically depicted and described as the sum of all parcels shown in Exhibit F-1 to the Service and Assessment Plan.

**“Improvement Area #1 Improvements”** mean the Authorized Improvements which only benefit Improvement Area #1, which are described in Section III-A of the Service and Assessment Plan.

**“Improvement Area #1 Projects”** mean (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1 and (ii) the Improvement Area #1 Improvements.

**“Improvement Area #1 Bond Improvement Account”** means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

**“Indenture”** means that certain Indenture of Trust between the City and Regions Bank, as trustee, dated as of July 1, 2024 relating to the Bonds.

**“Major Improvements”** means the Authorized Improvements which benefit all of the property within the District and as described in Section III-B of the Service and Assessment Plan.

**“Plans”** means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

**“Project Fund”** means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

**“Service and Assessment Plan”** means the Meadow Vista Public Improvement District Service and Assessment Plan adopted by a City ordinance on July 9, 2024 by the City Council, prepared pursuant to the Act.

**“Substantial Completion”** means the time at which the construction of an Improvement Area #1 Project (or specified segment, section or part thereof) has progressed to the point where such Improvement Area #1 Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Improvement



Area #1 Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended.

## **ARTICLE II RECITALS**

### **Section 2.01. The District and the Improvement Area #1 Projects.**

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance a portion of the Improvement Area #1 Projects in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area #1 Projects are eligible to be financed with proceeds of the Bonds and the Assessments to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Area #1 Projects for acquisition and acceptance by the City, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

## **ARTICLE III FUNDING**

### **Section 3.01. Bonds.**

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed in part with the proceeds of the Bonds are the Improvement Area #1 Projects. The payment of Costs from the proceeds of the Bonds for such Improvement Area #1 Projects shall be made from the Improvement Area #1 Bond Improvement Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Costs of the Improvement Area #1 Projects shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such Costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Area #1 Projects, qualified, however, by the distribution of Cost Underrun monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area #1 Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Funds and Accounts. All disbursements from the Improvement Area #1 Bond Improvement Account of the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement and the Indenture.

#### **ARTICLE IV**

#### **CONSTRUCTION OF THE IMPROVEMENT AREA #1 PROJECTS**

##### **Section 4.01. Duty of Developer to Construct.**

(a) All Improvement Area #1 Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #1 Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. 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 Improvement Area #1 Projects, to be acquired and accepted by the City, from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area #1 Project and, upon completion, inspection, and acceptance,

convey each such Improvement Area #1 Project to the City, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or account created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Area #1 Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvement Area #1 Projects.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Project. Upon the Final Completion of any Improvement Area #1 Project (or any segment or section thereof) and payment of all outstanding invoices for such Improvement Area #1 Project (or segment or section thereof), if the Actual Cost of such Improvement Area #1 Project (or segment or section thereof) is less than the Budgeted Cost of such Improvement Area #1 Project (a “Cost Underrun”), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #1 Project, including Improvement Area #1 Projects in a different improvement category shown in the Service and Assessment Plan. Any Cost Underrun for any Improvement Area #1 Project is available to pay Cost Overruns on any other Improvement Area #1 Project. If, upon Final Completion of all Improvement Area #1 Projects in any improvement category, there are funds remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of Improvement Area #1 Projects that have not been previously paid.

The Administrator shall confirm that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative shall promptly agree on how to apply such moneys to the costs of other Improvement Area #1 Projects. The use of such moneys shall be included in the next Annual Service Plan Update.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Improvement Area #1 Projects. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Improvement Area #1 Project, 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 4.04. If any change order is for work that requires changes to be made by an

engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

## **ARTICLE V**

### **ACQUISITION, CONSTRUCTION, AND PAYMENT**

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Bond Improvement Account of the Project Fund at closing of the Bonds, related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Improvement Area #1 Project from the Improvement Area #1 Bond Improvement Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Bond Improvement Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Improvement Area #1 Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Project until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is

reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the City shall direct the Trustee to make such payment from the Project Fund in accordance with Section 5.03 below.

**Section 5.03. Payment for Improvement Area #1 Project.**

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Improvement Area #1 Bond Improvement Account of the Project Fund pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Project, unless a Cost Overrun amount has been approved for a particular Improvement Area #1 Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the City shall direct the Trustee to make payment directly to the general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Improvement Area #1 Project identified in such request for payment being paid, then the City shall direct the Trustee to hold the payment until work with respect to that Improvement Area #1 Project has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the City shall direct the Trustee to make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the City shall direct the Trustee to make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Project is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Improvement Area #1 Projects until such mechanics or materialman's lien and/or judgment is satisfied.

## **ARTICLE VI**

### **OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA #1 PROJECT**

Section 6.01. Improvement Area #1 Project to be Owned by the City– Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Improvement Area #1 Project to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to

the Improvement Area #1 Project until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Improvement Area #1 Project Constructed on City Land or Developer Land. If the Improvement Area #1 Project is 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 Improvement Area #1 Project. If the Improvement Area #1 Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Project. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Improvement Area #1 Project as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein shall apply.

## **ARTICLE VII**

### **REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited partnership duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Area #1 Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the Costs associated with the Improvement Area #1 Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Improvement Area #1 Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Improvement Area #1 Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement of the Developer executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

The Developer covenants 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. The



Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN “INDEMNIFIED PARTY”), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA #1 PROJECTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER’S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA #1 PROJECTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREA #1 PROJECTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER’S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREA #1 PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREA #1 PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE “CLAIMS”). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY

INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. THE DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF THE DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND THE DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

## **ARTICLE VIII TERMINATION**

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area #1 Project hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to the Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Improvement Area #1 Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Improvement Area #1 Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to

the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area #1 Projects, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area #1 Projects that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Projects hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Area #1 Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

## **ARTICLE IX MISCELLANEOUS**

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a 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 Improvement Area #1 Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Anna, Texas Attn: City Manager 111 N. Powell Parkway Anna, Texas 75409
With a copy to:	Wolfe, Tidwell & McCoy, LLP Attn: Clark McCoy 2591 Dallas Parkway, Suite 300 Frisco, Texas 75034
And to:	McCall, Parkhurst & Horton L.L.P. Attn: Rodolfo Segura Jr 717 North Harwood, Suite 900 Dallas, TX 75201
To Developer:	Bloomfield Homes, L.P. Donald J. Dykstra, President 1900 W. Kirkwood Blvd, Suite 2300B Southlake, TX 76092

With a copy to:

Locke Lord LLP  
Attn: Drew Slone  
2200 Ross Ave., Suite 2800  
Dallas, Texas 75201

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Area #1 Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area #1 Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements

relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. This Agreement may be amended upon agreement of the parties, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the Costs of the Improvement Area #1 Projects that have been approved by the City pursuant to a Certification for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. Statutory Verifications. The Developer makes 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 Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

a. Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation 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.

b. 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 will not boycott Israel during the term of this 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 Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. 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 Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.



*[Execution pages to follow]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of July 9, 2024.

**CITY OF ANNA, TEXAS**

By: \_\_\_\_\_  
Pete Cain  
Mayor

ATTEST:

\_\_\_\_\_  
Carrie L. Land  
City Secretary

(City Seal)

**DEVELOPER:**

**BLOOMFIELD HOMES, L.P.,**  
a Texas limited partnership

By: Bloomfield Properties, Inc.,  
a Texas corporation, its General Partner

By: \_\_\_\_\_  
Donald J. Dykstra, President

**Exhibit A**

**FORM OF CLOSING DISBURSEMENT REQUEST**

The undersigned is an agent for Bloomfield Homes, L.P. (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Improvement Area #1 Bond Improvement Account of the Project Fund] (as defined in the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) from Regions Bank (the “Trustee”) in the amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) for costs incurred in the establishment, administration, and operation of the Meadow Vista Public Improvement District (the “District”), as follows:

<b>Closing Costs Description</b>	<b>Cost</b>	<b>PID Allocated Cost</b>
<b>TOTAL</b>		

In connection to the above referenced payments, 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 above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture (as defined in the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition 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:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

I hereby declare that the above representations and warranties are true and correct.

**BLOOMFIELD HOMES, L.P.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### **APPROVAL OF REQUEST BY CITY**

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Bond Improvement Account of the Project Fund, as applicable, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Improvement Area #1 Project.

### **CITY OF ANNA, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit B**

### **CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREA #1 PROJECTS**

CERTIFICATION FOR PAYMENT NO. \_\_\_\_\_

The undersigned is a lawfully authorized representative for Bloomfield Homes, L.P. (the “Developer”) and requests payment from the Improvement Area #1 Bond Improvement Account of the Project Fund from Regions Bank (the “Trustee”) in the amount of \_\_\_\_\_ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Area #1 Projects related to the Meadow Vista Public Improvement District:

*[insert specific Improvement Area #1 Project this request is for here]*

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement.

In connection with this Certification for 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 Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested herein for the Improvement Area #1 Project(s) 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 itemized amounts listed for the Improvement Area #1 Project(s) below are a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Area #1 Project(s) identified above, and such costs are (i) in compliance with the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Project(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Area #1 Project(s) identified above being paid, then the work with respect to the Improvement Area #1 Project(s) have been completed and the City has inspected AND accepted the Improvement Area #1 Project(s).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

**Payments requested are as follows:**

Payee / Description of Improvement Area #1 Project	Total Cost of Improvement Area #1 Project	Budgeted Cost of Improvement Area #1 Project	Amount to be paid from Improvement Area #1 Bond Improvement Account of the Project Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments or Actual Costs incurred.

Pursuant to the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Payment Request, the City is authorized to inspect the Improvement Area #1 Project (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

**BLOOMFIELD HOMES, L.P.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



### **APPROVAL OF REQUEST BY CITY**

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Meadow Vista Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

### **CITY OF ANNA, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

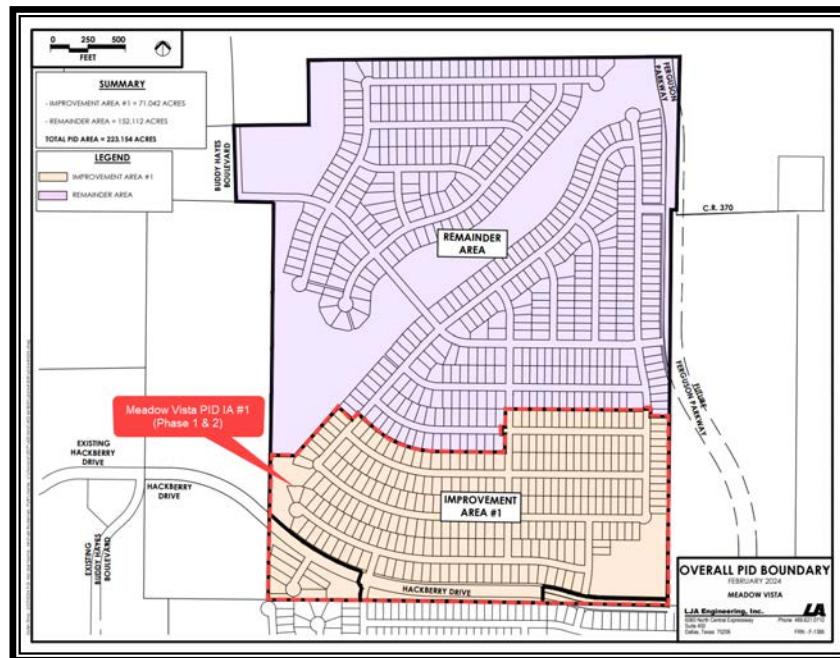
## **APPENDIX H**

### **APPRAISAL**

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# APPRAISAL REPORT

PROJECT #A24-0311-01



**MEADOW VISTA PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1  
71.042 ACRES CONTAINING 275 RESIDENTIAL LOTS IN PHASE 1 AND PHASE 2  
ANNA, TX 75409**

**FOR:**

**FMSBONDS, INC.  
5 COWBOYS WAY, SUITE 300-25  
FRISCO, TEXAS 75034**

**EFFECTIVE DATE OF APPRAISAL:  
APRIL 1, 2025 (DATE OF SUBSTANTIAL COMPLETION) FOR 275 RESIDENTIAL LOTS**

**PREPARED BY:  
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,  
LESLIE TOLLIVER, STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER,  
BRANDON BRICE, APPRAISER TRAINEE, AND  
BRANDON LAWSON, APPRAISER TRAINEE  
OF:**

**PEYCO SOUTHWEST REALTY, INC.  
1703 NORTH PEYCO DRIVE  
ARLINGTON, TEXAS 76001**

*Meadow Vista Public Improvement District Improvement Area #1*

**June 10, 2024**

**Mr. R.R “Tripp” Davenport, III**

Director

FMSbonds, Inc.

5 Cowboys Way, Suite 300-25

Frisco, Texas 75034

tdavenport@fmsbonds.com

SUBJECT: Prospective Market Value “Upon Completion” Appraisal  
Meadow Vista Public Improvement District Improvement Area #1, Phase 1 and Phase 2  
Anna, Collin County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of prospective market value of the fee simple interest of the 275 residential lots located in Improvement Area #1 (Phase 1 and Phase 2) of the Meadow Vista Public Improvement District (referred to as Meadow Vista PID IA #1). Meadow Vista PID IA #1 has a total of 71.042-acres consisting of the following:

- **Prospective Market Value as of April 1, 2025 for 275 detached residential lots in Meadow Vista IA #1 on approximately 71.042 acres. The lots are as follows:**
  - **190 lots with 50-foot frontages, and**
  - **85 lots with 60-foot frontages**

The client for the assignment is FMSbonds, Inc. The intended use is 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 of Anna or Collin County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Meadow Vista PID IA #1.

At Substantial Completion, which is April 1, 2025 for Meadow Vista #1, the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within Meadow Vista PID IA #1. A public improvement district containing the property within Meadow Vista PID, which comprises 223.154 acres was created by Ordinance No. 839-2019 adopted on December 10, 2019. Development of the subject property is governed by a Development Agreement between the City of Anna and Bloomfield Homes which the Development Agreement allows single-family development at the subject property. Each of the lots are located in Anna ISD.

Per discussions with the client (FMSbonds, Inc.) and information pulled from the Development Agreement, Meadow Vista PID IA #1 is comprised of a total of approximately 71.042 contiguous acres of land with an estimated build-out of 190 detached single-family residential 50-foot frontage lots and 85 detached single-family residential 60-foot frontage (FF) lots totaling 275 improved residential lots within Meadow Vista IA #1 on approximately 71.042-acres, located in the City of Anna, Texas. The subject property of this assignment - Meadow Vista PID IA #1 - will be developed in multiple phases.

Within Phase 1 and Phase 2 of Meadow Vista IA #1, each of the 50-FF lot types will have an average of 5,500-square feet (SF), and each of the 60-FF lot types will have an average of 6,600-SF in size. The minimum lot

*Meadow Vista Public Improvement District Improvement Area #1*

depths for each of the 50-FF and the 60-FF lots of the subject property will be 110' in depth. The two lot types may have different market values with identical characteristics; however, the developer reflects different market values in its Estimated Buildout Values as such: \$500,000 for the 50' lots, and \$600,000 for the 60' lots. The average new home built in the area is approximately \$435,341 with a high of \$674,990 and a low of \$316,990. These numbers align with the Estimated Buildout Values provided by the developer and are reasonable for the market area. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

The breakdown the subject property improved lots within each phase are as follows:

Meadow Vista PID IA #1 Projected Phases			
<i>Lot Type</i>	<i>Phase 1</i>	<i>Phase 2</i>	<i>Total</i>
50-FF	188	2	190
60-FF	80	5	85
<b>Total Per Phase</b>	<b>268</b>	<b>7</b>	
<b>Total Lots at Meadow Vista PID IA #1</b>			<b>275</b>

The land within the development is owned by Bloomfield Homes, L.P., who will also be the developer for the subject property. The subject property has one executed sales contract, which was provided to the appraisers. The Purchase and Sale Agreement was between Bloomfield Homes, L.P. (Seller) and DFH Coventry, LLC (Buyer) dated December 28, 2023, to purchase approximately 72 fully developed single-family lots in Meadow Vista IA #1.

## *Meadow Vista Public Improvement District Improvement Area #1*

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Prospective Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently incomplete for Meadow Vista IA #1 as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the Development Agreement between Bloomfield Homes, L.P. and the City of Anna dated July 19, 2023, and the engineering plans published by LJA Engineering, Inc. as of February 27, 2024, for 275 improved residential lots in Meadow Vista PID IA #1.
- All information relative to the property located within Meadow Vista PID IA #1 including land areas, lot totals, lot sizes, and other pertinent data that was provided by Bloomfield Homes LP (Owner/Developer), LJA Engineering, Inc. (Professional Engineers and Surveyor), the City of Anna, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected prospective completion date of April 1, 2025 for Meadow Vista IA #1; therefore, this report contains a prospective opinion of value. Considering this, 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 global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

*Meadow Vista Public Improvement District Improvement Area #1*

This appraisal report is intended to conform with the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusion as of the Expected Completion Date are as follows:

FINAL MARKET VALUE CONCLUSION MEADOW VISTA PID IA #1			
	<i>Cost</i>	<i>Sales</i>	<i>Income (Subdivision)</i>
<i>Fee Simple Interest, Complete April 1, 2025</i>	<i>N/A</i>	<i>N/A</i>	<i>\$24,805,000</i>
<b>Improvement Area #1 - Phase 1 and 2</b>			
<b>275 Improved Lots in IA #1 on 71.042 Acres</b>			

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty



*James L. Maibach, C.P.M*  
*TX-1323658*  
*State Certified General Real Estate Appraiser*



*Leslie Tolliver*  
*TX-1361274*  
*State Certified Residential Appraiser*



*Brandon Brice*  
*TX-1343748*  
*Appraiser Trainee*  
*Practicing Affiliate, Appraisal Institute*



*Brandon Lawson*  
*TX-1343865*  
*Appraiser Trainee*  
*Practicing Affiliate, Appraisal Institute*



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**EXECUTIVE SUMMARY**

<b>Property Name</b>	<b>Meadow Vista PID; IA #1: Phase 1 and Phase 2</b>
Property Type	Master-Planned Community
Location	East of North 75 Central Expressway, North of Hackberry Drive and South of Rosamond Parkway
City, County, State, Zip	City of Anna, Collin County, TX 75409
Legal Descriptions (Collin CAD)	ABS A0288 F T DAFFAU SURVEY, TRACT 4, 158.8343 ACRES
Owner of Record	Bloomfield Homes, L.P.
Census Tract	0302.04
Tax ID – Collin Central Appraisal District	2120875
Total Land Area	71.042-AC - Total Land Area
Total Lots	190 50-Front Footage Width Lots 85 60-Front Footage Width Lot
Topography	Gently Sloping
FEMA Flood Zones	100% within Unshaded Zone X (outside the floodplain)
FEMA Panel	48085C0155J
FEMA Map Date	6/2/2009
Utilities	
Water	City of Anna
Sewer	City of Anna
Electric	Oncor
Natural Gas	Atmos
Zoning (City of Anna)	Planned Development - Residential
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	<b>\$24,805,000 (\$90,200/Lot) Effective Date of April 1, 2025 for 275 Improved Residential Lots in Phase 1 and Phase 2 on 71.042 Acres</b>
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	March 21, 2024
Date of Valuation	April 1, 2025
Report Date	June 10, 2024

**CERTIFICATION**

We certify that, to the best of our knowledge and belief that:

- (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 analysis, and we have no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing 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. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) James L. Maibach and Brandon Brice have inspected the subject property. Leslie Tolliver and Brandon Lawson have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, Brandon Brice, and Brandon Lawson.
- (8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.
- (10) James L. Maibach and Leslie Tolliver are not members of the Appraisal Institute. Brandon Brice and Brandon Lawson are Practicing Affiliates of the Appraisal Institute and have not completed the Standards and Ethics Education Requirement. The use of this report is subject to the requirements of the Appraisal Institute related to review by their duly authorized representatives.



James L. Maibach, C.P.M.  
TX-1323658  
State Certified General Real Estate Appraiser



Leslie Tolliver  
TX-1361274  
State Certified Residential Appraiser



Brandon Brice  
TX-1343748  
Appraiser Trainee  
Practicing Affiliate, Appraisal Institute



Brandon Lawson  
TX-1343865  
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Practicing Affiliate, Appraisal Institute

## **SCOPE OF WORK**

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analyses in an assignment.” Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

### **The problem to be solved is:**

- Determine the Prospective Market Value with a Substantial Completion Date of April 1, 2025 for the fee simple interest of 275 improved single-family residential lots in Phase 1 and Phase 2 of Meadow Vista PID IA #1
  - 50-FF - 190 lots
  - 60-FF - 85 lots

The definition of market value<sup>1</sup> utilized herein is as follows:

**Market Value** is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 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.<sup>2</sup>

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

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<sup>1</sup> The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

## *Meadow Vista Public Improvement District Improvement Area #1*

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

### **Property Identification**

The property has been identified using the following sources:

- Public records – Collin Central Appraisal District (CCAD)
- Legal descriptions
- Deed Records – Collin County
- Executed HUD Settlement Statements dated January 1, 2020 and December 17, 2021
- Approved Ordinance No. 839-2019 by the City of Anna
- The Meadow Vista Concept Plan Exhibit and Survey by LJA Engineering, Inc.

### **Type and Extent of Data Researched**

The following information was reviewed in preparing this report:

- Public record data
  - Approved Ordinance No. 839-2019 by the City of Anna
  - City of Anna Maps and Land Use Plans
  - Flood plain maps
  - Topographic maps
  - Demographics – CoStar, ESRI, and US Census Bureau
  - Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, etc.
  - Executed HUD Settlement Statements dated January 1, 2020 and December 17, 2021
  - Development Agreement for Meadow Vista Subdivision Improvement Agreement between the City of Anna and Bloomfield Homes L.P. dated July 19, 2023
  - Concept Plan and Survey from LJA Engineering, Inc.
  - Estimated development costs provided by LJA Engineering, Inc., the Professional Engineers
  - Conversations with developers and homebuilders in DFW market

## **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 (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 275 Improved Single-Family Residential Lots (50-FF and 60-FF) in Improvement Area #1

### **Improved Detached Single-Family Residential Lots in Improvement Area #1 (275 Improved Residential Lots)**

#### ***Cost Approach***

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. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject

## *Meadow Vista Public Improvement District Improvement Area #1*

property is being developed in one phase and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 275 Improved Residential Lots in Improvement Area #1.

### ***Income (Subdivision Development) Approach***

In the Income Capitalization Approach, the retail value of the residential lots is 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. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 275 improved residential lots, as of the date of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

### ***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers.* Use of the approaches for the valuation of the improved lots in Improvement Area #1 of the Meadow Vista PID is summarized on the following pages:

## Meadow Vista Public Improvement District Improvement Area #1

<b>Approach</b>	<b>Applicability to Subject</b>	<b>Use in Assignment</b>
<b>Cost Approach</b>	<i>Not Appropriate since Improvement Area #1 Portion of the Subject Property Since the Subject Property will be Developed in Multiple Phases</i>	<i>Not Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Appropriate in Determining Residential Subdivision Value</i>	<i>Utilized</i>
<b>Sales Comparison Approach</b>	<i>Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 50-FF and the 60-FF Lots</i>	<i>Partially Utilized</i>

### COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 135 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified Residential Real Estate Appraiser who has assisted in the analysis and appraisal of numerous properties similar to the subject. Brandon Brice and Brandon Lawson are Appraiser Trainees and have assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the City of Anna, Collin County, Texas.

### INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Date of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Anna is also an intended user. The appraisal is not intended for any other use or user. No party or parties other than the City of Anna and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

### DATE OF THE APPRAISAL REPORT

The preparation of this Appraisal Report was completed on **June 10, 2024**. The initial draft of this appraisal report was completed on **April 16, 2024**.

### EFFECTIVE DATES OF THE APPRAISAL

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **April 1, 2025** for Improvement Area #1, which is the expected date of Substantial Completion. James L. Maibach and Brandon Brice Inspected the property on **March 21, 2024**. Leslie Tolliver and Brandon Lawson have not inspected the subject property.

## **ASSIGNMENT CONDITIONS**

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the “Assumptions and Limiting Conditions”. There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

## **PROPERTY RIGHTS APPRAISED**

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

## **ASSETS APPRAISED**

The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value were included in the valuation process.

## **ENVIRONMENTAL CONDITIONS**

No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

## **HISTORY OF SUBJECT PROPERTY**

The subject property is currently owned by Bloomfield Homes LP. The subject property was deeded to Bloomfield Homes LP via two separate purchases and the appraisers received the deed and HUD Settlement Statements. The first purchase was between Bloomfield Homes, LP (Buyer) and QJR Partnership, Ltd (Seller) via deed instrument #20191218001614920 dated January 17, 2020. Per the provided HUD Settlement Statement, this parcel consisted of 160.197 acres and sold for \$6,080,000 (\$37,953/Acre) with no seller concessions. The second purchase was between Bloomfield Homes, LP (Buyer) and Forest Grove Investments, LLC (Seller) who acted as the qualified intermediary for QJR Partnership, Ltd via deed instrument #20150211000151370 dated December 20, 2021. Per the provided HUD Settlement Statement, this parcel consisted of 61.905 acres and sold for \$2,160,000 (\$34,892/Acre) with no seller concessions. These sales appear to be an arms-length transaction. The sale prices were within market rates at the time of the sale. The subject property has no other transfers in the prior three years.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

## **LEGAL DESCRIPTIONS**

The subject property includes 1 tract of land within the Improvement Area #1 portion of the subject property with a legal description of ABS A0288 F T DAFFAU SURVEY, TRACT 4, 158.8343 ACRES (Collin County Tax ID number 2120875).



*Meadow Vista Public Improvement District Improvement Area #1*

**PENDING TRANSACTIONS TO BUILDERS**

The land within the development is owned by Bloomfield Homes, L.P., who will also be the developer for the subject property. The subject property has one executed sales contract. The Purchase and Sale Agreement is between Bloomfield Homes, L.P. (seller) and DFH Coventry, LLC, (Buyer) dated December 28, 2023, to purchase approximately 72 fully developed, single-family lots in Improvement Area #1. Per the purchase contract, DFH Coventry, LLC., is to purchase approximately 72 of the single-family lots at \$98,750 each within Improvement Area #1. The agreed upon sales prices are within range of market values of comparable vacant improved single-family lots. This transaction appears to be arms-length.

The chart below shows the breakdown of the subject's lots for Improvement Area #1. The Prospective Date for Improvement Area #1 is April 1, 2025.

Meadow Vista PID IA #1 Projected Phases			
<i>Lot Type</i>	<i>Phase 1</i>	<i>Phase 2</i>	<i>Total</i>
50-FF	188	2	190
60-FF	80	5	85
<b>Total Per Phase</b>	<b>268</b>	<b>7</b>	
<b>Total Lots at Meadow Vista PID IA #1</b>			<b>275</b>

According to the Purchase and Sales Agreements we were provided by the developer (Bloomfield Homes, L.P.), the following quarterly takedowns are projected for the 275 improved residential lots within Improvement Area #1 of Meadow Vista PID.

Projected Quarterly Takedown Summary - Meadow Vista PID IA #1									
<i>Lot Type</i>	<i>Apr-2025</i>	<i>Jul-2025</i>	<i>Oct-2025</i>	<i>Jan-2026</i>	<i>Apr-2026</i>	<i>Jul-2026</i>	<i>Oct-2026</i>	<i>Jan-2027</i>	<i>Apr-2027</i>
50-FF	10	8	8	8	8	8	8	8	8
60-FF	10	8	8	8	8	8	8	8	8
<b>Total</b>	<b>20</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>



Projected Quarterly Takedown Summary - Meadow Vista PID IA #1									
<i>Lot Type</i>	<i>Jul-2027</i>	<i>Oct-2027</i>	<i>Jan-2028</i>	<i>Apr-2028</i>	<i>Jul-2028</i>	<i>Oct-2028</i>	<i>Jan-2029</i>	<i>Apr-2029</i>	<i>Jul-2029</i>
50-FF	8	8	8	8	8	8	8	8	8
60-FF	8	3	-	-	-	-	-	-	-
<b>Total</b>	<b>16</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>



Projected Quarterly Takedown Summary - Meadow Vista PID IA #1							
<i>Lot Type</i>	<i>Oct-2029</i>	<i>Jan-2030</i>	<i>Apr-2030</i>	<i>Jul-2030</i>	<i>Oct-2030</i>	<i>Jan-2031</i>	<b>TOTAL</b>
50-FF	8	8	8	8	8	4	<b>190</b>
60-FF	-	-	-	-	-	-	<b>85</b>
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>275</b>

*Meadow Vista Public Improvement District Improvement Area #1*

**Note:** *As aforementioned, the owner of the subject property (Bloomfield Homes, L.P.) is also a developer of Meadow Vista PID IA #1 and will be the ultimate seller to the end-users for some of the improved lots. Therefore, the projected absorption conclusion for the subject property reflects a scenario as if the owner were to sell each lot to another developer. Bloomfield Homes, L.P. is a nationally recognized homebuilder with the resources to obtain and develop entire subdivisions to sell to homeowners looking for affordable housing.*

**Real Estate Taxes  
Collin Central Appraisal District**

Real estate tax assessments are administered by the Collin Central Appraisal District (CCAD) 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 real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate.

Real estate taxes and assessments for the projected 2024 tax year are shown in the following table which include taxes to City of Anna, Collin County, Collin College, and Anna ISD. The projected combined tax rate for those entities is **per \$100 assessed** as shown in the table below:

Projected Property Taxes - 2024	
Entity	Rate
City of Anna	0.510717
Collin County	0.149343
Collin College	0.081220
Anna ISD	1.257500
<b>Total</b>	<b>1.998780</b>

The Meadow Vista PID IA #1 is one contiguous tract of land consisting of one tax parcel. The prior (2023) tax burden for the subject property – which is was undeveloped land – was **\$1,491.53** which is heavily reduced due to the Agricultural exemptions. A table of the assessed values and property taxes of the prior year (2023) of the subject property is shown below:

TAXES (COLLIN CAD - 2023)							
ID	Owner	Size (AC)	Improvement Market Value	Land Market Value	Ag Exemption	Assessed Value	Estimated Taxes
2120875	Bloomfield Homes LP	158.8430	\$ -	\$ 7,523,051	\$ 7,448,429	\$ 74,622	\$ 1,491.53
<b>Total:</b>		<b>158.843</b>	<b>\$0.00</b>	<b>\$7,523,051</b>	<b>\$ 7,448,429</b>	<b>\$74,622</b>	<b>\$1,491.53</b>

The Land area represented by Collin Central Appraisal District (Collin CAD) are not necessarily accurate. The land market that Collin CAD has determined - **\$7,523,051 (\$47,362/AC, \$1.09/SF)** – would lead to a tax burden of \$150,369.24 if fully taxed. The subject property is likely appraised for Collin CAD at below true market value for ±158.843 acres of undevelopable land. When the property is redeveloped into a residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

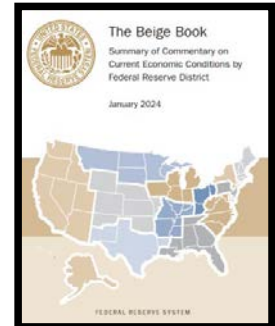
Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

## MARKET OVERVIEW

### ECONOMIC INDICATORS: BEIGE BOOK

#### ***FEDERAL RESERVE BANK (March 6, 2024)***

Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:



#### ***Overall Economic Activity***

*A majority of the twelve Federal Reserve Districts reported little or no change in economic activity since the prior Beige Book period. Of the four Districts that differed, three reported modest growth and one reported a moderate decline. Consumers delivered some seasonal relief over the holidays by meeting expectations in most Districts and by exceeding expectations in three Districts, including in New York, which noted strong holiday spending on apparel, toys, and sporting goods. In addition, seasonal demand lifted airfreight volume from ecommerce in Richmond and credit card lending in Philadelphia. Several Districts noted increased leisure travel, and a tourism contact described New York City as bustling. Contacts from nearly all Districts reported decreases in manufacturing activity. Districts continued to note that high interest rates were limiting auto sales and real estate deals; however, the prospect of falling interest rates was cited by numerous contacts in various sectors as a source of optimism. In contrast, concerns about the office market, weakening overall demand, and the 2024 political cycle were often cited as sources of economic uncertainty. Overall, most Districts indicated that expectations of their firms for future growth were positive, had improved, or both.*

#### ***Labor Markets***

*Seven Districts described little or no net change in overall employment levels, while the pace of job growth was described as modest to moderate in four Districts. Two Districts continued to note a tight labor market, and several described hiring challenges for firms seeking specialty skills, such as auto mechanics or experienced engineers in the Boston and San Francisco Districts, respectively. However, nearly all Districts cited one or more signs of a cooling labor market, such as larger applicant pools, lower turnover rates, more selective hiring by firms, and easing wage pressures. The pace of wage growth was characterized as moderate in Boston, Richmond, Chicago, and Dallas; as modest in New York and Philadelphia; and as slight in St. Louis. Firms from many Districts expected wage pressures to ease and wage growth to fall further over the next year.*

#### ***Prices***

*Six Districts noted that their contacts had reported slight or modest price increases, and two noted moderate increases. Five Districts also noted that overall price increases had subsided to some degree from the prior period, while three others indicated no significant shift in price pressures. Firms in most Districts cited examples of steady or falling input prices, especially in the manufacturing and construction sectors, and more discounting by auto dealers. Districts also noted that increased consumer price sensitivity had forced retailers to narrow their profit margins and to push back in turn on their suppliers' efforts to raise prices. Premium increases for property and casualty insurance and for health insurance continue to impact most firms. Three Districts noted that their firms were expecting price increases to ease further over the next year, while four Districts' firms anticipated little change.*

**ELEVENTH DISTRICT  
FEDERAL RESERVE BANK OF DALLAS – MARCH 6, 2024**

***Summary of Economic Activity***

*The Eleventh District economy expanded at a modest pace over the reporting period, with most sectors holding steady or experiencing slight growth. Job growth picked up in the service sector. Wage growth moderated but high labor costs remained a key concern for many businesses. Overall input cost and selling price growth held slightly above average. Demand for nonprofit services remained elevated, and housing affordability and daycare access continued as key issues. Business outlooks were neutral to pessimistic, with contacts citing weakening demand as the primary concern going forward. Heading into an election year, U.S. political uncertainty was also noted by many firms.*

***Labor Markets***

*Employment expanded modestly over the past six weeks, with services job growth picking up while manufacturing job growth abated. In a Dallas Fed survey of 365 business executives, around half reported still being understaffed. While labor availability has improved, many firms noted a mismatch between the skills and experience they desire and those of the job candidates. Some firms noted they were overstaffed, particularly in financial services and manufacturing, though very few were laying off workers. One contact said he considered layoffs but held off because he expects a rebound in business, and rehiring is difficult.*

*Wage growth was moderate across most sectors but remained slightly elevated in energy. Higher labor costs remained a top outlook concern for many businesses, particularly in education and health services and the leisure and hospitality industry. An urgent care center said wages and salaries were at a dangerously elevated level that is not sustainable in the long term. A December Dallas Fed survey showed that Texas businesses expect wage growth in 2024 to be 4.3%, on average, down from 5.6% in 2023.*

***Prices***

*Input cost growth remained slightly elevated overall, though energy firms continued to note strong rises in exploration and production costs while manufacturing raw materials price growth remained subdued. Selling price growth picked up a bit in the service sector but prices remained fairly flat for manufactured goods. District firms reported declining margins on net, with a manufacturer noting that maintaining a reasonable profit margin was elusive in 2023, with costs rising faster than they were able to raise prices. This sentiment was echoed by retail and services firms as well. Overall, contacts said they raised prices by 3.9% last year, on average, and expect to push through price increases this year on the order of 3.5% amid increased consumer price sensitivity.*

***Manufacturing***

*Texas manufacturing activity was flat in December after contracting in November. Year-end weakness came largely from durables, particularly metals manufacturing. Manufacturers generally reported continued declines in demand, though chemical producers noted a stabilization as the unprecedented year-long global destocking cycle may have finally run its course. New orders for oil and gas machinery and equipment continued at a modest pace. Overall, manufacturing outlooks worsened slightly. More than a third of contacts cited uncertainty heading into an election year as a primary outlook concern, second only to weakening demand.*

***Retail Sales***

*Retail sales largely stabilized in December after a few months of declines. Auto dealers noted stronger sales and increased inventories, though they expressed concern over high interest rates. High interest rates also remained a top concern for wholesalers and construction-related retailers. Retail outlooks worsened overall, and uncertainty increased notably.*

***Nonfinancial Services***

*Service sector activity increased modestly in December after contracting slightly in November. Year-end strength was led by revenue growth in health care and leisure and hospitality. Professional and business services exhibited weakness, with some contacts saying new business is down and backlogs have shrunk. Revenue declines continued in transportation services, and contacts said air cargo volumes over the reporting period fell short of expectations. Passenger air travel was a bright spot, however, with record traffic and revenues over the Thanksgiving holiday and expectations for a strong finish to the fourth quarter. Overall, outlooks in the service sector were stable heading into 2024. Weakening demand remained the top concern, followed by higher labor costs and elevated inflation. Numerous contacts also cited U.S. political uncertainty, with one saying it “weighs heavily on business leaders’ minds right now.”*

***Construction and Real Estate***

*Housing demand improved slightly, as the recent decline in mortgage rates buoyed home sales. Buyer incentives remained prevalent, however, and outlooks stayed cautious with contacts citing economic uncertainty, diminished affordability, and tighter credit standards for construction and development loans as headwinds. Activity in commercial real estate was little changed. Apartment leasing picked up slightly though rents remained flat. Office leasing remained weak; vacancy rates were elevated, and concessions remained widespread. Industrial vacancy rates rose as new supply continued to outpace demand. Macroeconomic uncertainty, high capital costs, and reduced appetite to lend continued to deter investment sales and construction starts across property types.*

***Financial Services***

*Loan volumes stabilized over the past six weeks after declines, and the pace of credit tightening decelerated. Loan demand continued to decline, though at the slowest pace since the end of 2022. Loan nonperformance rose again, still largely driven by consumer loans. Loan pricing continued to increase but at a slower rate. Bankers reported that core deposit volumes increased over the reporting period, following several months of decreases. Although bankers remain pessimistic and expect future business activity and loan demand to decline, the slowdown is anticipated to be milder than prior expectations.*

***Community Perspectives***

*Demand for nonprofit services remained elevated. Housing affordability continued to be a top concern, with higher rent outpacing income among many renters, and higher mortgage rates making home ownership less attainable. Nonprofits noted that families are also struggling with the costs of healthcare, food, utilities, and transportation. Access to affordable childcare remained a key barrier to parents’ participation in education and the workforce although some contacts noted that more work schedule flexibility has been helpful. Contacts said that childcare subsidies, while helpful, are not immediately available and come with limitations. An executive at a workforce development board said she has never seen so much interest in solving childcare issues, particularly among employers.*

**Texas A&M University**  
**Texas Real Estate Research Center**  
**Outlook for the Texas Economy (Excerpts)**  
Joshua Roberson and Koby McMeans (February 14, 2024)



**Summary**

*The Texas economy remained resilient with consumer confidence rising despite high inflation. The labor market posted strong monthly gains while unemployment fell for the first time since April. Home sales fell alongside the drop-in mortgage rates. Texas trade fell after last month's strong showing. CPI marginally rose, and economic activity expanded at a strong rate, suggesting rate cuts may be less likely in 2024.*

**CPI Impacted by Continued Rise in Shelter Index**

*The Consumer Price Index (CPI) rose by 0.3% from last month and is up 3.4% from December 2022. According to the Bureau of Labor Statistics, the index for shelter accounted for over half of this month's increase. The electricity index also posted a strong monthly gain. The fuel oil index posted the largest monthly decrease, falling 5.5%.*

*The Fed paused interest rate hikes in its December meeting, leaving the Fed Funds target at 5.25% to 5.5%. Economic activity has slowed over the last quarter of 2023; however, GDP growth remains strong. According to Fed Chairman Jerome Powell, the rate hike that occurred in July has a strong possibility of being the last one we see for this tightening cycle. Inflation is cooling but remains above the target goal of 2%. For rates to remain where they are or for them to eventually decrease, economic activity must stay strong while inflation must continue to cool.*

**Texas Payroll Remains Resilient**

*The Texas labor market has cooled alongside the Fed keeping rates at a 23 year high with total nonfarm employment growing 0.14%. Houston (5,000 workers) and San Antonio (6,300 workers) reported strong increases while Dallas and Austin had insignificant changes. The state's payroll continued to climb, gaining 19,100 workers. Two sectors that had an influence over this month's gains were education/health services and leisure/hospitality, both gaining 6,800 workers. The professional/ business services sector offset the previous gain, losing 14,500 workers.*

*Texas worker sentiment remains resilient with a high participation rate of 64.1%. The unemployment rate fell for the first time since April, falling to 4%, and continued unemployment claims averaged around 157,099 applications weekly. Texas attracted 497,454 potential workers over the past 12 months, continuing to surpass the record-high total labor force according to the household survey.*



### **Home Sales Continue to Fall**

Mortgage rates continued to fall, but their elevated level remains problematic for homebuyers as Texas' total home sales fell 1.9% month over month (MOM) to 25,430 sales (see table). Among the Big Four, San Antonio reported the only gain in home sales, jumping 7.1% to 2,684 sales. Houston's home sales plummeted by 16.6%, losing over 1,000 sales in December. Austin and Dallas also experienced losses, falling 9.2% and 3.5%, respectively. The gap between Houston and Dallas widened as Houston reported poor monthly sales, down almost 17%. Despite rates falling, they remain elevated, resulting in an affordability problem for homebuyers.

Home Sales Volume			
	Nov.	Dec.	Monthly Changes
Texas	25,916	25,430	↓ -1.9%
Austin-Round Rock	2,384	2,165	↓ -9.2%
Dallas-Fort Worth-Arlington	7,363	7,102	↓ -3.5%
Houston-The Woodlands-Sugar Land	6,841	5,708	↓ -16.6%
San Antonio-New Braunfels	2,506	2,684	↑ 7.1%
Note: Seasonally adjusted data used for the reported metrics. Source: Texas Real Estate Research Center at Texas A&M University			

### **Merchants' Future Labor Outlook Remains Optimistic**

Service sector activity rebounded in December with the revenue index rising from -2.4 in November to 4.3. A positive index indicates more respondents reported positive MOM growth than negative. According to the Dallas Fed's Service Sector Outlook Survey, the employment index fell 2 points but remained positive. Outlook for current business conditions remained negative, with the general activity still deep within negative territory at -8.7. Respondents remained optimistic about future economic conditions, especially within the labor market with both the revenue index (34.5) and employment index (23.6) posting strong gains for the second straight month.

Retail payroll increased by 9,800 workers this month, bringing the year-over-year (YOY) retail employment change to 2.2%. Sales fell at a slower rate than last month as the Dallas Fed's Retail Outlook Survey reported that the sales index remained in negative territory, but jumped from -11.6 to -1.7, indicating retail activity is moving in a positive direction. Employment growth remained unchanged from last month's 4.1. The perception of broader business continued to worsen with the general business activity index falling to -24.1. Expectations for future retail growth wavered, but remained strong within the labor market, with the employment index remaining in positive territory.

### **Global Trade Falls from Downbeat Activity**

Texas' all-commodity exports fell 9.84% MOM and 7.6% YOY. Demand decreased MOM for the top three manufacturing exports: computer/electronics (down 9.7%), petroleum/coal (down 9.2%), and chemicals (down 3.6%). The beverage/tobacco products industry had a dynamic month, posting the only meaningful increase among manufacturing exports with a 161% increase from last month. Demand for Texas' crude oil exports fell for the first time since June, falling 13.6%. Germany, Thailand, Spain, and Taiwan all increased their imports of crude oil more than 50% while Ireland and Japan posted decreases of more than 50%. Exports to Europe and Asia account for over 78% of the total crude oil exports by Texas.

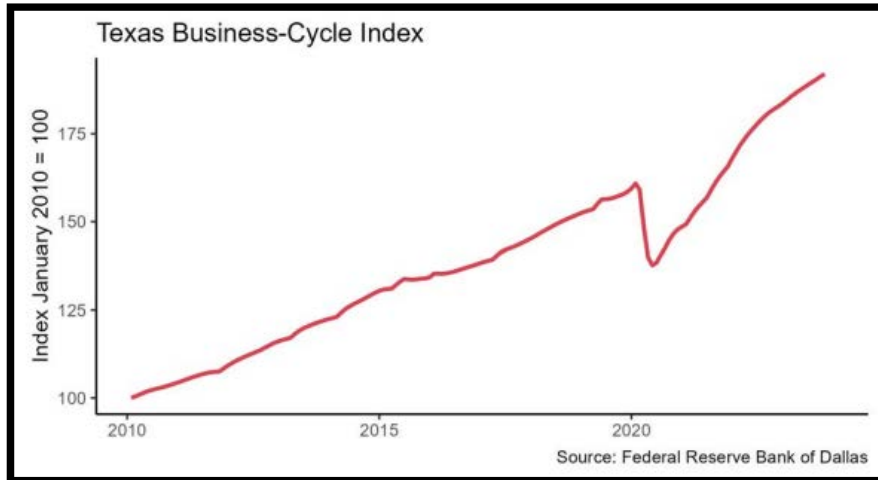
### **Select Economic Indicators**

- The Texas Leading Economic Index grew for the second consecutive month to 126.8 (1987=100), signaling possible economic expansion in the upcoming months.

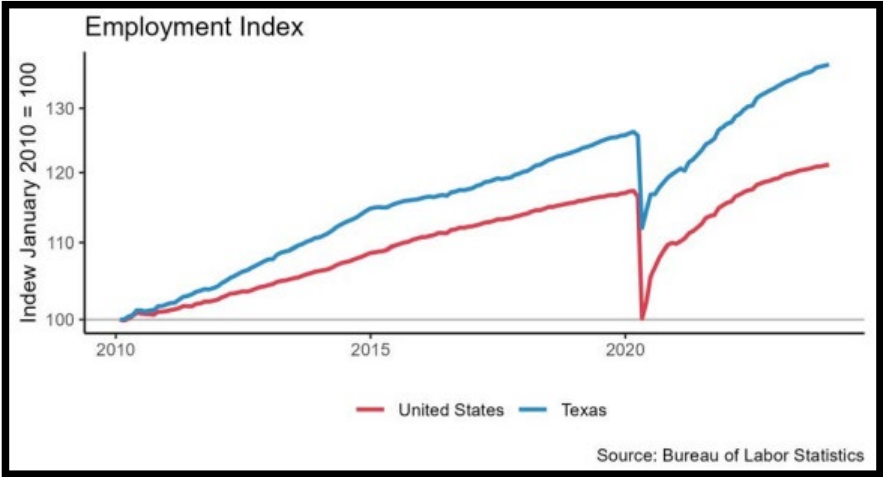
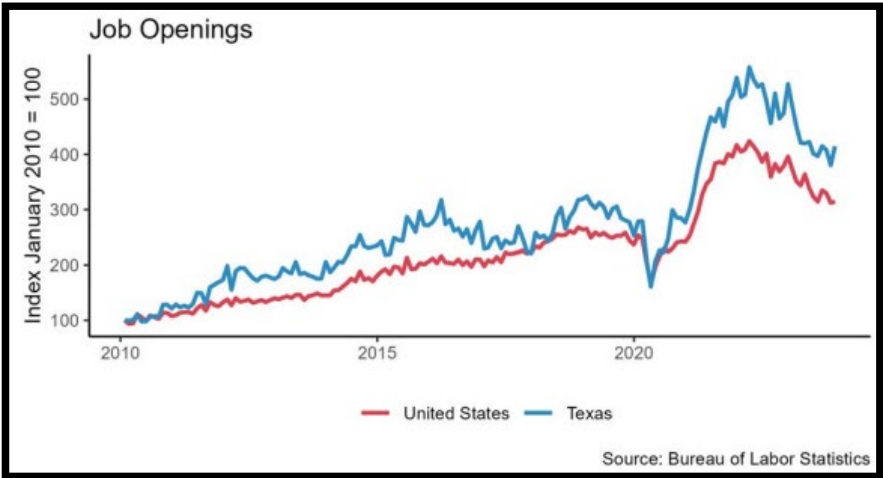
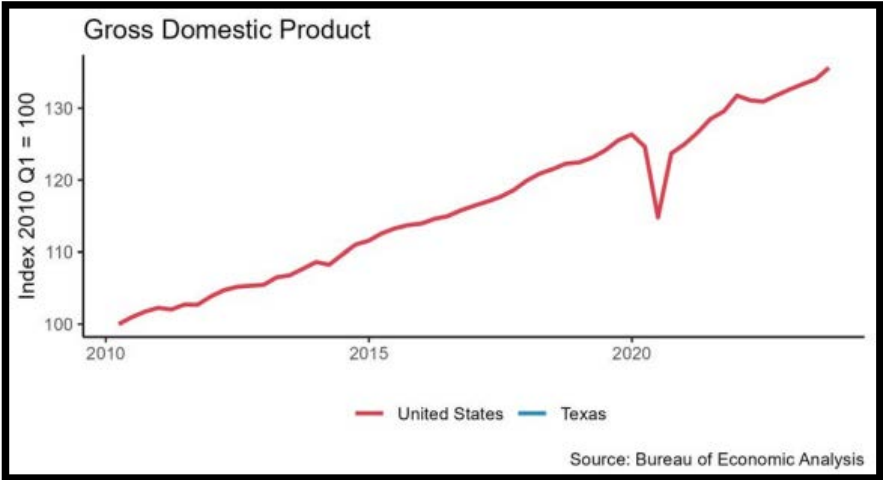


*Meadow Vista Public Improvement District Improvement Area #1*

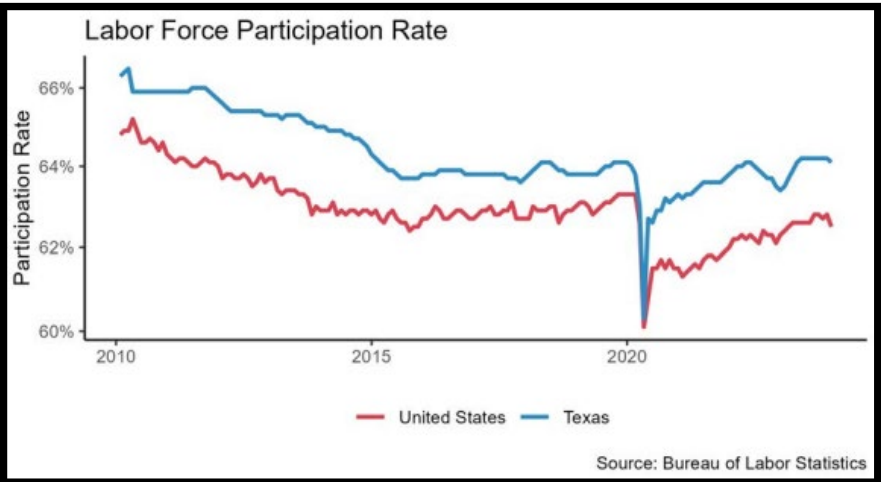
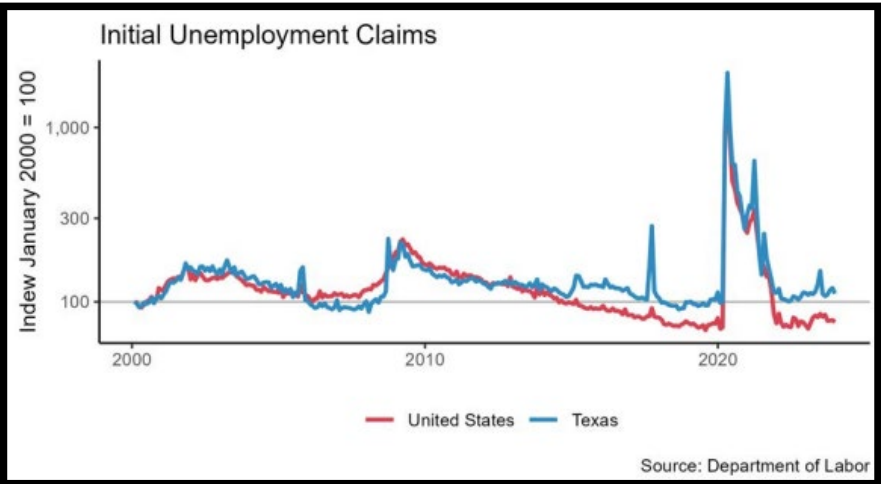
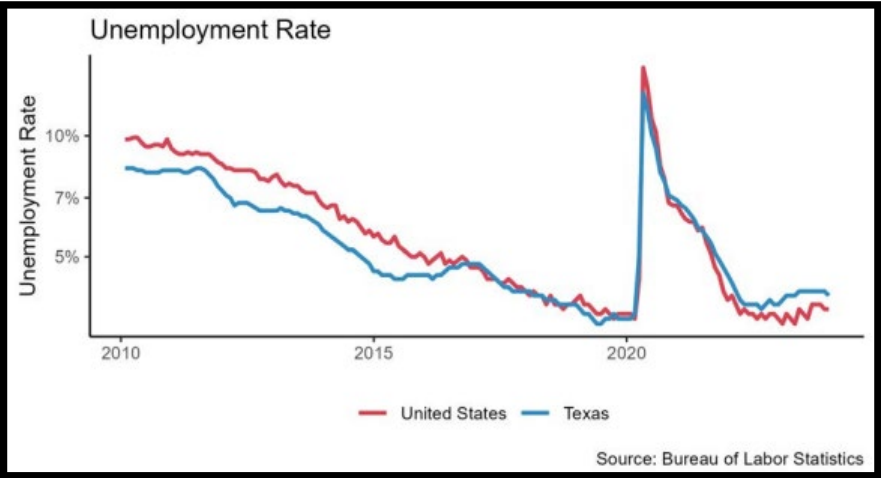
- *Nominal average hourly earnings rose 1.19% MOM to \$32.30. Earnings across all four major metros increased with Austin showing the most change at 82 cents gained.*
- *Texas consumer confidence rose by 6.3% since last month as news about interest rate hikes ending becomes prominent.*
- *The ten-year U.S. Treasury bond fell 48 basis points to 4.02%.*
- *The Federal Home Loan Mortgage Corporation's 30-year fixed-rate fell 62 basis points to 6.82%.*
- *The West Texas Intermediate (WTI) crude oil spot price fell 5.94% YOY from \$76.44 to \$71.90. The Henry Hub natural gas spot price plummeted 54.43% YOY from \$5.53 to \$2.52 per million British thermal units (BTU).*

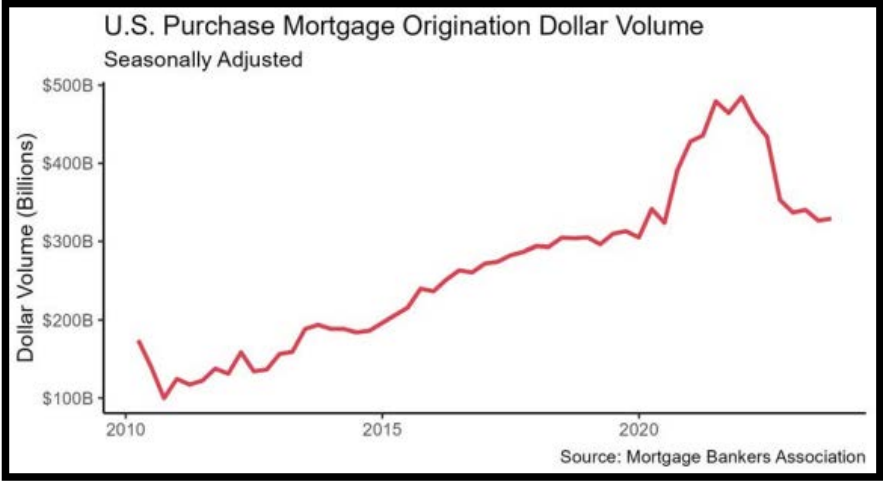


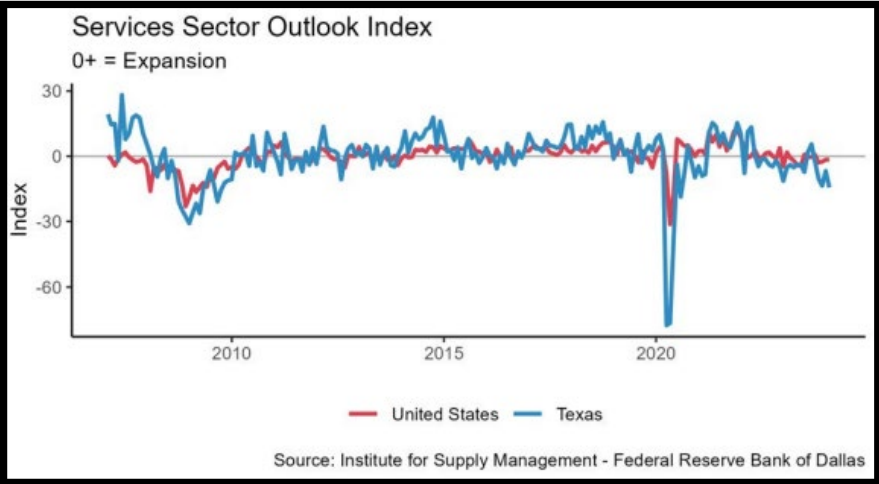
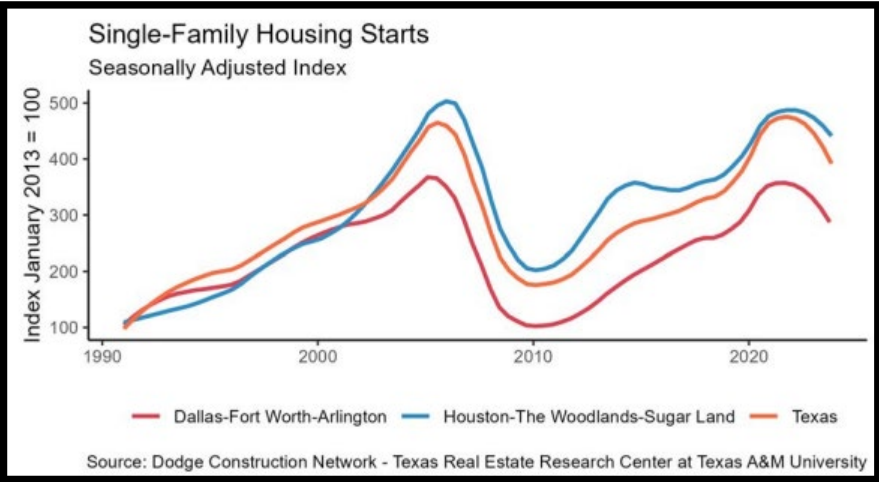
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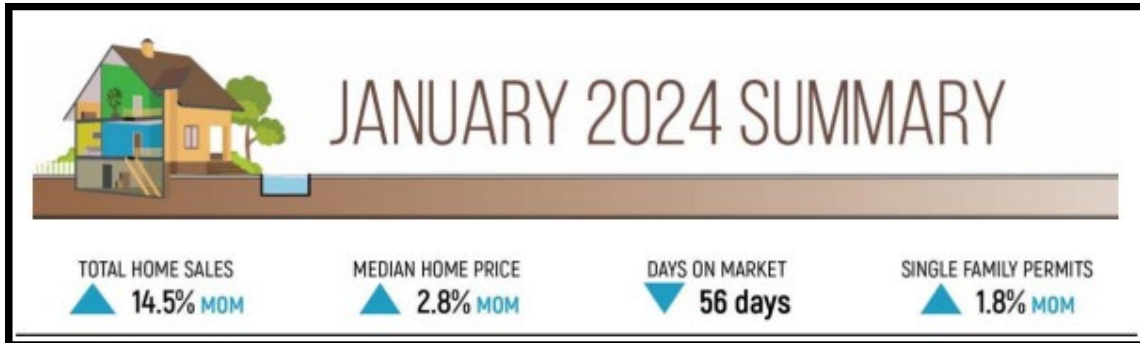
Meadow Vista Public Improvement District Improvement Area #1







**TEXAS HOUSING INSIGHT (EXCERPTS)**  
**Texas A&M University – Texas Real Estate Research Center**  
Joshua Roberson and Koby McMeans (March 29, 2024)



**Summary**

*Housing sales rebounded from last month's drop despite mortgage rates remaining at elevated levels. The average home price grew alongside sales, with the cost rising over \$9,000 since December 2023. Single-family starts decreased while permits increased.*

**Home Sales Skyrocket**

*According to the latest data, Texas had a 14.6% increase in total home sales month over month (MOM), resulting in 29,209 homes sold (Table 1). Notably, all major cities in Texas experienced an upswing in housing sales compared to fourth quarter 2023. The most significant increase was in Houston (37.3%) with a remarkable surge of over 2,000 additional sales compared to December. The rest of the Big Four experienced strong monthly gains of over 10%.*

Table 1. Home Sales Volume			
	December	January	MoM Change
Houston-The Woodlands-Sugar Land	5,772	7,926	37.3%
Austin-Round Rock	2,467	2,830	14.7%
Texas	25,493	29,209	14.6%
Dallas-Fort Worth-Arlington	7,141	8,034	12.5%
San Antonio-New Braunfels	2,612	2,913	11.5%

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University  
Note: Data are seasonally adjusted

*The state's average days on market remained unchanged with both Dallas and Houston hovering at 50 days for the second consecutive month. Both Austin (74 days) and San Antonio (64 days) recorded decreases, falling by four and three days, respectively.*

*Statewide active listings rose slightly to 105,475. For the second straight month, San Antonio (12,542) was the only one of the Big Four to post a monthly increase at 2.4%. Austin had the largest drop in active listings with a 2.4% loss to 8,109. Dallas (22,008) and Houston (24,699) had reductions of less than half a percent.*

## *Meadow Vista Public Improvement District Improvement Area #1*

*The state's new listings rose to 43,817 in January. All four major metros posted monthly increases with San Antonio leading the way at 14%. Houston also had a strong increase of 9%. Amid the rise in active listings, the months of inventory (MOI) increased to 3.7. Dallas fell from 3.1 to 2.7 since November.*

### ***Mortgage Rates Remain Below Peak Values***

*Treasury and mortgage rates remain below their elevated 2023 levels as the ten-year U.S. Treasury Bond yield rose four basis points to 4.06%. However, the Federal Home Loan Mortgage Corporation's 30-year fixed-rate rose 18 basis points to 6.64%.*

### ***Permits Rise, Starts Unchanged***

*Texas' single-family construction permits increased 1.8% MOM to 12,723 issuances. Dallas continued its fall from last month, dropping 2.6% to 3,415 starts while Houston experienced a minor fluctuation of less than 1%. Austin and San Antonio reported strong increases of 7.9% and 14.3%, respectively.*

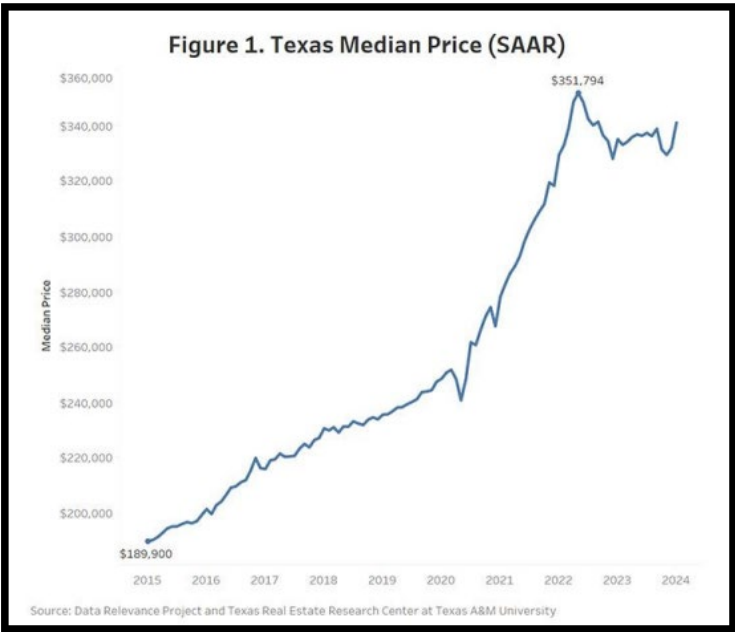
*Construction starts fell alongside permits, according to data from Dodge Construction Network. Single-family starts decreased 1% MOM to 11,908 units. Austin reported the only monthly increase among the Big Four, rising just shy of 2%. Houston (1.3%) and San Antonio (0.5%) moderated. Dallas starts plummeted in January, falling 22.1% to 2,537 starts.*

*The state's total single-family starts value climbed from \$2 billion in January 2023 to \$2.7 billion in January 2024. Houston accounted for a third of the state's total starts value. Starts activity is up from last year as Austin and San Antonio posted moderate increases.*

### ***Home Price Changes Mixed after Last Month's Plunge***

*The state's median home price rose 2.8%, reaching \$341,840 (Figure 1). Among the major metropolitan areas, Houston and Dallas recorded the only increases, with 3.3% and 1%, respectively. Conversely, San Antonio saw home prices decline by 4.3%, which was the lowest among the Big Four. Notably, Austin had previously experienced the most significant price surge of 4.2%, but median prices decreased by 0.5% in January.*

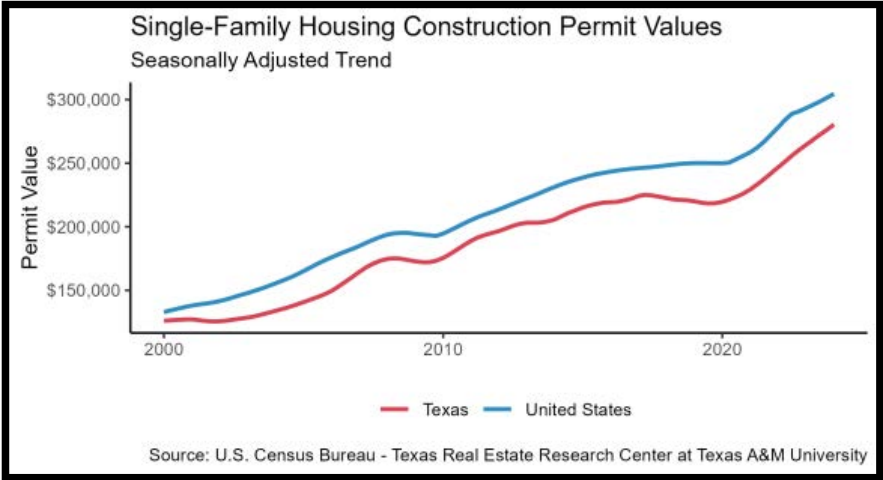
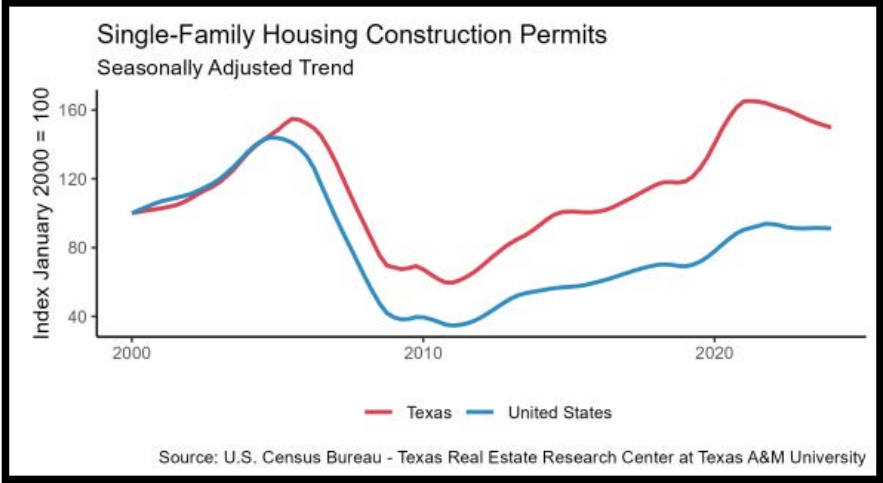
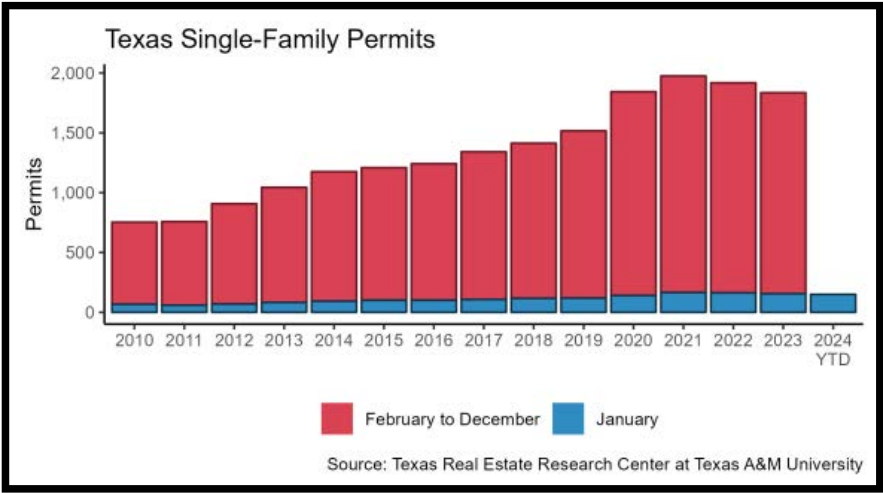
*Meadow Vista Public Improvement District Improvement Area #1*



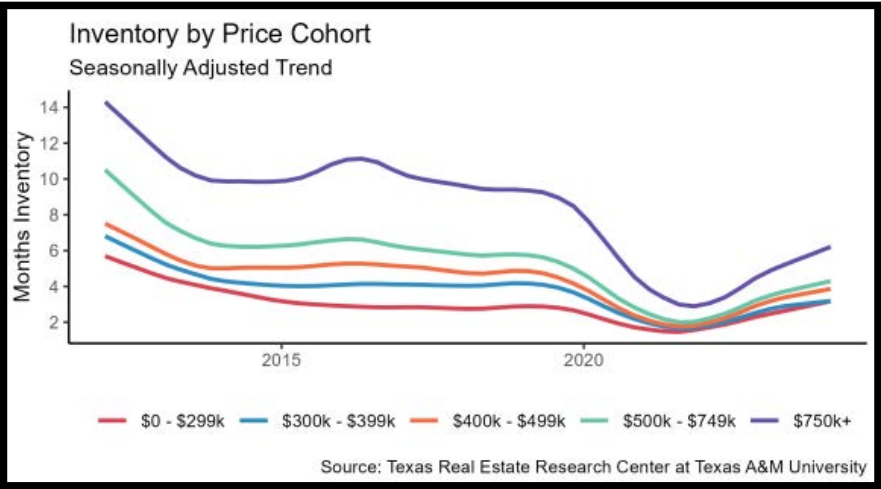
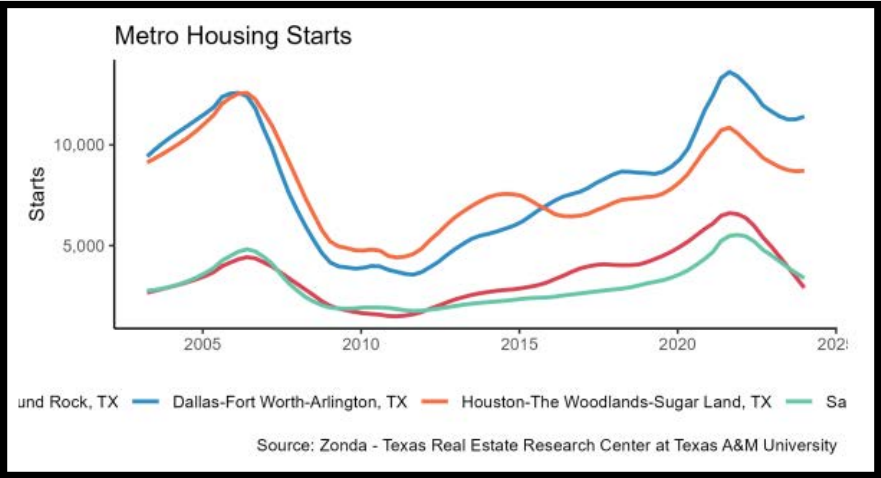
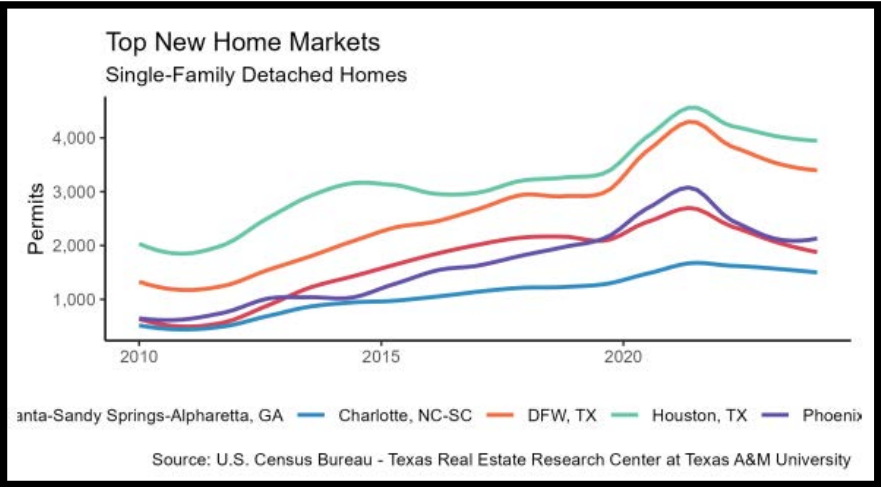
*The majority of sales fall into the \$200,000-\$300,000 and \$300,000-\$400,000 price range cohorts, accounting for 27% and 25% of total home sales, respectively.*

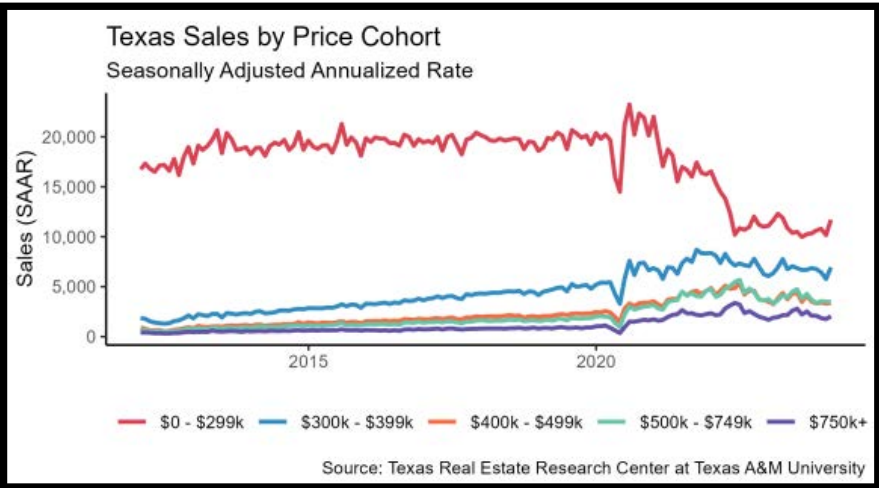
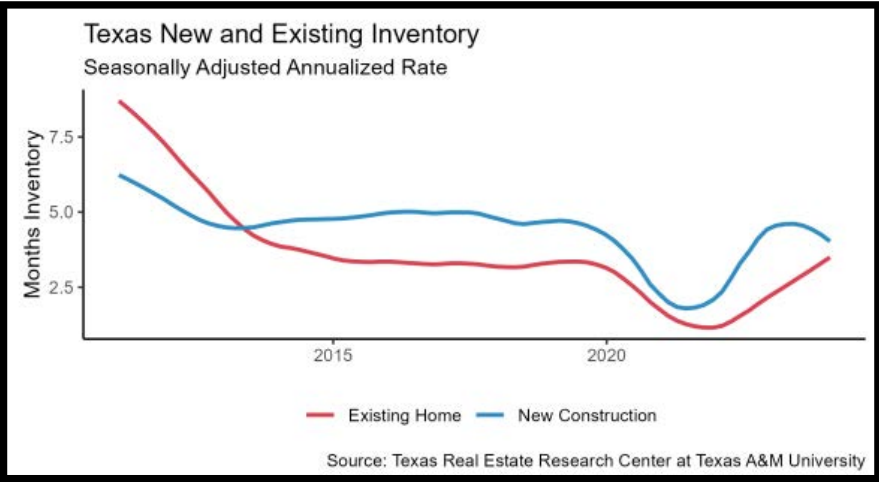
*The Texas Repeat Sales Home Price Index (Jan 2004=100) grew 0.3% MOM and remains 2.6% higher year over year. Austin’s annual appreciation remains well below the states average, falling to 3.2%.*



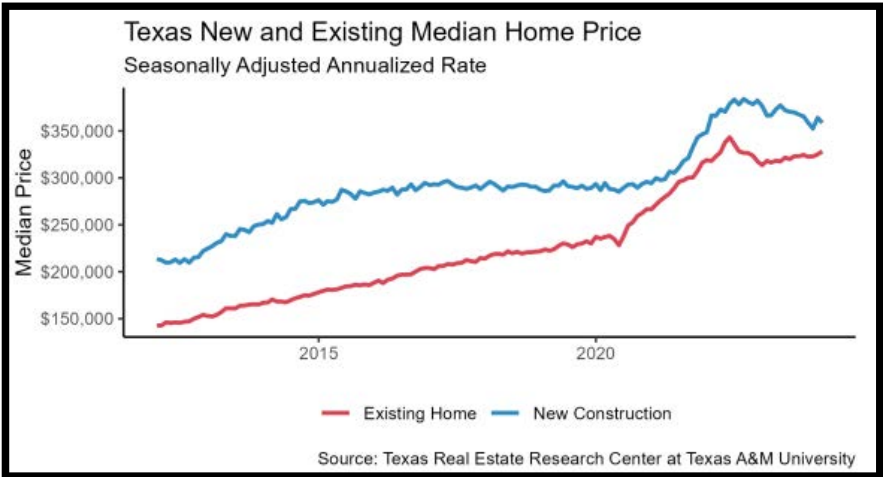
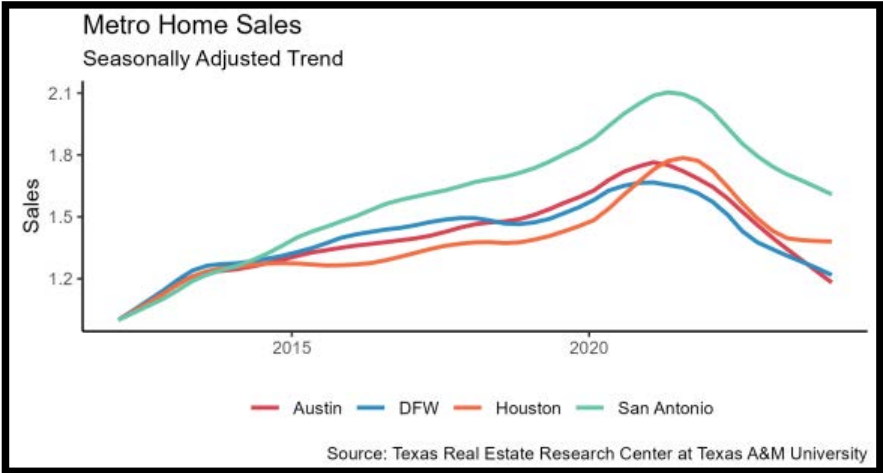


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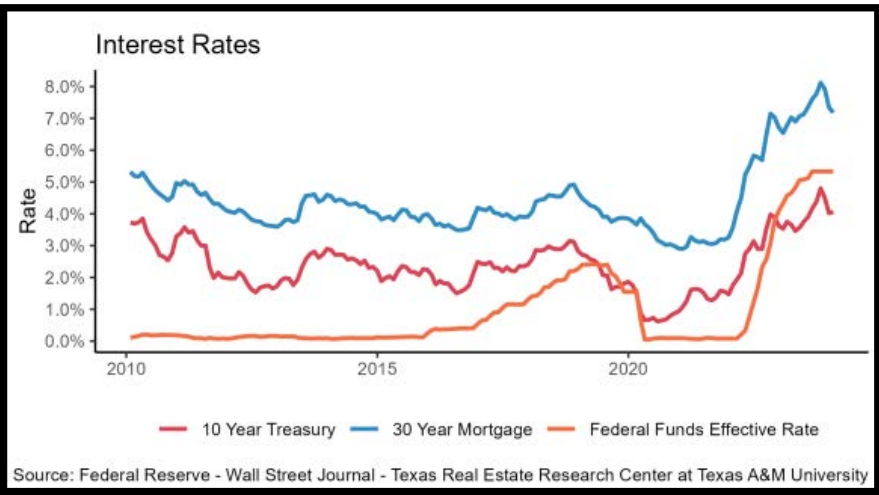
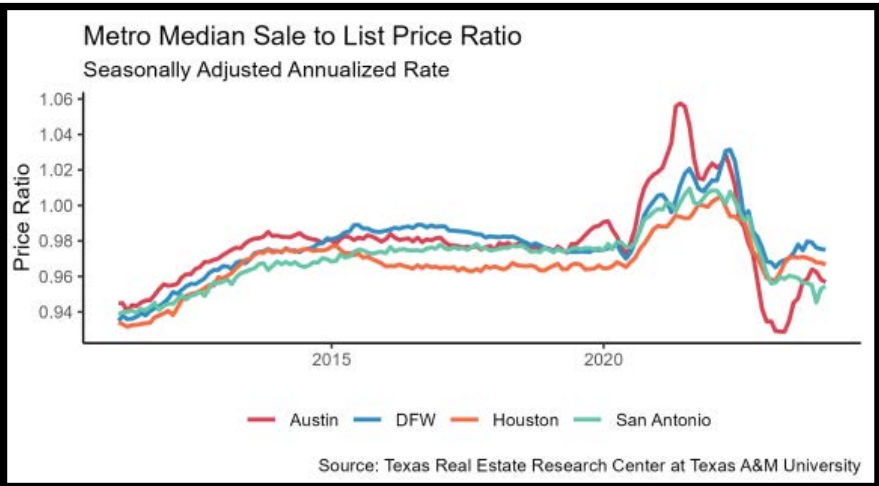
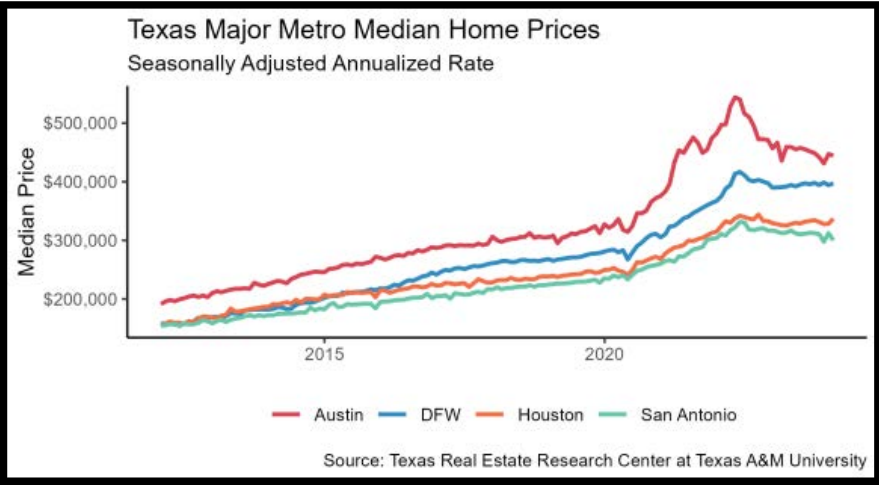




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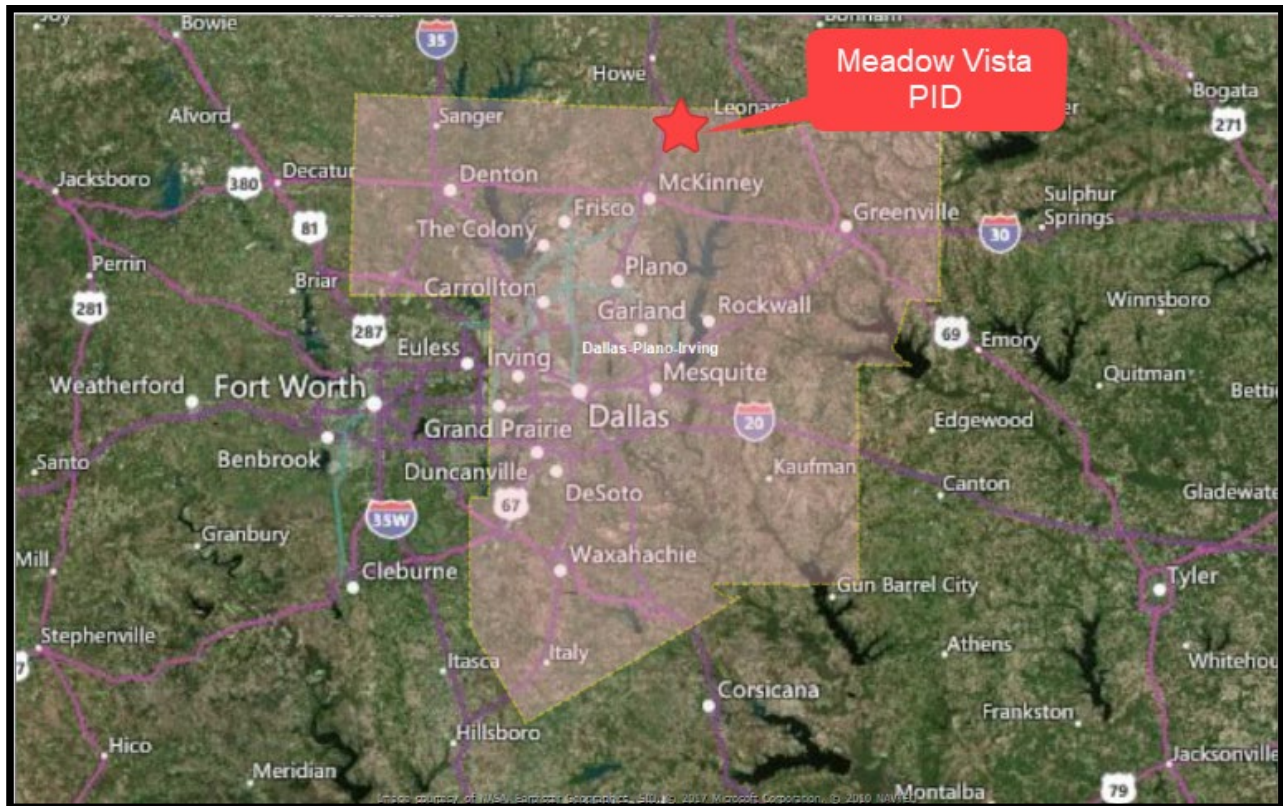


**DALLAS – PLANO - IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)**  
**Texas A&M University – Texas Real Estate Research Center**  
(Fourth Quarter, 2023)

***Executive Summary***

- *Metro area sales volume decreased 3.6% to 12,786 transactions. The median price increased 0.7% year-over-year to \$412,912.*
- *2023 Q4 months inventory for all residential properties rose 13.8% year-over-year to 2.4 months.*
- *Metro area residential property listings increased 7.1% year-over-year to 12,084 active listings.*

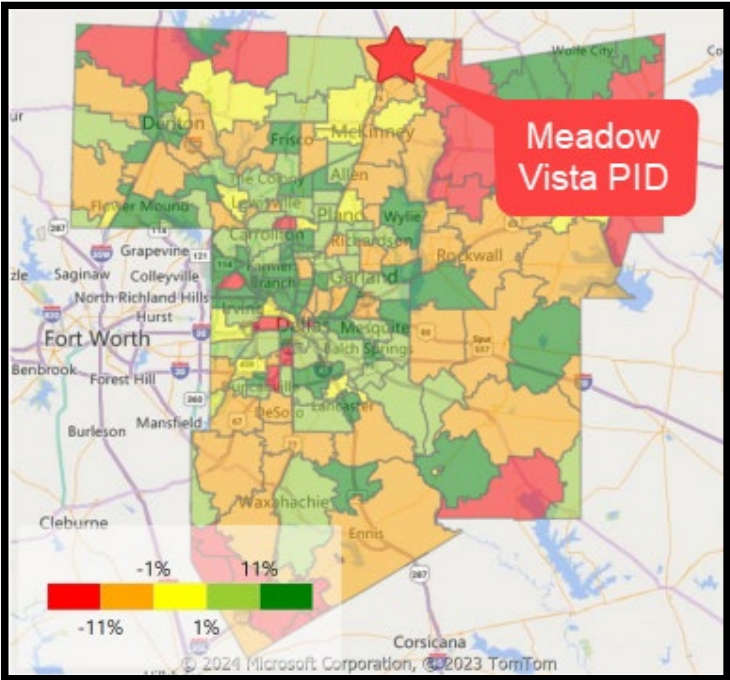
**Map of Dallas-Plano-Irving Metro Division**



Meadow Vista Public Improvement District Improvement Area #1

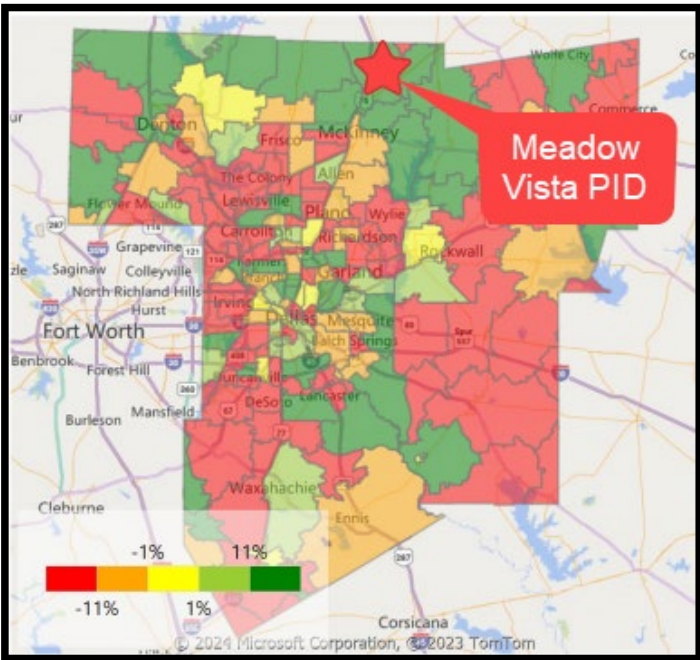
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) near Meadow Vista PID decreased between -1% and -11%.



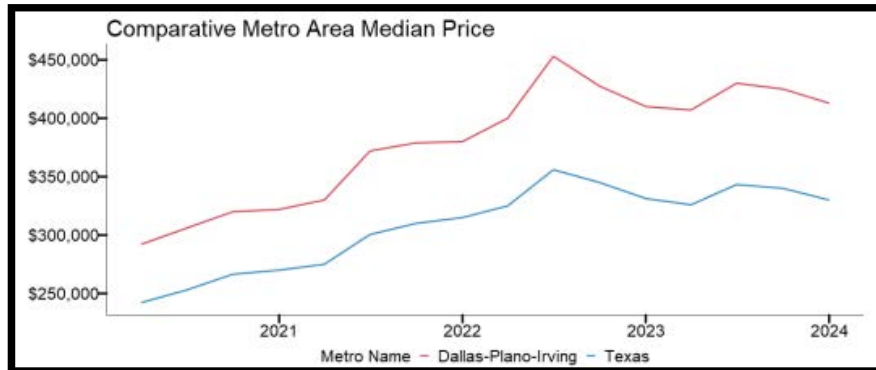
Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Meadow Vista PID increased more than 11%.

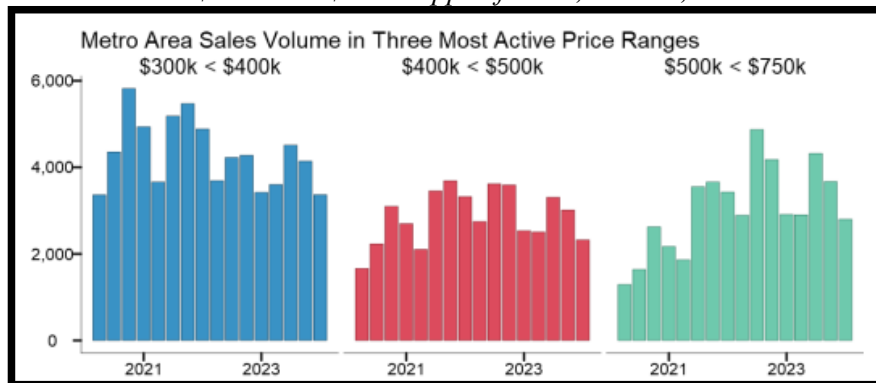


## Meadow Vista Public Improvement District Improvement Area #1

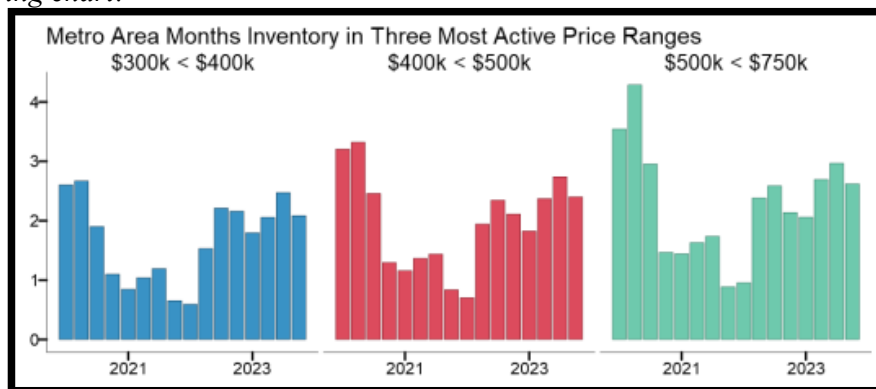
The median price in the Dallas-Plano-Irving metro increased by approximately 0.7% year-over-year, from \$411,000 to \$412,912. Metro area price exceeded the statewide median price of \$330,000 by \$82,912 as shown in the following chart:



2023 Q4 total sales volume decreased by approximately 3.6% year-over-year, from 13,263 to 12,786. Sales of homes between \$300k and \$400k dipped from 3,420 to 3,366, while homes between \$500k and \$750k dipped from 2,910 to 2,800, and homes between \$400k and \$500k dipped from 2,534 to 2,322 as shown in the following chart:



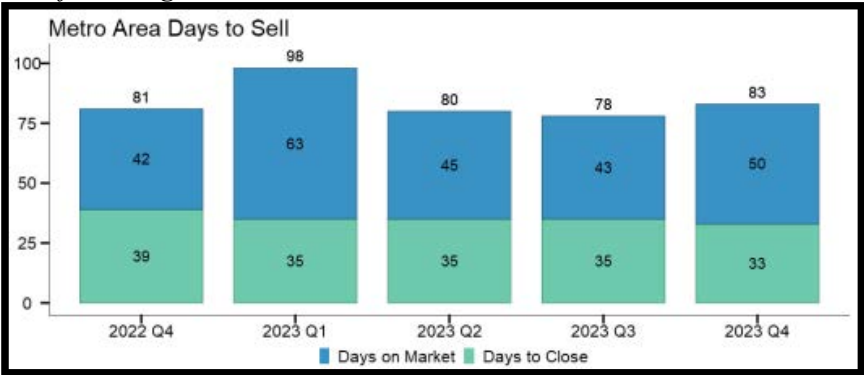
Metro area months inventory increased year-over-year from 2.12 to 2.42 months. Homes between \$300k and \$400k fell year-over-year, from 2.16 to 2.08 months, while homes between \$500k and \$750k rose year-over-year, from 2.14 to 2.62 months and homes between \$400k and \$500k rose year-over-year, from 2.11 to 2.4 months as shown in the following chart:



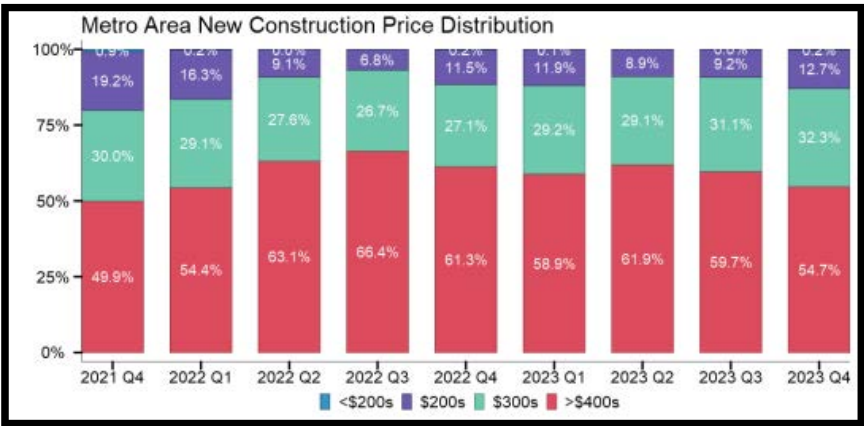


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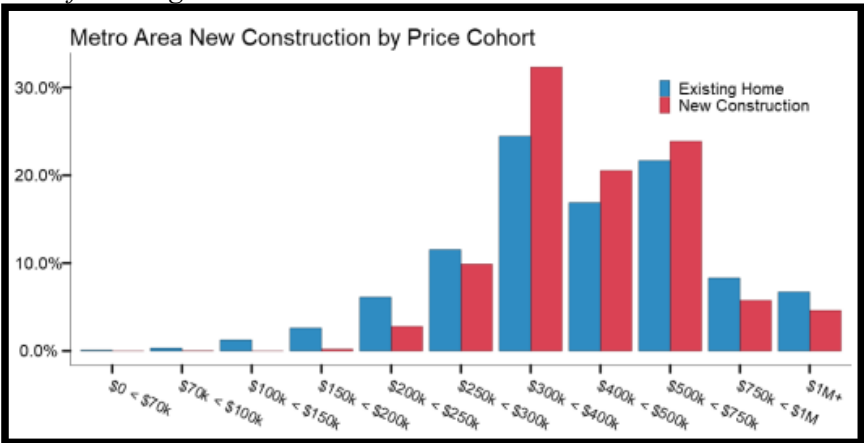
Average days to sell throughout the metro area remained stagnant compared with the same quarter last year. Average days to sell for homes between \$300k and \$400k remained stagnant compared with the same quarter last year as shown in the following chart:



Homes in the \$400s and above fell to 54.8% of single-family new construction sales through the MLS. The second most active price range was homes in the \$300s, which grew from 27.1% to 32.3% year-over-year as shown in the following chart:



In the latest quarter, the average price was \$508,379 for new homes sold through the MLS, a decrease over last year's figure of \$528,661. Average price for existing homes was \$528,884, an increase over last year's figure of \$498,319 as shown in the following chart:



*Meadow Vista Public Improvement District Improvement Area #1*

*The following chart shows the housing metrics for Collin County:*

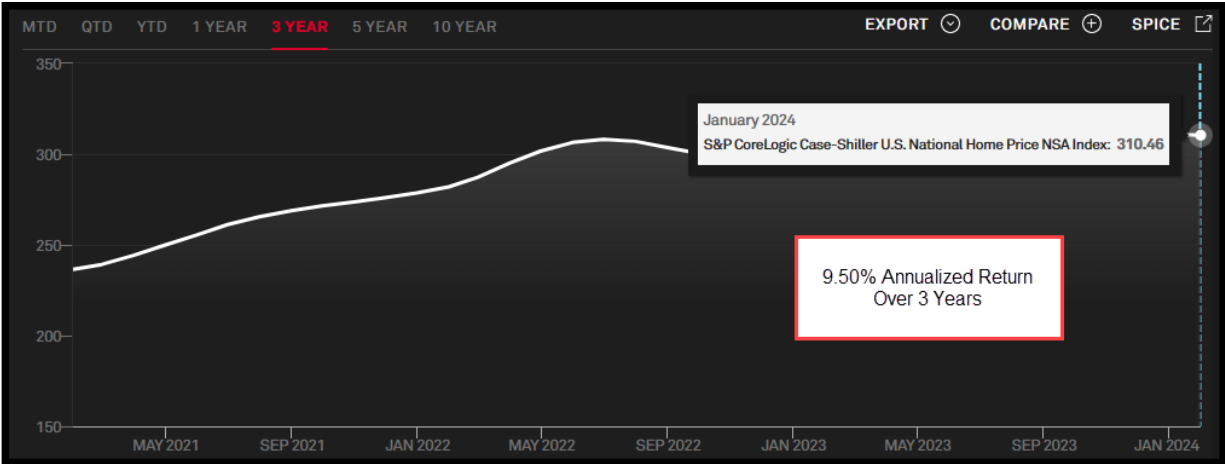
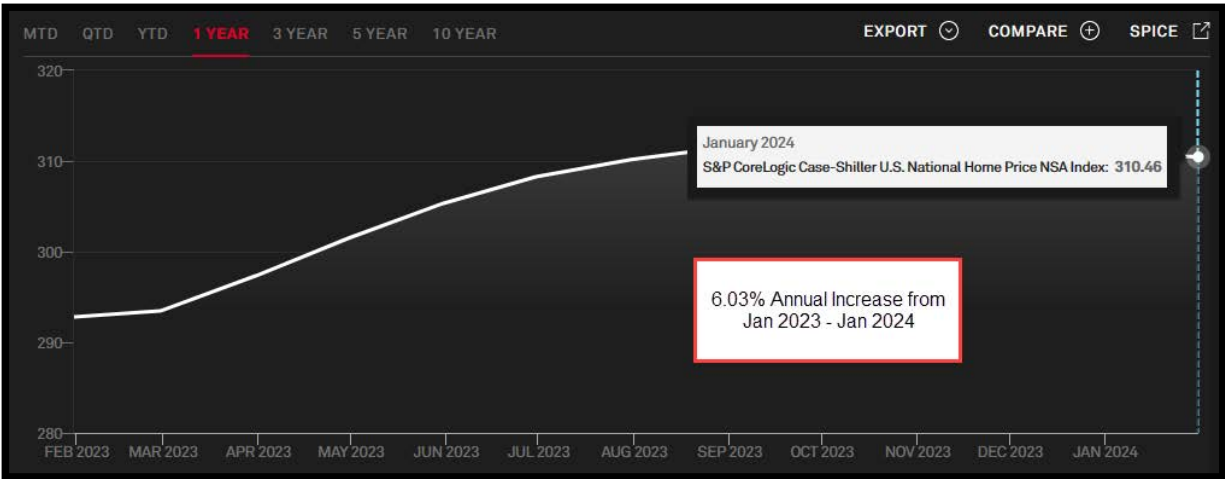
Collin County											
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	1	100%	0%	***	***	***	***	0	0.0	***	***
\$70k < \$100k	0	-100%	0%	-	-	-	-	0	0.0	-	-
\$100k < \$150k	1	-80%	0%	***	***	***	***	3	1.3	***	***
\$150k < \$200k	16	0%	0%	\$189,500	6%	\$228.53	30%	16	2.3	845	1985
\$200k < \$250k	70	49%	2%	\$228,740	2%	\$177.91	-9%	23	1.5	1,294	2023
\$250k < \$300k	156	53%	5%	\$280,000	-2%	\$185.06	-4%	94	2.0	1,497	2021
\$300k < \$400k	774	17%	23%	\$352,584	-1%	\$198.31	-1%	415	1.6	1,801	2021
\$400k < \$500k	745	3%	22%	\$445,000	0%	\$209.75	1%	574	2.1	2,110	2011
\$500k < \$750k	1,008	-2%	30%	\$599,900	0%	\$211.65	1%	825	2.0	2,901	2015
\$750k < \$1M	371	20%	11%	\$830,000	0%	\$227.79	-1%	310	2.0	3,644	2015
\$1M+	189	11%	6%	\$1,277,000	6%	\$290.82	1%	259	3.4	4,609	2013

\*\*\* Not displayed when fewer than five sales

S&P CORELOGIC CASE-SHILLER INDEX

January 2024

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of January 2024 showed that home prices nationally were up 6.03% YoY while the Dallas Metropolitan area also increased by 2.9% while the national average increased 6%. Prices have increased in mostly the western and northern states; however, the southern region has remained steady compared to the national average.



	January 2024	January 24/December 23	December/November	1-Year
Metropolitan Area	Level	Change (%)	Change (%)	Change (%)
Dallas	289.85	-0.2%	-0.7%	2.9%
Composite-10	332.78	0.0%	-0.2%	7.4%
Composite-20	317.07	-0.1%	-0.3%	6.6%
U.S. National	310.46	-0.1%	-0.4%	6.0%
Sources: S&P Dow Jones Indices and CoreLogic				
Data through January 2024				

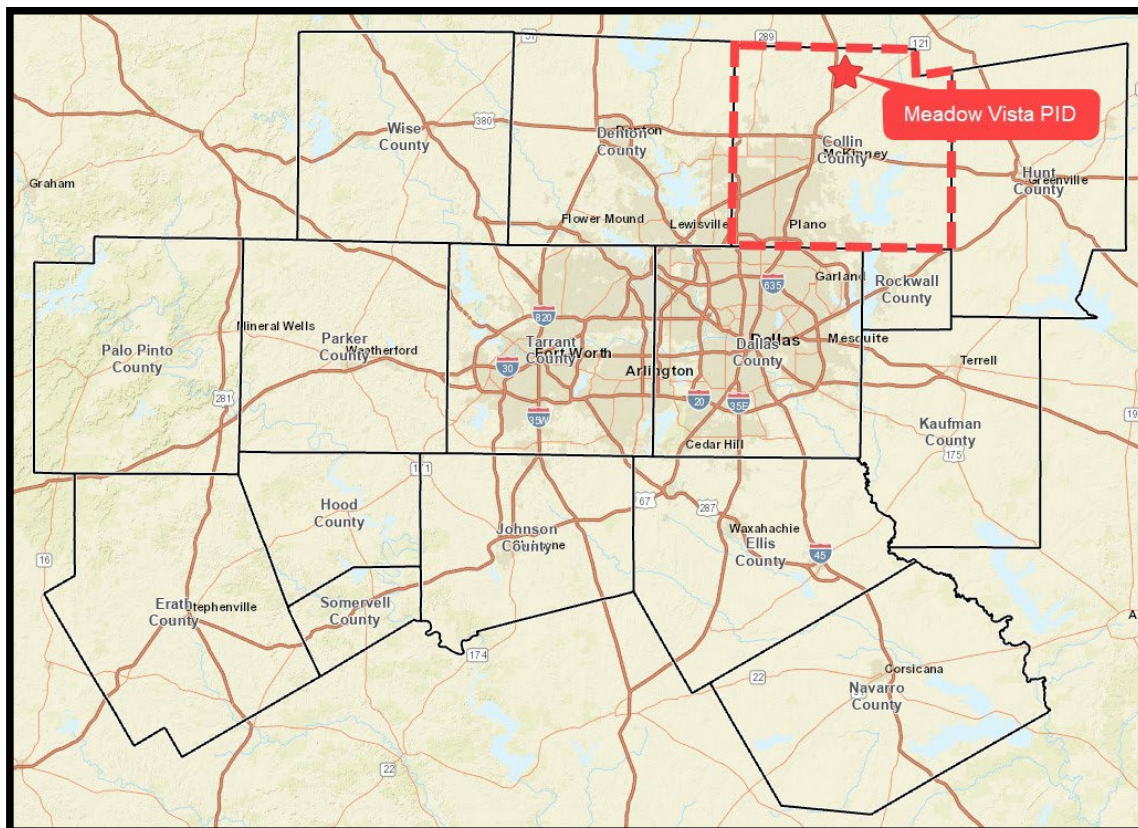
## REGIONAL ANALYSIS

The subject is located in Collin County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined from the Dallas-Fort Worth-Arlington MSA and the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated population as of January 1, 2023, was 8,284,892 which makes it the most populous region in Texas and the fifth largest in the US. In the most recent count (2023), the population of DFW grew by 161,433 led by Fort Worth which added more than 18,900 people. Since 2020, the region has added approximately 453,000 new residents. Contributing about one-third of Texas' GDP, the economy is the most diverse in the state. DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

## MAP OF DALLAS-FORT WORTH METROPLEX

*Red Lines Showing Collin County Boundary*

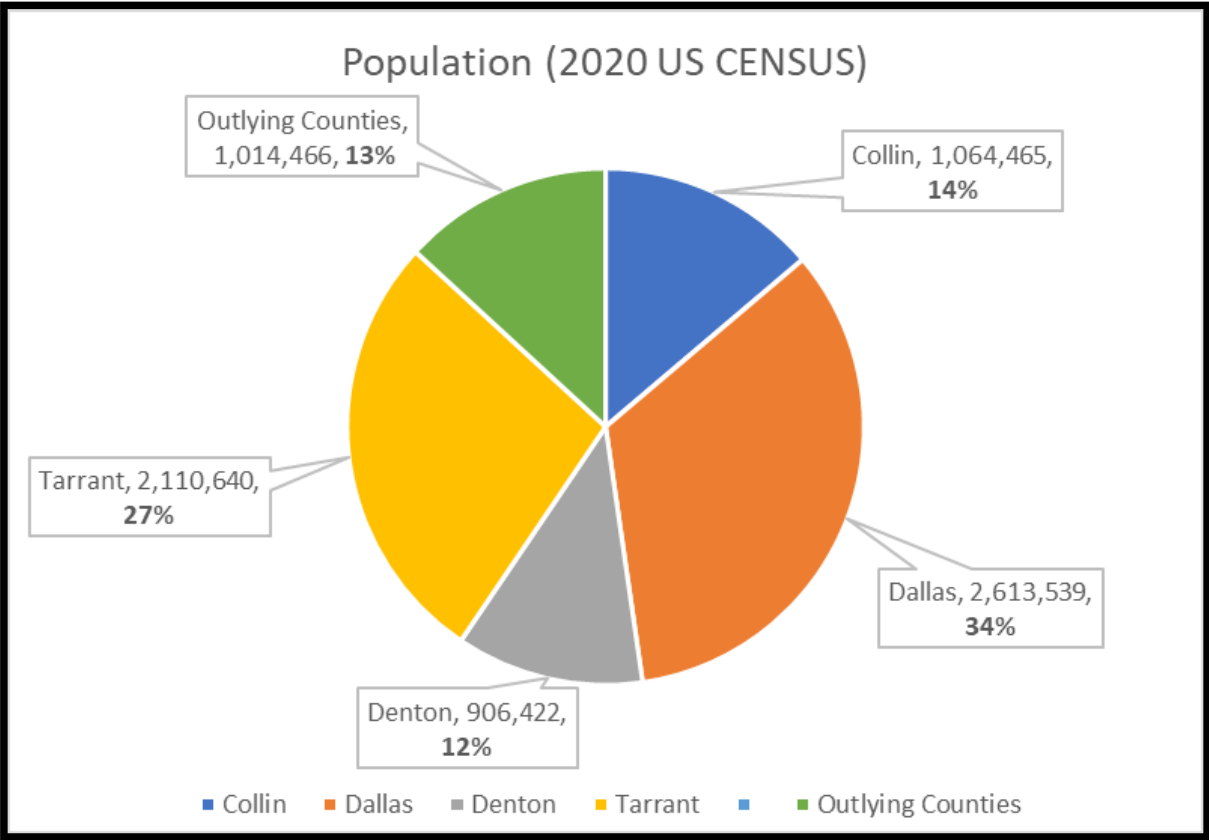


*Meadow Vista Public Improvement District Improvement Area #1*

When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region’s strategic location in the center of the country and located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Palo Pinto etc. add up to another 1,014,476 residents. The subject property is in the north central quadrant of Collin County.

**PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX**



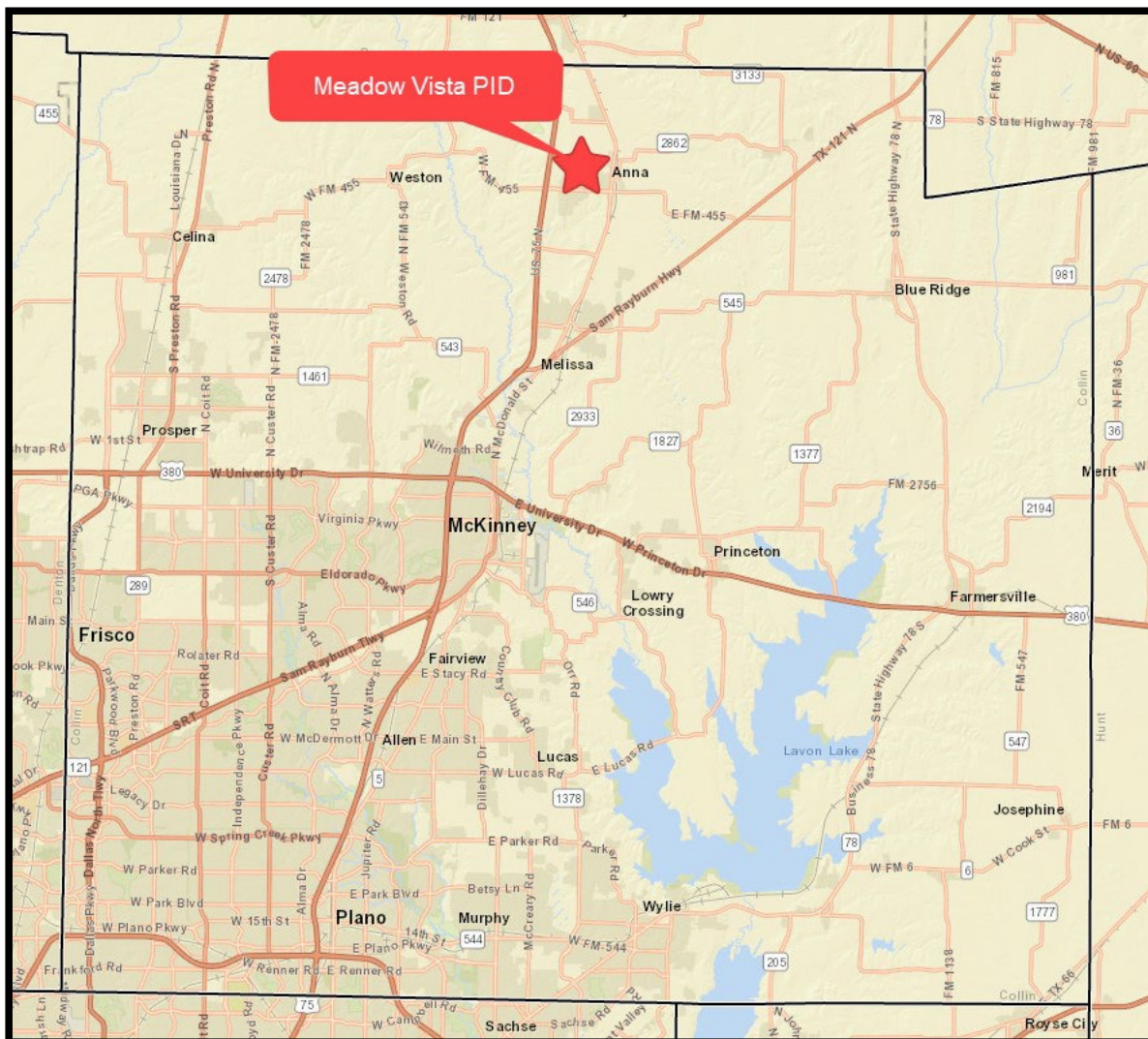


## COLLIN COUNTY OVERVIEW

The subject property is located in north central Collin County which is a rapidly growing county in the north-central portion of the Dallas-Fort Worth Metroplex. The county seat is McKinney, which is centrally located in the county. The county contains one large lake (Lake Lavon) that provides recreation, water source, and flood control for the community. The county also includes parts of Alliance Texas, which is a global logistics hub and home to over 500 companies and over 50 million square feet of industrial, commercial, retail, and residential space.

Initially serving as a bedroom community for Dallas and Fort Worth, as of 2020, the population for Collin County was 1,064,465 with population growth consistent for decades. Census data indicate Collin County population growth from 1970-1980 was 89.24%, 1980-1990 was 91.11%, 1990-2000 was 58.3%, 2000-2010 was 53%, and 2010-2020 was 36.8%.

### MAP OF COLLIN COUNTY *Subject Located in north Collin County*



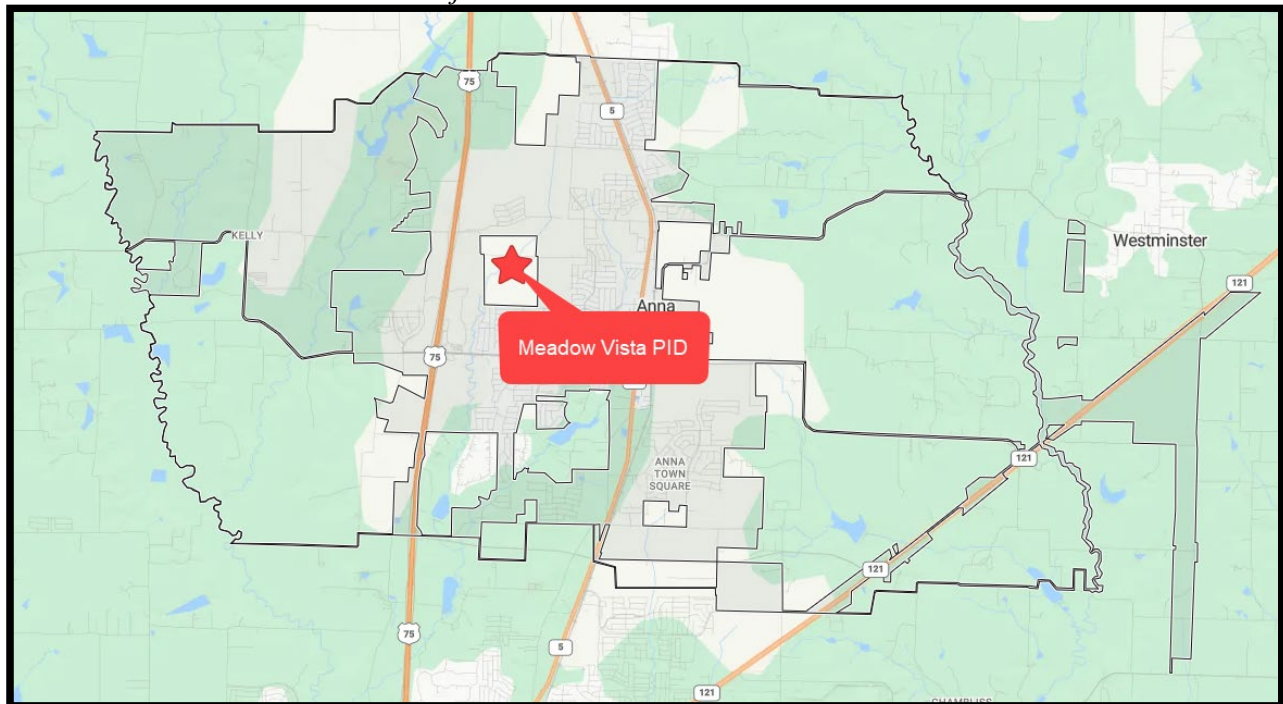
## **CITY OF ANNA OVERVIEW**

The City of Anna is located in the north central area of Collin County and approximately 15 miles north of McKinney, 33 miles northeast of Frisco, and 50 miles north of Dallas. The city has experienced significant growth over the past decade as developers have increasingly placed master-planned communities near US Highway 75 and State Highway 121. The city has grown to a population in excess of 23,000 today from 16,896 as recently as 2000. What was primarily pastoral horse country is now one of the fastest growing cities in Texas with projections showing over 50,000 residents in coming decades will reside in the city.

The city is seeing most of this growth in the southeastern portion of its relatively large extraterritorial jurisdiction (ETJ). The city's future land use plan aims to preserve Anna's small-town character while balancing the development of new residential neighborhoods with parks and trail amenities surrounding a vibrant downtown. The city has focused much of its attention on the Downtown Master Plan which intends to preserve historic elements of many structures, improve streets, expand parks, and attract events to the city center. The subject property is in the north-central area of the City of Anna. Residents have come to Anna for the preferable school districts, a quasi-rural vibe, new residential communities priced to attract first-time home buyers, and proximity to north Dallas via Highway 75. A map of the official boundary map for the City of Anna is shown below.

### **MAP OF THE CITY OF ANNA**

*Subject Located in North Central Anna*



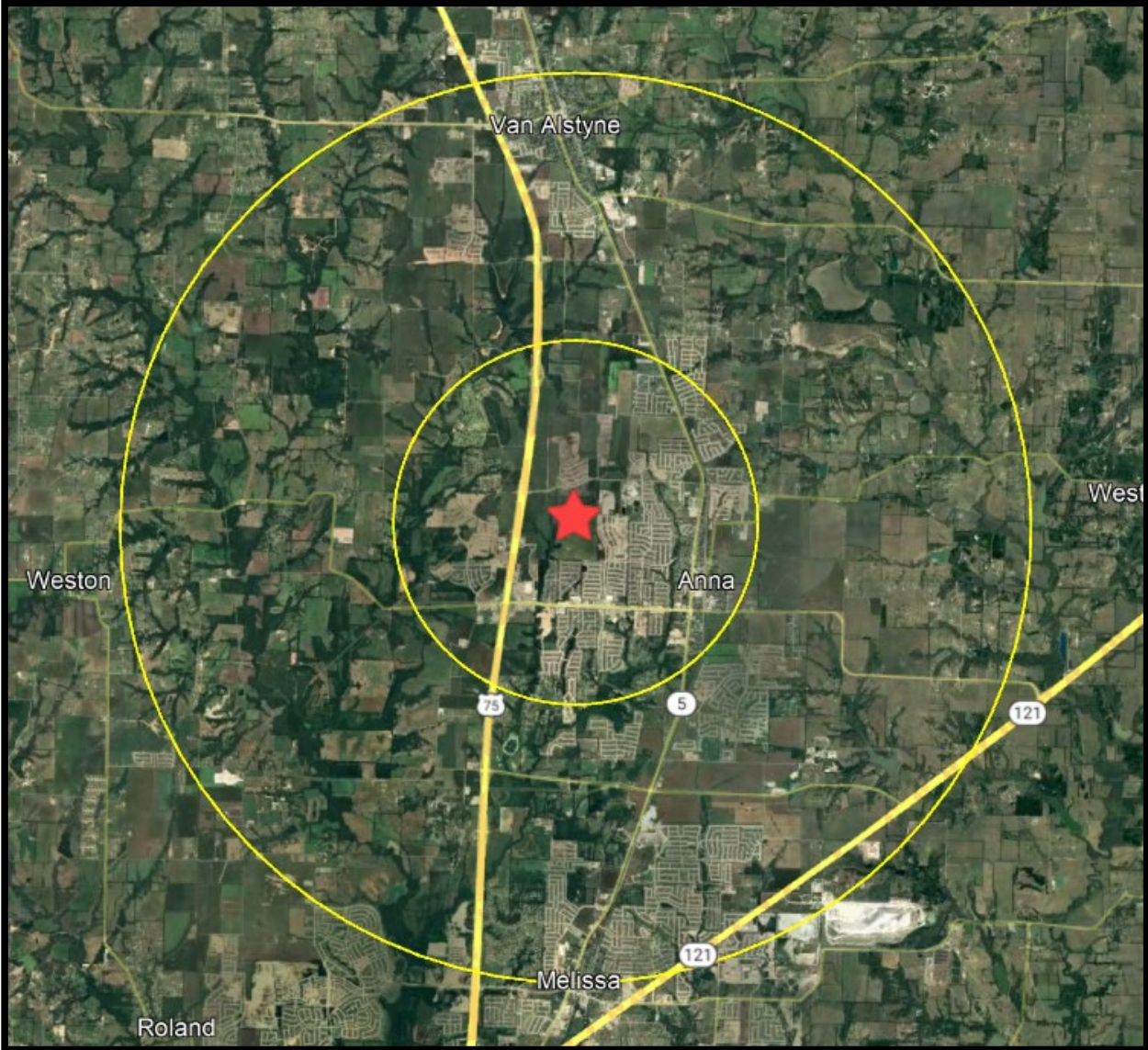


NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. Meadow Vista PID IA #1 is located within the City of Anna, Collin County, Texas and is within the Anna ISD.

NEIGHBORHOOD MAP

Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject



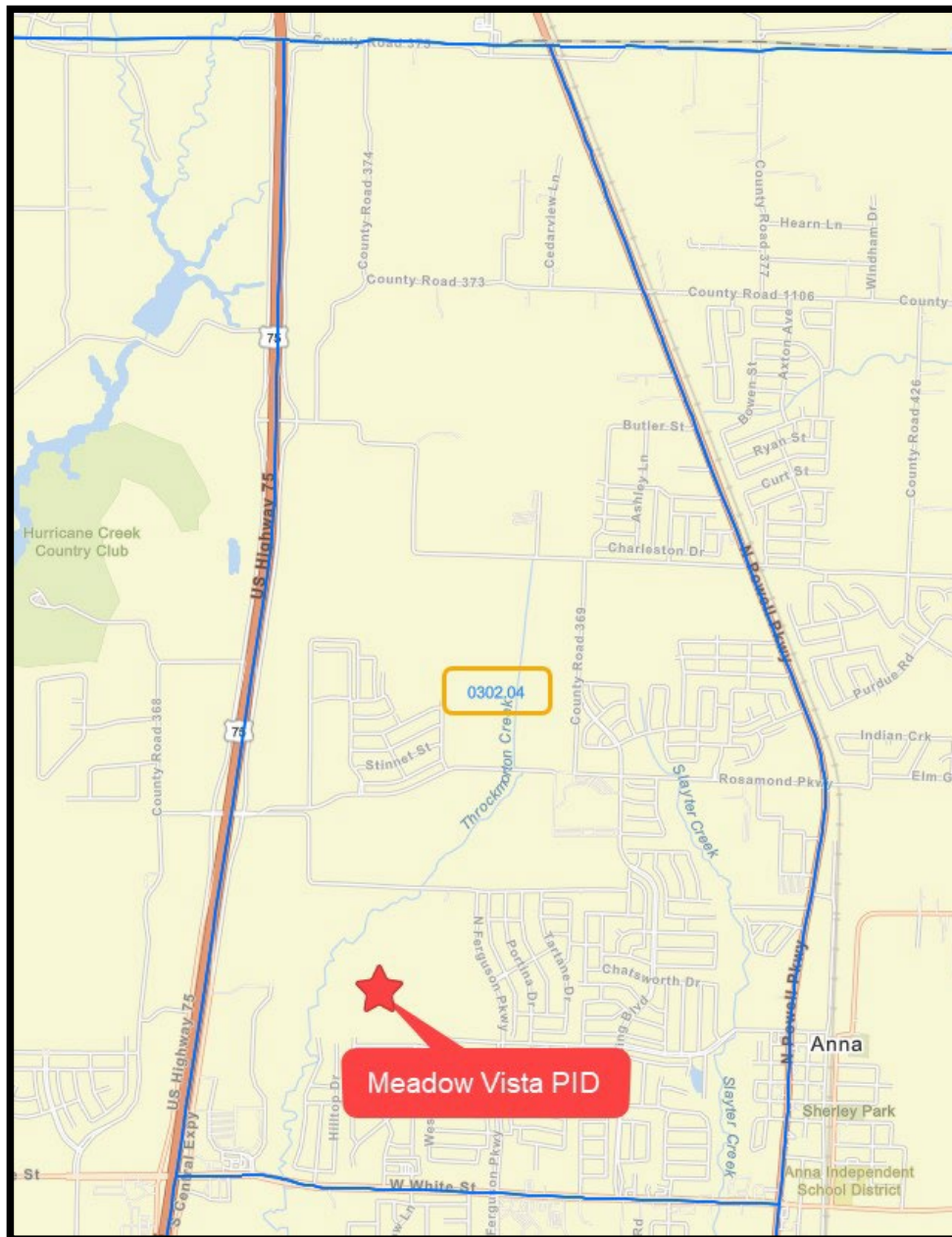
	2 Miles	5 Miles
North	North Powell Parkway	North Waco Street
East	Houston Street	Houston Steet
South	South Poweell Street	Sam Rayburn Highway (121)
West	Loftwood Lane	West Farm-to-Market 455




### NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0302.04 with the census report shown on the following page. The census tract report for 0302.04 indicates 7,554 people reside in the tract and income levels are in the middle tier with estimated median family incomes of \$105,600. Within census tract 0302.04, approximately 60% of housing units are owner-occupied with 35% being renter-occupied and 5% being vacant. These housing and demographic statistics indicate middle class residents who tend to live in 10–20-year-old single-family homes.

Census Tract 0302.04 Map



## Tract 0302.04 Census Report



2023 FFIEC Geocode Census Report

Address: Selected Tract  
MSA: 19124 - DALLAS-PLANO-IRVING, TX  
State: 48 -  
County: 085 - COLLIN COUNTY  
Tract Code: 0302.04

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2023 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$105,600
2023 Estimated Tract Median Family Income	\$118,325
2020 Tract Median Family Income	\$98,960
Tract Median Family Income %	112.05
Tract Population	7554
Owner-Occupied Units	1498
1- to 4- Family Units	2020

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	\$88,315
2023 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$105,600
% below Poverty Line	7.24
Tract Median Family Income %	112.05
2020 Tract Median Family Income	\$98,960
2023 Estimated Tract Median Family Income	\$118,325
2020 Tract Median Household Income	\$98,622

Census Population Information

Tract Population	7554
Number of Families	2019
Number of Households	2354

Census Housing Information

Total Housing Units	2477
1- to 4- Family Units	2020
Median House Age (Years)	14
Owner-Occupied Units	1498
Renter Occupied Units	856
Owner Occupied 1- to 4- Family Units	1498
Inside Principal City?	NO
Vacant Units	123

### DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area is provided below. Within a 10-mile radius of the subject there are just over 72,400 people which represents a 4.9% annual increase in population since 2010 and highlights significant growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to continue in coming years and grow another 2.5% annually in the next four years. Median household incomes in the 10-mile radius are over \$105,600.

Population			
	2 mile	5 mile	10 mile
2010 Population	5,913	16,756	39,507
2023 Population	13,489	39,571	64,423
2028 Population Projection	15,542	45,477	72,405
Annual Growth 2010-2023	9.9%	10.5%	4.9%
Annual Growth 2023-2028	3.0%	3.0%	2.5%
Median Age	34.4	35.6	36.4
Bachelor's Degree or Higher	37%	29%	29%
U.S. Armed Forces	59	151	165

Income			
	2 mile	5 mile	10 mile
Avg Household Income	\$105,717	\$123,153	\$126,371
Median Household Income	\$103,691	\$105,355	\$105,657
< \$25,000	231	724	1,340
\$25,000 - 50,000	768	1,809	2,525
\$50,000 - 75,000	551	1,732	2,741
\$75,000 - 100,000	597	2,182	3,594
\$100,000 - 125,000	1,270	2,304	3,277
\$125,000 - 150,000	394	1,446	2,146
\$150,000 - 200,000	653	1,978	3,258
\$200,000+	205	1,706	3,002

*Meadow Vista Public Improvement District Improvement Area #1*

**EMPLOYMENT DATA**

A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject in service-producing industries.

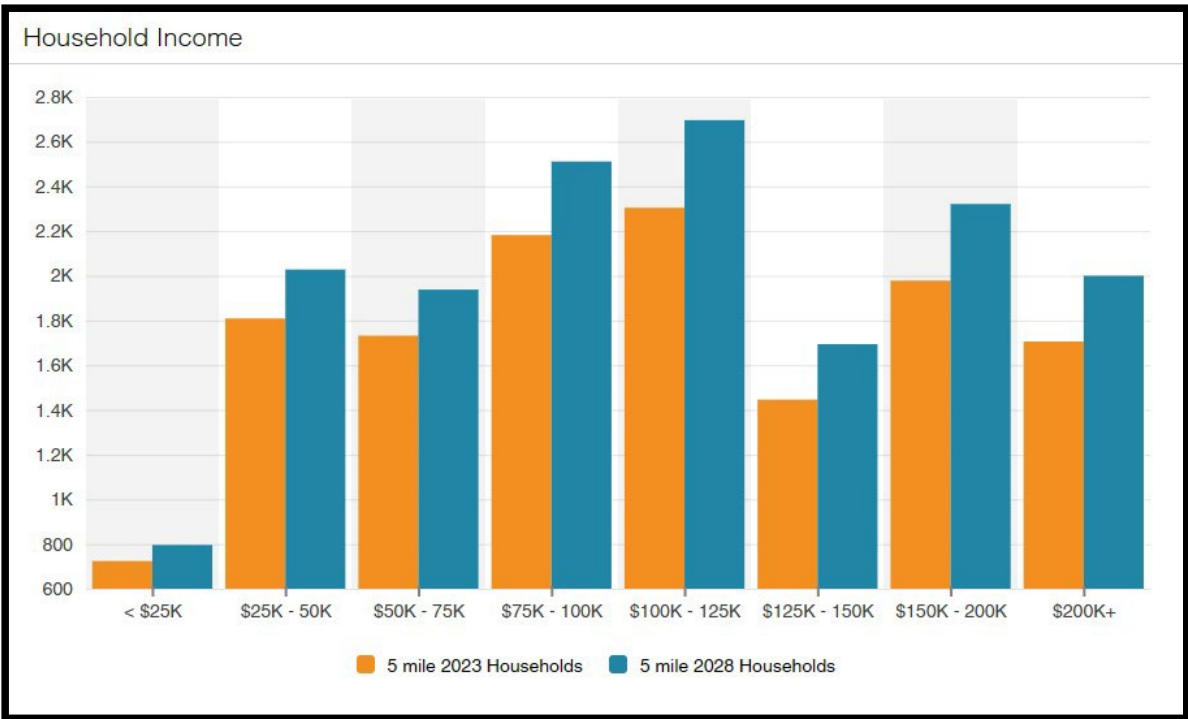
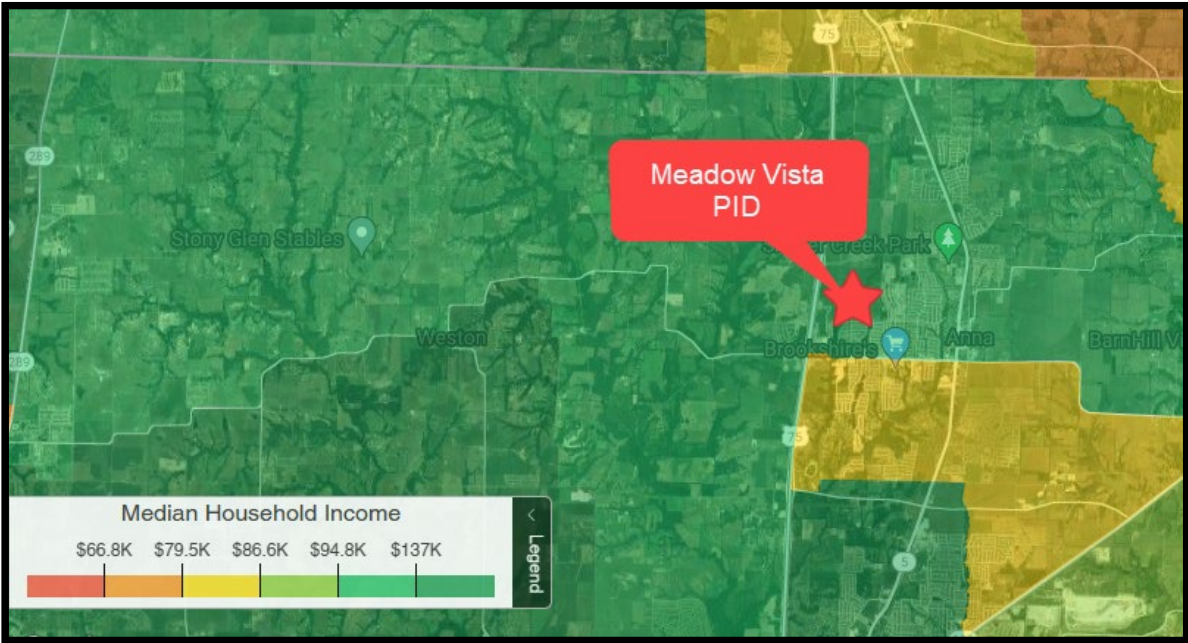
Daytime Employment						
Radius	2 mile		5 mile		10 mile	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
<b>Service-Producing Industries</b>	<b>2,168</b>	<b>286</b>	<b>5,338</b>	<b>645</b>	<b>14,677</b>	<b>1,435</b>
Trade Transportation & Utilit...	686	45	1,222	97	3,985	242
Information	26	5	98	12	184	22
Financial Activities	177	45	793	98	1,152	191
Professional & Business Se...	96	27	365	68	1,467	227
Education & Health Services	493	78	1,478	193	3,284	312
Leisure & Hospitality	423	38	817	73	1,612	141
Other Services	179	41	296	80	804	204
Public Administration	88	7	269	24	2,189	96
<b>Goods-Producing Industries</b>	<b>69</b>	<b>22</b>	<b>343</b>	<b>80</b>	<b>2,621</b>	<b>295</b>
Natural Resources & Mining	4	2	4	2	63	21
Construction	43	14	253	64	1,510	215
Manufacturing	22	6	86	14	1,048	59
<b>Total</b>	<b>2,237</b>	<b>308</b>	<b>5,681</b>	<b>725</b>	<b>17,298</b>	<b>1,730</b>



Meadow Vista Public Improvement District Improvement Area #1

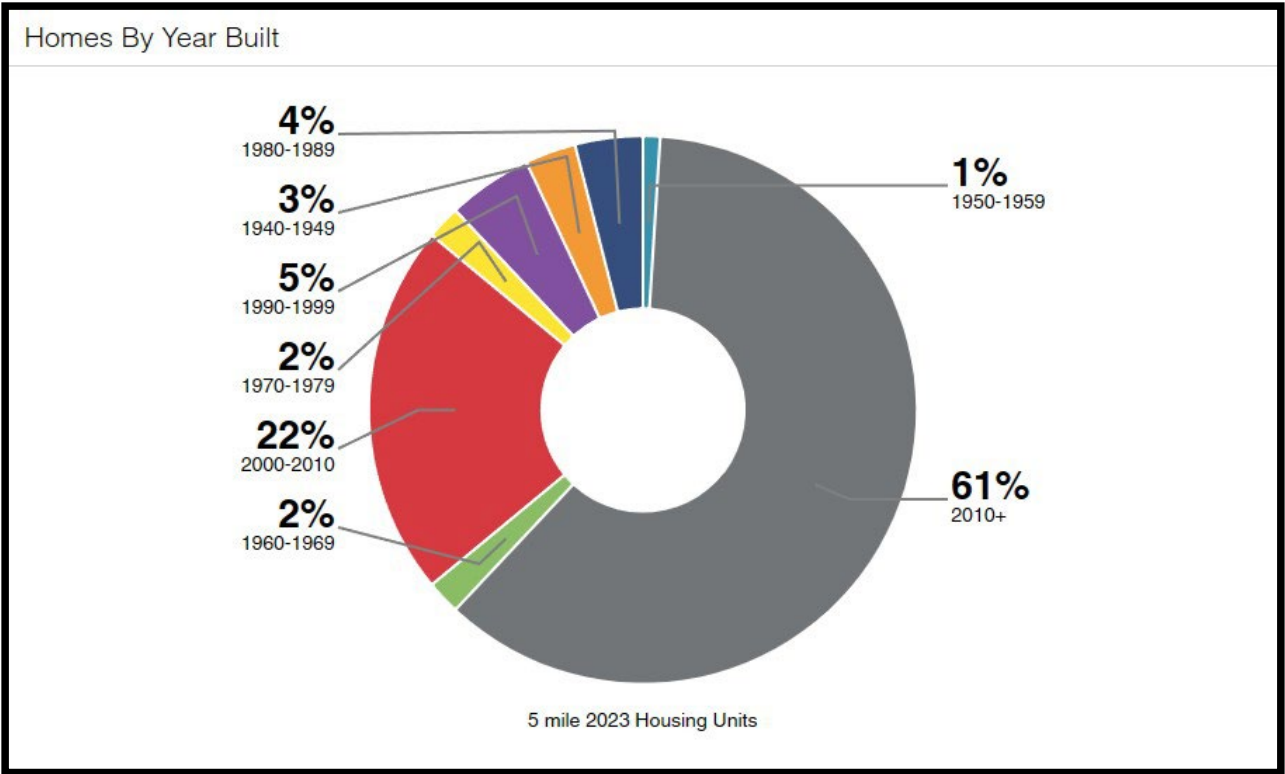
CoStar Analytics – Map of Median Household Income

As indicated by the map below, median incomes in the vicinity of the subject property are above \$137,000. Median incomes in the DFW tend to be higher in suburban areas outside the population centers in Dallas, Fort Worth, and Denton. This is especially true in areas north of Dallas where affluent communities have concentrated for the past few decades.



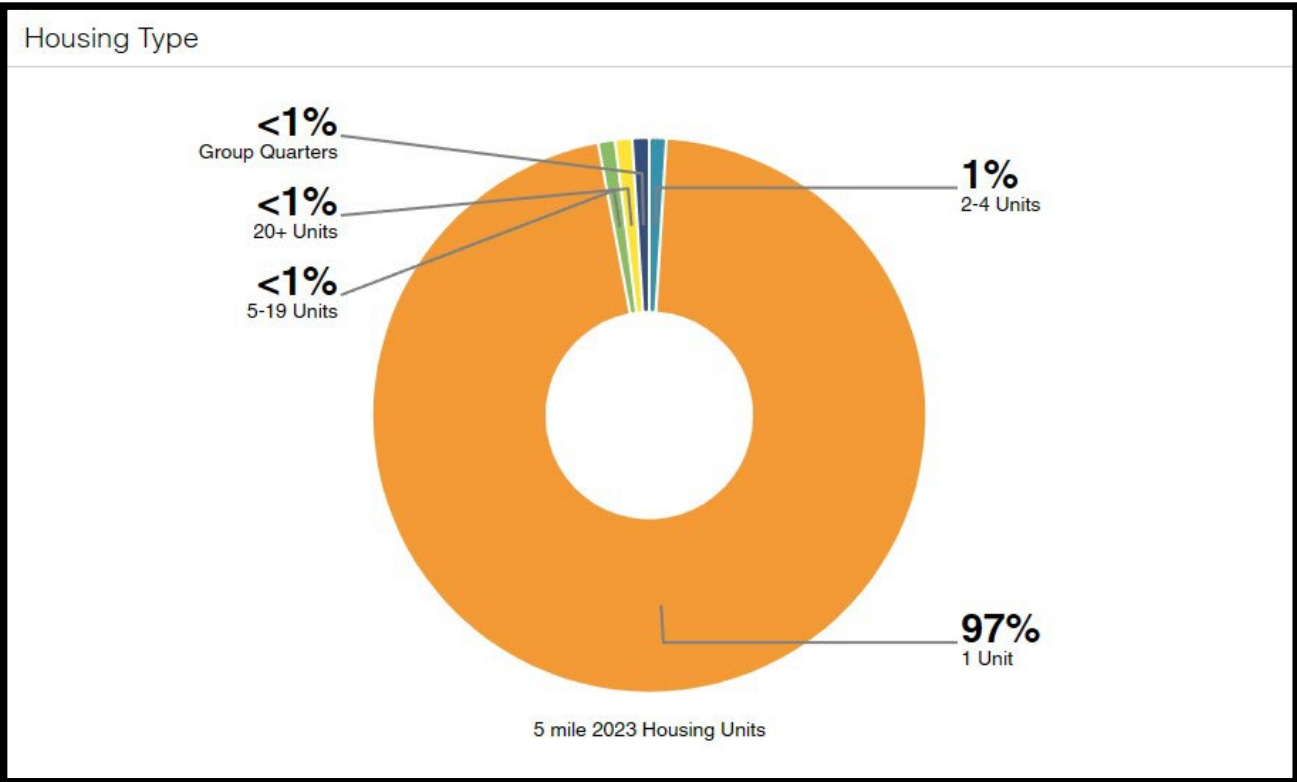
CoStar Analytics – Housing Statistics

Most housing in the area (83%) are homes that were built after 2000. This is consistent with the growth stage of the surrounding area which has experienced numerous residential subdivision developments in recent years.



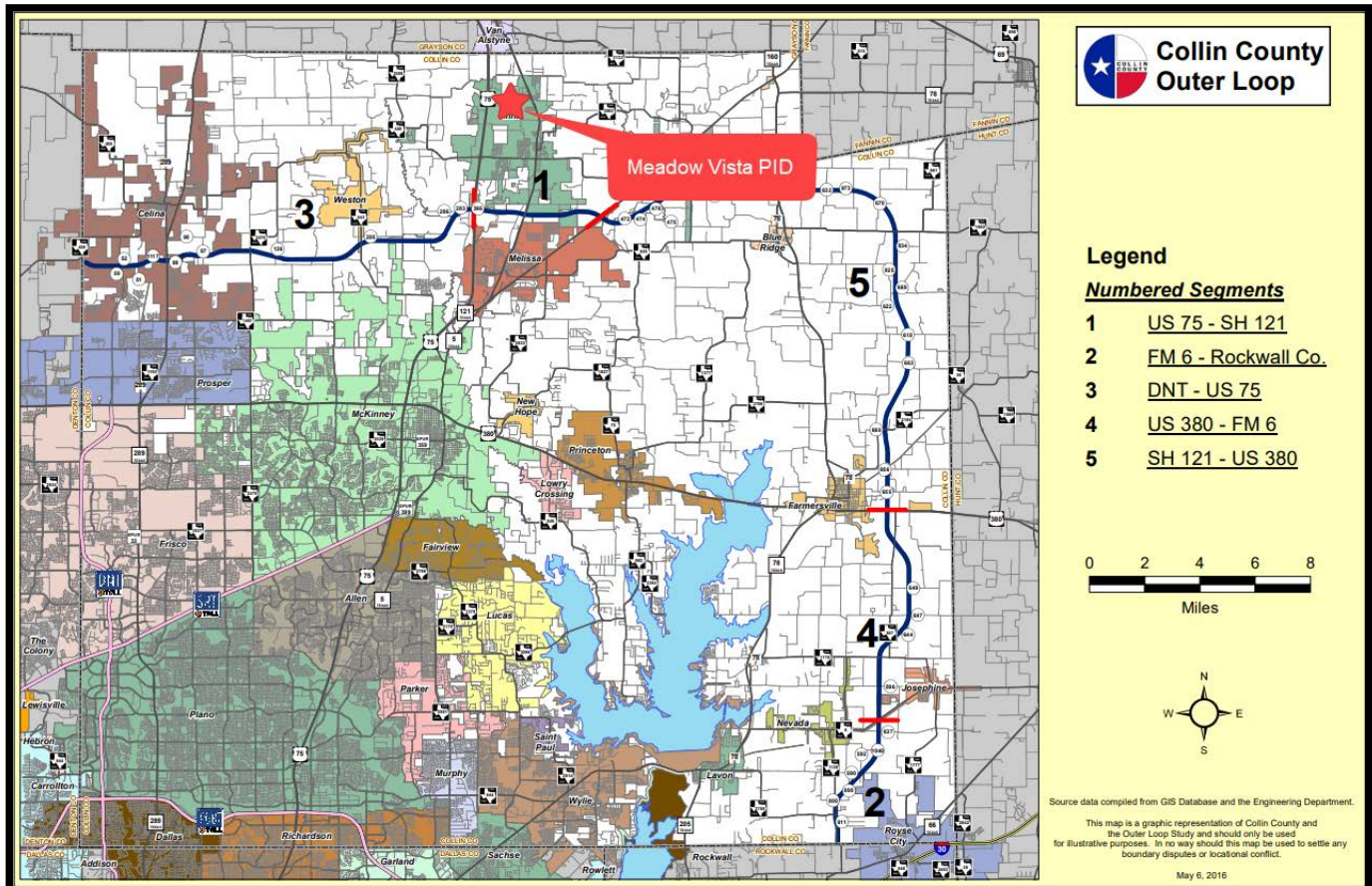
CoStar Analytics – Housing Statistics

In addition, the vast majority (97%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



## COLLIN COUNTY OUTER LOOP

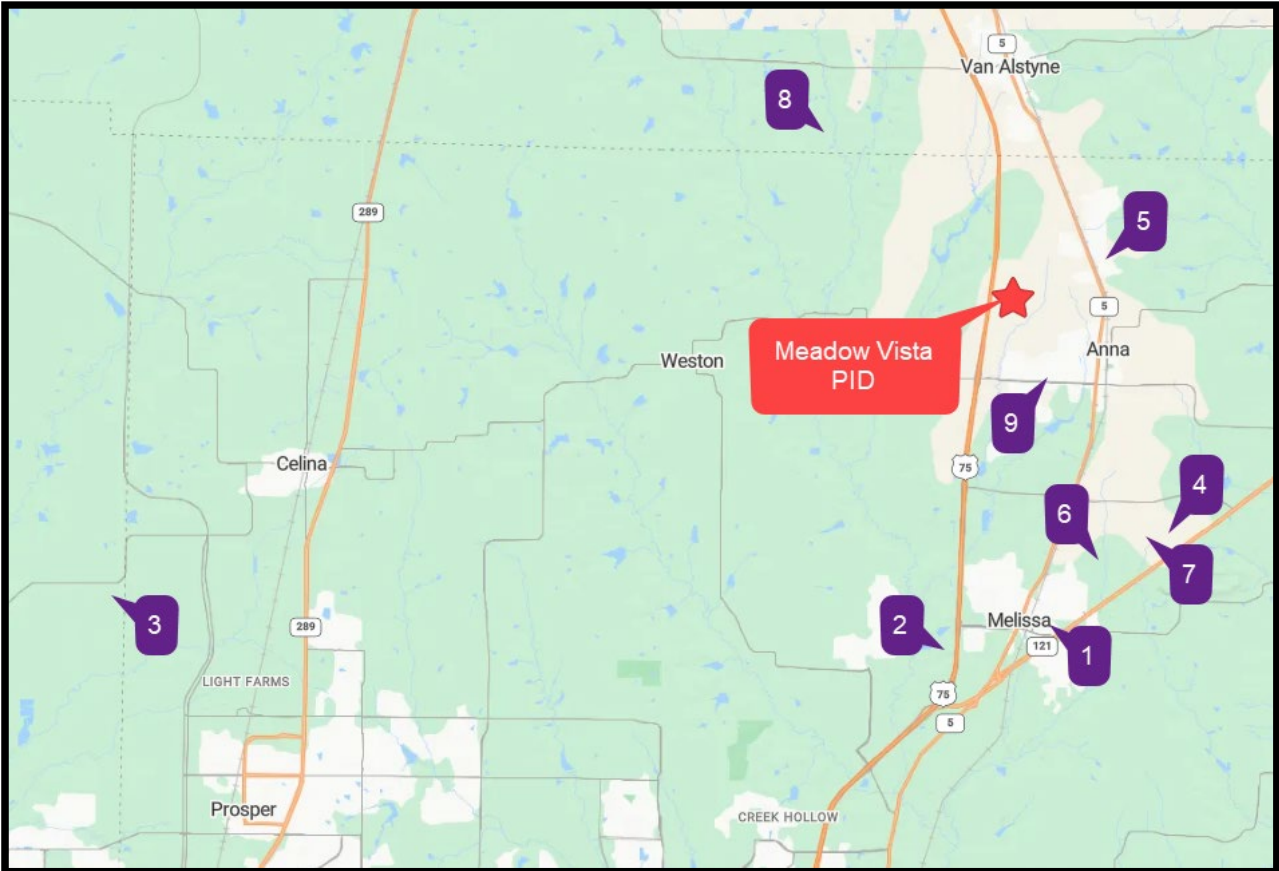
The Collin County Outer Loop is rapidly expanding with an emerging grid-type network throughout most of the county. The Collin County Outer Loop is a 55-mile planned multi-modal transportation thoroughfare that will ultimately go from the Denton/Collin County line and loop to the Rockwall/Collin County line. The project will run through cities including Celina, Weston, Anna, Melissa, Farmersville, Josephine, and Royse City. The project will include a freeway with a wide area in the center reserved as a future rail corridor.





Map of Notable Nearby Developing Residential Subdivisions

A map of notable built-out, developing, and planning single-family residential subdivisions are shown below which highlights the similar and conforming uses around the subject property.



MAP KEY			
1	Harrison Park	6	Creek Crossing
2	Stoneridge	7	Sky Ridge Addition
3	Green Meadows	8	Tinsley Meadows
4	Brookside/West	9	Park Place at Anna
5	Camden Parc		

## **ABSORPTION ANALYSIS**

### **RESIDENTIAL ANALYSIS**

The subject property is Meadow Vista PID IA #1 which consists of approximately 71.042 acres in Collin County being developed into detached single-family lots for residential use. The property is owned and being developed by Bloomfield Homes

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the surrounding area around Anna. The neighborhood is best described as the area south of Hackberry Drive, east of US Highway 75, west of North Ferguson Parkway, and south of Rosamond Parkway. The neighborhood is predominantly recently developed or developing single-family residential subdivisions on all sides. Approximately half a mile west of the subject property, US Highway 75 which runs north/south, and several community commercial uses are located on this arterial traffic carrier.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved and the City of Anna has experienced this consistent population growth. Low interest rates persisted nationally in 2020 and 2021 and the markets rose significantly, but 2022 and 2023 was the years of the higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of in-migration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities like Anna is expected to remain strong. Those end-user homebuyers in Meadow Vista PID IA #1 are expected to be middle-to-upper-income earners as the average home price for finished single-family homes in the community is expected to be \$500,000 for the 50-FF Lots and \$600,000 for the 60-FF Lots.

Demand for vacant developed lots (VDLs) for home builders is currently very high; however, material and labor shortages were well-publicized in 2021 and are expected to continue with some easing in late-2022 and in 2023 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas CBD and highly developed areas north of Dallas where vacant land is scarce after decades of growth. The subject property –Meadow Vista PID IA #1– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Denton and Collin Counties where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

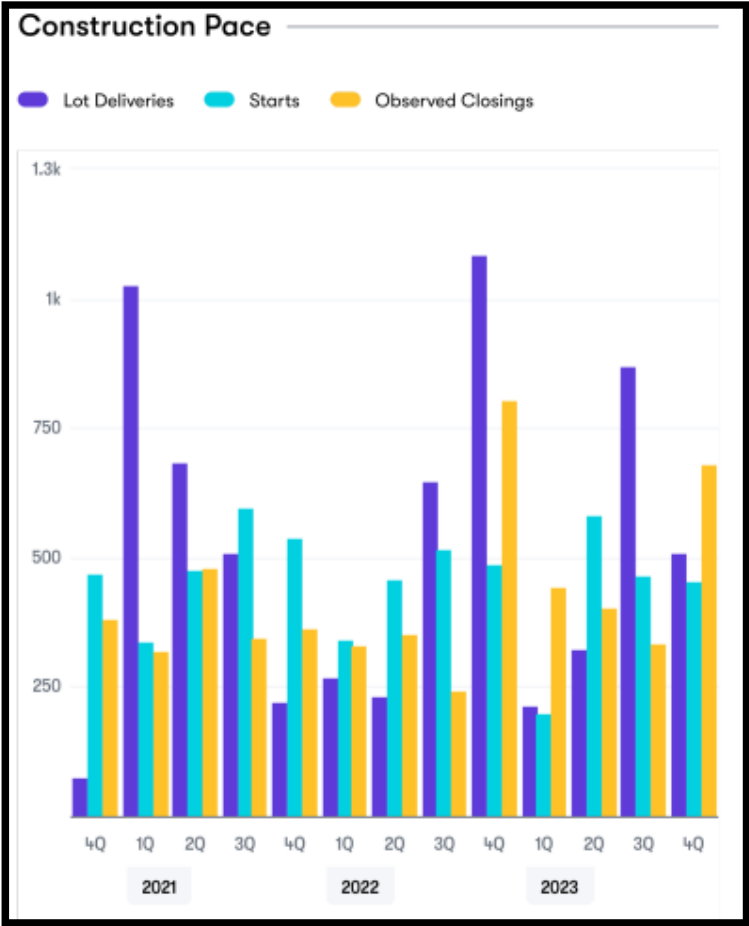
Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Metrostudy as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots are not scheduled to be completed until April 1, 2025, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 5-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 45'-65'.

The following charts reflect starts, deliveries, and closings in the market area from 4Q2020. Sales rose drastically from 4Q2020-1Q2021, then rapidly decreased from 1Q2021 to 4Q2021, then stagnated from 4Q2021 to 2Q2022

*Meadow Vista Public Improvement District Improvement Area #1*

before once again increasing from 2Q2022 to 4Q2022, then fell again from 4Q2022 to 1Q2023 before once again increasing from 1Q2023 to 3Q2023 before decreasing in 4Q2023. As expected, the rate of annual starts has increased in the past year as homebuilders anticipated increased demand due to rising interest rates. The area has also seen an increase in the rate of closings as reflected in the numbers reported by Metrostudy.

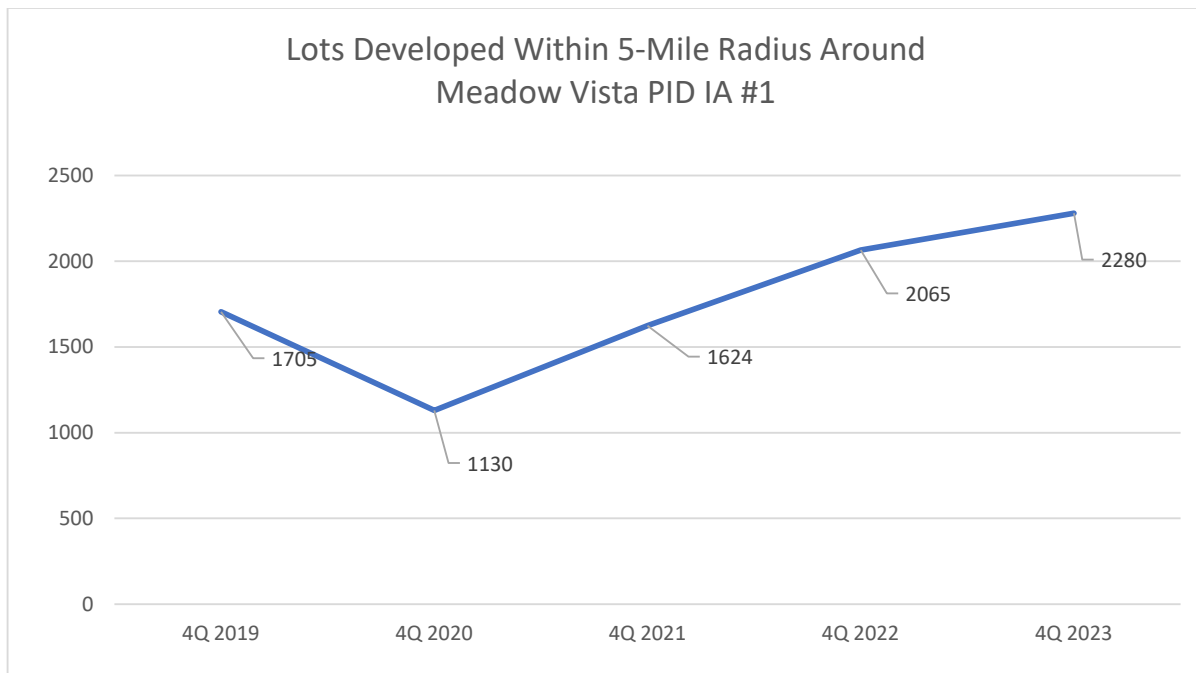


### DEFINED SUBMARKET AREA

As shown in the previous chart, the absorption of lots (determined from home construction starts) within the selected area slightly fell from 4Q2020 to 1Q2021, then rose from 1Q2021 to 3Q2021, before again falling from 3Q2021 to 1Q2022, and then increased from 1Q2022 4Q2022 which then fell again from 4Q2022 to 1Q2023 followed by an increase in 2Q2023 which has recently stagnated from 3Q2023 to 4Q2023. According to Zonda, the selected area absorbed the following number of 45'-65' lots year-over-year from 4Q 2019 to 4Q 2023:

- 4Q 2019 – 1705 lots absorbed
- 4Q 2020 – 1130 lots absorbed
- 4Q 2021 – 1624 lots absorbed
- 4Q 2022 – 2065 lots absorbed
- 4Q 2023 – 2280 lots absorbed

From 2019-2023, the *annual average* of lots absorbed was 1990 ( $8804 \div 5$ ). Utilizing the more recent 24-month absorption of lots (4Q2021 to 4Q2023), the annual average of lots absorbed increases to 1989.67 ( $5969 \div 3$ ) lots in the area.

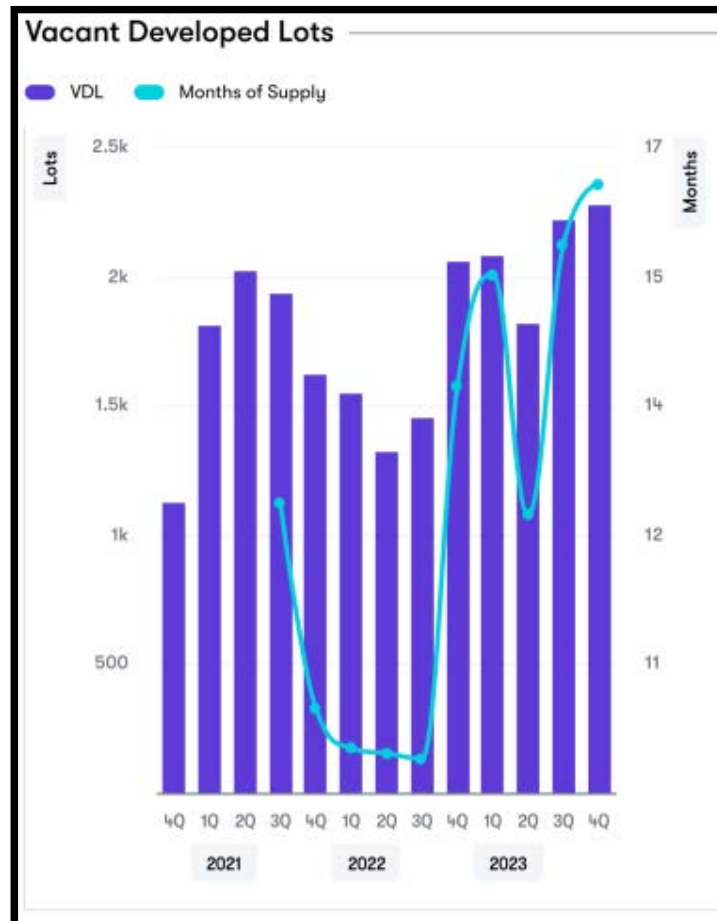


### COMPETITIVE SUPPLY (LOT INVENTORY)

According to Metrostudy, the existing supply of available housing is presently at balanced levels in our selected submarket as the number of Vacant Developed Lots (VDLs) in the area have increased from 4Q2020 which represented a low of just over 1,000 and under a 20-month supply before rising from 1Q2021 to 2Q2021 before falling from 3Q2021 to 2Q2022 followed by a rise from 3Q2022 to 1Q2023 with a quick dip in 2Q2023 before once again rising from 3Q2023 to 4Q2023 to **a present high present VDL count high of 2,280 with under a 17-month supply**. It should be noted that this is a large radius – 5 miles – for such a developed single-family residential area but we determined prospective buyers would search subdivisions throughout Anna, Melissa, North Frisco, and Celina with a preference to be near the 75 Corridor which serves as a major north/south thoroughfare and has numerous newer master-planned communities and desirable commercial options.

*Meadow Vista Public Improvement District Improvement Area #1*

Thus, the total lot supply is considered to be **within** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time.* This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.



*Note: A threat to the pace of lot development is multiple interest rate increases the Federal Reserve enacted as a reaction to rising inflation. These interest rate increases were conducted to combat inflation and cool the hot markets; however, the effect for residential housing may be to price first-time buyers out of the single-family residential market. Supply chain issues stemming back to the COVID-19 Pandemic have also increased development costs which may limit starts on the vacant developed lots thus leading to lower VDL and future home supply, thus increasing home prices. In general, we believe the diverse local economy, strong in-migration, and relative stability of the North Texas real estate market will serve to smooth out more global economic trends.*

Having considered the supply of lots in the market, it is now prudent to examine 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 of the subject's proposed lots.

### ABSORPTION ANALYSIS – 50’ AND 60’ LOTS

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. All data is per Zonda as of 4Q2023.

#### 50’ Lots

We included data for lots that were each 45’-50’ lots within a 5-mile radius. Since data on 50’ lots is limited, we selected two comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Meadow Vista PID IA #1.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Harrison Park	45'	43	10	12	51.6	0.8
Stoneridge	50'	84	81	12	12.4	6.8
<b>AVERAGE</b>		<b>63.5</b>	<b>45.5</b>	<b>12.0</b>	<b>32.0</b>	<b>3.8</b>

Our analysis indicates Starts/Month is between 0.8 and 6.8 with an average of 3.8 starts/month and a median of 3.8 starts/month. We similarly weighed and considered **the subject property’s 50’ lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

#### 60’ Lots

Again, for the 60’ lots, we included data for lots within an 5-mile radius and included 60’-65’ lots in our analysis. Data on 60’ lots is relatively plentiful, so we selected seven comparable absorption schedules at nearby communities which are shown as follows:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Green Meadows	60'	0	19	12	0.0	1.6
Brookside/West	60'	0	8	12	0.0	0.7
Camden Parc	60'	12	11	12	13.1	0.9
Creek Crossing	60'	0	29	12	0.0	2.4
Sky Ridge Addition	65'	20	1	12	240.0	0.1
Tinsley Meadows	65'	59	31	12	22.8	2.6
Park Place at Anna	60'	0	61	12	0.0	5.1
<b>AVERAGE</b>		<b>13.0</b>	<b>22.9</b>	<b>12.0</b>	<b>39.4</b>	<b>1.9</b>

Our analysis indicates Starts/Month is between 0.1 and 5.1 with an average of 1.9 starts/month with a median of 1.6 starts/month. We similarly weighted and considered **the subject property’s 60’ lots would likely absorb 3 lots/month, or approximately 9 lots per quarter.**

*Meadow Vista Public Improvement District Improvement Area #1*

**Absorption Summary Projection: 50' and 60' Lots in Improvement Area #1**

Based on the preceding, we estimate that lots in the subject property's development will sell 15 lots/quarter for 50' lots and 9 lots/quarter for 60' lots with absorption beginning April 2025. An Absorption Summary Projection for both lot types is shown in the table below for the 275 lots in Improvement Area #1 of Meadow Vista PID.

Projected Quarterly Absorption Summary - Meadow Vista PID IA #1							
<i>Lot Type</i>	<i>Apr-2025</i>	<i>Jul-2025</i>	<i>Oct-2025</i>	<i>Jan-2026</i>	<i>Apr-2026</i>	<i>Jul-2026</i>	<i>Oct-2026</i>
50-FF	15	15	15	15	15	15	15
60-FF	9	9	9	9	9	9	9
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>



Projected Quarterly Absorption Summary - Meadow Vista PID IA #1							
<i>Lot Type</i>	<i>Jan-2027</i>	<i>Apr-2027</i>	<i>Jul-2027</i>	<i>Oct-2027</i>	<i>Jan-2028</i>	<i>Apr-2028</i>	<b>TOTAL</b>
50-FF	15	15	15	15	15	10	<b>190</b>
60-FF	9	9	4	-	-	-	<b>85</b>
<b>Total</b>	<b>24</b>	<b>24</b>	<b>19</b>	<b>15</b>	<b>15</b>	<b>10</b>	<b>275</b>

The total absorption period for the 50' lots is expected to be 38 months (190 lots ÷ 5 lots/month), and lots are expected to sell out in May 2028. The total absorption period for the 60' lots is expected to be 28 months (85 lots ÷ 3 lots/month), and lots are expected to be sold out in August 2027.

*Note: As aforementioned, the owner of the subject property (Bloomfield Homes, L.P.) is also a developer of Meadow Vista PID IA #1 and will be the ultimate seller to the end-users for some of the improved lots. Therefore, the projected absorption conclusion for the subject property reflects a scenario as if the owner were to sell each lot to another developer. Bloomfield Homes, L.P. is a nationally recognized homebuilder with the resources to obtain and develop entire subdivisions to sell to homeowners looking for affordable housing.*

### SUBJECT PROPERTY ANALYSIS

The entire development of Meadow Vista PID IA #1 represents a total of approximately 71.042 acres (3,094,590-SF) is currently being developed into the area as follows:

- Improvement Area #1 within Meadow Vista PID will consist of 190 50-FF lots and 85 60-FF lots with a total of 275 improved residential lots on approximately 71.042 acres.

The following chart shows the two distinct areas of Meadow Vista PID IA #1:

Meadow Vista PID IA #1			
Area Type	50' Lot Type	60' Lot Type	Total Lots Appraised
<i>Phase 1</i>	188	80	268
<i>Phase 2</i>	2	5	7
<i>Total</i>	190	85	275

Meadow Vista PID IA #1 is owned by Bloomfield Homes, L.P. who is also the developer. Bloomfield Homes, L.P. is a nationally recognized homebuilder and is also well-known within the subject's market area for building affordable housing for first- and second-time homebuyers. Meadow Vista PID IA #1 is located in the north portion of the City of Anna. This location is in the north central portion of Collin County and approximately 50 miles northeast of Dallas in the DFW Metroplex. The area surrounding the subject property is primarily suburban and has been developed with large master-planned communities that are generally suitable for middle- to upper-income households.

Access to the subject property is considered average as it is located about one mile east of Central Expressway 75, and approximately 3 miles west of State Highway 5. Generally, the main retail and commercial options near the subject site are found along Central Expressway 75, which has been rapidly developing with a number of master-planned communities in the past decade.


Though the appraisers have not been notified of such an entity, it is common for the developer to create a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain the open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City of Anna.

Based on research and discussion with the development team, the price point of homes in the subject's community will be around \$500,000 for the 50-FF lots and \$600,000 for the 60-FF lots, which should be a desirable price point for young families and first- and second-time homebuyers looking for a quiet community with the small-town charm of Anna but with the amenities of a planned residential community.

The chart on the following pages shows a breakdown of the costs associated with Meadow Vista PID IA #1 provided by LJA Engineering, Inc., the Professional Engineers.



Meadow Vista Public Improvement District Improvement Area #1

	Total PID (Direct)	Total Private	Total Major Improvements	Total
<b>OVERALL SUMMARY</b>				
A. EXCAVATION	\$ 636,341.65	\$ 3,881,603.20		\$ 4,517,944.85
B. SANITARY SEWER SYSTEM	\$ 4,290,867.83			\$ 4,290,867.83
C. STORM SEWER SYSTEM	\$ 6,482,103.36		\$ 790,331.10	\$ 7,272,434.46
D. WATER DISTRIBUTION SYSTEM	\$ 4,124,938.60			\$ 4,124,938.60
E. STREET & ALLEY PAVING	\$ 9,923,465.45		\$ 1,878,321.60	\$ 11,801,787.05
F. RETAINING WALLS		\$ 4,574,120.00		\$ 4,574,120.00
G. MISCELLANEOUS ITEMS	\$ 871,303.10			\$ 871,303.10
H. LANDSCAPING	\$ 5,541,900.00			\$ 5,541,900.00
I. DEVELOPMENT FEES	\$ 6,664,493.92	\$ 873,580.00	\$ 107,500.00	\$ 7,645,573.92
SUB-TOTAL:	\$38,535,413.91	\$9,329,303.20	\$2,776,152.70	\$50,640,869.81
10% CONTINGENCY:	\$3,855,000.00	\$934,000.00	\$278,000.00	\$5,067,000.00
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>\$42,390,413.91</b>	<b>\$10,263,303.20</b>	<b>\$3,054,152.70</b>	<b>\$55,707,869.81</b>
LOT COUNT:	763	763	763	763
COST / LOT:	\$55,600	\$13,500	\$4,100	\$73,100
LF OF STREET:	37,646			37,646
COST / LF OF STREET:	\$1,150			\$1,500
NET DEVELOPABLE ACREAGE:	172.71			172.71
COST / DEVELOPABLE ACRE:	\$245,500			\$322,600
TOTAL GROSS ACREAGE:	221.39			221.39
COST / GROSS ACRE:	\$191,500			\$251,700
<b>PID SUMMARY</b>				
TOTAL PID QUALIFIED MAJOR IMPROVEMENTS			\$3,054,152.70	6.7% \$204,628.23
TOTAL PID (DIRECT)			\$42,390,413.91	100.0% \$ 42,390,413.91
<b>TOTAL PID CONSTRUCTION COSTS:</b>				<b>\$42,595,042.14</b>
TOTAL NON-PID QUALIFIED MAJOR IMPROVEMENTS			\$3,054,152.70	93.3% \$ 2,849,524.47
<b>OPINION OF PROBABLE COST MEADOW VISTA</b>				
-PATH S:\NTX-LAND\0077400 LAND\405 Cost Estimate\2024-02_Meadow Vista_PID IA#1\405.3 MS Office\Meadow Vista PID IA#1 OPC.xlsx				
OPC Date: February 22, 2024 Sheet 2 of 41				

The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

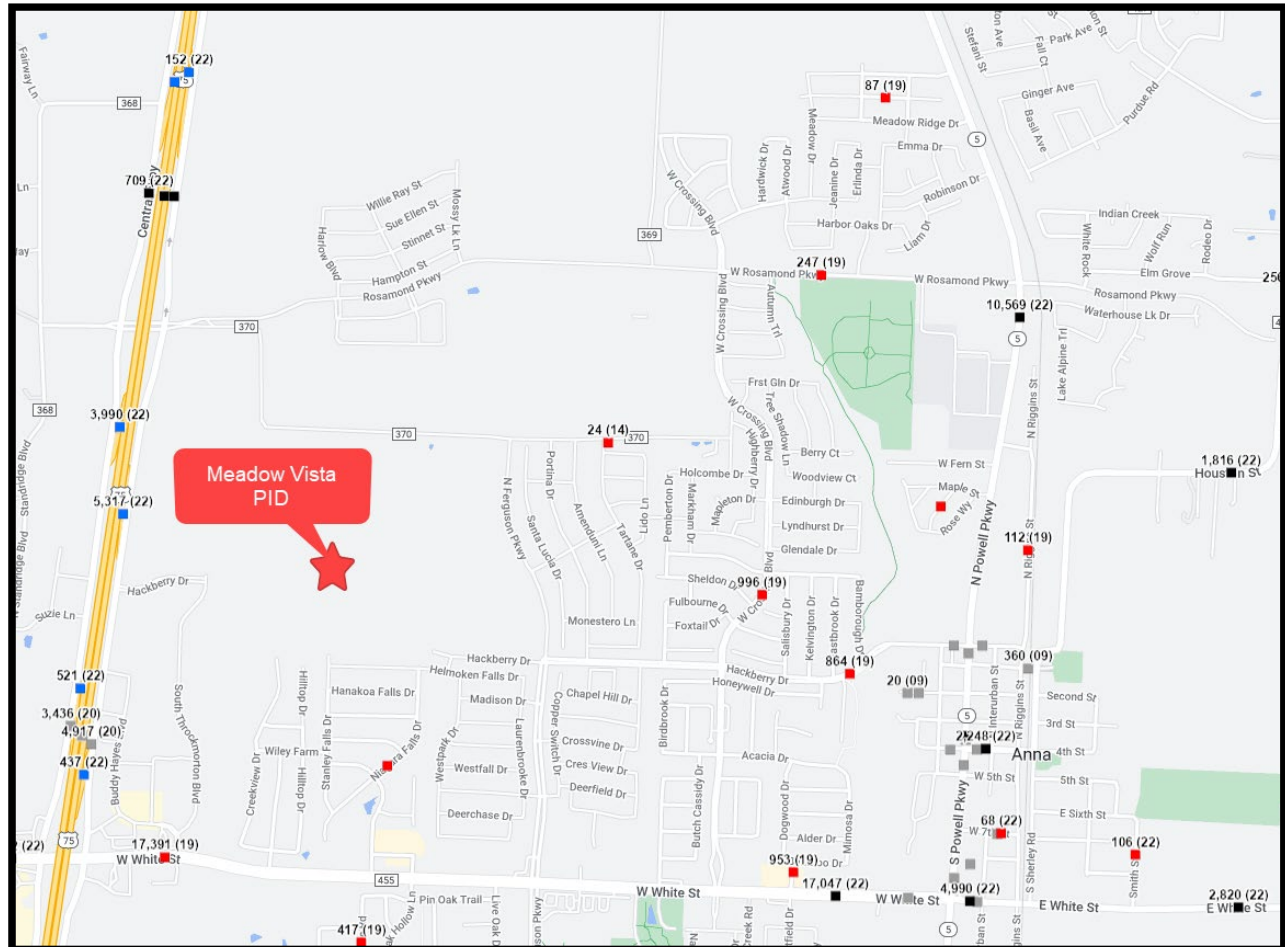
## Meadow Vista Public Improvement District Improvement Area #1

### ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by Hackberry Drive which is an east/west bound, primary throughfare north of the City of Anna and transverses through of the south portion of the subject property. The subject site is approximately one mile east of North Central Expressway 75, which is a major state highway that transverses through the western portion of the City of Anna and extends south into the Dallas-Fort Worth CBD.

A map below from TXDOT shows traffic counts from 2022 near the subject property. North Central Expressway 75, which is the north/south nearby highway reports over 42,000 average daily vehicles.

TXDOT Traffic Web Viewer



## *Meadow Vista Public Improvement District Improvement Area #1*

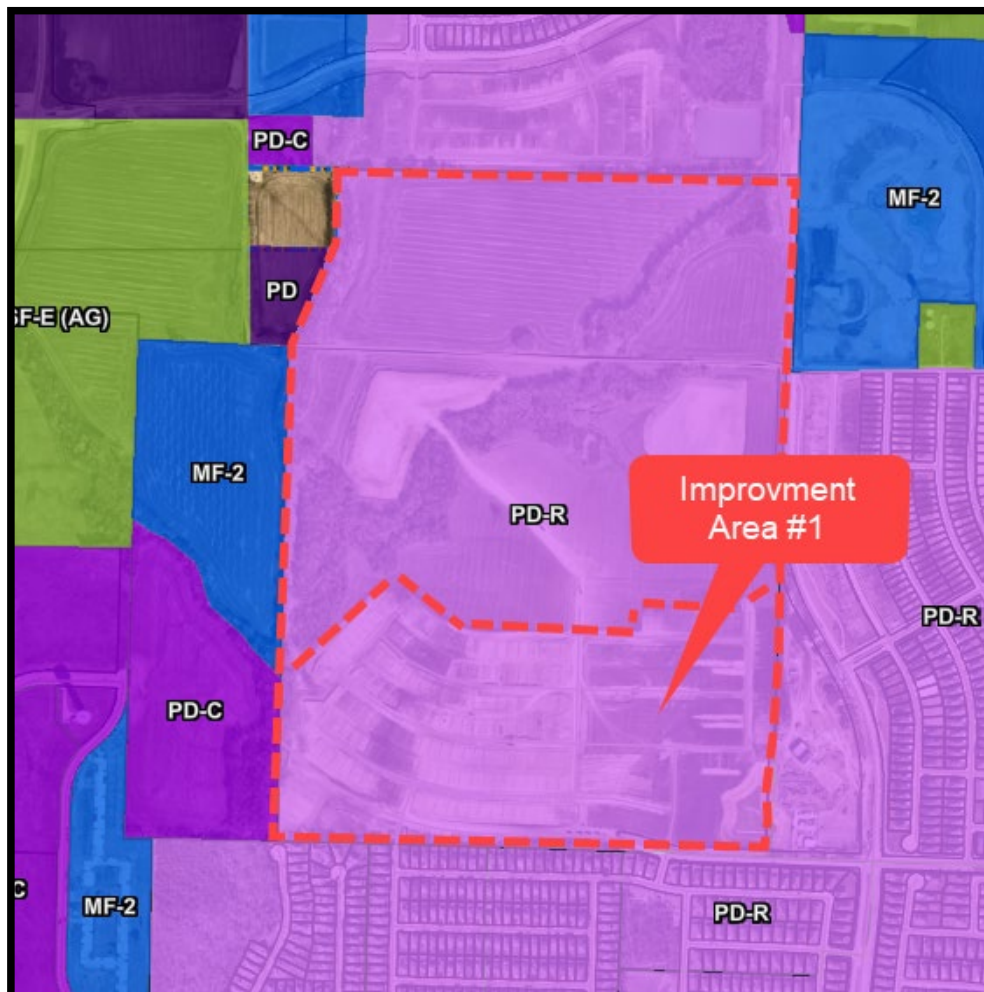
### **ZONING AND RESTRICTIONS**

The City of Anna has passed a resolution (Ordinance No. 839-2019), signed December 10, 2019, to create Meadow Vista Public Improvement District Improvement Area #1, which covers the 71.042 contiguous acres in Meadow Vista PID IA #1. Development of the subject property is governed by a Development Agreement between Bloomfield Homes, L.P. and the City of Anna. The Development Agreement for the subject property we are evaluating (275 lots in Improvement Area #1) allows for attached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

The subject property is zoned Planned Development - Residential (PD-R) by the City of Anna. The Planned Development zoning in the City of Anna is intended to provide for combining and mixing of uses to permit flexibility in the use and design of land and buildings; however, our subject property (Meadow Vista PID IA #1) only encompasses single-family. The subject must adhere to the City of Anna's ordinance for PD-R zoning.

The proposed lot construction appears to be a conforming land use. The City of Anna Zoning Map is shown below.

### **CITY OF ANNA ZONING MAP**



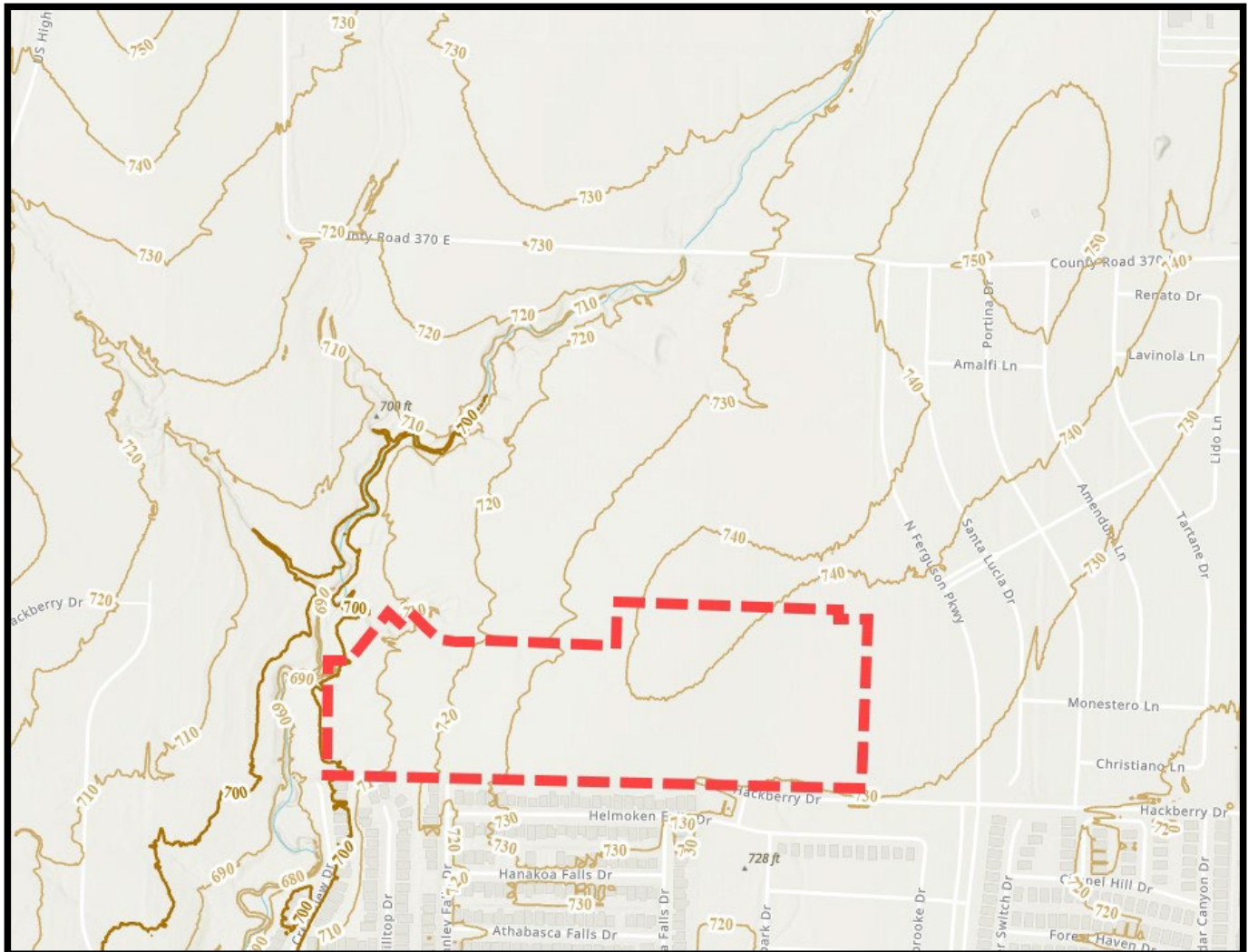


*Meadow Vista Public Improvement District Improvement Area #1*

**TOPOGRAPHY**

The topography of the subject property is described as gently sloping and was partially cleared as of the date of inspection. As of the inspection date, March 21, 2024, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities in place. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

**TOPOGRAPHIC MAP**  
*Contours At 2'; Bold at 10'*

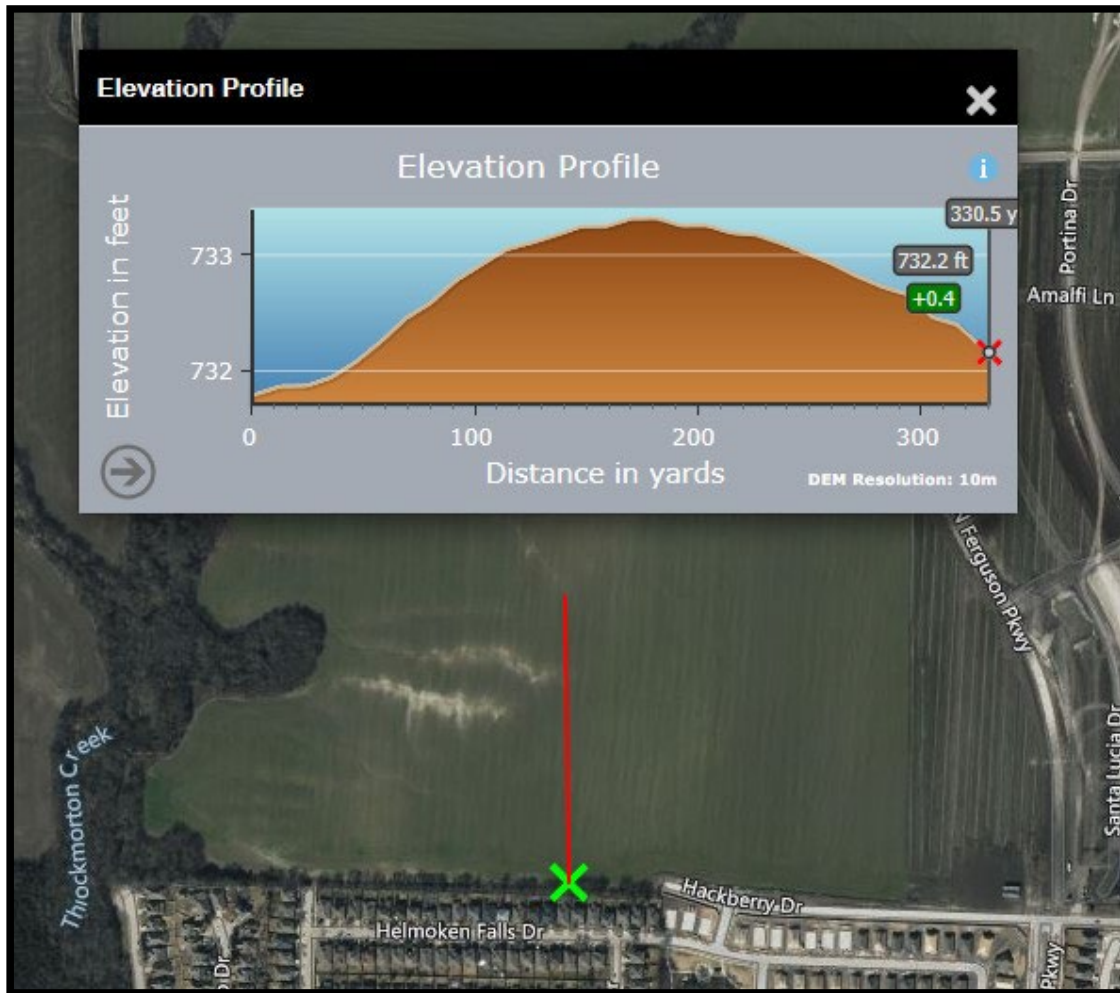


TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



**General Slope of the Property Moving from West to East**

- *Note that measurements are in yards for readability rather than feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 34.5 feet of variation over approximately 874 yards of run*



**General Slope of the Property Moving from North to South**

- *Note that measurements are in yards for readability rather than feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes north to south with approximately 1.5 feet of variation over approximately 331 yards of run)*



## Meadow Vista Public Improvement District Improvement Area #1

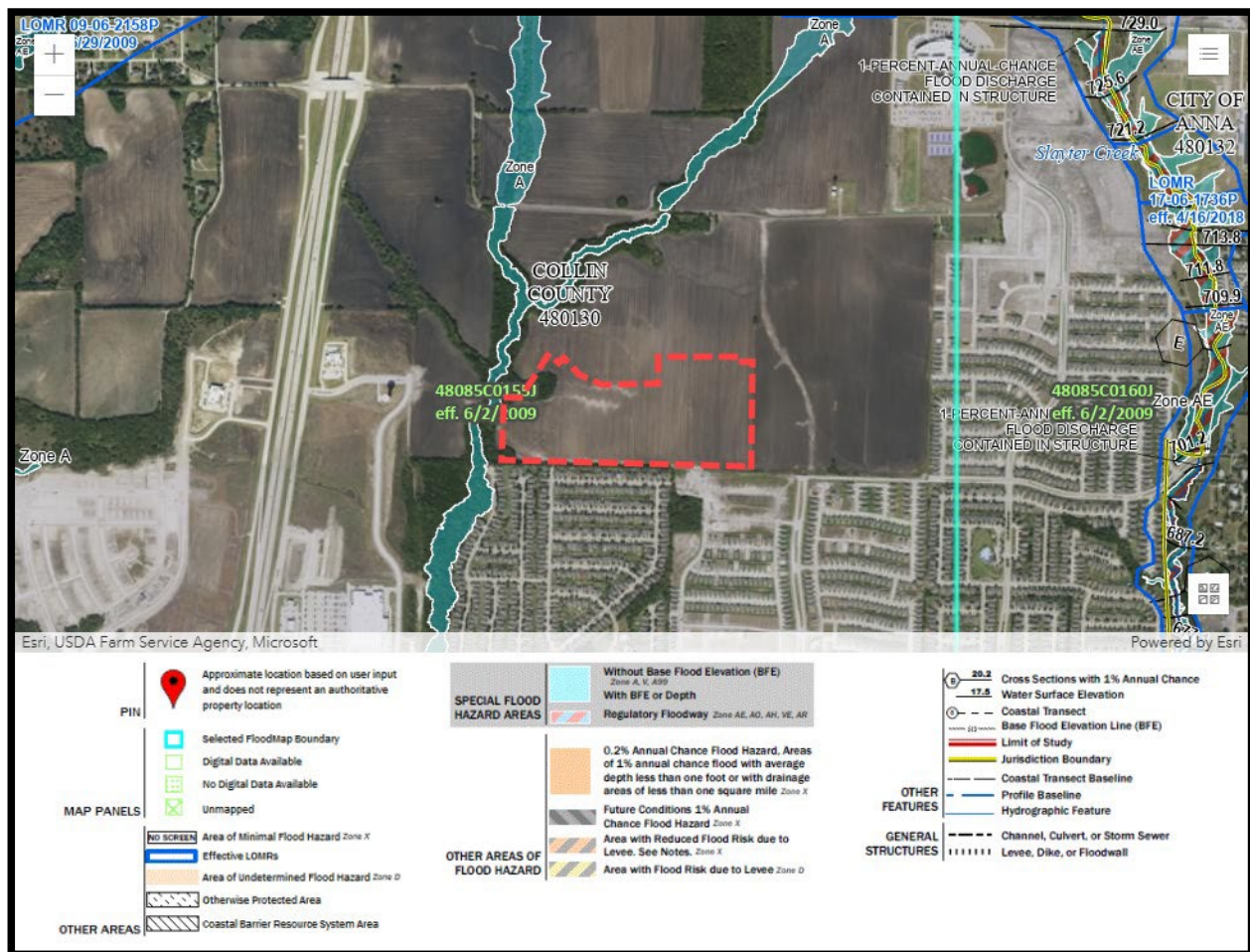
### SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date the developer has excavation and earthwork underway. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

### FEMA FLOOD ZONE

Meadow Vista PID IA #1 is within 100% within Unshaded Zone X (outside the floodplain) according to Map 48085C0155J, effective June 2, 2009. Per the provided Concept Plan, it appears that the improvements within Improvement Area #1 will be developed entirely within Unshaded Zone X. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property.

### FLOODPLAIN MAP



## **UTILITIES**

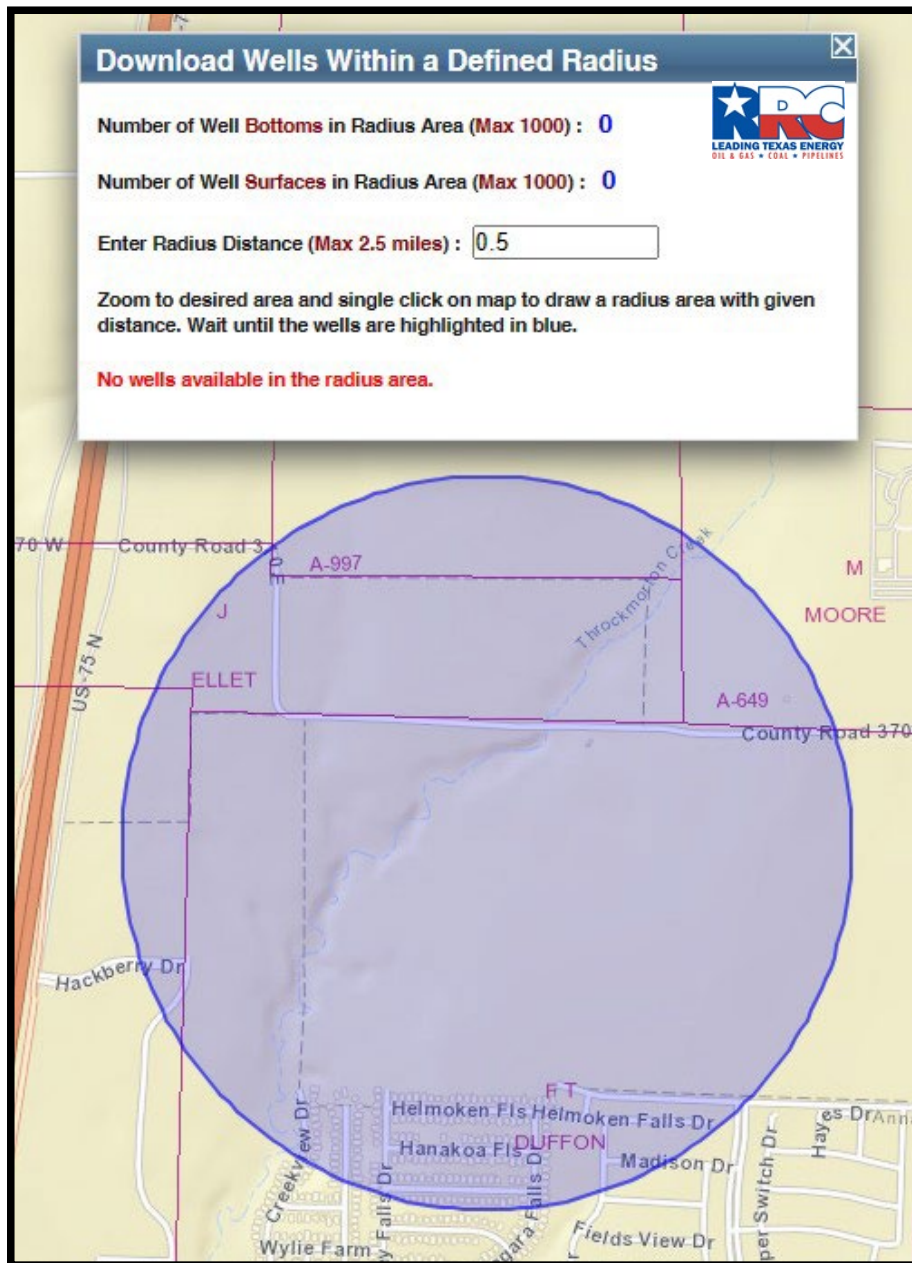
Electricity to the property is maintained by Oncor and natural gas is maintained by Atmos. Water and sanitary sewer services are provided by the City of Anna which provides water and sewer to other residential communities within the city limits. The subject property is served by the Anna Police Department and the Anna Fire Department for fire and emergency medical services. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

## **EASEMENTS/ENCROACHMENTS**

Based on our physical site visit, and review of available maps of the surrounding area it is reasonable to suspect that there are typical setbacks and easements that exist on the property which have been approved by the City of Anna. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

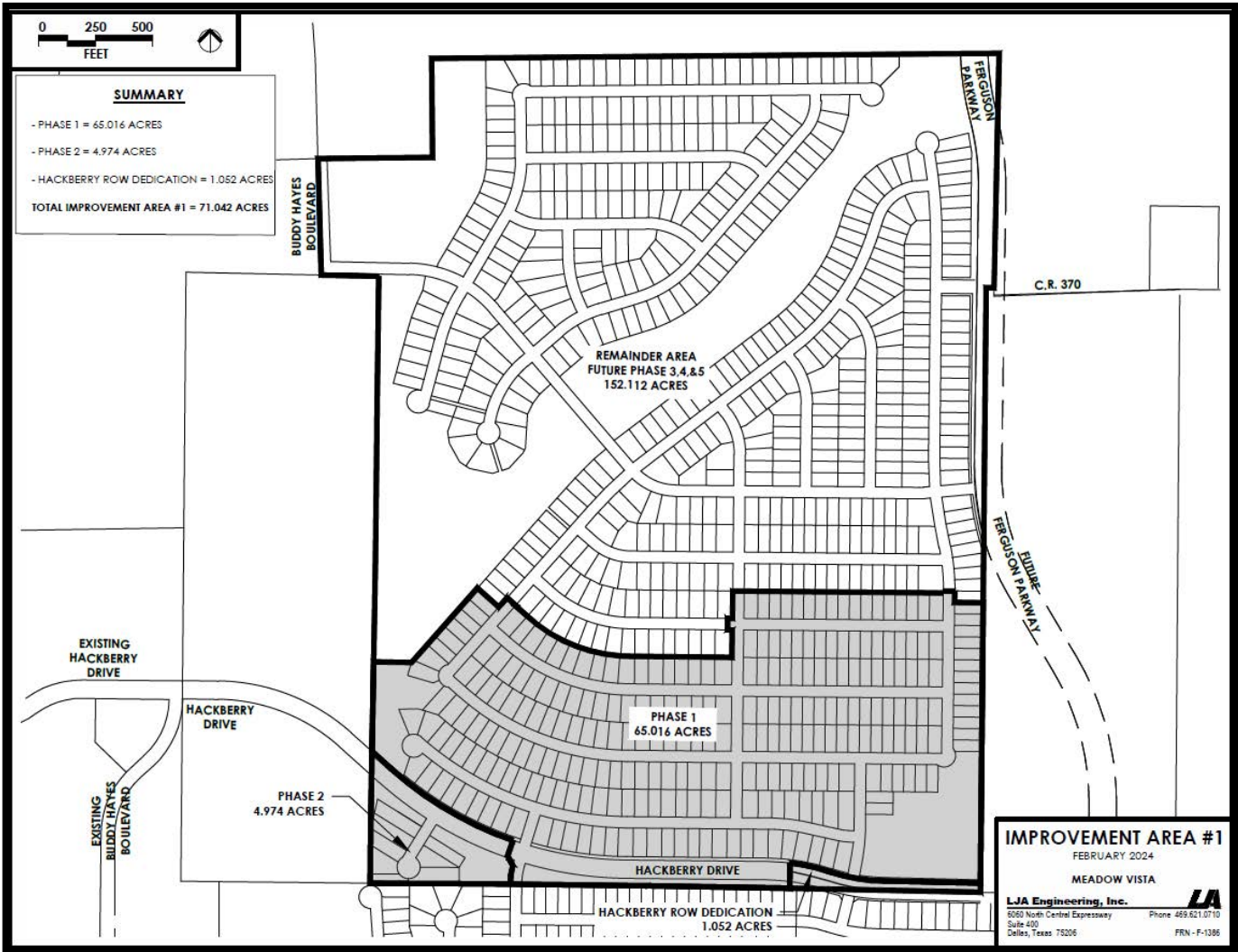


**OIL AND GAS WELLS  
Texas Railroad Commission**

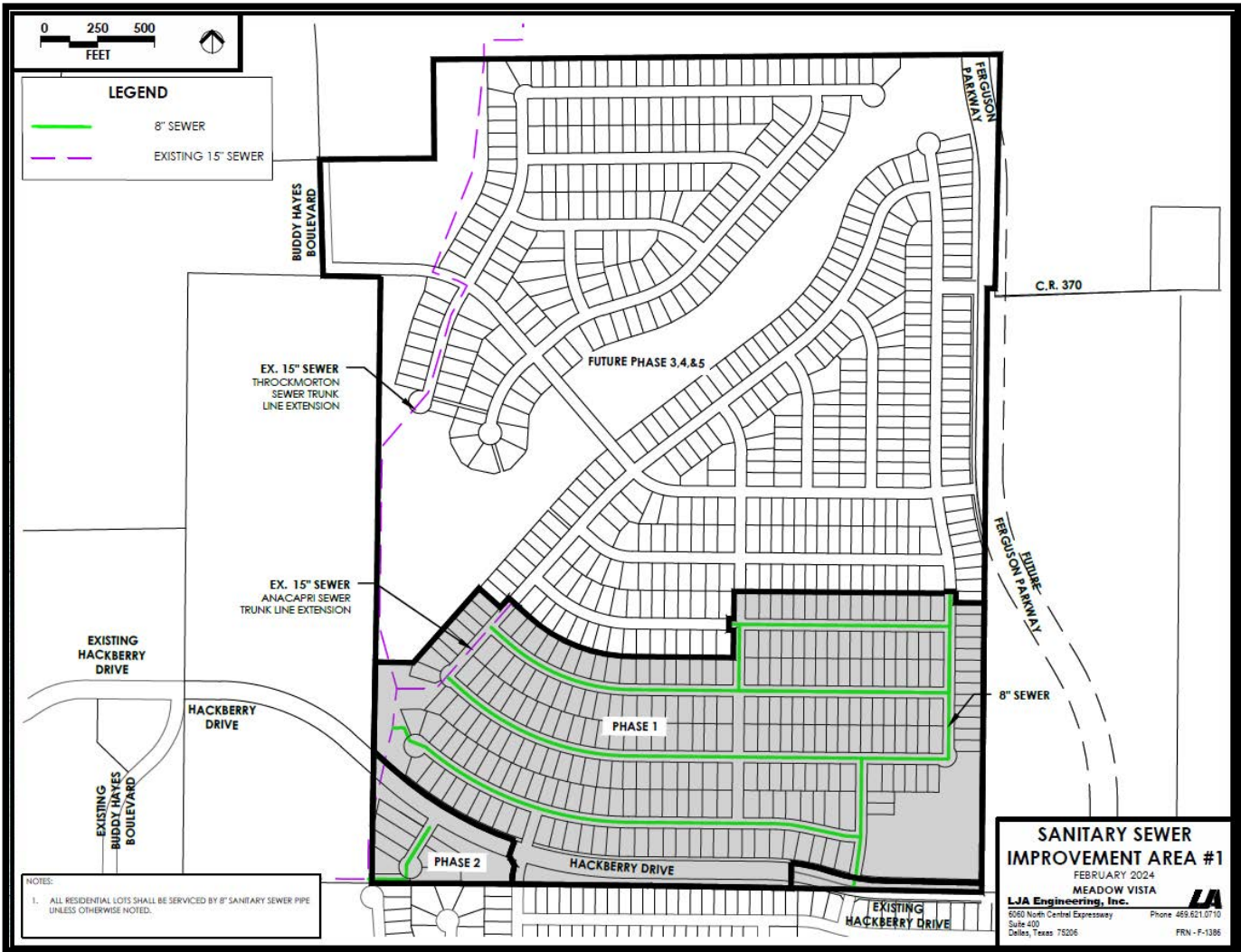


There are 0 well bottom sites and 0 well surface sites within 0.5 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area of DFW is minimally active in mineral extraction.

MEADOW VISTA PID IMPROVEMENT AREA #1

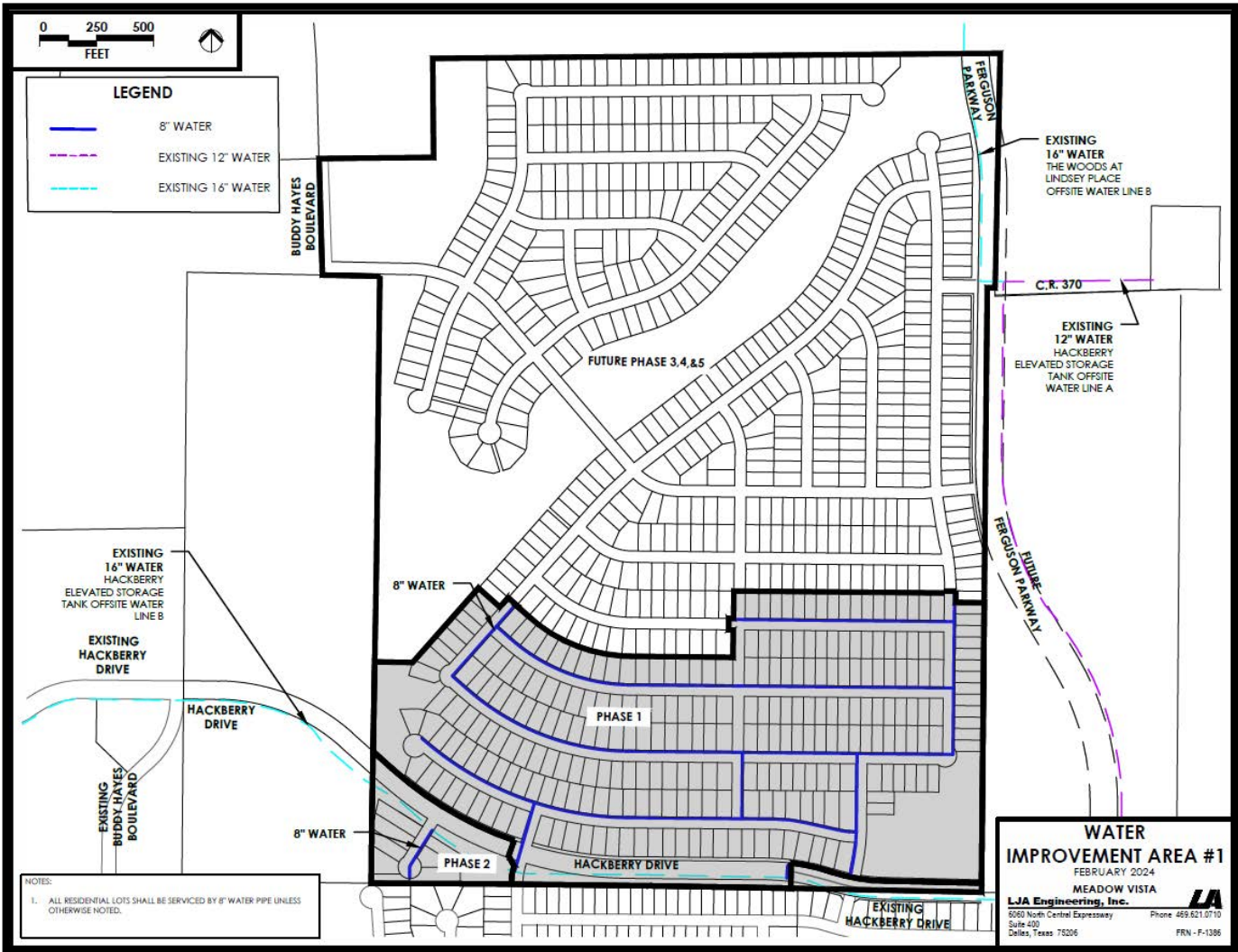


MEADOW VISTA PID IMPROVEMENT AREA #1 SANITARY SEWER

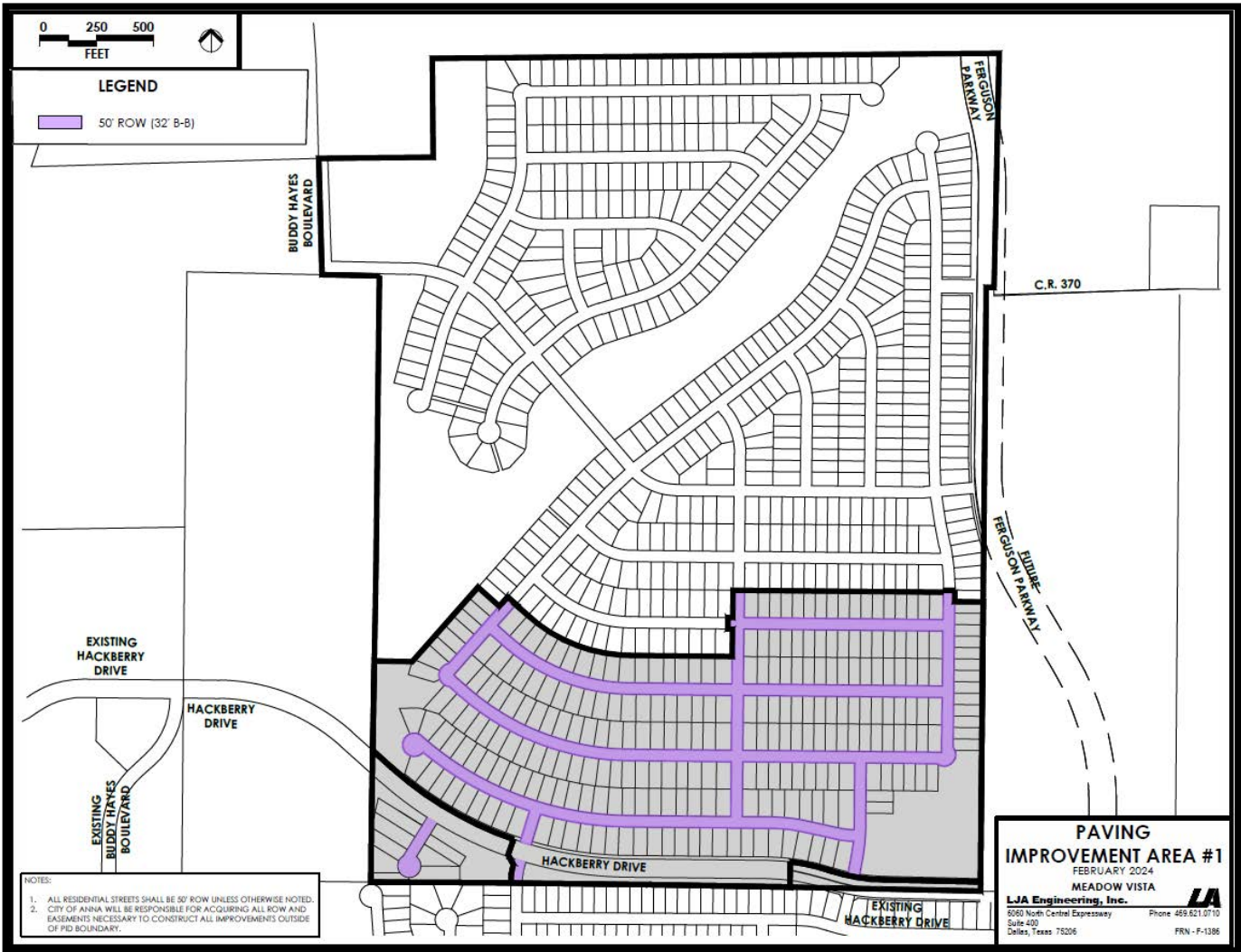




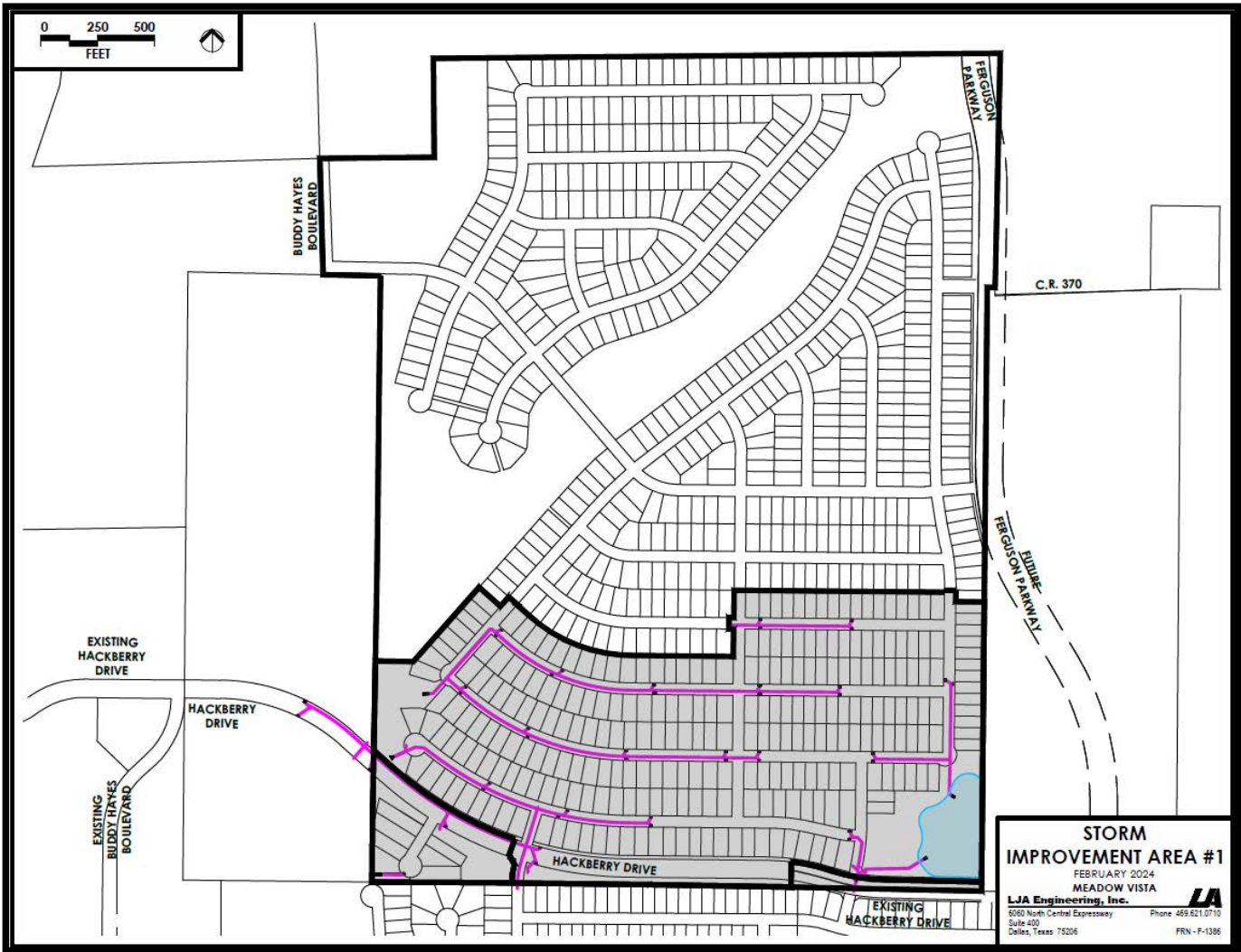
MEADOW VISTA PID IMPROVEMENT AREA #1 WATER IMPROVMENTS



MEADOW VISTA PID IMPROVEMENT AREA #1 PAVING IMPROVMENTS

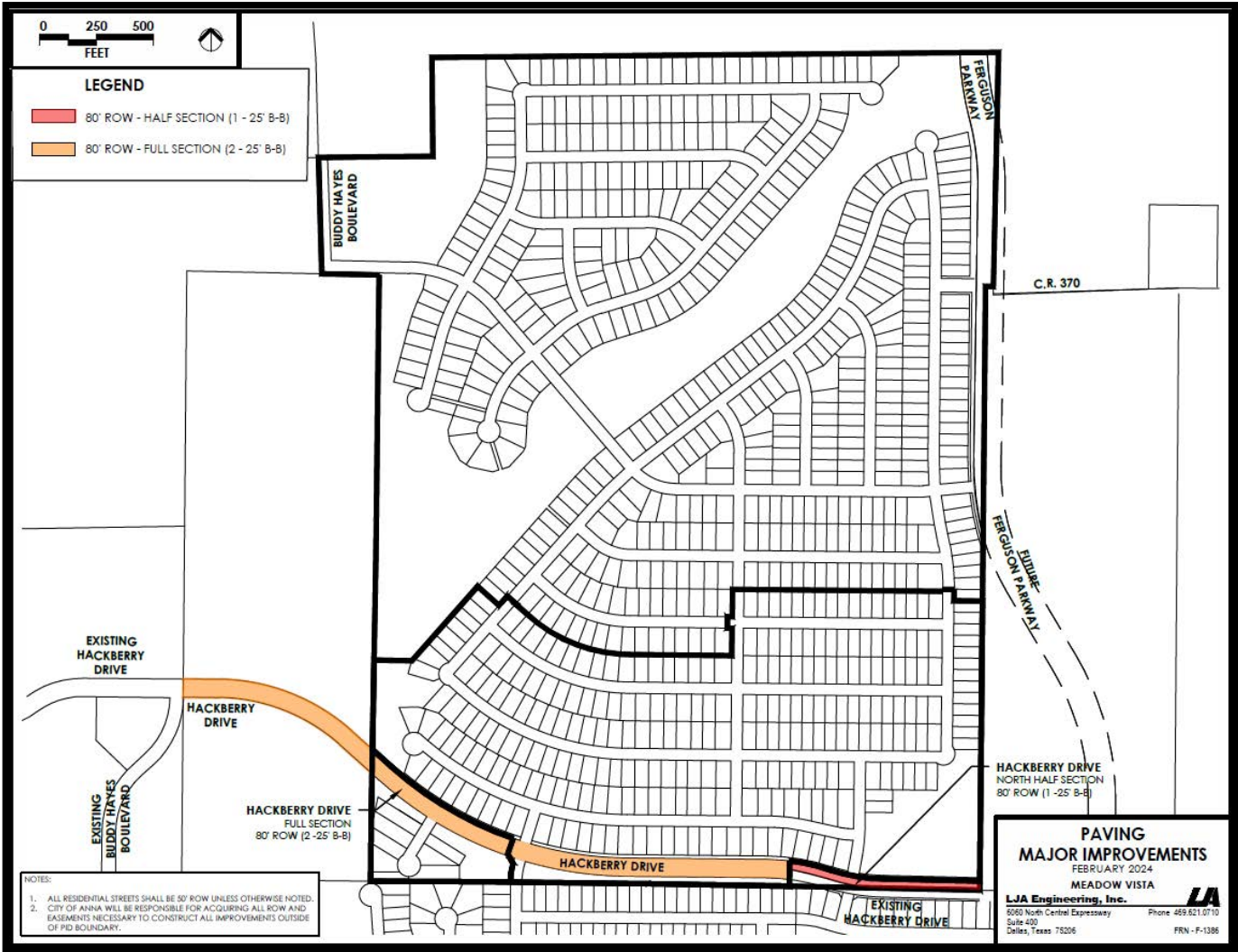


MEADOW VISTA PID IMPROVEMENT AREA #1 STORM IMPROVMENTS

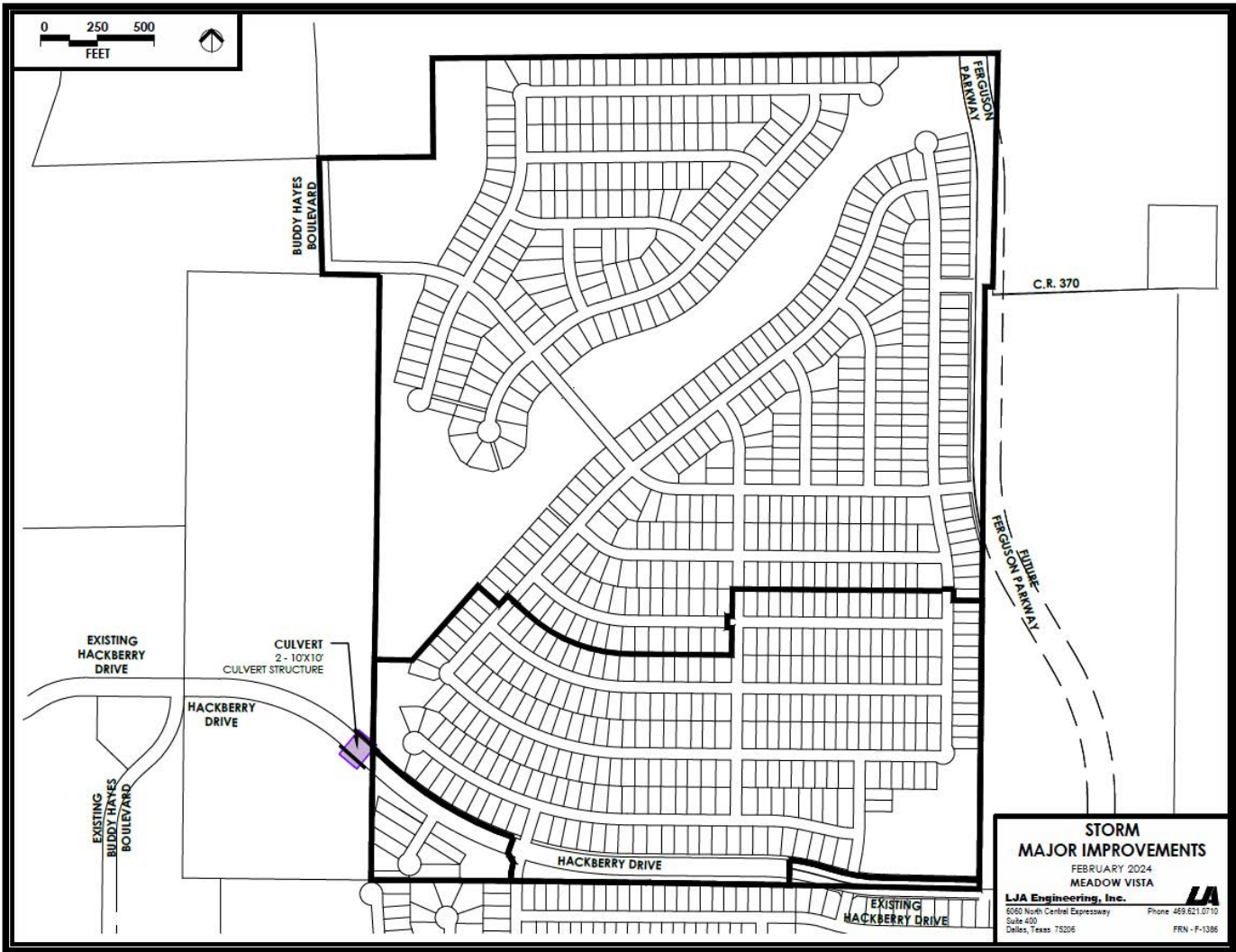




MEADOW VISTA PID IMPROVEMENT AREA #1 PAVING MAJOR IMPROVEMENTS

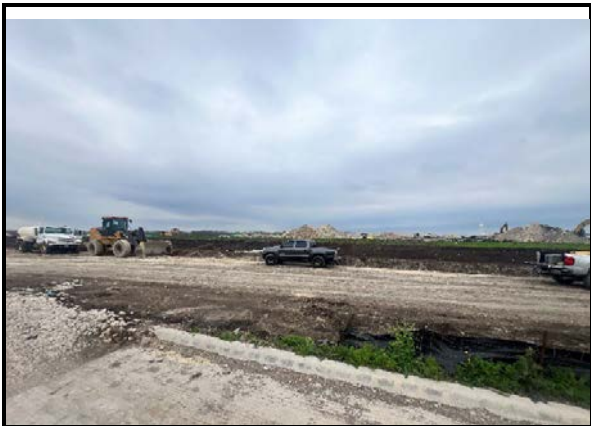


MEADOW VISTA PID IMPROVEMENT AREA #1 STORM MAJOR IMPROVMENTS





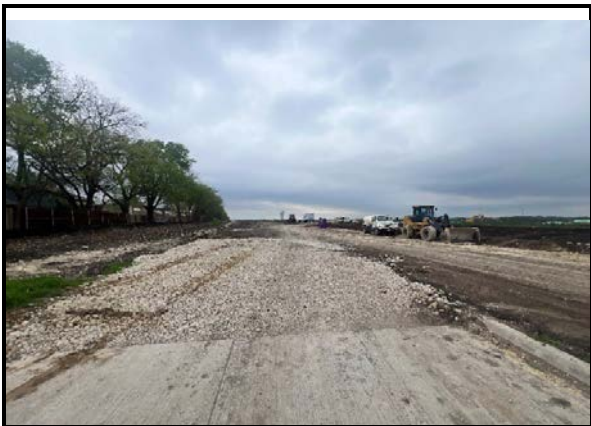
PROPERTY PHOTOGRAPHS



North Entrance of Subject Property



Looking east on Hackberry Drive



Looking west on Hackberry Drive



South property line on Hackberry Drive



Looking northwest from Hackberry Drive



Subject facing north

SUBJECT PHOTOGRAPHS



Subject facing east along Hackberry Drive



Retaining wall along Hackberry Drive



Pond on southeast corner of subject



Subject facing west



Subject facing north along western boundary line



Subject facing east along Ferguson Parkway



SUBJECT PHOTOGRAPHS



Subject facing southwest



Subject property northern boundary line



East boundary line of subject facing northwest



Undulating topography



Undulating topography



Center of subject facing east boundary line

SUBJECT PHOTOGRAPHS



Facing south on Ferguson Parkway



Facing north on Ferguson Parkway



Northwest corner on Ferguson Parkway



Subject facing northern boundary line



Facing south on Ferguson Parkway



Powerlines in northern boundary line of subject

## HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Prospective Effective Date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

- |                        |                         |
|------------------------|-------------------------|
| a. Physically Possible | c. Financially Feasible |
| b. Legally Permissible | d. Maximally Productive |

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

## HIGHEST AND BEST USE ANALYSIS

### Highest and Best Use “As-Vacant”

#### Physically Possible

Considering the subject’s physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

#### Legally Permissible

The subject property is within the City of Anna and zoned Planned Development - Residential (PD-R) which is residential PD that *at the subject property* allows for detached single-family residential use.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

#### Financially Feasible

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is suburban and development of the surrounding area has accelerated considerably over the past decade as development north of Dallas and Fort Worth and along major highways has shown almost endless demand. Developers and home builders have moved further away from the center of the Metroplex to quasi-rural areas of Collin County like those surrounding the subject property are being developed

### *Meadow Vista Public Improvement District Improvement Area #1*

with middle-to-middle-upper class housing stock. Based on review of homes on the market, we would expect home prices between \$500,000-\$600,000 would be in demand in Meadow Vista PID IA #1.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2024 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they have in early 2024; along with this, due to the balance of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that 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 subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the planned development is the maximally productive use of the property.

The resilient business climate in North Texas and the continual development of neighborhoods in Anna and Collin County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and northward in the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential and multi-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of single-family residential use.

#### **Highest and Best Use "As-Improved"**

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for single-family residential use.

We believe that the **most probable buyers** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market. Also, given that the owner of the subject property (Bloomfield Homes, L.P.) is a nationally recognized homebuilder, an additional most probably buyer would be the end-user seeking affordable housing in a quasi-rural area such as Anna.



## VALUATION – IMPROVED RESIDENTIAL LOTS IN IMPROVEMENT AREA #1

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 (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

<b><i>Approach</i></b>	<b><i>Applicability to Subject</i></b>	<b><i>Use in Assignment</i></b>
<b>Cost Approach</b>	<i>Not Appropriate Since the Single-Family Residential Portion will be Constructed in Phases</i>	<i>Not Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Appropriate in Determining Residential Subdivision Value</i>	<i>Utilized</i>
<b>Sales Comparison Approach</b>	<i>Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Vacant Developed Lots</i>	<i>Partially Utilized</i>

### Residential Subdivision (275 Improved Lots)

#### ***Cost Approach***

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property has not had a previous phase developed, *the Cost Approach is not the most appropriate and thus was not utilized.*

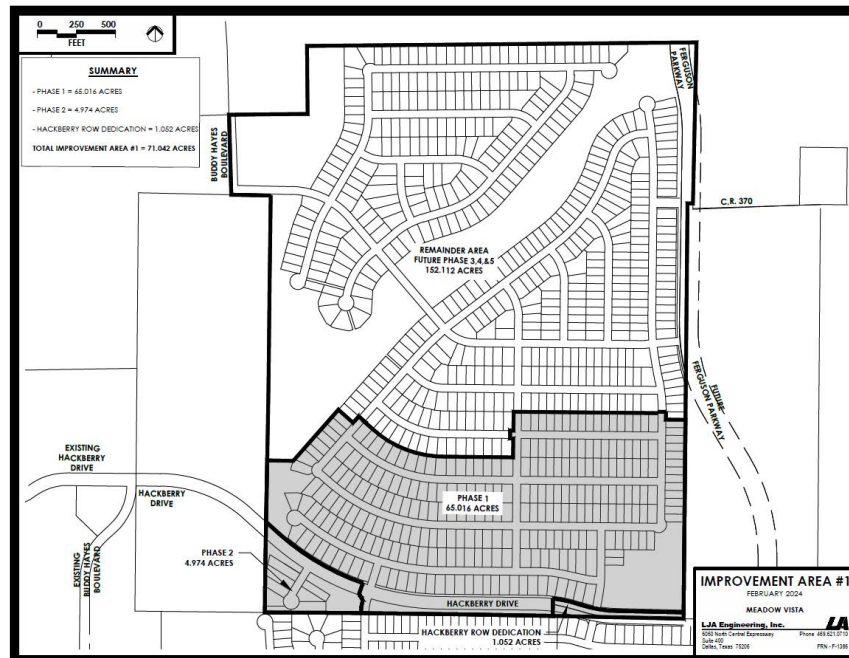
#### ***Income (Subdivision Development) Approach***

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 275 improved lots, as of the Effective Date of April 1, 2025, which is based on the Substantial Completion Date, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

#### ***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not developed by the appraisers.* Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

## INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS IN IMPROVEMENT AREA #1



Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

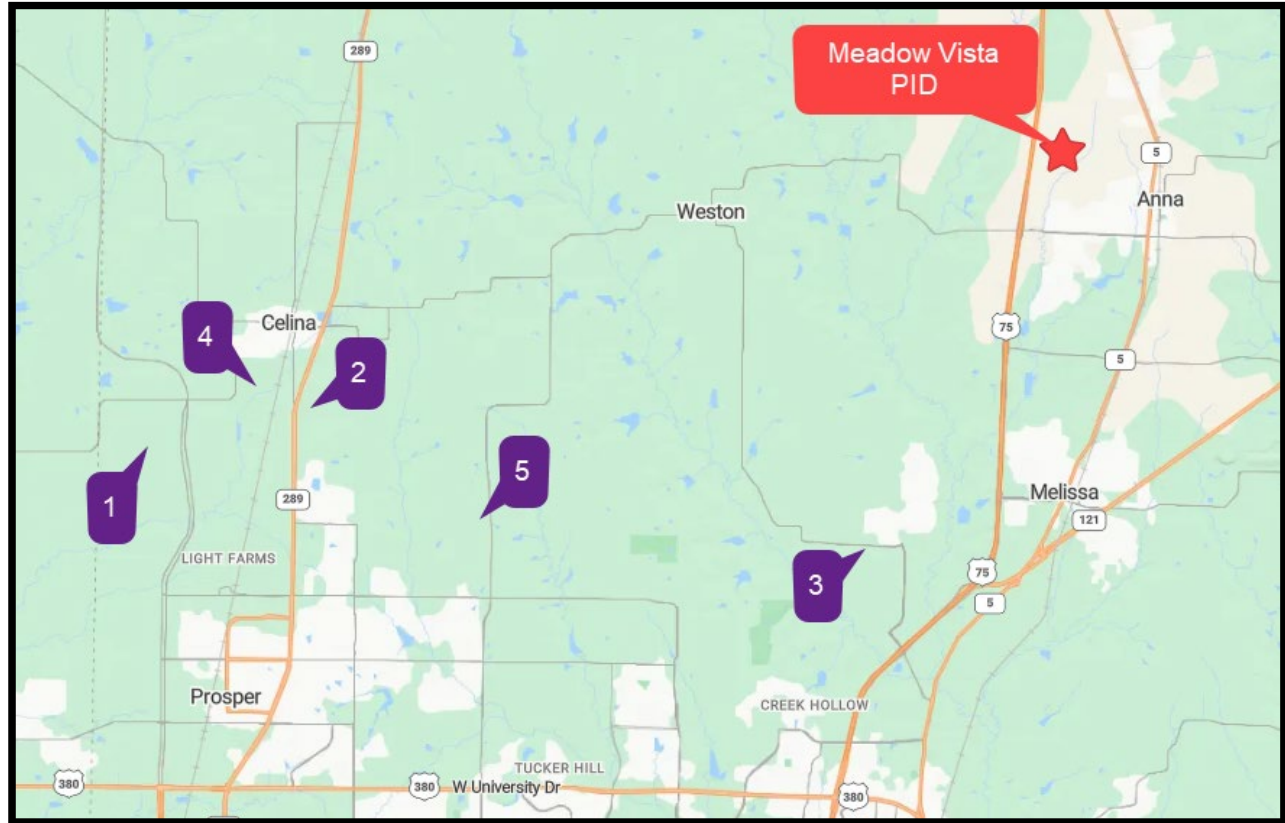
We utilized the following unit of comparison which is the measure most commonly found in the market:

**Sales Price Per Front Foot** – Obtained by dividing sale price by the front footage of the lot

Following is our analysis of the 50-FF and 60-FF lots for Improvement Area #1 of Meadow Vista PID.



**MAP OF COMPARABLE LOT SALES –50’ LOTS**



**Subject: Meadow Vista PID IA #1, Anna, TX 75409 Improvement Area #1**

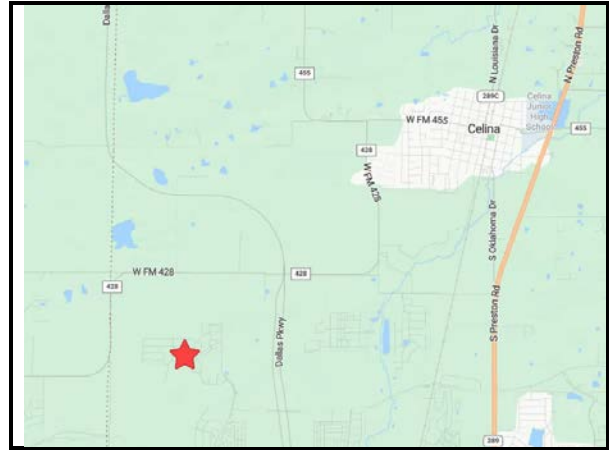
We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 50' LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Cambridge Crossing	Celina	Celina	Jan - 2024	In-Contract	\$100,000	50	\$ 2,000
2	Hillside Village	Celina	Celina	Jan - 2023	In-Contract	\$97,250	50	\$ 1,945
3	Shaded Tree (Proposed)	McKinney	McKinney	Aug-2022	In-Contract	\$95,278	50	\$ 1,906
4	Glen Crossing	Celina	Celina	Oct-2021	Oct-2021	\$93,960	50	\$ 1,879
5	Mustang Lakes	Celina	Prosper	Nov-2021	Nov-2021	\$98,020	50	\$ 1,960
Subject	Meadow Vista IA #1	Anna	Anna	-	-	-	50	-

**SALE COMPARABLE 1 – 50’ LOTS**



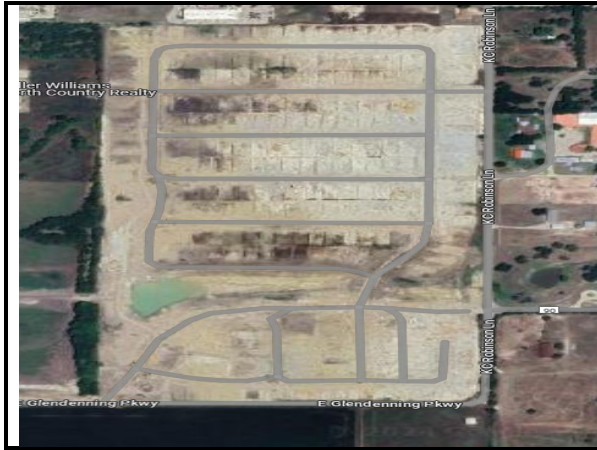
Comparable 1 Aerial



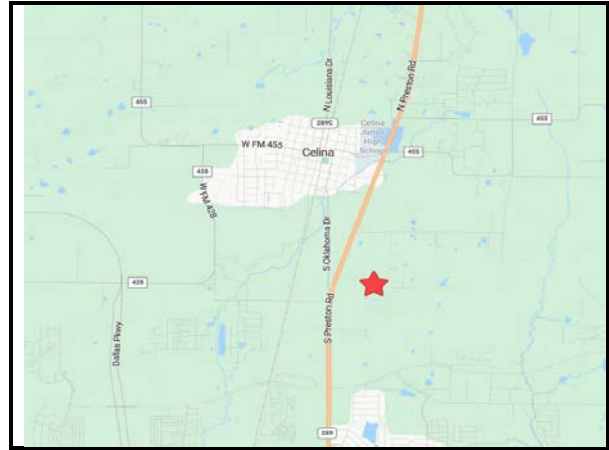
Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	North side of Punk Carter Parkway and West of Huddleston Drive, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	\$100,000			
Price per SF Land	\$16.67			
Price per Front Foot	\$2,000			

**SALE COMPARABLE 2 – 50’ LOTS**



Comparable 2 Aerial



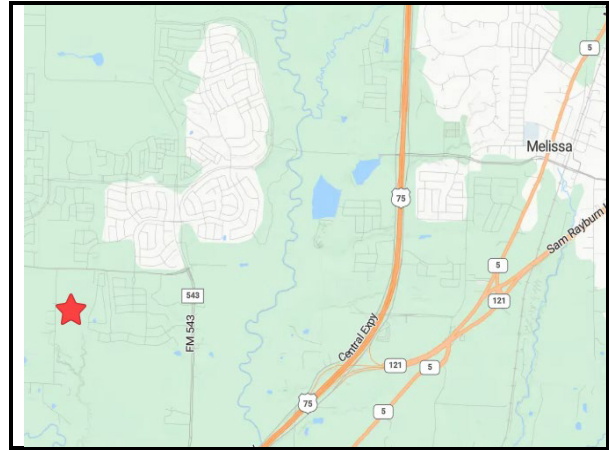
Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northeast quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In Contract			
Sale/Contract Date	January - 2023			
Seller	Wayne/Jackson, Inc.			
Buyer	MHI (Coventry Homes)			
Sale Price	\$97,250			
Price per SF Land	\$16.21			
Price per Front Foot	\$1,945			

### SALE COMPARABLE 3 – 50' LOTS



Comparable 3 Aerial



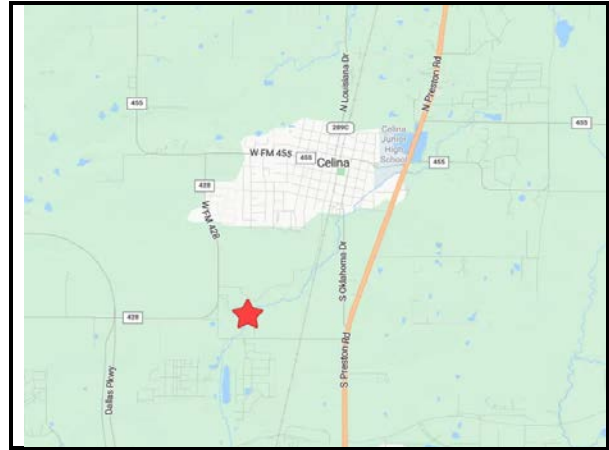
Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Shaded Tree (Proposed)			
Property Class	Residential Lot			
Address	Southeast corner of FM-543 (Weston Road) and CR-202, McKinney			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,500	SF	0.13	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	Aug-2023			
Seller	TCL Land Bk 4 (2022), LP			
Buyer	Lennar Homes of Texas Land & Construction LTD			
Sale Price	\$93,960			
Price per SF Land	\$17.08			
Price per Front Foot	\$1,906			

**SALE COMPARABLE 4 – 50' LOTS**



Comparable 4 Aerial

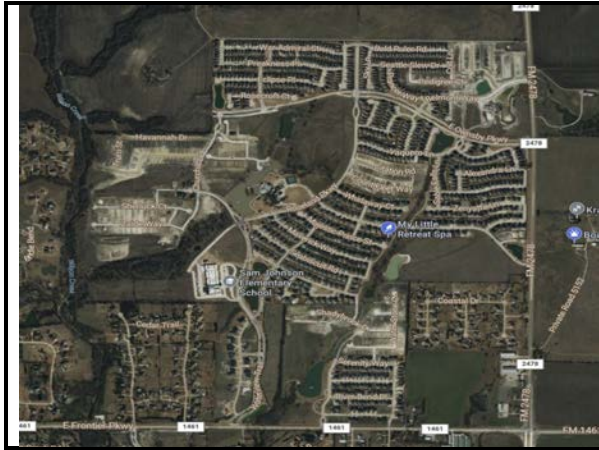


Comparable 4 Map

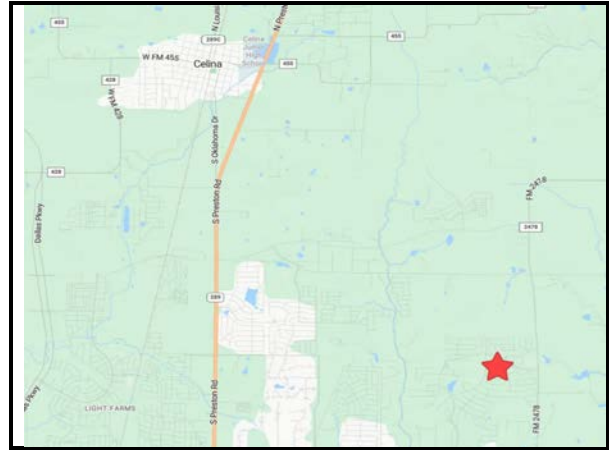
50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Glen Crossing			
Property Class	Residential Lot			
Address	West side of Rhea Court, southwest of Glendenning Parkway and CR-1117, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	Oct-2021			
Seller	W/J CR 55, LP			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	\$93,960			
Price per SF Land	\$15.66			
Price per Front Foot	\$1,879			



## SALE COMPARABLE 5 – 50' LOTS



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Mustang Lakes			
Property Class	Residential Lot			
Address	Southwest corner of Ownsby Parkway and Farm-to-Market 2478, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2021			
Seller	Celina 682 Partners, LP			
Buyer	Perry Homes, LLC			
Sale Price	\$98,020			
Price per SF Land	\$16.34			
Price per Front Foot	\$1,960			

**SALES ADJUSTMENT COMPARISON GRID –50’ LOTS**

<i>Subdivision</i>	<b>Subject</b>	<b>Sale 1</b>	<b>Sale 2</b>	<b>Sale 3</b>	<b>Sale 4</b>	<b>Sale 5</b>
	<b>Meadow Vista IA #1</b>	<b>Cambridge Crossing</b>	<b>Hillside Village</b>	<b>Shaded Tree (Proposed)</b>	<b>Glen Crossing</b>	<b>Mustang Lakes</b>
	<b>Anna</b>	<b>Celina</b>	<b>Celina</b>	<b>McKinney</b>	<b>Celina</b>	<b>Celina</b>
<i>Transactional Adjustments</i>						
<b>Sales Price/FF</b>		\$2,000	\$1,945	\$1,906	\$1,879	\$1,960
<b>Rights Conveyed</b>		0%	0%	0%	0%	0%
<b>Sales Price/FF</b>		\$2,000	\$1,945	\$1,906	\$1,879	\$1,960
<b>Financing Terms</b>		0%	0%	0%	0%	0%
<b>Sales Price/FF</b>		\$2,000	\$1,945	\$1,906	\$1,879	\$1,960
<b>Conditions of Sale</b>		0%	0%	0%	0%	0%
<b>Sales Price/FF</b>		\$2,000	\$1,945	\$1,906	\$1,879	\$1,960
<b>Expenditures After Purchase</b>		0%	0%	0%	0%	0%
<b>Sales Price/FF</b>		\$2,000	\$1,945	\$1,906	\$1,879	\$1,960
<b>Time/Market Conditions</b>		+5%	+9%	+11%	+14%	+14%
<b>ADJUSTED Price/FF:</b>		\$2,100	\$2,120	\$2,115	\$2,142	\$2,235
<i>Physical Adjustments</i>						
<b>Location/Access</b>	North Anna, East of Hwy 75	-8%	-8%	-10%	-8%	-8%
<b>Amenities</b>	Pool, Clubhouse, Parks, Trails, Sport Courts, Pavilion	-4%	0%	+12%	+3%	-2%
<b>Size</b>	50-FF	0%	0%	0%	0%	0%
<b>Topography/View</b>	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
<b>Zoning</b>	PD-R	0%	0%	0%	0%	0%
<b>Total Net Physical Adj. After Transactional Adj.</b>		-12%	-8%	+2%	-5%	-10%
<b>ADJUSTED Price/FF:</b>		\$1,848	\$1,950	\$2,157	\$2,035	\$2,011
<b>SUMMARY OF COMPARABLE VALUES</b>						
<b>Value Range/FF</b>		\$1,848	to	\$2,157		
<b>Average Value/FF</b>		\$2,000				
<b>Median Value/FF</b>		\$2,011				
<b>Size</b>		50-FF				
<b>Unit Value Indication</b>		\$2010/FF				
<b>Overall Value Indication</b>		\$100,500				
<b>Rounded</b>		\$100,500				

## **ANALYSIS OF ADJUSTMENTS –50’ LOTS**

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,879 per front foot to \$2,000 per front foot (FF) with all Sales being 50-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights, Financing Terms, and Conditions of Sale***

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

##### ***Expenditures After Purchase***

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 through 2022 but now appears to be cooling following another interest rate increase by the Federal Reserve that has raised mortgage rates by 75 basis points in early 2024. Price increases from 2020 to 2022 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Metrostudy there is a significant shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the North Central Expressway 75 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of 4% year-over year (YoY) increase throughout 2021, 2022, 2023 and into the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between 5% and 14% for Market Conditions depending on the sale date.



## **Physical Adjustments**

### ***Location/Access***

The subject property is in a quickly developing area of North Texas in the City of Anna. Development in the subject's area has been moderately increasing and consistent throughout the decades. The subject is located approximately one mile east of North Central Expressway 75, and along the north side of Hackberry Drive. The area around the subject is primarily new residential development and undeveloped rural land. Also in the area are municipal uses, agricultural uses, and some commercial uses along North Central Expressway 75.

Just east of the subject property, about 1 mile, is Anna High School which is the only high school in Anna ISD. Anna ISD is a desirable district with a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on Hackberry Drive, which is a two-lane, east/west directional, paved road. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Celina, which has superior access to commercial uses, and it is located in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%
- Sale 2: Superior; Located in Celina, which has superior access to commercial uses, and it is located in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%
- Sale 3: Superior; Located in McKinney, which feeds into the McKinney ISD which has an "B" rating and considered to be a similar ISD, however, sale 3 is more accessible to commercial development being within a major city in the DFW; Adjusted -10%
- Sale 4: Superior; Located in Celina, which has superior access to commercial uses, and it is located in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%
- Sale 5: Superior; Located in Celina, which has superior access to commercial uses, and it is located in an area that feeds into Prosper ISD with a "A" rating which is superior to the subject; Adjusted -8%

### ***Amenities***

The subject property's amenities will consist of a pool, clubhouse, sport courts, a pavilion, and open spaces, including a park and walking trails. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Meadow Vista PID development being built-out with 275 homes within Improvement Area #1. We have made the following adjustments for Amenities:

- Sale 1: Superior; Cambridge Crossing Subdivision, which consist of more amenities such as lakes, an amenity center, fitness center, pickleball courts, half-court basketball, jogging trails, fishing pond, playground, pools, a cabanas, and event lawn; Adjusted -4%
- Sale 2: Similar; Hillside Village Subdivision, which consist of similar amenities such as a resort-style pool, a cabana, community trails, a playground, and a park; Adjusted 0%
- Sale 3: Inferior; Shaded Tree (Proposed) Subdivision, which is a community that is currently in the planning stages with inferior amenities consisting of a common area; Adjusted +12%
- Sale 4: Inferior; Glen Crossing Subdivision, which has fewer amenities such as a pool, amenity center, trails, and open spaces; Adjusted +3%
- Sale 5: Superior; Mustang Lakes Subdivision, which consist of slightly more amenities such a lake with an island, fishing decks, pools, tennis courts, a basketball court, amphitheater, a playground, and trails; Adjusted -2%

### ***Size***

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). All Sales are also 50' lots that can accommodate the same building pad, so no adjustment is made for Size.

*Meadow Vista Public Improvement District Improvement Area #1*

***Topography/View***

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

***Zoning***

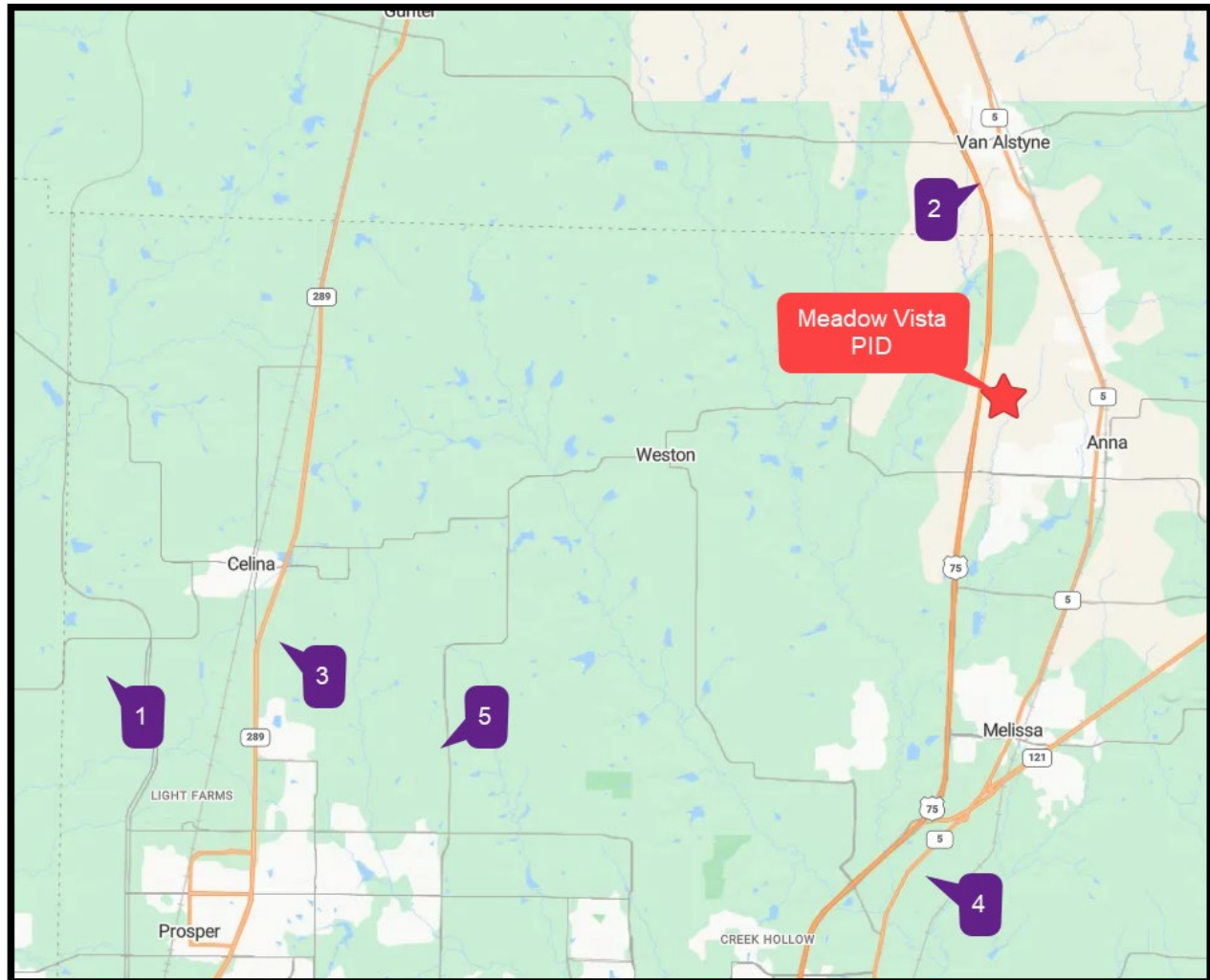
The subject property is in a planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

**Conclusion for 50' Lots** – The 50' Lot Sales have an adjusted range of \$1,848/FF to \$2,157/FF with an average of \$2,000/FF and a median of \$2,011/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is \$2010/FF, or \$100,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	190	April 1, 2025	\$100,500

*Next, we will analyze the retail market value of the 60' improved lots within Improvement Area #1 of Meadow Vista PID.*

**MAP OF COMPARABLE LOT SALES –60’ LOTS**



**Subject: Meadow Vista PID IA #1, Anna, TX 75409 Improvement Area #1**

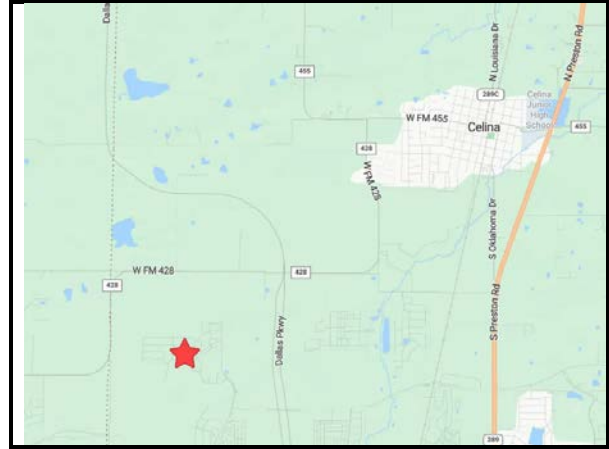
We selected the best and most recent comparable lot sales for our analysis of the 60-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 60' LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Cambridge Crossing	Celina	Celina	Jan - 2024	In-Contract	\$120,000	60	\$ 2,000
2	Tinsley Meadows	Van Alstyne	Van Alstyne	July - 2023	July - 2023	\$107,100	65	\$ 1,648
3	Hillside Village	Celina	Celina	Jan - 2023	In-Contract	\$114,000	60	\$ 1,900
4	Willow Wood	McKinney	Melissa	Apr-2022	Apr-2022	\$124,000	62	\$ 2,000
5	Mustang Lakes	Celina	Prosper	Nov-2021	Nov-2021	\$106,227	60	\$ 1,770
<b>Subject</b>	<b>Meadow Vista IA #1</b>	<b>Anna</b>	<b>Anna</b>	-	-	-	<b>60</b>	-

**SALE COMPARABLE 1 – 60' LOTS**



Comparable 1 Aerial



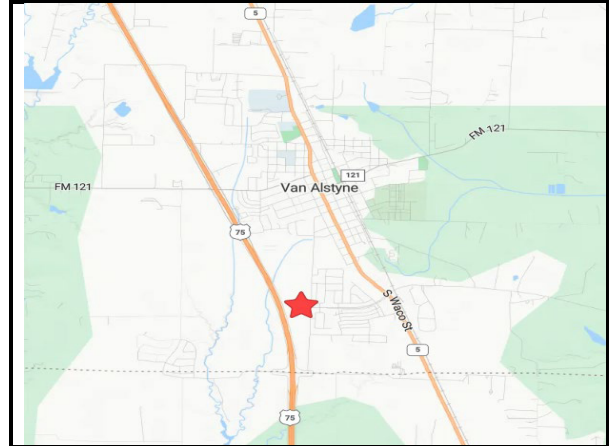
Comparable 1 Map

60-FF Sale Comparable 1				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	North side of Punk Carter Parkway and West of Huddleston Drive, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	\$120,000			
Price per SF Land	\$15.38			
Price per Front Foot	\$2,000			

**SALE COMPARABLE 2 – 60’ LOTS**



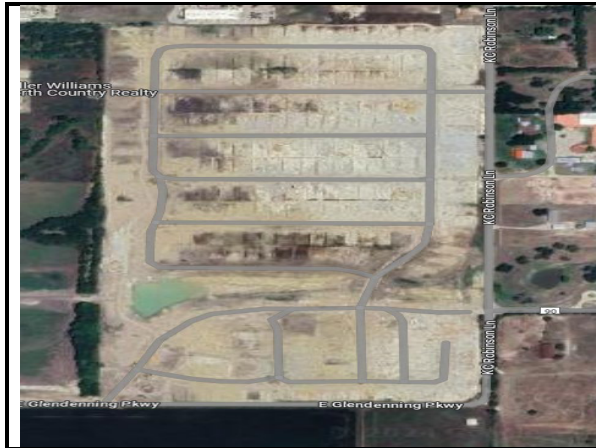
Comparable 2 Aerial



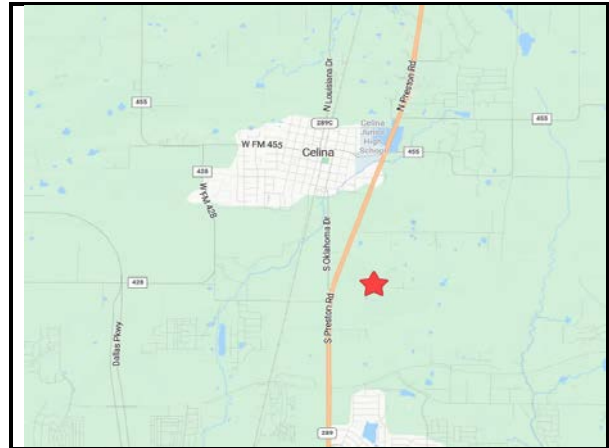
Comparable 2 Map

60-FF Sale Comparable 2				
Property Information				
Subdivision Name	Tinsley Meadows			
Property Class	Residential Lot			
Address	South side of Metallic Tree Lane and West of Kelly Lane, Van Alstyne			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,475	SF	0.17	Acres
Zoning Code	Single-Family 65			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	July - 2023			
Seller	Tinsley Meadows, LLC			
Buyer	Cambridge Homes LLC			
Sale Price	\$107,100			
Price per SF Land	\$14.33			
Price per Front Foot	\$1,648			

**SALE COMPARABLE 3 – 60' LOTS**



Comparable 3 Aerial



Comparable 3 Map

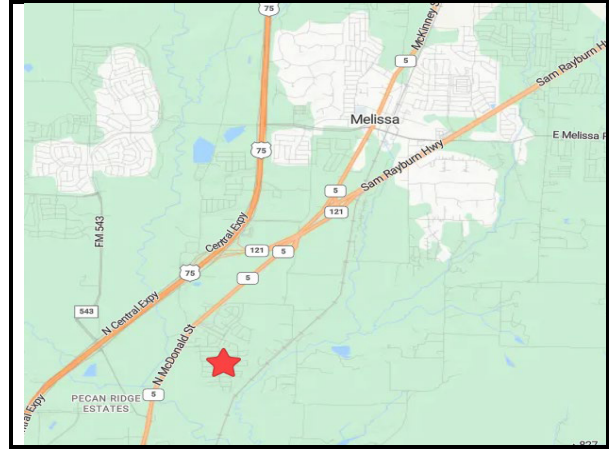
60-FF Sale Comparable 3				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northeast quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2023			
Seller	Wayne/Jackson, Inc.			
Buyer	Shaddock Homes			
Sale Price	\$114,000			
Price per SF Land	\$15.83			
Price per Front Foot	\$1,900			



### SALE COMPARABLE 4 – 60' LOTS



Comparable 4 Aerial



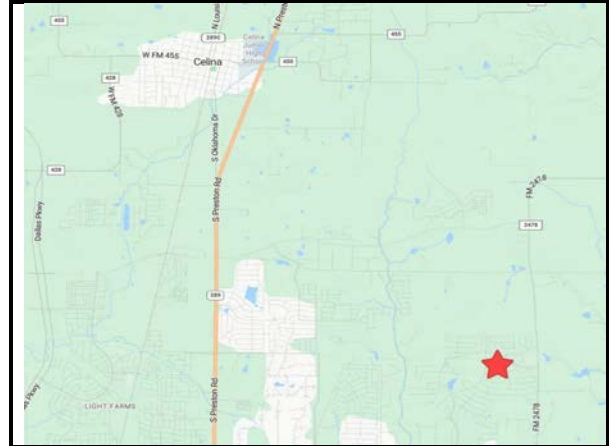
Comparable 4 Map

60-FF Sale Comparable 4				
Property Information				
Subdivision Name	Willow Wood			
Property Class	Residential Lot			
Address	Northwest corner of North Telephone Road and Parkdale Drive, McKinney			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,440	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April-2022			
Seller	McKinney Partners 306, LP			
Buyer	Bloomfield Homes, LP			
Sale Price	\$124,000			
Price per SF Land	\$16.67			
Price per Front Foot	\$2,000			

### SALE COMPARABLE 5 – 60' LOTS



Comparable 5 Aerial



Comparable 5 Map

60-FF Sale Comparable 5				
Property Information				
Subdivision Name	Mustang Lakes			
Property Class	Residential Lot			
Address	South side of Sunday Silence Lane, east of Alexandra Lane, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,500	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November-2021			
Seller	Celina 682 Partners, LP			
Buyer	Perry Homes, LLC			
Sale Price	\$106,227			
Price per SF Land	\$14.16			
Price per Front Foot	\$1,770			



**SALES ADJUSTMENT COMPARISON GRID –60’ LOTS**

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Meadow Vista IA #1	Cambridge Crossing	Tinsley Meadows	Hillside Village	Willow Wood	Mustang Lakes
	Anna	Celina	Van Alstyne	Celina	McKinney	Celina
Transactional Adjustments						
Sales Price/FF		\$2,000	\$1,648	\$1,900	\$2,000	\$1,770
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,648	\$1,900	\$2,000	\$1,770
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,648	\$1,900	\$2,000	\$1,770
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,648	\$1,900	\$2,000	\$1,770
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$2,000	\$1,648	\$1,900	\$2,000	\$1,770
Time/Market Conditions		+5%	+7%	+9%	+12%	+14%
ADJUSTED Price/FF:		\$2,100	\$1,763	\$2,071	\$2,240	\$2,018
Physical Adjustments						
Location/Access	North Anna, East of Hwy 75	-8%	+6%	-8%	-8%	-8%
Amenities	Pool, Clubhouse, Parks, Trails, Sport Courts, Pavilion	-4%	+15%	0%	-2%	-2%
Size	60-FF	0%	+2%	0%	+2%	0%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	PD-R	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-12%	+23%	-8%	-8%	-10%
ADJUSTED Price/FF:		\$1,848	\$2,169	\$1,905	\$2,061	\$1,816
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		\$1,816	to	\$2,169		
Average Value/FF	\$1,960					
Median Value/FF	\$1,905					
Size	60-FF					
Unit Value Indication	\$1960/FF					
Overall Value Indication	\$117,600					
Rounded	\$117,600					

## **ANALYSIS OF ADJUSTMENTS –60’ LOTS**

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,648 per front foot to \$2,000 per front foot with all Sales being between 60-FF to 65-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights, Financing Terms, and Conditions of Sale***

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

##### ***Expenditures After Purchase***

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 through 2022 but now appears to be cooling following another interest rate increase by the Federal Reserve that has raised mortgage rates by 75 basis points in early 2024. Price increases from 2020 to 2022 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Metrostudy there is a significant shortage of 60-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent plated and developed residential lot sales throughout the Metroplex and specifically along the North Central Expressway 75 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of 4% year-over year (YoY) increase throughout 2021, 2022, 2023 and into the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between 5% and 14% for Market Conditions depending on the sale date.

## **Physical Adjustments**

### ***Location/Access***

The subject property is in a quickly developing area of North Texas in the City of Anna. Development in the subject's area has been moderately increasing and consistent throughout the decades. The subject is located approximately one mile east of North Central Expressway 75, and along the north side of Hackberry Drive. The area around the subject is primarily new residential development and undeveloped rural land. Also in the area are municipal uses, agricultural uses, and some commercial uses along North Central Expressway 75.

Just east of the subject property, about 1 mile, is Anna High School which is the only high school in Anna ISD. Anna ISD is a desirable district with a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on Hackberry Drive, which is a two-lane, east/west directional, paved road. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Celina, which has superior access to commercial uses, and it is located in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%
- Sale 2: Inferior; Located in Van Alstyne, which feeds into Van Alstyne ISD which has an "A" rating and considered to be a superior ISD, however, Sale 2 is considered inferior due to the property being farther removed from the DFW metroplex and inferior in accessibility to commercial development; Adjusted +6%
- Sale 3: Superior; Located in Celina, which has superior access to commercial uses, and it is located in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%
- Sale 4: Superior; Located in McKinney, which feeds into the Melissa ISD which has an "A" rating and considered to be a superior ISD; Also, Sale 4 is considered superior in accessibility to commercial development; Adjusted -8%
- Sale 5: Superior; Located in Celina, which has superior access to commercial uses, and it is located in an area that feeds into Prosper ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%

### ***Amenities***

The subject property's amenities will consist of a pool, clubhouse, sport courts, a pavilion, and open spaces, including a park and walking trails. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Meadow Vista PID development being built-out with 275 homes within Improvement Area #1. We have made the following adjustments for Amenities:

- Sale 1: Superior; Cambridge Crossing Subdivision, which consist of more amenities such as lakes, an amenity center, fitness center, pickleball courts, half-court basketball, jogging trails, fishing pond, playground, pools, a cabanas, and event lawn; Adjusted -4%
- Sale 2: Inferior; Tinsley Meadows Subdivision, which has no amenities; Adjusted +15%
- Sale 3: Similar; Hillside Village Subdivision, which consist of similar amenities such as a resort-style pool, a cabana, community trails, a playground, and a park; Adjusted 0%
- Sale 4: Superior; Willow Wood Subdivision, which has more amenities such as multiple pools, deck with covered seating, a community pavilion, sport courts, and a playground; Adjusted -2%
- Sale 5: Superior; Mustang Lakes Subdivision, which consist of slightly more amenities such a lake with an island, fishing decks, pools, tennis courts, a basketball court, amphitheater, a playground, and trails; adjusted -2%

*Meadow Vista Public Improvement District Improvement Area #1*

**Size**

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 2 and 4 are slightly larger at 62-FF and 65-FF. An adjustment of +2% was applied to Sales 2 and 4 for Size. Sales 1,3, and 5 are also 60' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

**Topography/View**

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

**Zoning**

The subject property is in a planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

**Conclusion for 60' Lots** – The 60' Lot Sales have an adjusted range of \$1,816/FF to \$2,169/FF with an average of \$1,960/FF and a median of \$1,905/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 60' lots is \$1960/FF, or \$117,600/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
60' Detached Lots	85	April 1, 2025	\$117,600

*Meadow Vista Public Improvement District Improvement Area #1*

**Cumulative Retail Lot Value – Improvement Area #1**

We believe a current lot market value of \$2010/FF for 50' improved Lots, and \$1960/FF for 60' improved Lots with an Effective Date of April 1, 2025 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded values per front foot is supported by the current retail price for 50-FF and 60-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2022 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Effective Date of April 1, 2025, the market value the 50-FF and 60-FF lot prices for Meadow Vista PID IA #1 in Improvement Area #1 are shown below:

MEADOW VISTA PID, ANNA, IA #1				
Lot Type	Concluded Retail Value	Effective Date	Number of Lots	Total Value
50' Detached Lot	\$100,500	April 1, 2025	190	\$19,095,000
60' Detached Lot	\$117,600	April 1, 2025	85	\$9,996,000
			<b>275</b>	<b>\$29,091,000</b>

*Next, we will develop an opinion of value for the residential lots in Improvement Area #1 using the Discount Cash Flow analysis.*

## DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the construction completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject 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 the completed construction date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future 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 those which reflect all expenses associated with the disposition of the property 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.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

### Absorption

As discussed in detail in the “Absorption Analysis” section of the report, our quarterly absorption projections are summarized as follows for the subject:

### MARKET ABSORPTION FOR MEADOW VISTA PID IA #1

Projected Quarterly Absorption Summary - Meadow Vista PID IA #1							
Lot Type	Apr-2025	Jul-2025	Oct-2025	Jan-2026	Apr-2026	Jul-2026	Oct-2026
50-FF	15	15	15	15	15	15	15
60-FF	9	9	9	9	9	9	9
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>



Projected Quarterly Absorption Summary - Meadow Vista PID IA #1							
Lot Type	Jan-2027	Apr-2027	Jul-2027	Oct-2027	Jan-2028	Apr-2028	TOTAL
50-FF	15	15	15	15	15	10	<b>190</b>
60-FF	9	9	4	-	-	-	<b>85</b>
<b>Total</b>	<b>24</b>	<b>24</b>	<b>19</b>	<b>15</b>	<b>15</b>	<b>10</b>	<b>275</b>

*Note: Typically, quarters start in January, April, October, and December so we have used those baselines in our analysis. Since the Effective Date is April 1, 2025, our analysis starts on the 2<sup>nd</sup> quarter of 2025.*

### **Value Increases During Sellout Period**

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal prime rate (8.50% as of late July 2023), plus 1% (annually) up to 9.5%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

### **EXPENSES**

**Taxes** are paid by the developer annually. The estimation of taxes paid per period is based upon the principle 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. The current tax rate for the bulk of the property is **0.01998780 per \$100 assessed – 1.998780%** for the purpose of our analysis – with taxes due to the City of Anna, Collin County, Collin College, and Anna ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of \$100,000 then the assessed value will be \$70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

**Cost of Sales** has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

**Marketing expenses** are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

### **Discount Rate**

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2024*						
National - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Site-Built Residential</b>	14.37%	49.65%	32.17%	13.79%	47.66%	30.88%
-100 Units	14.37%	42.80%	28.73%	13.79%	41.09%	27.58%
100-500 Units	14.73%	47.08%	31.06%	14.14%	45.20%	30.41%
500+ Units	15.09%	49.22%	32.31%	14.48%	47.25%	32.26%
Mixed Use	15.45%	49.65%	32.71%	14.83%	47.66%	32.65%
<b>Manufactured Housing</b>	14.83%	54.24%	35.40%	14.23%	52.07%	33.32%
-100 Units	14.83%	47.16%	31.77%	14.23%	45.28%	29.90%
100-500 Units	15.20%	51.88%	34.38%	14.59%	49.81%	33.00%
500+ Units	15.57%	54.24%	35.78%	14.95%	52.07%	35.02%
<b>Business Parks</b>	14.79%	50.40%	33.41%	14.20%	48.38%	31.45%
-100 Acres	14.79%	43.83%	30.04%	14.20%	42.07%	28.28%
100-500 Acres	15.16%	48.21%	32.48%	14.55%	46.28%	31.18%
500+ Acres	15.53%	50.40%	33.79%	14.91%	48.38%	33.07%
<b>Industrial Parks</b>	14.87%	43.79%	30.07%	14.28%	42.04%	28.92%
-100 Acres	14.87%	38.08%	27.14%	14.28%	36.56%	25.60%
100-500 Acres	15.24%	41.89%	29.28%	14.63%	40.21%	28.16%
500+ Acres	15.62%	43.79%	30.45%	14.99%	42.04%	28.72%

\*4th Quarter 2023 Data

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As shown, the minimum actual rates in Texas range from 14.37% for less than 100 units; 14.73% for 100 to 500+ units; and 15.09% for 500+ units with minimum pro-forma rates ranging from 13.79% to 14.48%.

The 7<sup>th</sup> 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”. 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 numerous purchasers 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 similar to the minimum actual rate provided by the Realty Rates “Developer Survey” for Texas of 14.73% for 100-500 units; and 14.14% for likewise minimum pro-forma rates 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 **15%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.



*Meadow Vista Public Improvement District Improvement Area #1*

**DISCOUNT CASH FLOW (DCF) ANALYSIS - MEADOW VISTA PID IA #1**

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction Complete April 1, 2025
- Retail lot values: \$100,500 for 50-FF lots
- Retail lot values: \$117,600 for 60-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 50-FF Lots sell at 15/Quarter
- 60-FF Lots sell at 9/Quarter
- Discount Rate 15% (3.75%/Quarter)
- Tax Expense on Inventory is 1.998780%/Year, 0.499695%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the improved lots in Improvement Area #1 is expected to be completed as of April 1, 2025, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when takedowns begin. Therefore, as of the expected Substantial Completion Date (**April 1, 2025**) **the retail lot value for 190 50-FF lots is \$19,095,000, and the retail lot value for 85 60-FF lots is \$9,996,000 with a total cumulative value of \$29,091,000** as shown in the following table:

MEADOW VISTA PID, ANNA, IA #1					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
190	50 FF	\$100,500	April 1, 2025	\$2010/FF	\$19,095,000
85	60 FF	\$117,600	April 1, 2025	\$1960/FF	\$9,996,000
<b>275</b>					<b>\$29,091,000</b>

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.75% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date was April 1, 2025, we will analyze on a quarterly basis starting April 2025.

**DISCOUNT CASH FLOW DATA – MEADOW VISTA PID IMPROVEMENT AREA #1 LOTS**  
**(QUARTERLY)**

	Apr. 2025			Jul. 2025		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	190	\$ 100,500	15	175	\$ 102,008	15
60-FF Lot	85	\$ 117,600	9	76	\$ 119,364	9
<b>Revenue</b>		<b>\$ 2,565,900</b>			<b>\$ 2,604,389</b>	
<i>Tax Expense</i>		<i>\$ (101,756)</i>			<i>\$ (94,173)</i>	
<i>Sales Expense</i>		<i>\$ (38,489)</i>			<i>\$ (39,066)</i>	
<b>Net Income</b>		<b>\$ 2,425,655</b>			<b>\$ 2,471,150</b>	
<b>Factor</b>		<b>0.982681</b>			<b>0.948939</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 2,383,646</b>			<b>\$ 2,344,970</b>	



	Oct. 2025			Jan. 2026		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	160	\$ 103,538	15	145	\$ 105,091	15
60-FF Lot	67	\$ 121,154	9	58	\$ 122,972	9
<b>Revenue</b>		<b>\$ 2,643,454</b>			<b>\$ 2,683,106</b>	
<i>Tax Expense</i>		<i>\$ (86,339)</i>			<i>\$ (78,249)</i>	
<i>Sales Expense</i>		<i>\$ (39,652)</i>			<i>\$ (40,247)</i>	
<b>Net Income</b>		<b>\$ 2,517,463</b>			<b>\$ 2,564,611</b>	
<b>Factor</b>		<b>0.916355</b>			<b>0.884890</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 2,306,891</b>			<b>\$ 2,269,399</b>	



	Apr. 2026			Jul. 2026		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	130	\$ 106,667	15	115	\$ 108,267	15
60-FF Lot	49	\$ 124,816	9	40	\$ 126,689	9
<b>Revenue</b>		<b>\$ 2,723,353</b>			<b>\$ 2,764,203</b>	
<i>Tax Expense</i>		<i>\$ (69,897)</i>			<i>\$ (61,276)</i>	
<i>Sales Expense</i>		<i>\$ (40,850)</i>			<i>\$ (41,463)</i>	
<b>Net Income</b>		<b>\$ 2,612,606</b>			<b>\$ 2,661,463</b>	
<b>Factor</b>		<b>0.854506</b>			<b>0.825164</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 2,232,486</b>			<b>\$ 2,196,145</b>	



Meadow Vista Public Improvement District Improvement Area #1



	Oct. 2026			Jan. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	100	\$ 109,891	15	85	\$ 111,539	15
60-FF Lot	31	\$ 128,589	9	22	\$ 130,518	9
<b>Revenue</b>		<b>\$2,805,666</b>			<b>\$2,847,751</b>	
<i>Tax Expense</i>		<i>\$ (52,382)</i>			<i>\$ (43,206)</i>	
<i>Sales Expense</i>		<i>\$ (42,085)</i>			<i>\$ (42,716)</i>	
<b>Net Income</b>		<b>\$2,711,199</b>			<b>\$2,761,828</b>	
<b>Factor</b>		<b>0.796831</b>			<b>0.769470</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,160,367</b>			<b>\$2,125,143</b>	



	Apr. 2027			Jul. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	70	\$ 113,213	15	55	\$ 114,911	15
60-FF Lot	13	\$ 132,476	9	4	\$ 134,463	4
<b>Revenue</b>		<b>\$2,890,467</b>			<b>\$2,261,511</b>	
<i>Tax Expense</i>		<i>\$ (33,744)</i>			<i>\$ (23,988)</i>	
<i>Sales Expense</i>		<i>\$ (43,357)</i>			<i>\$ (33,923)</i>	
<b>Net Income</b>		<b>\$2,813,366</b>			<b>\$2,203,600</b>	
<b>Factor</b>		<b>0.743048</b>			<b>0.717534</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,090,467</b>			<b>\$1,581,159</b>	



	Oct. 2027			Jan. 2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	40	\$ 116,634	15	25	\$ 118,384	15
60-FF Lot	0	\$ -	-	-	\$ -	-
<b>Revenue</b>		<b>\$1,749,515</b>			<b>\$1,775,758</b>	
<i>Tax Expense</i>		<i>\$ (16,319)</i>			<i>\$ (10,352)</i>	
<i>Sales Expense</i>		<i>\$ (26,243)</i>			<i>\$ (26,636)</i>	
<b>Net Income</b>		<b>\$1,706,954</b>			<b>\$1,738,769</b>	
<b>Factor</b>		<b>0.692896</b>			<b>0.669104</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$1,182,742</b>			<b>\$1,163,418</b>	



Meadow Vista Public Improvement District Improvement Area #1

▼

	Apr. 2028		
Lot Type	Units Available	Lot Price	Sales
50-FF Lot	10	\$ 120,160	10
60-FF Lot	-	\$ -	-
Revenue		\$ 1,201,596	
Tax Expense		\$ (2,802)	
Sales Expense		\$ (18,024)	
Net Income		\$ 1,180,770	
Factor		0.649903	
Income Net Present Value (NPV)		\$ 767,386	

▼

Total Net Revenue Over ~13 Quarters	\$30,369,435
Net Present Value (As-Is) at 15% Discount Rate	\$24,804,218
<b>Rounded</b>	<b>\$24,805,000</b>

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

**DISCOUNT CASH FLOW DATA – MEADOW VISTA PID IMPROVEMENT AREA #1 LOTS**  
**(ANNUAL)**

	2025			2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	190	\$ 103,013	45	145	\$ 107,133	60
60-FF Lot	85	\$ 120,540	27	58	\$ 125,362	36
<b>Revenue</b>		<b>\$ 7,890,143</b>			<b>\$ 10,940,998</b>	
<i>Tax Expense</i>		<i>\$ (312,901)</i>			<i>\$ (319,079)</i>	
<i>Sales Expense</i>		<i>\$ (118,352)</i>			<i>\$ (164,115)</i>	
<b>Net Income</b>		<b>\$ 7,458,889</b>			<b>\$ 10,457,804</b>	
<b>Factor</b>		<b>0.948939</b>			<b>0.839707</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 7,078,031</b>			<b>\$ 8,781,490</b>	



	2027			2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	85	\$ 113,561	60	25	\$ 120,148	25
60-FF Lot	22	\$ 132,883	22			
<b>Revenue</b>		<b>\$9,737,091</b>			<b>\$3,003,688</b>	
<i>Tax Expense</i>		<i>\$ (175,958)</i>			<i>\$ (8,755)</i>	
<i>Sales Expense</i>		<i>\$ (146,056)</i>			<i>\$ (45,055)</i>	
<b>Net Income</b>		<b>\$9,415,077</b>			<b>\$2,949,877</b>	
<b>Factor</b>		<b>0.730180</b>			<b>0.676943</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$6,874,700</b>			<b>\$1,996,898</b>	



<b>Total Net Revenue Over ~4 Years</b>	<b>\$30,281,647</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$24,731,118</b>
<b><u>Rounded</u></b>	<b>\$24,740,000</b>

*Note: Annual discount and appreciation calculations are averaged to the middle of the period*

Meadow Vista Public Improvement District Improvement Area #1

**DCF Conclusion (275 Improved 50’ and 60’ Lots in Improvement Area #1)**

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 275 improved lots in Meadow Vista PID IA #1 in a bulk sale transaction would be between \$24,731,118 and \$24,804,218, which is approximately 0.30% different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Meadow Vista PID IA #1 “Upon Completion” with a Prospective Effective Date of April 1, 2025, for 275 improved lots is \$24,805,000 (\$90,200/Lot).**

**INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSIONS**

Using the Discount Cash Flow Analysis to determine the net present value as of the expected construction completion date (April 1, 2025), we have determined the following value for Meadow Vista PID IA #1 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete April 1, 2025	
Meadow Vista PID IA #1 - Phase 1 and 2 275 Improved Lots in IA #1 on 71.042 Acres	\$24,805,000 (\$90,200/Lot)

## RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

*“Resolving the differences among various value indications is called reconciliation.... The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others...Final reconciliation relies on proper application of appraisal techniques and the appraiser’s judgment.”*

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed and developed as part of the scope of work of this assignment. A summary of each approach follows:

### **Cost Approach**

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.

Since the improved single-family residential lots in Meadow Vista PID will be constructed in multiple phases over several years, the Cost Approach is not appropriate and thus was not utilized to value the improved lots in Improvement Area #1. This approach is most beneficial when appraising a proposed or recently built project and is typically used when developed units make up a substantial portion of the entire project.

### **Income (Subdivision Development) Approach**

For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since the problem to be solved is to determine the bulk sale value of 275 improved residential lots in Meadow Vista PID IA #1, as of the substantial completion date, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 275 improved lots “Upon Completion” in Meadow Vista PID IA #1 as of April 1, 2025, is \$24,805,000 (\$90,200/Lot).**

### **Sales Comparison Approach**

For the improved lots, and the paper lots, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots.

Meadow Vista Public Improvement District Improvement Area #1

Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. The property type warranted only a single approach to be developed so our final value conclusion for the subject property is shown below:

FINAL MARKET VALUE CONCLUSION MEADOW VISTA PID IA #1			
	Cost	Sales	Income (Subdivision)
Fee Simple Interest, Complete April 1, 2025			
Improvement Area #1 - Phase 1 and 2	N/A	N/A	\$24,805,000
275 Improved Lots in IA #1 on 71.042 Acres			



**Exposure Time**

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 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. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

**ADDENDA**

## ENGAGEMENT LETTER



Real Estate Brokerage \* Development \* Appraisals \* Property Tax Consulting  
1703 N. Peyco Dr. Arlington, Texas 76001  
Metro 817-467-6803 \* Fax 817-465-7464 \* [www.peycosouthwest.com](http://www.peycosouthwest.com)

March 11, 2024

Mr. R.R. "Tripp" Davenport, III  
Director  
FMSbonds, Inc.  
5 Cowboys Way, Ste. 300-25  
Frisco, Texas 75034  
[tdavenport@fmsbonds.com](mailto:tdavenport@fmsbonds.com)

**SUBJECT:** Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Meadow Vista Public Improvement District" located in the City of Anna, Collin County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

**Purpose of the Assignment** The purpose of the appraisal is to provide an opinion of the "As-Complete" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Anna will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

- a) Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Meadow Vista Public Improvement District ("PID"), and
- b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

Page 1 of 7

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. The report will include an opinion of the fee simple market value of the following:

- **Improvement Area IA#1 with approximately 275 improved residential lots of various sizes on ~71.042-AC to be sold in bulk in Phase #1 and #2 of the Meadow Vista PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - 190 lots of 50-FF sizes, and
  - 85 lots of 60-FF sizes

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be \$17,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. We will require the full fee of \$17,000 prior to the commencement of this appraisal assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates (\$300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates (\$300/hour) for such preparation and presentation of testimony.

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*Meadow Vista Public Improvement District Improvement Area #1*

You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.  
TX-1323658  
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

BY:

FMS Bonds, Inc.

  
Authorized Signature

\_\_\_\_\_  
Name (printed)



#### ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject 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 Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject 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 Subject 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.

The appraisal report and any work product related to the engagement will be 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 Subject 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 Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject 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 Subject 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 Subject 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.

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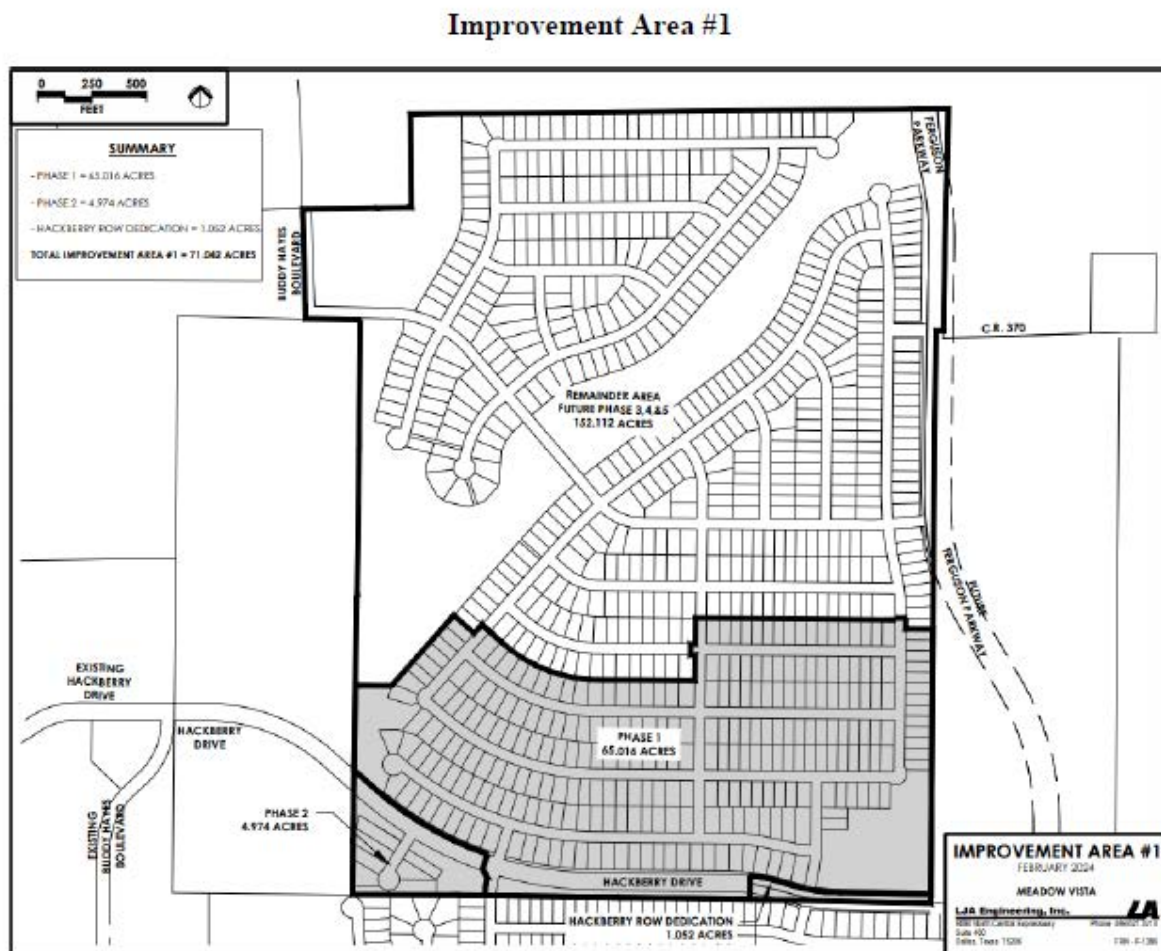
13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property 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 value 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 Subject 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 Property 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. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco 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 Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does 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 assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco 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).
25. 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. Peyco is 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

*Meadow Vista Public Improvement District Improvement Area #1*

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. 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, 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 to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.





**LEGAL DESCRIPTION  
MEADOW VISTA PID – IMPROVEMENT AREA #1**

**LEGAL DESCRIPTION  
IMPROVEMENT AREA NO. 1  
71.042 ACRES**

BEING A 71.042 ACRE TRACT OF LAND SITUATED IN THE FRANCIS T. DUFFAU SURVEY, ABSTRACT NO. 288, CITY OF ANNA, E.T.J., COLLIN COUNTY, TEXAS AND BEING PART OF A 160.197 ACRE TRACT OF LAND CONVEYED TO BLOOMFIELD HOMES, LP, AS RECORDED IN COUNTY CLERK'S FILE NO. 20200117000076380, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS. SAID 71.042 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND DALLAS CORS ARP (PID-DF8984), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTHWEST CORNER OF SAID 160.197 ACRE TRACT AND THE SOUTHEAST CORNER OF A 50.53 ACRE TRACT OF LAND CONVEYED TO TWO-J PARTNERS, LLLP, AS RECORDED IN COUNTY CLERK'S FILE NO. 20080509000562500, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, SAID POINT BEING ON THE NORTH LINE OF CREEKSIDE, PHASE 3, AN ADDITION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 2004-0060537, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, ALONG THE WEST LINE OF SAID 160.197 ACRE TRACT AND THE EAST LINE OF SAID 50.53 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 40 MINUTES 32 SECONDS EAST, A DISTANCE OF 260.50 FEET TO A POINT CORNER;

NORTH 00 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 705.94 FEET TO A POINT FOR CORNER;

THENCE, OVER AND ACROSS SAID 160.197 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89 DEGREES 00 MINUTES 53 SECONDS EAST, A DISTANCE OF 165.62 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 33 MINUTES 55 SECONDS EAST, A DISTANCE OF 434.00 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 125.00 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 33 MINUTES 55 SECONDS EAST, A DISTANCE OF 55.00 FEET TO A POINT FOR CORNER;

*Meadow Vista Public Improvement District Improvement Area #1*

SOUTH 48 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 41 DEGREES 33 MINUTES 55 SECONDS WEST, A DISTANCE OF 2.23 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 70.00 FEET TO A POINT FOR CORNER;

SOUTH 50 DEGREES 19 MINUTES 56 SECONDS EAST, A DISTANCE OF 58.40 FEET TO A POINT FOR CORNER;

SOUTH 55 DEGREES 30 MINUTES 47 SECONDS EAST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

SOUTH 61 DEGREES 14 MINUTES 33 SECONDS EAST, A DISTANCE OF 70.40 FEET TO A POINT FOR CORNER;

SOUTH 66 DEGREES 58 MINUTES 20 SECONDS EAST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

SOUTH 72 DEGREES 12 MINUTES 13 SECONDS EAST, A DISTANCE OF 58.68 FEET TO A POINT FOR CORNER;

SOUTH 77 DEGREES 26 MINUTES 05 SECONDS EAST, A DISTANCE OF 64.54 FEET TO A POINT FOR CORNER;

SOUTH 83 DEGREES 09 MINUTES 52 SECONDS EAST, A DISTANCE OF 70.40 FEET TO A POINT FOR CORNER;

SOUTH 87 DEGREES 47 MINUTES 45 SECONDS EAST, A DISTANCE OF 38.68 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 447.87 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 26 MINUTES 16 SECONDS WEST, A DISTANCE OF 20.50 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 20.50 FEET TO A POINT FOR CORNER;

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Page 2 of 4



NORTH 00 DEGREES 33 MINUTES 44 SECONDS EAST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 920.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 00 DEGREES 29 MINUTES 19 SECONDS, A RADIUS OF 975.00 FEET AND A LONG CHORD THAT BEARS NORTH 00 DEGREES 15 MINUTES 49 SECONDS EAST, A DISTANCE OF 8.32 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 8.32 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 58 MINUTES 51 SECONDS EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 32 MINUTES 35 SECONDS, A RADIUS OF 1025.00 FEET AND A LONG CHORD THAT BEARS SOUTH 00 DEGREES 17 MINUTES 27 SECONDS WEST, A DISTANCE OF 9.72 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 9.72 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, A DISTANCE OF 40.28 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 26 MINUTES 16 SECONDS EAST, A DISTANCE OF 125.01 FEET TO A POINT FOR CORNER ON THE EAST LINE OF SAID 160.197 ACRE TRACT AND THE WEST LINE OF A 111.666 ACRE TRACT OF LAND CONVEYED TO ANACAPRI LAGUNA AZURE, LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 20210405000666850, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, SOUTH 00 DEGREES 33 MINUTES 44 SECONDS WEST, ALONG THE EAST LINE OF SAID 160.197 ACRE TRACT AND THE WEST LINE OF SAID 111.666 ACRE TRACT, AT 1224.02 FEET PASS THE EASTERLY MOST SOUTHEAST CORNER OF SAID 160.197 ACRE TRACT AND THE NORTHEAST CORNER OF A 1.052 ACRE RIGHT-OF-WAY DEDICATION TO THE CITY OF ANNA, AS RECORDED IN COUNTY CLERK'S FILE NO. 20191220001627030, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, IN ALL TOTAL DISTANCE 1264.02 FEET TO A 5/8" IRON ROD WITH CAP MARKED "J.E. SMITH 3700" FOUND FOR THE SOUTHEAST CORNER OF SAID 1.052 ACRE TRACT;

THENCE, NORTH 88 DEGREES 46 MINUTES 28 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 1.052 ACRE TRACT, A DISTANCE OF 803.28 FEET TO A 5/8" IRON ROD FOUND FOR THE NORTHEAST CORNER OF THE FALLS, PHASE 2, AS SHOWN ON PLAT RECORDED IN CABINET P, PAGE 870, PLAT RECORDS, COLLIN COUNTY, TEXAS;

[https://ljaeng-my.sharepoint.com/personal/mrodemers\\_lja\\_com/Documents/Documents/0077PID-PHASE1,2,HACKBERRY ROW.docx](https://ljaeng-my.sharepoint.com/personal/mrodemers_lja_com/Documents/Documents/0077PID-PHASE1,2,HACKBERRY ROW.docx)  
Page 3 of 4

THENCE, NORTH 89 DEGREES 00' 01" WEST, ALONG THE SOUTH LINE OF SAID 1.052 ACRE TRACT AND THE NORTH LINE OF SAID THE FALLS, PHASE 2, AT 30.00 FEET PASS THE SOUTHWEST CORNER OF SAID 1.052 ACRE TRACT AND THE SOUTHERLY MOST SOUTHEAST CORNER OF SAID 160.197 ACRE TRACT IN ALL TOTAL DISTANCE 642.81 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER IN THE NORTH LINE OF SAID THE FALLS, PHASE 2, AND IN THE SOUTH LINE OF SAID 160.197 ACRE TRACT;

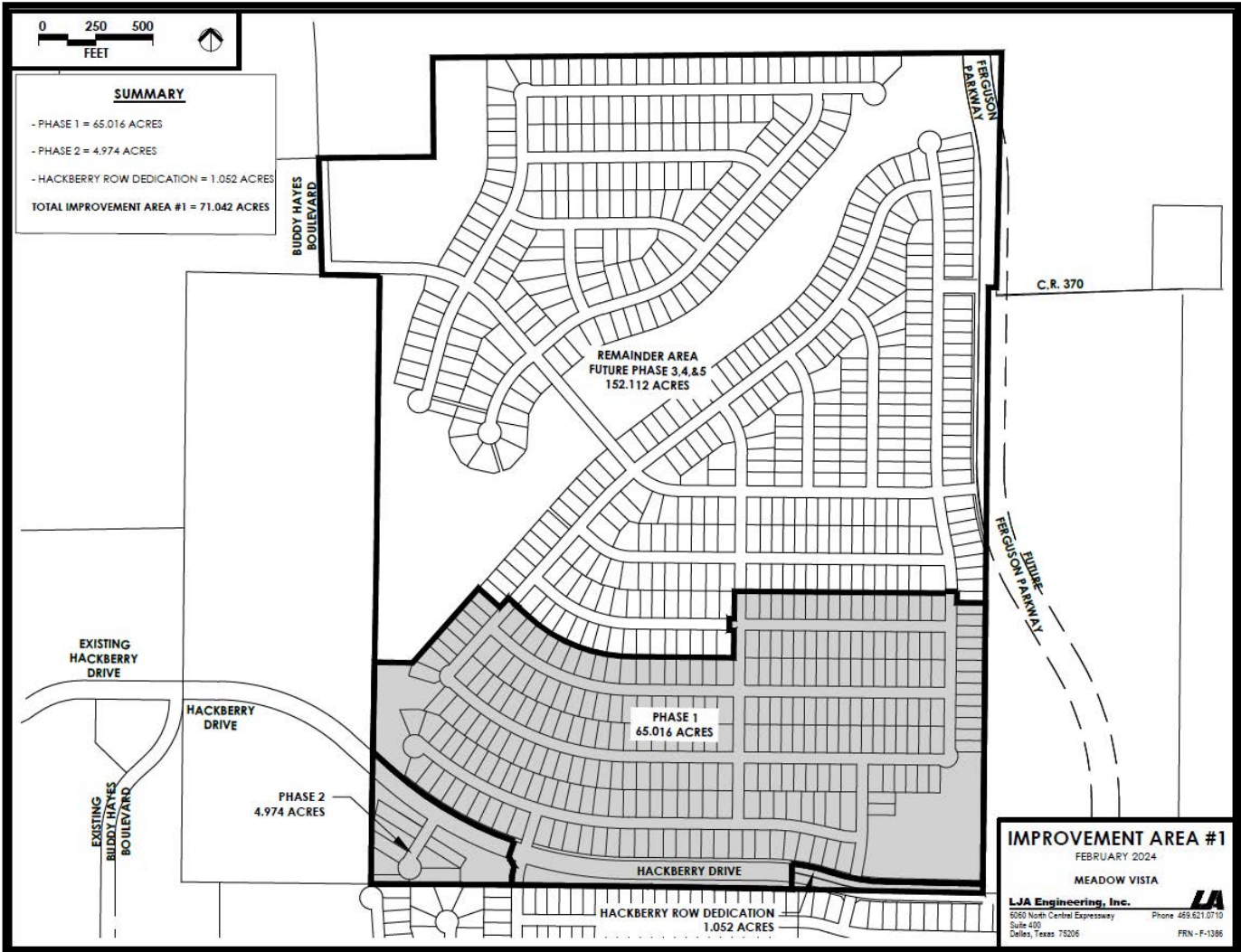
THENCE, CONTINUING ALONG SAID SOUTH LINE OF 160.197 ACRE TRACT AND SAID NORTH LINE OF THE FALLS, PHASE 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 04 MINUTES 18 SECONDS WEST, A DISTANCE OF 13.58 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 18 MINUTES 16 SECONDS WEST, A DISTANCE OF 715.12 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, A DISTANCE OF 492.18 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 71.042 ACRES, OR 3,094,614 SQUARE FEET OF LAND.

IMPROVEMENT AREA #1 – LJA ENGINEERING, INC.  
FEBRUARY 2024



### **ASSUMPTIONS AND LIMITING CONDITIONS**

This report is subject to the following assumptions and limiting conditions:

- 1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.
- 7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered "to-be-built" improvements.

- 11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 12) We have made no survey of the property and assume no responsibility in connected 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.
- 13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
- 14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.
- 16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.
- 18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.



- 19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.
- 20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
- 21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.
- 22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

## **EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Prospective Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently incomplete for Improvement Area #1 as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the Developers Agreement between Bloomfield Homes, L.P. and the City of Anna dated July 19, 2023, and the engineering plans published by LJA Engineering, Inc. as of February 27, 2024, for 275 improved residential lots in Meadow Vista PID IA #1.
- All information relative to the property located within Meadow Vista PID IA #1 including land areas, lot totals, lot sizes, and other pertinent data that was provided by Bloomfield Homes LP (Owner/Developer), LJA Engineering, Inc. (Professional Engineers and Surveyor), the City of Anna, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected prospective completion date of April 1, 2025 for Improvement Area #1; therefore, this report contains a prospective opinion of value. Considering this, 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 global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

We are not qualified to detect or identify hazardous substances, which may or may not be present on or near this property. The presence of hazardous materials may negatively affect value. We have valued the subject property as though it was free of hazardous materials. We urge the user of this report to obtain the services of a specialist for the purpose of conducting an environmental audit to ensure that the subject property is free of hazardous materials.

## **ENVIRONMENTAL ASSUMPTIONS**

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled, and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

## **DEFINITIONS**

### **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.

### **Leased Fee Interest**

The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

### **Leasehold Interest**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

### **Market Value**

*Market value* means 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.

The value conclusions expressed within this report are in terms of cash (\$US).

**Extraordinary assumptions** are assignment-specific assumptions 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.

**Hypothetical condition** 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.

### **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 valued 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.

### **Prospective Market Value “As Completed” and “As Stabilized”**

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property’s market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4\* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

### **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 valuable 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.”

### **Neighborhood**

- (1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
- (2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

### **Depreciation**

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset’s life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

#### *Physical Deterioration*

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

## *Meadow Vista Public Improvement District Improvement Area #1*

### *Functional Obsolescence*

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

### *External Obsolescence*

According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is “*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*”

### **Paper Lot**

Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

### **Definition Sources:**

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

*Meadow Vista Public Improvement District Improvement Area #1*

**JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

**EDUCATION:**

Graduate North Quincy High School, Quincy, Massachusetts, 1976  
Bachelor of Science in Business Administration (with Honors)  
Northeastern University, Boston Massachusetts, 1981  
Major: Accounting Minor: Marketing

**TECHNICAL TRAINING:**

Institute of Real Estate Management Courses:  
#303 - Leasing and Management of Shopping Center and Retail Space  
#400 - Managing Real Estate as an Investment  
#500 - Problem-Solving & Decision-Making for the Property Manager  
#800 - Ethics in Real Estate Management  
University of Texas at Arlington: Real Estate Courses:  
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;  
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;  
RE 501 Texas Real Estate Law; RE 701 Property Management  
East Texas Baptist University:  
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:  
USPAP Update  
Texas Association of Property Tax Professionals, Inc.:  
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law  
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997  
TREC Licensed Instructor – Commercial Investment Course, CEI 1998  
Continuing Education Institute:  
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update  
Institute for Real Estate Professionals, Inc.  
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007  
Texas Association of Realtors:  
Tarrant County Appraisal Review Board Member (1991-1992)

**PROFESSIONAL AFFILIATIONS:**

Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G since 1992  
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993  
Texas Real Estate Broker's License, No. 375882 since 1989  
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception  
Texas Property Tax Arbitrator #32020394139 since 2006  
Tarrant Appraisal Review Board Member 1991-1992 Appointment  
City of Arlington - Planning and Zoning – Commissioner 1997-2003 (Appointed by Mayor and City Council)  
American Planning Association – Member 1997 to 2003  
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014  
– Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board  
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007  
Levitt Pavilion – Board of Directors since 2014

**EXPERIENCE:**

Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June, 1986.  
Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.





## *Meadow Vista Public Improvement District Improvement Area #1*

### **LESLIE TOLLIVER - STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER**

#### **EDUCATION:**

MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)

Bachelor of Science in Business Administration - *University of Phoenix*

Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

#### **TECHNICAL TRAINING:**

*Appraisal Institute* – 300 hours of qualifying education for the Certified General Appraiser license

*University of Texas in Arlington* – 180 hours of qualifying education for the Texas Real Estate License

*Southern Methodist University* – qualifying education for the Texas Comptroller Arbitrator registry

#### **PROFESSIONAL AFFILIATIONS:**

*Texas Appraiser Licensing and Certification Board* – State Certified Residential Appraiser No. TX-1361274

*Texas Real Estate Commission* – Real Estate Broker License, No. 0468343

#### **EXPERIENCE:**

- 7 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty*, *Aloft Appraisals*, and *G.S. Zachary Company*
  - Residential appraisals – area of expertise is in north Texas region; FHA certified
  - Commercial appraisals - throughout the states of Texas and Oklahoma
- 24 Years' experience as a residential and commercial real estate broker for multiple firms
  - *Savage Realty Investments* – Founding President
    - Negotiated contracts for clients in over \$50 million dollars of real estate transactions
    - Managed and trained over 25 Real Estate Agents
  - *Fathom Realty* – Broker Team Leader
    - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 24 Years' experience as a Property Tax Consultant
  - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 9 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
  - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
  - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
  - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
  - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
  - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
  - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
  - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients



## **Certified Residential Real Estate Appraiser**

**Appraiser: Leslie Elizabeth Tolliver**

**License #: TX 1361274 R**

**License Expires: 06/30/2024**

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 Residential Real Estate Appraiser**

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

**Chelsea Buchholtz  
Commissioner**

## Meadow Vista Public Improvement District Improvement Area #1

**BRANDON BRICE – APPRAISER TRAINEE**

**EDUCATION:**

Bachelor of Science in General Business/Marketing, 2006 Oklahoma State University  
Master of Science in Sport Administration, 2012 Georgia State University

## TECHNICAL TRAINING:

- Basic Residential Appraisal Principles (QE) – 30 hours
- Basic Residential Appraisal Procedures (QE) – 30 hours
- Residential Market Analysis & Highest & Best Use (QE) – 15 hours
- 2022-2023 15 Hour National USPAP Course (QE) – 15 hours
- Appraising for the Supervisor and Trainee – 4 hours
- Residential Inspection for Real Estate Agents (SAE) – 30 hours
- Real Estate Investment (SAE) – 30 hours
- Property Management (SAE) – 30 hours
- Legal Update I and II (CE)- 8 hours
- Law of Agency (QE) – 30 hours
- Law of Contracts (QE) – 30 hours
- Principals of Real Estate I and II (QE) – 60 hours
- Promulgated Contracts Forms (QE) – 30 hours
- Real Estate Finance (QE) – 30 hours
- Practicing Affiliate, Appraisal Institute – since 2023

### APPRAISAL EXPERIENCE:

April 2023- Present

Appraiser Trainee with Trent Blanchard Appraisers, Arlington TX

- Onsite appraisals on single family, manufactured homes, townhomes, and vacant land
- Utilize technology via Ala mode for mobile app in the field to upload pictures, draw sketches and take comparable sales pictures to increase efficiency, accuracy and ensure reports compliant with USPAP guidelines.
- Texas Appraiser Trainee - #1343748

**WORK EXPERIENCE:**

Real Estate Investor	Dallas/Fort Worth, TX	05/2021- Present
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Purchase and renovate distressed properties for the purpose of renting or selling. Managing full home restoration projects under tight deadlines and budgets. Managing all pre-contract, due diligence, financing, closing and post- closing processes (via DocuSign) on all real estate transactions as an investor.

Realtor – Sales Agent                      Dallas/Fort Worth, TX                      05/2021- Present

Real Estate agent focused on lead generation, appointment setting and follow-up. Concentration on client's needs and providing solutions to assist in closing transactions. Proficient at negotiating deals, listing properties, and finding buyers

American Heart Association	Dallas, TX	02/2020-04/2021
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Corporate Market Director

Coordinated with prospective donors to receive corporate sponsorships and initiate matching gift campaigns to achieve fundraising goals. Fundraised \$300,000+ during a 3-month time frame to support the AHA mission. Worked closely with team members to deliver project requirements, develop solutions, and meet deadlines.



*Meadow Vista Public Improvement District Improvement Area #1*

**BRANDON LAWSON – APPRAISER TRAINEE**

**EDUCATION:**

Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)

Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)

Graduate *Arlington Martin High School*, Arlington, Texas, 2017

**TECHNICAL TRAINING:**

- Basic Appraisal Principles (QE) – 30 hours
- Basic Appraisal Procedures (QE) – 30 hours
- 2024-2025 15 Hour National USPAP Course (QE) – 15 hours
- Appraising for the Supervisor and Trainee – 4 hours
- Law of Agency (QE) – 30 hours
- Law of Contracts (QE) – 30 hours
- Principals of Real Estate I and II (QE) – 60 hours
- Promulgated Contracts Forms (QE) – 30 hours
- Real Estate Finance (QE) – 30 hours
- Practicing Affiliate, Appraisal Institute – since 2023
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**PROFESIONAL AFFILIATIONS:**

*Texas Appraiser Licensing and Certification Board* – Appraisal Trainee No. TX-1343865

**APPRAISER EXPERIENCE**

July 2023-Present

Appraiser Associate/Trainee with *Peyco Southwest Realty*, Arlington TX

- Commercial Appraisals – throughout the state of Texas



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# THE CITY OF **Anna**



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