

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 federal income tax purposes under existing statutes, regulations, published rulings and court decisions existing on the date of such opinion, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.

**\$6,552,000***

**TOWN OF PROVIDENCE VILLAGE, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)**

Dated Date: Delivery Date (defined below)**Interest to Accrue from Delivery Date****Due: September 1, as shown on the inside cover**

The Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project) (the “Bonds”), are being issued by the Town of Providence Village, Texas (the “Town”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing March 1, 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 U.S. Bank Trust Company, National Association, Dallas, Texas, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The Bonds are being issued by the Town 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 Town Council of the Town (the “Town Council”) on August 6, 2024, and an Indenture of Trust, dated as of August 1, 2024 (the “Indenture”), entered into by and between the Town and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for the purposes of (1) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (2) funding a reserve fund for payment of principal and interest on the Bonds, (3) paying a portion of the cost incidental to the organization and administration of the District, and (4) paying the costs of issuance. See “THE IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

The Bonds Similarly Secured, which includes the Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the Town payable solely from and secured by the Pledged Revenues, consisting primarily of the Improvement Area #1 Assessments (as defined herein) levied against assessed parcels in Improvement Area #1 of the Foree Ranch Public Improvement District (the “District”), in accordance with the Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The “Bonds Similarly Secured” consist of the Bonds and any series of bonds issued to refund all or a portion of the Bonds. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS SIMILARLY SECURED.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE TOWN AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED 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 TOWN OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE TOWN’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE TOWN SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS SIMILARLY SECURED.”

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 Town and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Winstead PC, 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 Town by its general counsel, Messer & Fort, PLLC, for the Underwriter by its counsel, Norton Rose Fulbright US LLP, and for the Developer by its counsel, Coats Rose, P.C. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about August 29, 2024 (the “Delivery Date”).

FMSbonds, Inc.

* Preliminary; subject to change.

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

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

CUSIP Prefix: _____^(a)

\$6,552,000*

TOWN OF PROVIDENCE VILLAGE, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

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

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

-
- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The Town, the Town's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
- (b) The Town reserves the right and option to redeem Bonds maturing on or after September 1, 20 __, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20 __, such redemption date or dates to be fixed by the Town, at the redemption price of 100% of principal amount thereof, plus accrued interest to the date of redemption, as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

* Preliminary; subject to change.

TOWN OF PROVIDENCE VILLAGE, TEXAS

TOWN COUNCIL

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Linda Inman	Mayor	2026
Kelly Nelson	Mayor Pro-Tem, Place 1	2026
Stephen Benton	Place 2	2026
Klayton Rutherford	Place 3	2025
Dustin Clay	Place 4	2026
Jeff Doramus	Place 5	2025
Wes Dautrich	Place 6	2026

TOWN MANAGER

Brian Roberson

TOWN SECRETARY

Hilary McConnell

FINANCE ADMINISTRATOR

Jenny Sawyers

PID ADMINISTRATOR

MuniCap, Inc.

FINANCIAL ADVISOR TO THE TOWN

Hilltop Securities, Inc.

BOND COUNSEL

Winstead PC

UNDERWRITER'S COUNSEL

Norton Rose Fulbright US LLP

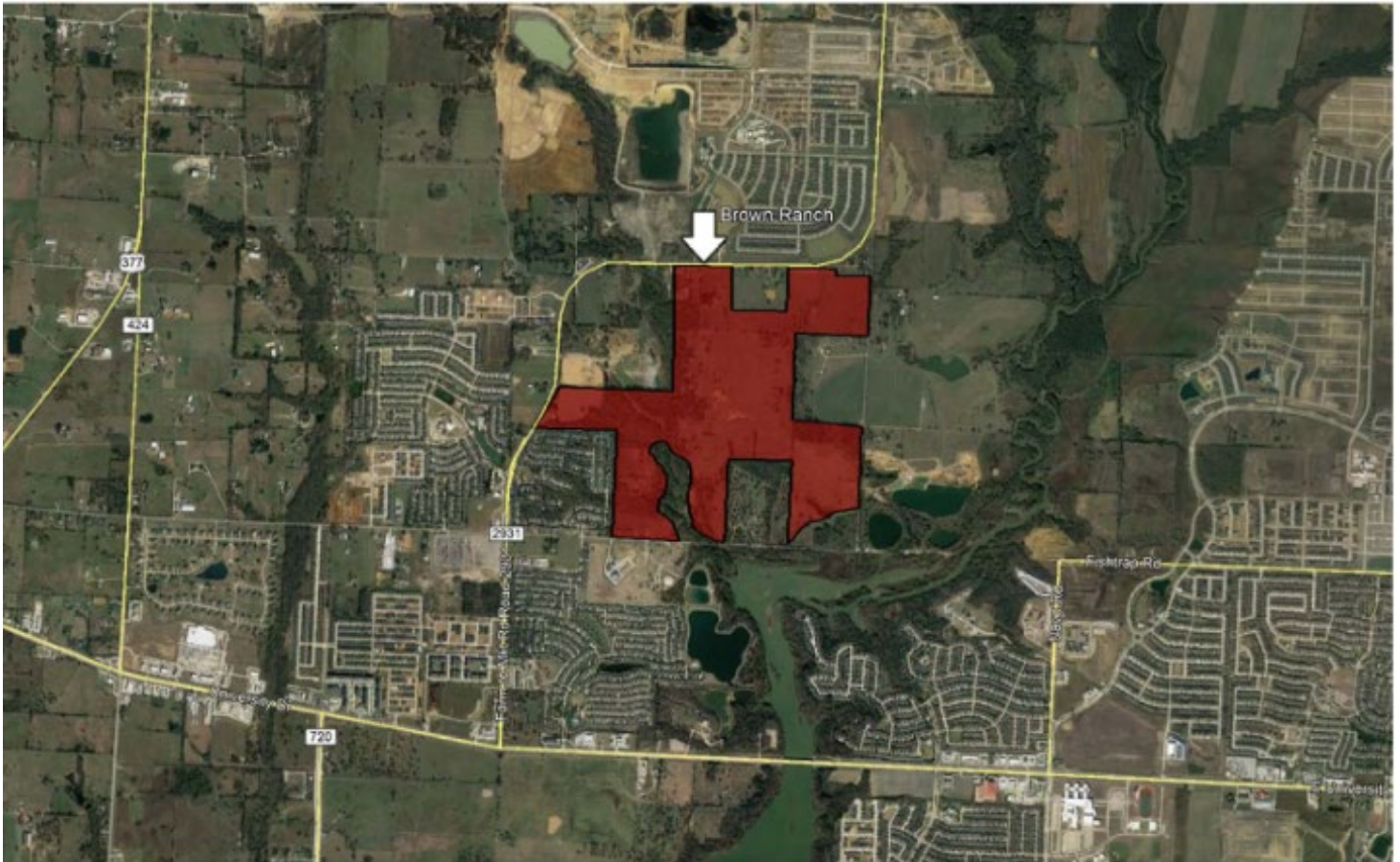
For additional information regarding the Town, please contact:

Brian Roberson
Town Manager
Town of Providence Village
1755 Main Street
Providence Village, TX 76227
Phone: (940) 365-9333
broberson@pvtx.gov

Andre Ayala
Managing Director
Hilltop Securities Inc.
717 N. Hardwood St., Suite 3500
Dallas, TX 75201
Phone: (214) 953-4000
andre.ayala@hilltopsecurities.com

Jim Sabonis
Managing Director
Hilltop Securities Inc.
717 N. Hardwood St., Suite 3500
Dallas, TX 75201
Phone: (214) 953-4000
jim.sabonis@hilltopsecurities.com

AREA LOCATION OF THE DISTRICT



MAP SHOWING CONCEPT PLAN OF THE DISTRICT

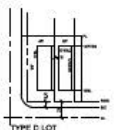
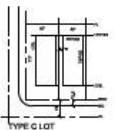
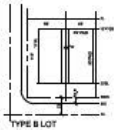
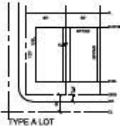
CONCEPT PLAN

- PRODUCT TYPE A-1
60' x 120' - 41 UNITS
- PRODUCT TYPE A
50' x 120' - 332 UNITS
- PRODUCT TYPE B
45' x 115' - 324 UNITS
- PRODUCT TYPE C
40' x 110' 555 UNITS
- PRODUCT TYPE D
30' x 95' 186 UNITS

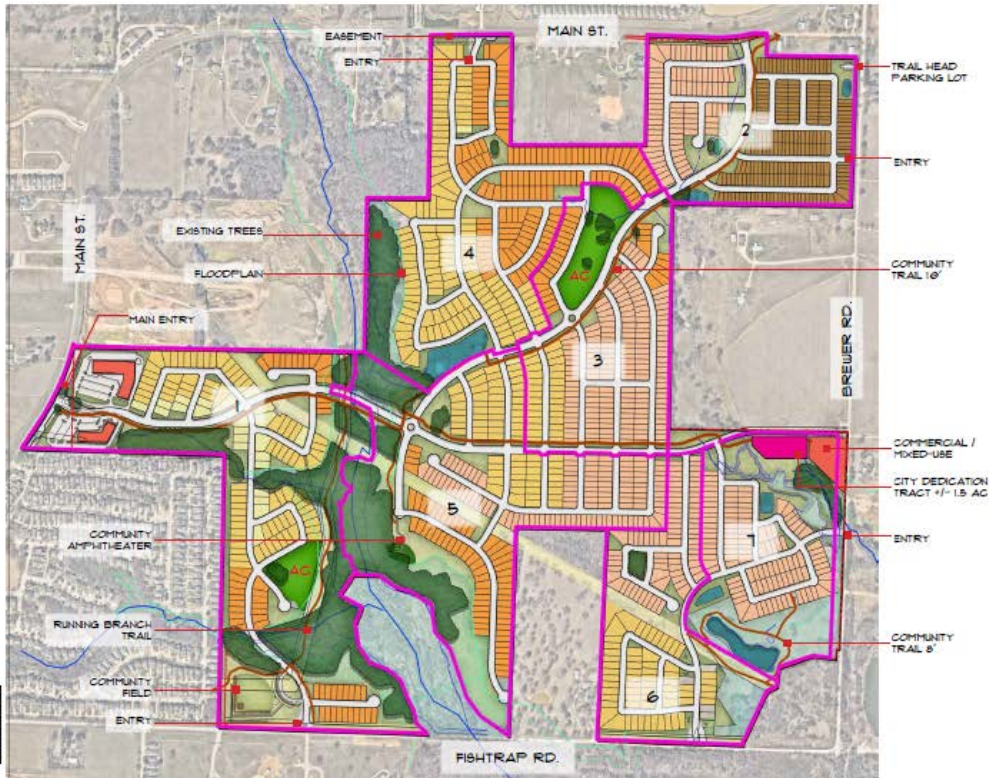
- AMENITY CENTER
- COMMERCIAL
- CITY DEDICATION TRACT

419.64 AC PROPERTY

PHASING PLAN



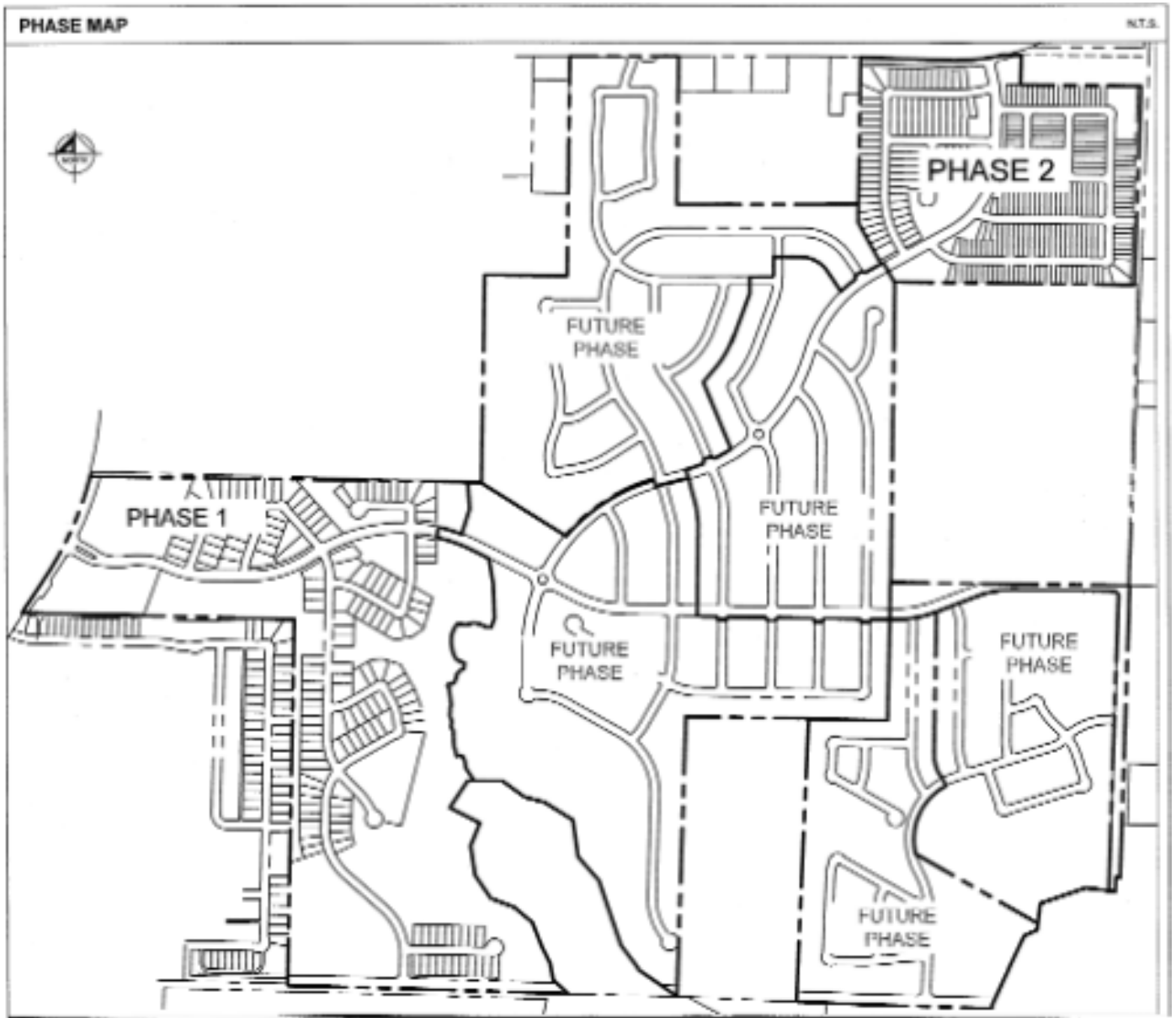
Product Type	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
TYPE A-1 (41 UNITS)	41	20	21	0	0	0	0
TYPE A (332 UNITS)	332	166	166	0	0	0	0
TYPE B (324 UNITS)	324	162	162	0	0	0	0
TYPE C (555 UNITS)	555	277	278	0	0	0	0
TYPE D (186 UNITS)	186	93	93	0	0	0	0
Total	1498	748	750	0	0	0	0



The Ranch
December, 2021

LENNAR Kimley **Horn**

MAP OF IMPROVEMENT AREA #1



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, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE TOWN WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE TOWN 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 TOWN OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

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

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE TOWN AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE TOWN 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 TOWN OR THE DEVELOPER SINCE THE DATE HEREOF.

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE

UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. TOWN NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS TO REQUEST THAT THE DEVELOPER PROVIDE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

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

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

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

(REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK.)

TABLE OF CONTENTS

INTRODUCTION	1	Assessment Amounts.....	26
PLAN OF FINANCE	2	Prepayment of Assessments	27
Development Plan	2	Reduction of Assessments.....	28
Development Agreement.....	3	Priority of Lien	28
Construction Agreement and Option		Foreclosure Proceedings.....	28
Agreement.....	3	THE TOWN	29
Reimbursement Agreement.....	3	Background	29
Home Development within the District.....	4	Town Government.....	29
Future Bond Financings and Refunding		THE DISTRICT	29
Bonds.....	4	General	29
The Bonds	4	Powers and Authority of the Town.....	30
LIMITATIONS APPLICABLE TO INITIAL		THE IMPROVEMENTS	30
PURCHASERS	4	General	30
DESCRIPTION OF THE BONDS	5	Major Improvements	30
General Description.....	5	Improvement Area #1 Improvements.....	31
Redemption Provisions.....	6	Costs of Improvement Area #1	
BOOK-ENTRY-ONLY SYSTEM	8	Improvements.....	31
SECURITY FOR THE BONDS SIMILARLY		Ownership and Maintenance of	
SECURED.....	10	Improvement Area #1	
General	10	Improvements.....	32
Pledged Revenues.....	10	THE DEVELOPMENT	33
Collection and Deposit of Improvement		Overview	33
Area #1 Assessments.....	11	Development Plan	33
Unconditional Levy of Improvement		Development Agreement.....	35
Area #1 Assessments.....	12	Reimbursement Agreement.....	35
Perfected Security Interest.....	12	Construction Agreement and Option	
Pledged Revenue Fund.....	13	Agreement.....	35
Bond Fund	13	Additional Improvements and HOA	
Project Fund	14	Amenities	36
Reserve Account of the Reserve Fund.....	15	Capital at Risk	36
Administrative Fund.....	16	Education.....	37
Defeasance.....	16	Environmental	37
Events of Default.....	17	Mineral Rights.....	38
Remedies in Event of Default.....	18	Utilities	38
Restriction on Owner’s Actions	18	THE DEVELOPER	38
Application of Revenues and Other		General	38
Moneys after Event of Default	19	Description of the Developer.....	38
Investment or Deposit of Funds.....	19	Executive Biography of Developer’s	
Against Encumbrances	19	Principals.....	39
Other Obligations or Other Liens;		History and Financing of the District	39
Refunding Bonds.....	20	PID ADMINISTRATOR.....	39
SOURCES AND USES OF FUNDS ⁽¹⁾	20	BONDHOLDERS’ RISKS.....	40
DEBT SERVICE REQUIREMENTS ⁽¹⁾	21	Deemed Representations and	
OVERLAPPING TAXES AND DEBT.....	22	Acknowledgment by Purchasers	41
ASSESSMENT PROCEDURES.....	24	Assessment Limitations.....	42
General	24	No Credit Rating	43
Assessment Methodology.....	24	Recent Changes in State Law Regarding	
Collection and Enforcement of		Public Improvement Districts.....	43
Assessment Amounts	25	Risks Related to the Current Real Estate	
		Market	44

General Risks of Real Estate Investment and Development.....	44	SUITABILITY FOR INVESTMENT	54
Risks Related to Recent Increase in Costs of Building Materials.....	45	ENFORCEABILITY OF REMEDIES	54
Adverse Developments Affecting the Financial Services Industry	45	NO RATING	54
Competition.....	45	CYBERSECURITY RISKS	54
Loss of Tax Exemption	45	CONTINUING DISCLOSURE.....	54
Lien Foreclosure and Bankruptcy.....	46	The Town	54
Direct and Overlapping Indebtedness, Assessments and Taxes	46	The Town’s Compliance with Prior Undertakings	55
Depletion of Reserve Account of the Reserve Fund.....	46	The Developer	55
Regulation	46	The Developer’s Compliance with Prior Undertakings	55
Hazardous Substances	46	UNDERWRITING	55
Regulation	47	REGISTRATION AND QUALIFICATION OF BONDS FOR SALE.....	56
100-Year Flood Plain	47	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	56
Exercise of Mineral Rights.....	47	INVESTMENTS	56
Bondholders’ Remedies and Bankruptcy	47	INFORMATION RELATING TO THE TRUSTEE.....	58
Judicial Foreclosures	49	SOURCES OF INFORMATION	59
No Acceleration.....	49	General	59
Limited Secondary Market for the Bonds.....	49	Source of Certain Information.....	59
Management and Ownership	49	Experts.....	59
Availability of Utilities.....	49	Updating of Limited Offering Memorandum	59
Dependence upon Developer.....	49	FORWARD-LOOKING STATEMENTS	60
TAX MATTERS	50	AUTHORIZATION AND APPROVAL.....	60
Opinion.....	50	APPENDIX A General Information Regarding the Town and Surrounding Area	
Federal Income Tax Accounting Treatment of Original Issue Discount	50	APPENDIX B Form of Indenture	
Collateral Federal Income Tax Consequences	51	APPENDIX C Form of Service and Assessment Plan	
State, Local and Foreign Taxes	52	APPENDIX D Form of Opinion of Bond Counsel	
Information Reporting and Backup Withholding.....	52	APPENDIX E-1 Form of Disclosure Agreement of Issuer	
Future and Proposed Legislation	52	APPENDIX E-2 Form of Disclosure Agreement of Developer	
LEGAL MATTERS	52	APPENDIX F Reimbursement Agreement	
Legal Proceedings	52		
Legal Opinions	52		
Litigation — The Town.....	53		
Litigation — The Developer.....	53		

PRELIMINARY LIMITED OFFERING MEMORANDUM

\$6,552,000*

TOWN OF PROVIDENCE VILLAGE, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the Town of Providence Village, Texas (the “Town”), of its \$6,552,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Foree Ranch 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. 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, 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 Town pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the Town Council of the Town (the “Town Council”) on August 6, 2024 (the “Bond Ordinance”), and an Indenture of Trust, dated as of August 1, 2024 (the “Indenture”), expected to be entered into by and between the Town and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Improvement Area #1 Assessments”) levied pursuant to a separate ordinance adopted by the Town Council on March 19, 2024 (the “Assessment Ordinance”) against assessed parcels located within Improvement Area #1 (as defined herein) (the “Assessed Property”) of the Foree Ranch Public Improvement District (the “District”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

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

Set forth herein are brief descriptions of the Town, the District, the Developer (as defined herein), the PID Administrator (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreement (as defined herein), the Construction Agreement (as defined herein), the Option Agreement (as defined herein) and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The form of Indenture appears in APPENDIX B and the form of Service and Assessment

* Preliminary; subject to change.

Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

In December 2021, Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”) acquired the property comprising the District for a long-term residential development project from multiple sellers. On February 25, 2022, KLLB AIV LLC, a Delaware limited liability company (“KLLB”), acquired the property from the Developer pursuant to a purchase and sale agreement, and the Developer and KLLB concurrently entered into a construction agreement (the “Construction Agreement”), pursuant to which the Developer, among other things, agreed to construct the improvements in the District. The Developer and KLLB also concurrently entered into an Option Agreement (the “Option Agreement”) whereby KLLB grants an exclusive option to the Developer to acquire the lots in the District from KLLB once the Developer completes the improvements on the lots. See “THE DEVELOPER — History and Financing of the District.” Other than the contractual relationship between KLLB and the Developer, there is no affiliation between the two entities.

The District consists of approximately 419.13 acres making up the master planned community known as Foree Ranch (the “Development”). The Developer expects the District to include approximately 1,450 single-family homes. Phase 1 (“Phase 1”) and phase 2 (“Phase 2”) of development (together comprising “Improvement Area #1”) are expected to include approximately 455 single-family homes consisting of two hundred and fifteen (215) 30’ lots, eighty six (86) 40’ lots, forty nine (49) 45’ and one hundred and five (105) 50’ lots on approximately 141.61 acres. The proposed remaining 995 single-family homes, consisting of four hundred and seventy four (474) 40’ lots, two hundred and twenty eight (228) 45’ lots and two hundred and ninety three (293) 50’ lots are expected to be developed in five subsequent phases (respectively, “Phase 3,” “Phase 4,” “Phase 5,” “Phase 6,” and “Phase 7”), which are expected to compromise one or more additional improvement areas (the “Remainder Area”). The Developer began construction of the improvements required to provide streets, drainage, water and wastewater to the lots within Improvement Area #1 of the Development (the “Improvement Area #1 Improvements”) in May of 2022 and expects to complete the improvements in the third quarter of 2024, such Improvement Area #1 Improvements only benefiting Improvement Area #1. The Improvement Area #1 Improvements are described in “THE IMPROVEMENTS” herein. See also “THE DEVELOPMENT.” The concept plan for the District is shown in the “MAP SHOWING CONCEPT PLAN OF THE DISTRICT” on page iii, and the layout of Improvement Area #1 is shown on “MAP OF IMPROVEMENT AREA #1” on page iv.

The Developer will also construct improvements that will benefit all of the Assessed Property within in the District (the “Major Improvements”). The pro rata portion of the Major Improvements allocable to Improvement Area #1 will be financed through Developer corporate cash funding and will not be reimbursed to the Developer using proceeds of the Bonds. See “THE IMPROVEMENTS – Major Improvements.”

In addition to the Improvement Area #1 Improvements and the Major Improvements, the Developer will construct (i) a baseball field, a bridge and the Running Branch Trail (as defined in the herein defined Development Agreement) that will be owned by the Town to serve the entire District (the “Additional Improvements”); and (ii) certain private amenities, including a primary amenity center, a secondary amenity center, an amphitheater, a fishing pond, a calf roping park and the remaining portions of the trails depicted on the Open Space and Trail Plan (as set forth in the Development Agreement) other than Running Branch Trail (the “HOA Amenities”) which will be dedicated to and maintained by the Homeowners’ Association (as defined herein). The costs of the Additional Improvements and the HOA Amenities will be financed through Developer corporate cash funding and will not be reimbursed by the Town. See “THE DEVELOPMENT — Development Plan, “— Development Agreement” and “— Additional Improvements and HOA Amenities.”

The table below summarizes the estimated budgeted cost for each type of Additional Improvement and HOA Amenity benefiting the District. The Additional Improvements and HOA Amenities that will be included in each of the anticipated phases of the Development are expected to be completed at the same time as each Phase is completed. To date, no Developer funds have been spent on construction of the Additional Improvements and the HOA Amenities.

<u>Total Budgeted Costs</u>⁽¹⁾	
<u>Type of Improvement</u>⁽²⁾	<u>Budgeted Cost</u>
Additional Improvements	\$3,421,180
HOA Amenities	12,637,945
Major Improvements	17,368,106
Total Budgeted Costs	\$33,427,240

(1) Estimates, subject to change.

(2) The Additional Improvements and HOA Amenities are intended to serve the entire District. The Additional Improvements and the HOA Amenities will be funded by the Developer. The HOA Amenities, the Additional Improvements and Improvement Area #1’s allocable portion of the Major Improvements are not subject to reimbursement by the Town.

Development Agreement

The Town and the Developer entered into the Development Agreement, effective as of November 30, 2021 (the “Development Agreement”) establishing a concept and phasing plan, development standards and certain commitments and obligations to be imposed and made in connection with development of the District. In addition to expressing the Town’s intent to reimburse the Developer for the cost of constructing the Authorized Improvements and establishing the development standards for the property, the Development Agreement established a maximum equivalent tax rate for each lot classification identified in the Service and Assessment Plan equal to \$0.37 per \$100 of the taxable assessed valuation at the time of issuance of the Bonds. See “THE DEVELOPMENT – Development Agreement.”

Construction Agreement and Option Agreement

Developer and KLLB concurrently entered into the Construction Agreement, pursuant to which the Developer, among other things, agreed to construct the Improvement Area #1 Improvements and the Major Improvements in the District including the single-family lots and the Additional Improvements and HOA Amenities. KLLB will reimburse the Developer for the costs actually expended by the Developer to construct the Improvement Area #1 Improvements, the Major Improvements, the Additional Improvements and HOA Amenities in the District.

The Developer and KLLB also concurrently entered into an Option Agreement whereby KLLB grants an exclusive option to the Developer to acquire the completed lots from KLLB once the Developer completes the Improvement Area #1 Improvements and the Major Improvements on the lots in the District. In order for the Option Agreement to remain effective, the Developer is required to acquire the completed lots in accordance with a schedule set forth in the Option Agreement for the amounts calculated as set forth in the Option Agreement. See “THE DEVELOPMENT – Construction Agreement and Option Agreement.”

Reimbursement Agreement

The Town and Developer entered into the Reimbursement Agreement, dated December 19, 2023, as amended and restated on July 2, 2024 (the “Reimbursement Agreement”), which provides, in part, for the issuance and sale of PID Bonds (as defined in the Reimbursement Agreement), including the Bonds, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the reimbursement of the Developer from the proceeds thereof for funds advanced by the Developer to pay the Actual Costs of Authorized Improvements within the District, and other matters related thereto. See “THE DEVELOPMENT – Reimbursement Agreement” and “APPENDIX F – Reimbursement Agreement.”

Home Development within the District

The Developer will construct the anticipated 455 single-family homes in Improvement Area #1 and will not enter into any purchase contracts with any other homebuilders within Improvement Area #1 of the District.

Future Bond Financings and Refunding Bonds

As provided for in the Service and Assessment Plan, the financing plan for the District contemplates that as the Remainder Area is developed, additional assessments in the Remainder Area may be levied by the Town, and bonds may be issued to fund the cost of Authorized Improvements (as defined in the Service and Assessment Plan) allocable to such Remainder Area (the "Remainder Area Bonds").

Additionally, as provided in the Indenture, the Town has reserved the right, but is under no obligation, to issue bonds to refund all or a portion of the Bonds (the "Refunding Bonds") on parity with the Bonds.

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

The Bonds

Proceeds of the Bonds are authorized for the purposes of (1) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (2) funding a reserve fund for payment of principal and interest on the Bonds, (3) paying a portion of the cost incidental to the organization and administration of the District, and (4) paying the costs of issuance. See "SOURCES AND USES OF FUNDS," "THE IMPROVEMENTS" and "APPENDIX B — Form of Indenture."

Payment of the Bonds Similarly Secured (defined herein), including the Bonds, is secured by a pledge of and a lien on and pledge of the Trust Estate, consisting primarily of the Improvement Area #1 Assessments, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

The Bonds shall never constitute an indebtedness or general obligation of the Town, 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 Town payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the Town, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an "Investor") will be deemed to have acknowledged, represented and warranted to the Town 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 Town, the Improvement Area #1 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the Town in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the Town, 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 Town.

6. The Investor acknowledges that the obligations of the Town under the Indenture are special, limited obligations payable solely from amounts paid to the Town pursuant to the terms of the Indenture and the Town shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Town 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 Town, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Town, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Town 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 (the “Closing Date”) and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing March 1, 2025 (each, an “Interest Payment Date”), until maturity or prior redemption. U.S. Bank Trust Company, National Association, Dallas, Texas, is the initial Trustee and Paying Agent/Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”); provided however, that if the total principal amount of any Outstanding Bond is less than \$25,000, then the Authorized Denomination shall be the amount of such Outstanding Bond. 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 Town reserves the right and option to redeem Bonds maturing on or after September 1, 20 __, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20 __, such redemption date or dates to be fixed by the Town, at the redemption price of par plus accrued and unpaid interest to the date of redemption (the “Redemption Price”) for such Bonds.

Extraordinary Optional Redemption. The Town reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part and in an amount specified in a Town Certificate, on the first day of any month, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1 in the years 20 __ and 20 __ (collectively, the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the Town in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

<u>\$ Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
	\$
†	
† Stated Maturity	

<u>\$ Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
	\$
†	
† Stated Maturity	

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the Town, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Outstanding Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. Upon notification of the Town to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, 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. So long as the Bonds are in book-entry-only form and held by DTC as security depository, the Owner shall mean Cede & Co., as nominee for DTC. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to the Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

The Town 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 as provided in the Indenture. 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 Town, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of such notice of redemption, such notice may state that the Town may condition redemption on receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the Town 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.

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

In selecting Bonds to be redeemed for optional redemption pursuant to the Indenture, the Trustee may rely on the directions provided in a Town Certificate.

In selecting Bonds to be redeemed for mandatory sinking fund redemption pursuant to the Indenture, the Trustee may select Bonds in any method that results in a random selection.

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

Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a 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 Town and the Underwriter believe the source of such information to be reliable, but neither the Town nor the Underwriter takes responsibility for the accuracy or completeness thereof.

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

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

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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 Town or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

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

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

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

NONE OF THE TOWN, THE TRUSTEE, THE PAYING AGENT, THE TOWN'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT

PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

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 Similarly Secured. “Bonds Similarly Secured” means, collectively, all bonds or any bonds authorized by a bond ordinance and issued in accordance with the Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof, as permitted by the Indenture. 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 SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE TOWN AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED 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 TOWN OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE TOWN’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE TOWN SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “APPENDIX B — FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the “Pledged Revenues”), described in detail under “— Pledged Revenues” below, consisting primarily of Improvement Area #1 Assessments levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the Town has caused the preparation of a Service and Assessment Plan (as updated, amended and supplemented from time to time, the “Service and Assessment Plan”), which describes the special benefit received by the Assessed Property, provides the basis and justification for the determination of special benefit on the Assessed Property, establishes the methodology for the levy of the 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 Similarly Secured. The Service and Assessment Plan is reviewed and updated at least annually (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Improvement Area #1 Assessments due in a given year. The determination by the Town of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Pledged Revenues

The Town is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Area #1 Improvements by levying Improvement Area #1 Assessments upon the Assessed

Property. For a description of the assessment methodology and the amounts of Improvement Area #1 Assessments anticipated to be levied in Improvement Area #1, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, “Pledged Revenues” means the sum of (i) the Assessment Revenues less the Administrative Expenses, and (ii) any additional revenues that the Town may pledge to the payment of Bonds Similarly Secured. “Assessment Revenues” means monies collected by or on behalf of the Town from any one or more of the following: (i) Improvement Area #1 Assessments levied against each respective parcel of land located within Improvement Area #1 of the District against which an Improvement Area #1 Assessments is levied by the Assessment Ordinance (an “Assessed Parcel”), or Annual Installment payment thereof, including any interest on such Improvement Area #1 Assessments or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds. “Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Improvement Area #1 Assessment (including both principal and interest) as shown on the Assessment Roll attached to the Service and Assessment Plan as it relates to the Improvement Area #1 Improvements, which annual payment includes Administrative Expenses and the Additional Interest collected on each annual payment of the Improvement Area #1 Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update. “Additional Interest” means the amount collected by the application of the 0.50% additional interest charged on each Improvement Area #1 Assessment, pursuant to Section 372.018 of the PID Act. “Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (iii) computing, levying, billing and collecting Improvement Area #1 Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Improvement Area #1 Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including other reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Improvement Area #1 Improvements. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund” and “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Deposit of Improvement Area #1 Assessments

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 Similarly Secured are shown on the Improvement Area #1 Assessment Roll (defined herein). The Improvement Area #1 Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds Similarly Secured, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund.”

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

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

Unconditional Levy of Improvement Area #1 Assessments

The Town levied Improvement Area #1 Assessments on the property within Improvement Area #1 to pay the principal of and interest on the Bonds Similarly Secured 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 were effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Improvement Area #1 Assessment may be paid immediately in full or in periodic annual installments over a period of time equal to the term of the Bonds Similarly Secured, 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 will begin to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds Similarly Secured, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds Similarly Secured, Additional Interest on the Improvement Area #1 Assessments for each lot within Improvement Area #1 will accrue at a rate specified in the Assessment Ordinance, to wit: 0.50%. The rate of Additional Interest may not exceed a rate that is 0.50% higher than the actual interest rate of the Bonds Similarly Secured, pursuant to Section 372.018 of the PID Act (the "Additional Interest Rate"). Each Annual Installment, including the interest on the unpaid amount of an Improvement Area #1 Assessment, shall be calculated annually and shall be due when billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the Town will levy, assess and collect, each year while the Bonds are Outstanding and unpaid, an assessment to pay the annual costs incurred by the Town in the administration and operation of the District (the "Annual Collection Costs"). The portion of each Annual Installment of an Improvement Area #1 Assessment used to pay Annual Collection Costs shall remain in effect each year until all Bonds Similarly Secured are finally paid or until the Town adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance when billed on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.**

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

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 Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for 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 Town Council in the same manner that an ad valorem property tax levied against real property may be enforced by the Town Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

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

Perfecting Security Interest

The lien on and pledge of the Trust Estate will 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 Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the Town under the Indenture, and such pledge is therefore valid, effective and perfected from and after the Closing Date. If State law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the Town under

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

Pledged Revenue Fund

The Town will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. Immediately upon receipt thereof, the Town shall transfer to the Trustee for deposit the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement in accordance with the Indenture, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected in accordance with the Indenture, (iv) fourth, to the Improvement Area #1 Improvement Account of the Project Fund to pay other Actual Costs of the Improvement Area #1 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) business days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of 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, 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 Similarly Secured 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, 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 Similarly Secured.

The Trustee shall transfer the amounts determined in writing by the Town as Prepayments to the Redemption Fund as soon as practicable after deposit of such amounts into the Pledged Revenue Fund.

Upon receipt of Foreclosure Proceeds, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds related, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund and the other deposits described in the fourth preceding paragraph above, the Trustee shall, at the written request of the Town, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the Town, which monies may be used for Actual Costs and any other lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act.

Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the Town pursuant to a Town Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to the Indenture.

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 Similarly Secured on such Interest Payment Date from the Capitalized Interest Account as provided in the Indenture.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the prior paragraph, the Trustee shall withdraw from the Reserve Account of 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.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Notwithstanding any other provisions, money on deposit in the Improvement Area #1 Improvement Account of the Project Fund shall only be used to pay Actual Costs of the Improvement Area #1 Improvements.

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 Similarly Situated pursuant to one or more Town Certificates. Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Improvement Area #1 Certification for Payment, or written direction from the Town or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvement Account of the Project Fund pursuant to an Improvement Area #1 Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement, or as provided in such written direction from the Town; provided, however, all disbursement of funds for the Actual Costs of the Improvement Area #1 Improvements made pursuant to an Improvement Area #1 Certification for Payment shall be made from the Improvement Area #1 Improvement Account. Such provisions and procedures related to such disbursement contained in the Reimbursement Agreement, and no other provisions of the Reimbursement Agreement, are in the Indenture incorporated by reference and deemed set forth in the Indenture in full.

If the Town Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #1 Improvement Account due to the abandonment, or constructive abandonment, of the Improvement Area #1 Improvements, such that, in the opinion of the Town Representative, it is unlikely that the amounts in the Improvement Area #1 Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #1 Improvement Account, the Town Representative shall file a Town Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund that are not expected to be used for purposes of paying Actual Costs of the Improvement Area #1 Improvements. If such Town Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

Upon the filing of a Town Certificate stating that all Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any such Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvement Account of the Project Fund pursuant to an Improvement Area #1 Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvement Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the Town Representative in a Town Certificate filed with the Trustee and (ii) the Improvement Area #1 Improvement Account of the Project Fund shall be closed. If the Improvement Area #1 Improvement Account has been closed and the Cost of Issuance Account of the Project Fund has been closed, the Project Fund shall be closed.

Not later than six months following the Closing Date, upon a determination by the Town 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 another Account in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the Town in a Town Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds Similarly Secured, 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 Similarly Secured means: 100% of average Annual Debt Service on the Bonds Similarly Secured as of the Closing Date; 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 Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the Closing Date, the Reserve Account Requirement is \$_____ which is an amount equal to 100% of the average Annual Debt Service on the Bonds Similarly Secured as of the Closing Date

The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2025 an amount equal to the Additional Interest collected, if any, as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the Town, in writing, of the amount of such shortfall, and the Town shall resume collecting the Additional Interest and shall file a Town 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 Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the Town shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to the Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the Town of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a Town Certificate directing that a different amount be used.

Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the Town, specifying the amount withdrawn and the source of said funds.

Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, the Trustee, pursuant to written directions from the Town shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the Town and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a Town Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments 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 Similarly Secured 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 Similarly Secured 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 in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a Town Certificate, as a result of such Prepayment and as a result of the transfer from the Reserve Account, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, or on any other date at the written request of a Town Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the Town 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 debt service on the Bonds Similarly Secured on the next Interest Payment Date, unless within thirty days of such notice to the Town Representative, the Trustee receives a Town Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under the Indenture, (ii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date of the Bonds, or (iii) for such other use specified in such Town Certificate if the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bonds Similarly Secured.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account of the Reserve Fund to the Bond 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 Similarly Secured, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.

If, after a Reserve Account withdrawal pursuant to the Indenture, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with the Indenture.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds Similarly Secured as of such Interest Payment Date, the moneys in these funds shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds Similarly Secured as of such Interest Payment Date.

Administrative Fund

The Town shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay the Administrative Expenses and Delinquent Collection Costs. "Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Improvement Area #1 Assessments, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest. Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and used as directed by a Town Certificate solely for the purposes set forth in the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

THE ADMINISTRATIVE FUND WILL NOT BE PART OF THE TRUST ESTATE AND WILL NOT BE SECURITY FOR THE BONDS SIMILARLY SECURED.

Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for the same purpose, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the Town verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity

date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. 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 in writing by the Town maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and are, at the time made, included in and authorized by the Town’s official investment policy as approved by the Town 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 Town 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 Town 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 Similarly Secured. Because the Indenture does not contractually limit such investments, Owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

- (i) The failure of the Town to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
- (ii) The failure of the Town to enforce the collection of the Improvement Area #1 Assessments, including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the Town to make any such payments; and
- (iv) Default in the performance or observance of any covenant, agreement or obligation of the Town under the Indenture and the continuation thereof for a period of ninety (90) days after written notice to the Town by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of at least 25% of the Bonds Similarly Secured at the time Outstanding requesting that the failure be remedied.

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 at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the Town may be sought or shall be permitted.

THE PRINCIPAL OF THE BONDS SIMILARLY SECURED WILL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the 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 Town, 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 Town shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided the Indenture, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured 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 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 Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy hereunder.

Subject to provisions of the Indenture with respect to certain liabilities of the Town, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the Town to pay each Bond Similarly Secured 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 Similarly Secured.

In case the Trustee or any Owners of Bonds Similarly Secured 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 of Bonds Similarly Secured, then and in every such case the Town, the Trustee and the Owners of Bonds Similarly Secured 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.

Application of Revenues and Other Moneys after Event of Default

All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the cost, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, be applied by the Trustee, on behalf of the Town, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

(i) FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured pursuant to the Indenture.

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

The restoration of the Town 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, other than the Reserve Fund, shall be invested by the Trustee as directed by the Town pursuant to a Town Certificate filed with the Trustee at least two (2) days in advance of the making of such investment as further described in the Indenture.

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 any moneys are required to be transferred by the Town to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as determined and directed in writing by the Town.

Against Encumbrances

Other than Refunding Bonds, the Town 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, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture, the Town shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured, and Refunding 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 Similarly Secured.

Other Obligations or Other Liens; Refunding Bonds

The Town reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured, the Town will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired.

Notwithstanding any contrary provision in the Indenture, no Refunding Bonds or Additional Obligations may be issued by the Town unless: (1) the principal (including sinking fund installments) of such Refunding Bonds or Additional Obligations are scheduled to mature on September 1 of the years in which principal is schedule to mature, and (2) the interest on such Refunding Bonds or Additional Obligations must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid.

The Town shall not issue additional bonds, notes, or other obligations under the Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than Refunding Bonds. The Town reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds Similarly Secured or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State of Texas.

The Town reserves the right to issue Remainder Area Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Remainder Areas subject to the conditions of the Development Agreement and the Reimbursement Agreement.

SOURCES AND USES OF FUNDS⁽¹⁾

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

Sources of Funds:	
Principal Amount	\$
Total Sources	<u>\$</u>
Use of Funds:	
Deposit to Improvement Area #1 Improvement Account of the Project Fund	\$
Deposit to Costs of Issuance Account of the Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to District Administration Account of the Administrative Fund	
Underwriter's Discount ⁽²⁾	
Total Uses	<u>\$</u>

⁽¹⁾ To be updated and completed upon pricing.

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

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

DEBT SERVICE REQUIREMENTS⁽¹⁾

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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u> \$	<u>Interest</u> \$	<u>Total</u> \$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

OVERLAPPING TAXES AND DEBT

The land within the District lies within the corporate limits of the Town. 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 Town. Such taxes are payable in addition to the Improvement Area #1 Assessments. In addition to the taxes and the Improvement Area #1 Assessments described above, the Developer anticipates that each owner of a single-family lot within Improvement Area #1 of the District will pay an annual maintenance and operation fee and/or a property owners’ association fee to a homeowners’ association (the “Homeowners’ Association”) to be formed by the Developer.

The District is located within the Town, Denton County (the “County”), the Aubrey Independent School District (“Aubrey ISD”), all of which may 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 Town has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #1 of the District.

Overlapping Taxes

<u>Taxing Entity</u>	Tax Year 2023 <u>Ad Valorem Tax Rate⁽¹⁾</u>
Town of Providence Village	\$0.513999
Denton County	0.189485
Aubrey ISD	1.257500
Estimated Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate ⁽²⁾	\$0.369284 ⁽²⁾
Estimated Total Net Tax Rate and Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate	<u>\$2.330268</u> ⁽²⁾

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

⁽²⁾ Derived from information in the Service and Assessment Plan. Assumes an Improvement Area #1 average home taxable value of \$326,837 and Improvement Area #1 aggregate taxable value of \$148,711,000. Pursuant to the Development Agreement the estimated average annual installment as a tax rate equivalent cannot exceed \$0.37. Preliminary, subject to change.

Source: Denton Central Appraisal District and the Service and Assessment Plan.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

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, and Town debt to be secured by the Improvement Area #1 Assessments:

Overlapping Debt

<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt as of July 1, 2024</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
Improvement Area #1	\$6,552,000*	100.000%	\$6,552,000*
The Town	16,378,000	2.800%	458,595
Denton County	725,605,000	0.017%	121,784
Aubrey ISD	<u>309,196,976</u>	1.077%	<u>3,329,161</u>
Total	\$1,057,731,796		\$10,461,540

⁽¹⁾ Based on \$29,742,200 finished lot values within Improvement Area #1 of the District and on the Tax Year 2023 Certified Taxable Assessed Valuation for the taxing entities as certified by the Denton Central Appraisal District.

⁽²⁾ Preliminary; subject to change.
Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Denton Central Appraisal District and the Service and Assessment Plan.

If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land’s agricultural value. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation and 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.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given in the Service and Assessment Plan. As required by the PID Act, when the Town determines to defray a portion of the costs of Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The Town has caused an assessment roll to be prepared (the “Improvement Area #1 Assessment Roll”), which Improvement Area #1 Assessment Roll 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 (as defined in the Service and Assessment Plan) of land and the number of Annual Installments in which the Improvement Area #1 Assessment is divided. The Improvement Area #1 Assessment Roll was filed with the Town Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Improvements and funding the same with Improvement Area #1 Assessments. The Town levied the Improvement Area #1 Assessments and adopted the Assessment Ordinance on March 19, 2024, after which the Improvement Area #1 Assessments became legal, valid and binding liens upon the Assessed Property.

Under the PID Act, the costs of Improvement Area #1 Improvements may be assessed by the Town against the Assessed Property in the District so long as the special benefit conferred upon the Assessed Property by the Improvement Area #1 Improvements equals or exceeds the Improvement Area #1 Assessments. The costs of the Improvement Area #1 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Assessed Property as a result of the Improvement Area #1 Improvements, 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 Town allocates the special benefit of the Improvement Area #1 Improvements to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Pledged Revenues, including the Improvement Area #1 Assessments.

As further set forth in the Service and Assessment Plan, the benefits received by the property in Improvement Area #1 of the District for the Improvement Area #1 Improvements are currently allocated among the Assessed Property within Improvement Area #1 based on Equivalent Units (as defined in the Service and Assessment Plan) calculated using the average home price of each Lot Type once such property is developed. Upon division or subdivision, the PID Administrator shall reallocate the Improvement Area #1 Assessment for each newly formed lot based on the estimated Equivalent Units of each newly created parcel.

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

The Service and Assessment Plan identifies four “Lot Types” in Improvement Area #1: (1) Lot Type 1 being a 50’ lot, (2) Lot Type 2 being a 45’ lot, (3) Lot Type 3 being a 40’ lot and (4) Lot Type 4 being a 30’ lot. See “THE DEVELOPMENT – Development Plan.”

The table below shows the estimated value to lien analysis in Improvement Area #1 of the District.

Improvement Area #1 Estimated Value to Lien Ratios⁽¹⁾

<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	<u>Average Base Lot Value⁽³⁾</u>	<u>Estimated Base Home Price⁽⁴⁾</u>	<u>Total Estimated Buildout Value⁽⁴⁾</u>	<u>Maximum Assessment Per Unit⁽⁵⁾</u>	<u>Estimated Ratio of Base Lot Value to Assessment</u>	<u>Estimated Ratio of Home Price to Assessment</u>
50'	105	\$76,400	\$382,000	\$40,110,000	\$16,812.07	4.54:1	22.72:1
45'	49	66,800	334,000	16,366,000	14,626.50	4.57:1	22.84:1
40'	86	64,000	320,000	27,520,000	14,122.14	4.53:1	22.66:1
30'	<u>215</u>	60,200	301,000	<u>64,715,000</u>	13,281.54	4.53:1	22.66:1
Total/Avg.	455			\$148,711,000			

⁽¹⁾ Preliminary; subject to change.

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

⁽³⁾ Information provided by Developer.

⁽⁴⁾ Provided by Developer based on comparable home prices in the area.

⁽⁵⁾ Pursuant to the Service and Assessment Plan.

Collection and Enforcement of Assessment Amounts

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

In the Indenture, the Town will covenant to collect, or cause to be collected, Improvement Area #1 Assessments as provided in the Assessment Ordinance. No less frequently than annually, Town staff or a designee of the Town shall prepare, and the Town Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Improvement Area #1 Assessment Roll and a calculation of the Annual Installment for each Parcel. Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the Town will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the 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 Annual Installments will be sent by, or on behalf of the Town, to the affected property owners on the same statement or such other mechanism that is used by the Town, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the Town.

The Town will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the Town will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the Town 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 Assessed Property.

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

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

Annual Installments will be paid to the Town or its agent. Annual Installments are due when billed 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>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

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

Assessment Amounts

Assessment Amounts. The Maximum Assessment for each lot type has been established by the methodology described in the Service and Assessment Plan and are shown on Exhibit F to the Service and Assessment Plan. The Improvement Area #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to principal and interest on the Improvement Area #1 Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Annual Collection Costs. The Annual Installments may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessments will be levied against the Parcels comprising the Assessed Property as indicated on the Improvement Area #1 Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Improvement Area #1 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs (as provided for in the definition of such term).

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the Improvement Area #1 Assessments allocable to Improvement Area #1 have been allocated to the Assessed Property within Improvement Area #1 based on Estimated Buildout Value. As the existing Parcels or Lots within Improvement Area #1 are subsequently divided, the Improvement Area #1 Assessments will be apportioned pro rata according to the Estimated Buildout Value of the newly created Parcels or Lots. See “ASSESSMENT PROCEDURES — Assessment Methodology” and “APPENDIX C — Form of Service and Assessment Plan.” The following table reflects the estimated allocation of Improvement Area #1 Assessments to be levied and collected.

Estimated Allocation of Improvement Area #1 Assessments⁽¹⁾

<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	<u>Estimated Base Home Price⁽³⁾</u>	<u>Maximum Assessment Per Unit⁽⁴⁾</u>	<u>Total Improvement Area #1 Assessment</u>	<u>Estimated Average Annual Installment per Unit⁽⁵⁾</u>	<u>Equivalent Tax Rate per \$100 Assessed Value⁽⁶⁾</u>
50'	105	\$382,000	\$16,812.07	\$1,765,267.37	\$1,410.62	\$0.3693
45'	49	334,000	14,626.50	716,698.55	1,227.24	\$0.3674
40'	86	320,000	14,122.14	1,214,503.95	1,184.92	\$0.3703
30'	<u>215</u>	301,000	13,281.54	<u>2,855,530.12</u>	1,114.39	\$0.3702
Total/Avg.⁽⁷⁾	455			\$6,552,000.00		

Source: Service and Assessment Plan

- (1) Preliminary; subject to change.
- (2) Based on the concept plan for the District. Derived from information in the Service and Assessment Plan.
- (3) Provided by Developer based on comparable home prices in the area.
- (4) Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot within the District is equal to an amount that will not exceed the amounts shown in the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.
- (5) The projected tax rate equivalent per unit calculated is based on the estimated finished lot values and home values for each unit. Based on Annual Installments due from 2024 to 2054. Preliminary; subject to change.
- (6) Derived from information in the Service and Assessment Plan. Based on Annual Installments due from 2024 to 2054.
- (7) Total Improvement Area #1 Assessments may not add due to rounding.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Improvement Area #1 Assessments. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a “Prepayment”) all or part of any Improvement Area #1 Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. 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.

Mandatory Prepayments. If (i) Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #1 Assessment, or (ii) the owner of Assessed Property causes the Assessed Property to become Non-Benefited Property (as defined in the Service and Assessment Plan), the owner transferring the Assessed Property or causing the change in status shall pay to the PID Administrator the full amount of the Improvement Area #1 Assessment, plus Prepayment Costs, prior to the transfer or change in status; provided that, however, such mandatory Prepayment of the Improvement Area #1 Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the Town, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Improvement Area #1 Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Improvement Area #1 Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Improvement Area #1 Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Improvement Area #1 Assessment to the Maximum Assessment. See Section VI.D of “APPENDIX C — Form of Service and Assessment Plan.”

If at any time the Improvement Area #1 Assessment per unit on a parcel exceeds the applicable Improvement Area #1 Maximum Assessment Per Unit calculated in the Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Improvement Area #1 Assessment authorized by the Service and Assessment Plan and initiated by the owner of the parcel, then such owner shall pay to the Town prior to the recordation of the document subdividing the parcel the amount calculated by the Administrator by which the Improvement Area #1 Assessment per unit for the parcel exceeds the applicable Improvement Area #1 Maximum

Assessment Per Unit calculated in this Service and Assessment Plan. See Section VI.D of “APPENDIX C — Form of Service and Assessment Plan.”

Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Improvement Area #1 Improvements are less than the Improvement Area #1 Assessments, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds, in accordance with the Indenture.

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 Town in the same manner as an ad valorem tax levied against real property may be enforced by the Town. The owner of any Assessed Property 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 Annual Installment, except for unpaid Improvement Area #1 Assessments on homestead property (unless the lien associated with the Improvement Area #1 Assessment attached prior to the date the property became a homestead), the Town is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an 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 Town of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. The Town is not required under any circumstance to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment on the corresponding Assessed Property.

In the Indenture, the Town 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 of the Improvement Area #1 Assessments, provided that the Town 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 Town 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.

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

THE TOWN

Background

The Town began as a master-planned community in northeastern Denton County, Texas, United States. It is situated along U.S. Highway 380 near the intersection with FM 2931. The development includes approximately 2,300 homes and over 6,000 people. On May 8, 2010, residents voted overwhelmingly in favor of incorporating the community as a town. On May 9, 2015, residents voted overwhelmingly in favor of adopting a Home Rule Charter. Fire, EMT, Police, Municipal Court, Library, Water, Wastewater, Solid Waste Collection, Recycling, Building Inspection, Health Inspection, Engineering and Code Compliance services are provided directly by the Town, by contract or via interlocal agreement with neighboring governmental entities. In 2017, the Town added approximately 2.1 square miles to its extraterritorial jurisdiction through boundary agreements/adjustments with the cities of Aubrey and Little Elm, providing approximately three additional miles of FM 2931 frontage for future commercial development.

Town Government

The Town is a political subdivision and home rule municipal corporation of the State, duly organized and existing under the laws of the State, including the Town’s Home Rule Charter. The Town adopted a Home Rule Charter on May 9, 2015. The Town operates under a Council/Manager form of government with a Town Council comprised of the Mayor and six Council members who are elected for staggered three-year terms. The Town Council formulates operating policy for the Town while the Town Manager is the chief administrative officer.

The current members of the Town Council and their respective expiration of terms of office are as follows:

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Linda Inman	Mayor	2026
Kelly Nelson	Mayor Pro-Tem, Place 1	2026
Stephen Benton	Place 2	2026
Klayton Rutherford	Place 3	2025
Dustin Clay	Place 4	2026
Jeff Doramus	Place 5	2025
Wes Dautrich	Place 6	2026

TOWN MANAGER

Brian Roberson

TOWN SECRETARY

Hilary McConnell

FINANCE ADMINISTRATOR

Jenny Sawyers

General information regarding the Town and the surrounding area can be found in “APPENDIX A — General Information Regarding the Town and Surrounding Area.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the Town, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District includes approximately 419.13 acres and lies entirely within the corporate limits of the Town. The District was created as the Foree Ranch Public Improvement District by a resolution of the Town adopted on September 6, 2022 in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Improvements, authorized by the PID Act and approved by the Town Council that confer a special benefit on the District property. The District is not a separate political subdivision of the State and is administered by the Town Council. A map of the property within the District is included on page iii hereof.

Powers and Authority of the Town

Pursuant to the PID Act, the Town 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 Town limits or the Town's extraterritorial jurisdiction. The PID Act provides that the Town may levy and collect assessments on property in the District, or portions thereof, payable in full or in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the Town has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1 Improvements. See "THE IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the Town has determined to undertake the construction, acquisition or purchase of certain roadway, water, sanitary sewer and storm drainage improvements within the District comprising the Improvement Area #1 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The Town has further determined to provide for the payment of debt service on the Bonds through the Pledged Revenues. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

THE IMPROVEMENTS

General

The Authorized Improvements permitted under the Indenture include the Improvement Area #1 Improvements. The Developer will also construct the pro rata portion of the Major Improvements allocated to Improvement Area #1, however such portion of the Major Improvements will be funded solely by the Developer without reimbursement by the Town. A portion of the costs of the below described Improvement Area #1 Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #1 Improvements will be funded by the Developer without reimbursement by the Town. See "APPENDIX C — Form of Service and Assessment Plan."

Major Improvements

The Major Improvements benefit the entire District and include the following, all of which will be constructed according to Town standards and the specifications contained in the Development Agreement:

Roadway Improvements. The roadway improvements portion of the Major Improvements consist of subgrade stabilization, concrete and reinforcing steel for roadways and bridges; trails, sidewalks, asphalt for turn lane, testing, handicapped ramps, streetlights, striping, and signage. All related earthwork, excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Water Improvements. The water improvement portion of the Major Improvements consists of construction and installation of waterline mains, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to Mustang Special Utility District ("Mustang SUD") standards and specifications and will be owned and operated by Mustang SUD.

Storm Drainage Improvements. The storm drainage improvement portion of the Major Improvements consist of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, appurtenances, and regional detention necessary to provide adequate drainage to the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Other Soft Costs and Miscellaneous Costs. The soft and miscellaneous costs portion of the Major Improvements consists of engineering and surveying, project management fees, contingency, District set up costs, and other soft and miscellaneous costs.

Improvement Area #1 Improvements

The Improvement Area #1 Improvements include the following Improvement Area #1 Improvements, all of which will be constructed according to Town standards and the specifications contained in the Development Agreement:

Roadway Improvements. The road improvement portion of the Improvement Area #1 Improvements consists of the construction of road improvements, including related paving, bridge, drainage, curbs, gutters, sidewalks, signage, traffic control devices, and right of way acquisition, which benefit the Assessed Property. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Water Improvements. The water improvements portion of the Improvement Area #1 Improvements consists of construction and installation of a looped water main network, which includes waterlines, valves, fire hydrants, and appurtenances, necessary for the portion of the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Sanitary Sewer Improvements. The sanitary sewer improvement portion of the Improvement Area #1 Improvements consists of construction and installation of various sized sanitary sewer pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Storm Drainage Improvements. The storm drainage improvement portion of the Improvement Area #1 Improvements consists of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, and appurtenances necessary to provide adequate drainage to the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Other Soft Costs and Miscellaneous Costs. The soft and miscellaneous costs portion of the Improvement Area #1 Improvements consists of engineering and surveying, project management fees, Town inspection fees, project management fees, contingency, and other soft and miscellaneous costs.

Costs of Improvement Area #1 Improvements

The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1 Improvements. The Town will pay project costs for Improvement Area #1 Improvements (or completed segment or phase) from proceeds of the Bonds upon approval of an Improvement Area #1 Certification for Payment pursuant to the Reimbursement Agreement and the Indenture. The Developer will be paid for costs actually incurred in developing and constructing the Improvement Area #1 Improvements within the District from the Improvement Area #1 Improvement Account of the Project Fund no more than monthly pursuant to the Reimbursement Agreement.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

The following table reflects the total expected costs of the Improvement Area #1 Improvements and the pro rata portion of the Major Improvements allocated to Improvement Area #1. The Major Improvements will be funded solely by the Developer. A portion of the Improvement Area #1 Improvements are expected to be financed with proceeds of the Bonds.

**Expected Costs of Improvement Area #1 Improvements and
Improvement Area #1’s Allocable Share of the Major Improvements⁽¹⁾**

Improvements	Total Estimated Costs
<i>Major Improvements:</i>	
Roadway Improvements	\$2,886,301
Water Improvements	558,049
Storm Drainage Improvements	964,973
Other Soft Costs and Miscellaneous Costs	<u>881,864</u>
<i>Subtotal⁽²⁾</i>	<i>\$5,291,187</i>
 <i>Improvement Area #1 Improvements</i>	
Roadway Improvements	\$4,054,793
Water Improvements	2,508,248
Sanitary Sewer Improvements	3,288,553
Storm Drainage Improvements	2,141,787
Other Soft Costs and Miscellaneous Costs	<u>4,224,500</u>
<i>Subtotal⁽²⁾</i>	<i>\$16,217,881</i>
 <i>Bond Issuance Costs</i>	
Cost of Issuance	\$490,356
Reserve Fund	485,576
Administrative Expense	75,000
Underwriter’s Discount ⁽³⁾	<u>196,560</u>
<i>Subtotal⁽²⁾</i>	<i>\$1,247,492</i>
 Total⁽²⁾	 \$22,756,560

- ⁽¹⁾ Preliminary; subject to change.
- ⁽²⁾ Totals may not add due to rounding.
- ⁽³⁾ Includes Underwriter’s Counsel’s fee.

The cost of the Improvement Area #1 Improvements is expected to be approximately \$16,217,881*. A portion of such costs in the amount of \$6,552,000* is expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Area #1 Improvements, in the total approximate amount of \$9,665,881* will be financed by the Developer and will not be reimbursed by the Town. As of June 20, 2024, the Developer has spent approximately \$14,396,692.06 for costs related to the Improvement Area #1 Improvements. See “APPENDIX F — Reimbursement Agreement.” Additionally, the Developer will finance 100% of the cost of the Additional Improvements and HOA Amenities to serve Improvement Area #1 of the District. See “THE DEVELOPMENT – Additional Improvements and HOA Amenities.”

Ownership and Maintenance of Improvement Area #1 Improvements

The roadway and storm drainage Improvement Area #1 Improvements and Major Improvements serving Improvement Area #1 will be dedicated to and accepted by the Town in accordance with the terms of the Reimbursement Agreement and will constitute a portion of the Town’s infrastructure improvements. The Additional Improvements will also be dedicated to and accepted by the Town. The Town will provide for the ongoing

* Preliminary; subject to change.

maintenance and repair of the applicable Improvement Area #1 Improvements, Major Improvements and Additional Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

The water and sanitary sewer Improvement Area #1 Improvements and the water Major Improvements serving Improvement Area #1 will be owned and maintained by Mustang SUD. The Developer has entered into a Non-Standard Service Agreement with Mustang SUD whereby the Developer has agreed to construct facilities which Mustang SUD will use to service 455 residential service connections and Mustang SUD has agreed to take the actions necessary to make service available such residential connections.

All HOA Amenities will be owned, operated and maintained by the Homeowners’ Association.

THE DEVELOPMENT

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

Overview

The Development is an approximately 419.13-acre master planned residential development project located within the Town’s corporate limits along U.S. Highway 380 near the intersection of FM 2931. The Development is anticipated to consist of consist of approximately 1,450 single-family homes. The Development will also include approximately 11.98 acres of commercial development, however no contracts or letters of intent have been entered into with respect to the commercial acreage.

Development Plan

Public Improvements. The Developer expects to complete the Development in two phases in Improvement Area #1 and five additional phases in the Remainder Area comprising one or more additional expected Improvement Areas over a period of approximately three years. The Developer is currently constructing the Improvement Area #1 Improvements and expects to complete them in the third quarter of 2024. See the table entitled “Expected Buildout of Lots within the Development” below.

Single-Family Lot Development. The Development is planned to include the following four residential product types: 30’ lots, 40’ lots, 45’ lots and 50’ lots. The Developer expects to construct and sell homes on all of the 455 single-family lots expected to be included in Improvement Area #1. The following table shows the expected number and type of lots within each phase.

Expected Lots within the Development

<u>Improvement Area</u>	<u>Phases</u>	<u>30’ Lot</u>	<u>40’ Lot</u>	<u>45’ Lot</u>	<u>50’ Lot</u>	<u>Total Number of Homes</u>
1	1-2	215	86	49	105	455
Remainder Area	3-7	<u>0</u>	<u>474</u>	<u>228</u>	<u>293</u>	<u>995</u>
Total		<u>215</u>	<u>560</u>	<u>277</u>	<u>398</u>	1,450

Source: Developer.

The Developer’s current expectations regarding buildout of the lots within the District are shown in the following tables.

Expected Buildout of Lots within the Development

<u>Improvement Area</u>	<u>Phases</u>	<u>Quantity of Lots</u>	<u>Actual/Expected Infrastructure Start Date</u>	<u>Expected Infrastructure Completion Date</u>	<u>Expected Final Lots Sale Date</u>
1	1	154	May 2022	Third Quarter 2024	Third Quarter 2026
1	2	301	May 2022	Third Quarter 2024	Fourth Quarter 2025
Remainder Area	3	245	May 2022	Fourth Quarter 2024	First Quarter 2027
Remainder Area	4	246	August 2023	Third Quarter 2025	Third Quarter 2029
Remainder Area	5	244	June 2023	Second Quarter 2025	First Quarter 2028
Remainder Area	6	142	February 2024	First Quarter 2026	Second Quarter 2030
Remainder Area	7	<u>118</u>	January 2025	Fourth Quarter 2026	Second Quarter 2029
		1,450			

Source: Developer.

Expected Sale of Homes to Residents by Lot Type⁽¹⁾

<u>Expected Final Sale Date</u>	<u>30' Lot</u>	<u>40' Lot</u>	<u>45' Lot</u>	<u>50' Lot</u>	<u>Total Lots</u>
2024	84	70	16	12	182
2025	131	89	96	72	388
2026	0	120	96	72	288
2027	0	120	69	72	261
2028	0	123	0	72	195
2029	0	38	0	72	110
2030	<u>0</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>26</u>
Total	215	560	277	398	1,450

⁽¹⁾ These projections regarding expected absorption were provided by the Developer based on information currently available to Developer and on current market conditions as of the date of this Limited Offering Memorandum. Lot absorption projections are subject to numerous market factors which mean that the above projections should not be considered as precise or guaranteed absorption rates.

The Developer’s current expectations regarding estimated home prices in the District are as follows:

Expected Single-Family Lot and Home Prices in the District

Lot Type	Units	Finished Lot Value ⁽¹⁾	Estimated Buildout Value ⁽¹⁾	Total Maximum Assessment per Unit ⁽²⁾	Total Maximum Assessment ⁽²⁾
IA# 1 - Phases 1-2					
30'	215	\$60,200	\$301,000	\$13,282.54	\$2,855,530
40'	86	\$64,000	\$320,000	14,122.14	1,214,504
45'	49	\$66,800	\$334,000	14,626.50	716,699
50'	105	\$76,400	\$382,000	16,812.07	1,765,267
IA #1 Total/Avg	455		\$326,837		\$6,552,000
Remainder Area - Phases 3-7					
40'	474	\$64,000	\$340,000	N/A	N/A
45'	228	\$66,800	\$355,000	N/A	N/A
50'	293	\$76,400	\$405,000	N/A	N/A
Remainder Area Total	995		\$362,578	N/A	N/A

Source: Developer.

- (1) Remainder Area amounts represent Developer estimates and will be determined at the time assessments are levied and an appraisal is prepared for the Remainder Area.
- (2) As the Remainder Area is developed, additional assessments in the Remainder Area may be levied by the Town, and bonds may be issued to fund the cost of Authorized Improvements allocable to such Remainder Area

Development Agreement

The Town and the Developer entered into the Development Agreement, effective as of November 30, 2021. Pursuant to the Development Agreement, the Developer agreed (i) to submit a petition for the creation of the District and to establish District assessments pursuant to a Reimbursement Agreement, and (ii) to construct certain streets and roads, drainage, water, sanitary sewer and other utility systems facilities meeting certain specified development standards to serve the District, (iii) to construct the Additional Improvements and the HOA Amenities. Pursuant to the Development Agreement, the Developer has also agreed to construct certain offsite infrastructure, including offsite water improvements, sewer improvements and roadway improvements. In addition to expressing the Town’s intent to reimburse the Developer for the cost of constructing the Authorized Improvements and establishing the development standards for the property, the Development Agreement established a maximum equivalent tax rate for each lot classification identified in the Service and Assessment Plan equal to \$0.37 per \$100 of the taxable assessed valuation at the time of issuance of the Bonds. See “THE DEVELOPMENT – Additional Improvements and HOA Amenities.”

Reimbursement Agreement

The Town and Developer entered into the Reimbursement Agreement, which provides, in part, for the issuance and sale of PID Bonds, including the Bonds, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the reimbursement of the Developer from the proceeds thereof for funds advanced by the Developer to pay the Actual Costs of Authorized Improvements within the District, and other matters related thereto. See “THE DEVELOPMENT – Reimbursement Agreement” and “APPENDIX F – Reimbursement Agreement.”

Construction Agreement and Option Agreement

Developer and KLLB entered into the Construction Agreement, pursuant to which the Developer, among other things, agreed to construct the improvements in the District including the single-family lots and the Additional Improvements and HOA Amenities. Pursuant to the Construction Agreement, KLLB will reimburse the Developer for the costs actually expended by the Developer to construct the improvements in the District.

The Developer and KLLB also entered into the Option Agreement whereby KLLB grants an exclusive option to the Developer to acquire the completed lots from KLLB once the Developer completes the improvements on the lots in the District. In order for the Option Agreement to remain effective, the Developer is required to acquire the completed lots in accordance with a schedule set forth in the Option Agreement for the amounts calculated as set forth in the Option Agreement.

Pursuant to the Option Agreement, the Developer is granted the option to acquire the completed lots in exchange for an initial option payment, 50% of which was paid upon execution of the Option Agreement. Upon the termination of the Option Agreement, the Developer is required to pay the remaining amount of the initial option payment. The Developer is also required to make monthly option payments under the Option Agreement based upon the amount of capital KLLB has paid to the Developer to reimburse actual costs pursuant to the Construction Agreement (“Invested Capital”). The Developer has the option to purchase the completed lots from KLLB by paying a takedown price set forth in a takedown schedule included in the Option Agreement.

During the term of the Option Agreement, to the extent KLLB owns property that receives proceeds from the District, such proceeds shall be allocated by dividing the proceeds by the total number of lots and KLLB and the Developer shall receive the amount per lot based upon the number of lots then owned by KLLB and the Developer. Any receipt of proceeds from the District received by KLLB shall reduce the amount of Invested Capital used to determine the monthly option payment amount owed by the Developer and the schedule set forth in the Option Agreement pursuant which the Developer is required to purchase completed lots for the calculated amount will be amended to reflect KLLB’s receipt of proceeds from the District.

Additional Improvements and HOA Amenities

Additional Improvements. Pursuant to the Development Agreement, the Developer has agreed to construct the Additional Improvements consisting of a baseball field, a bridge and the Running Branch Trail that will be owned by the Town to serve the entire District. Construction of the baseball field is required to be completed within 18 months following the Town’s acceptance of the Phase 1 portion of the Improvement Area #1 Improvements. The construction of the bridge was completed on March 30, 2024. The total cost of the construction of the Additional Improvements is expected to be \$3,421,180. The Developer will use its own funds to complete the Additional Improvements and will not be reimbursed by the Town.

HOA Amenities. In addition, Developer intends to construct the HOA Amenities including certain private amenities, including a primary amenity center, a secondary amenity center, an amphitheater, a fishing pond, a calf roping park and the remaining portion of the trails depicted on the Open Space and Trail Plan other than the Running Branch Trail, all of which will be dedicated to and maintained by the Homeowners’ Association. Construction of the primary amenity center is required to be completed within 18 months following the Town’s acceptance of the Phase 1 portion of the Improvement Area #1 Improvements, and construction of the secondary amenity center is required to be completed within 18 months following the Town’s acceptance of the Authorized Improvements to be completed in Phase 3. Construction of the remaining HOA Amenities is expected to be completed in the fourth quarter of 2026. The total cost of the construction of the HOA Amenities is expected to be \$12,637,945. The Developer will use its own funds to complete the HOA Amenities and will not be reimbursed by the Town.

None of the costs of the Additional Improvements or the HOA Amenities will be paid for with proceeds of the Bonds or Improvement Area #1 Assessments levied within the District.

Capital at Risk

The following table shows the capital at risk from the entities involved in the Development.

Summary of Developer At-Risk Capital Subordinate to the Lien Securing the Bonds ⁽¹⁾

At Risk Entity	Funding Type	Funding Purpose	Security	Position to Assessment Lien	Capital at Risk ⁽¹⁾
Developer	Developer Equity	Additional Improvements	N/A ⁽²⁾	N/A ⁽²⁾	\$3,421,180 ⁽³⁾
Developer	Developer Equity	HOA Amenities	N/A ⁽²⁾	N/A ⁽²⁾	\$12,637,945 ⁽³⁾
Developer	Developer Equity	Developer Share of Improvement Area #1 Improvements	N/A ⁽²⁾	N/A ⁽²⁾	\$10,913,000 ⁽³⁾
Developer	Developer Equity	Pro Rata Portion of Major Improvement allocated to Improvement Area #1 ⁽⁴⁾	N/A ⁽²⁾	N/A ⁽²⁾	\$5,291,187 ⁽³⁾

Total At-Risk Capital Subordinate to the Lien Securing the Bonds: Up to \$32,263,312

Source: Service and Assessment Plan and Developer

(1) As of June 1, 2024.

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

(3) Preliminary, subject to change.

(4) The pro rata portion of the Major Improvements allocated to Improvement Area #1 will not be reimbursed with proceeds of the Bonds. The portion of future Major Improvements allocated to future improvement areas may be reimbursed with bonds issued to finance Authorized Improvements in such future improvement areas.

Education

The Development is served by the Aubrey ISD.

With respect to the portion of the District served by Aubrey ISD, James A Monaco Elementary School is approximately .05 miles from the District, Fullerton Elementary School is approximately 0.7 miles from the District, Aubrey Middle School is approximately 6.7 miles from the District, and Aubrey High School is approximately 6.0 miles from the District, which are expected to serve the District.

GreatSchools.org rated James A Monaco Elementary School and Aubrey High School “average,” rated Aubrey Middle School “below average,” and did not rate Jackie Fuller Elementary. According to the Texas Education Agency annual school report cards for the 2021-22* school year, James A Monaco Elementary, Jackie Fuller Elementary and Aubrey High School were rated “B,” and Aubrey Middle School was rated “C.” (The categories for public school districts and public schools are A, B, C, D or Not Rated).

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of the property within the District (the “Phase One ESA”) was completed in July 2021. Based on the information presented in the Phase One ESA, there was no recognized environmental conditions on the site, and no additional site assessment was recommended.

Endangered Species. The Developer is not aware of any endangered species located on District property.

* According to correspondence dated September 12, 2023, the release of the “District Accountability Ratings” for 2023 has been delayed, and was not available at the time of this limited offering memorandum.

Mineral Rights

No mineral rights reservations were retained by prior owners of real property within the District. No oil and gas drilling activity is currently occurring or expected to occur.

Although the Developer does not expect the exercise of such rights or any other mineral rights or related real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay assessments, including Improvement Area #1 Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Mineral Rights.”

Utilities

Water. The Mustang SUD will provide retail water service to the lots within the District.

Wastewater. The Mustang SUD will provide retail sewer service to the lots within the District.

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telephone/Cable/Data – FisionX and Optimum; and (2) Electricity/gas – Coserv.

The Mustang SUD does not currently have sufficient wastewater capacity to support the development in the District. Mustang SUD has entered into an Amendment to Participating Member Contract with the Upper Trinity River Water District (“UTRWD”) to construct additional force main lines and a new lift station that will satisfy all of the District’s wastewater capacity needs. Such additions are expected to be completed by end of year 2026. Until such additions are completed, pursuant to a letter agreement dated June 4, 2024, the Mustang SUD has agreed to allow the Developer to pump and haul to the designated wastewater treatment plant.

THE DEVELOPER

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

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as internet, gas and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer’s right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer is a Texas limited partnership that is a wholly owned subsidiary of Lennar Corporation. Lennar Corporation’s (under the symbol LEN) common stock trades on the New York Stock Exchange. Lennar Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements, and other information with the SEC. Such filings, particularly Lennar Corporation’s annual and quarterly reports filed on Form 10-K and quarterly reports on Form 10-Q set forth certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its subsidiaries as of such date. The SEC maintains an internet website that contains reports, proxy and informational statements and other information regarding registrants that file electronically with the SEC,

including Lennar Corporation. The address of such internet website is <http://www.sec.gov>. All documents subsequently filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes]. The Developer's ability to make full and timely payments of Improvement Area #1 Assessments or taxes will directly affect the Town's ability to meet its obligation to make payments on the Bonds For additional information, see "BONDHOLDERS' RISKS – Dependence Upon Developer" herein.

The Developer's ability to make full and timely payments of Improvement Area #1 Assessments or taxes will directly affect the Town's ability to meet its obligation to make payments on the Bonds. See "BONDHOLDERS' RISKS — Dependence Upon Developer."

Executive Biography of Developer's Principals

Greg Urech. Greg Urech has lived in the North Texas area for 36 years, with over 15 years of land development and acquisition experience. Since graduating from Southern Methodist University in 2003 with a Bachelor of Science in Finance, he has worked for several homebuilders in the North Texas market, including Pulte and Centex in addition to Lennar. As Division Land President for Lennar, Greg has led the acquisition of over \$1 billion in assets in the past 5 years.

Kyle Dickerson. Kyle Dickerson began his career with Lennar as a Construction Manager in 2005, and currently serves as VP of Land Development. While serving within the Land Department of Lennar, Kyle has managed the development of over 50,000 lots in the North Texas market.

Elizabeth Bentley. Elizabeth Bentley is an Entitlements Manager for Lennar. Her previous experience includes civil design work for multifamily and commercial communities and project management for luxury multi-family apartments. Since joining Lennar in 2020, she has managed over 15,000 lots throughout the Dallas-Fort Worth metroplex.

Michael Poole. Michael Poole is a Senior Development Analyst for Lennar, with over 10 years of land experience. While at Lennar, he has managed multiple bond issues in the North Texas market.

History and Financing of the District

In December 2021, the Developer self-financed the purchase of the property comprising the District from (1) Brown Development I, Ltd and Connie Brown, (2) QT Properties, LLC and (3) Teddy C. Johnson for an aggregate purchase price of \$29,610,778. In February 2022, KLLB purchased the property from the Developer for the amount of \$29,788,015 using its own funds. Pursuant to the Construction Agreement and the Option Contract, the Developer will construct the improvements on the property in the District, with KLLB reimbursing the Developer for the actual costs expended by the Developer, and upon completion of the developed lots, the Developer shall have the option to purchase the completed lots from KLLB. During the option period while KLLB owns lots in the District, any proceeds of the District received by the Developer will be allocated between the Developer and KLLB as described in "THE DEVELOPMENT - Construction Agreement and Option Agreement" herein.

PID ADMINISTRATOR

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

MuniCap, Inc. ("MuniCap") is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap currently acts as the administrator for over 300 special assessment and taxing districts in 30 states, including the State.

MuniCap periodically donates to certain charitable or public events hosted by the Town.

The Town and MuniCap have entered into an agreement for administration of the District (the "MuniCap Agreement") with MuniCap as the "Administrator" to provide specialized services related to the administration of

the District needed to support the issuance of the Bonds. The MuniCap Agreement will include seven general types of services provided by MuniCap: (i) administrative support services related to the Improvement Area #1 Assessments, (ii) delinquency management, (iii) prepayment of Improvement Area #1 Assessments, (iv) arbitrage rebate services, (v) continuing disclosure services, (vi) accounting and audit coordination, (vii) IRS compliance monitoring, (viii) consultant services related to levy of assessments and bond issuance, and (ix) other services..

BONDHOLDERS' RISKS

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

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE TOWN AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED 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 TOWN OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE TOWN'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE TOWN SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE TOWN OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the Town to pay debt service on the Bonds as due is subject to various factors that are beyond the Town'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 Town, (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 property within the Improvement Area #1 of District, it being understood that poor economic conditions within the Town, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District, including Improvement Area #1, should proceed more slowly than expected and the Developer is unable to pay the Improvement Area #1 Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1. 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 Town or the Town'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 Town 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 Purchasers

Each purchaser of Bonds (each a “Purchaser”) will be deemed to have acknowledged and represented to the Town the matters set forth under the heading “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading “BONDHOLDERS’ RISKS” and elsewhere herein, and each Purchaser, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Purchaser can afford a complete loss of its investment in the Bonds.

Risk from Weather Events

All of the State, including the area in which the Development is located, 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 the 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 Development.

Failure or Inability to Complete Proposed Development

Proposed development within the District (including the foregoing) 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 “Availability of Utilities” and “Hazardous Substances” below. Land development within 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 the Development must come from the Town.) 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. 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 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 Homes

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

Absorption Rate

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

Assessment Limitations

Annual Installments of Improvement Area #1 Assessments are billed to property owners of Assessed Property within the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under “ASSESSMENT PROCEDURES” herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Annual Collection Costs for such year. See “ASSESSMENT PROCEDURES” herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Improvement Area #1 Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #1 of the District, the Town has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Lien Foreclosure and Bankruptcy” herein.

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 also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent 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, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

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

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

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the Town 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 Town to make full or punctual payments of debt service on the Bonds.

THE IMPROVEMENT AREA #1 ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

No Credit Rating

The Town 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.

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed House Bill 1543, which became effective September 1, 2021, and requires a person who proposed 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 to purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developer or homebuilders within Improvement Area #1 of the District do not provide the required notice and prospective purchasers of property within the District 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 should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or homebuilders within Improvement Area #1 of the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Exhibit E 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 prior legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Since the conclusion of the 88th Regular Session the Governor has called four special sessions, all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new

proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Risks Related to the Current Real Estate Market

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

General Risks of Real Estate Investment and Development

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

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the completion of the Public Improvements as planned, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

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

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer 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 the District in the event such property has to be foreclosed. If Annual Installments 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 Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. If the costs of the Improvement Area #1 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #1 Improvements or pay the Improvement Area #1 Assessments when due. Additionally, if the costs of material continue to increase, it may affect the ability of the Developer and other builders to construct homes within 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 1, 2023, Silicon Valley Bank, or SVB, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or the FDIC, as receiver. Similarly, on March 1, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In March of 2023, UBS agreed to acquire the troubled Credit Suisse and troubled First Republic Bank received a \$30 billion rescue package from 11 of the biggest U.S. banks in an effort to prevent its collapse; however, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with SVB, Signature Bank or any other financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder.

Competition

None of the Developer, the Town, the Town's Financial Advisor or the Underwriter can give any assurance that the building programs that are planned will ever commence. The competitive position of the Developer in the sale of developed lots or single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

Competitive ongoing subdivisions in the area include, but are not limited to:

<u>Project Name</u> ⁽¹⁾	<u>Builder</u> ⁽¹⁾	<u>Prices (\$1,000s)</u>	<u>Approximate Distance to Development</u>
Silverado	DR Horton	\$323 – 481	1.5 miles
Woodstone	M/I Homes	\$330 – 420	2.0 miles
Enclave at Pecan Creek	DR Horton Express	\$311 – 398	2.3 miles
Paloma Creek South	Beazer	\$402 – 509	3.3 miles
Prairie Oaks	David Weekly	\$423 – 498	3.9 miles
Union Park	Del Webb	\$338 – 503	5.5 miles
Keeneland	Historymaker	\$330 – 485	8.5 miles

Loss of Tax Exemption

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

Lien Foreclosure and Bankruptcy

The payment of Improvement Area #1 Assessments and the ability of the Town 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 the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for 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 Account of the Reserve Fund

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 Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture will provide that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS SIMILARLY SECURED — Reserve Account of the Reserve Fund" herein.

Regulation

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

Hazardous Substances

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

The value of the land within the District does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The Town has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the Town is not aware of them.

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

See “THE DEVELOPMENT — Environmental” for discussion of the Phase 1 ESA performed on property within the District.

Regulation

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

100-Year Flood Plain

According to the National Flood Insurance Rate Map Community Panel Number 48121C0405G, portions of the Development’s gross land area is within Zone A, subject to the 100-year floodplain. A Letter of Map Revision was approved on November 2, 2023 and the became affective on May 1, 2024. A drainage easement encompasses the 100-year floodplain but no land is being dedicated and no reclamation was necessary.

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

Exercise of Mineral Rights

As described herein under “THE DEVELOPMENT — Mineral Rights,” there are no mineral rights reservations located within the District and not owned by the Developer. However, there may be mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Denton County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Area #1 of the District to pay Improvement Area #1 Assessments. However, none of the Town, 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, and upon the written request of the Owners of at least 25% of the owners of the Bonds Similarly Secured then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of

any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Town's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Town. In this regard, should the Town file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the Town 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 — Lien Foreclosure and Bankruptcy" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the Town 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 Town 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 Town's sovereign immunity from a suit for money damages in the absence of Town action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the Town 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 Town 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 Texas courts. In general, Texas 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. Texas 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 Town 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 Town 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 Town 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 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 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 does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #1 subject to the Improvement Area #1 Assessments, existing real estate and financial market conditions and other factors.

Management and Ownership

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

Availability of Utilities

The progress of development within the District is also dependent the Town providing an adequate supply of water and providing adequate wastewater services. If the Town fails to supply water services or adequate wastewater services to the property within the District, the development of the land in the District could be adversely affected. See “THE DEVELOPMENT — Utilities.”

Dependence upon Developer

The Developer, as the owner of the Assessed Property, currently has the obligation for payment of 100% of the total Improvement Area #1 Assessments. The ability of the Developer to make full and timely payment of the

Improvement Area #1 Assessments will directly affect the ability of the Town to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the Town to supplement revenues from the Improvement Area #1 Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the Town will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Improvements within or benefiting Improvement Area #1. See "THE IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Public Improvements or any other improvements.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Winstead P.C., Bond Counsel to the Town, 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 Code. Except as stated above, Bond Counsel to the Town 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 Town will rely upon (a) certain information and representations of the Town, including information and representations contained in the Town's federal tax certificate, and (b) covenants of the Town 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 Town 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 Town is conditioned on compliance by the Town with such requirements, and Bond Counsel to the Town 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 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 Town 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 Town as the taxpayer and the Owners 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 SIMILARLY SECURED.

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

LEGAL MATTERS

Legal Proceedings

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

Winstead PC, serves as Bond Counsel to the Town. Norton Rose Fulbright US 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 Town will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the

Attorney General of the State, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the Town. The Town 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 Town under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds herein under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only), "LEGAL MATTERS — Legal Opinions," "CONTINUING DISCLOSURE — The Town," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "INVESTMENTS," "APPENDIX B — Form of Indenture" and "APPENDIX D – Form of Bond Counsel Opinion" and such firm is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

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

Litigation — The Town

At the time of delivery and payment for the Bonds, the Town 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 Town 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 Town 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 Town or its authority with respect to the Bonds or any action of the Town contemplated by any documents relating to the Bonds.

It is the opinion of the Town Attorney and Town Staff that there is no pending litigation against the Town that would have a material adverse financial impact upon the Town or its operations.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Reimbursement Agreement, the Development Agreement, the Construction Agreement or the

Option Contract 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”).

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 Town 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 Town 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, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

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

CYBERSECURITY RISKS

The Town, like other municipalities in the State, utilizes technology in conducting its operations. As a user of technology, the Town potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the Town may be the target of a cyber-attack on its technology systems that could result in adverse consequences to the Town. The Town employs a multi-layered approach to combating cybersecurity threats. While the Town deploys layered technologies and requires employees to receive cybersecurity training, as required by State law, among other efforts, cybersecurity breaches could cause material disruptions to the Town’s finances or operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial. Further, cybersecurity breaches could expose the Town to litigation and other legal risks, which could cause the Town to incur other costs related to such legal claims or proceedings.

CONTINUING DISCLOSURE

The Town

Pursuant to Rule 15c2-12 of the SEC (the “Rule”), the Town, the PID Administrator and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the Town (collectively, the “Town Reports”). The specific nature of the information to be contained in the Town Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the Town 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 Town has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of Issuer. The Town 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 Town 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 Town 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 Town's Compliance with Prior Undertakings

During the last five years, the Town has materially complied with its continuing disclosure agreements made in accordance with the Rule.

The Developer

Pursuant to the Rule, the Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of Developer"), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Public Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of Developer." Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Developer's Compliance with Prior Undertakings

During the last five years, the Developer has materially complied with its continuing disclosure agreements made in accordance with the Rule.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the Town at a purchase price of \$ _____ (the par amount of the Bonds, less a reoffering discount of \$ _____ less an underwriting discount of \$ _____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the Town 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 Town 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 Town invests its funds in investments authorized by State law in accordance with investment policies approved by the Town Council. Both State law and the Town’s investment policies are subject to change.

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

the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for Town deposits, or (ii) certificates of deposits where (a) the funds are invested by the Town through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the Town as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the Town, (b) the broker or the depository institution selected by the Town 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 Town, (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 Town appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the Town with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the Town or cash held by the Town to be pledged to the Town, held in the Town's name, and deposited at the time the investment is made with the Town or with a third party selected and approved by the Town, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the Town with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the Town and deposited with the Town or a third party selected and approved by the Town.

The Town may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The Town 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 Town retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Town must do so by order, ordinance, or resolution. The Town is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten (10) years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the Town are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Town, held in the Town's name and deposited at the time

the investment is made with the Town or a third party designated by the Town; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

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

Under State law, the Town's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the Town's investment officers must submit an investment report to the Town Council detailing: (1) the investment position of the Town, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest Town funds without express written authority from the Town Council.

Under State law, the Town is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the Town to disclose the relationship and file a statement with the Texas Ethics Commission and the Town Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the Town to: (a) receive and review the Town's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Town and the business organization that are not authorized by the Town's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the Town and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the Town's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the Town'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 Town.

INFORMATION RELATING TO THE TRUSTEE

The Town has appointed U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness

or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Town 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 Town. 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.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the Town'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 Town 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 Developer, the Development and the Authorized Improvements generally and, in particular, the information included in the maps on pages (ii) and (iii) and in the sections captioned "PLAN OF FINANCE — Development Plan" and "— Home Development within the District," "THE IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings" has been provided by the Developer, and the Developer warrants and represents that, to the Developer's knowledge after due inquiry, the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the Town and the Underwriter.

Experts

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

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the Town 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 Town 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 Town to so amend or supplement the Limited Offering Memorandum will terminate when the Town delivers the Bonds to the Underwriter, unless the Underwriter notifies the Town on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the Town's obligations hereunder will extend for an additional period of time (but not more than ninety (90) days after the date the Town 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 TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE TOWN 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 Town Council has approved by resolution the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

TOWN OF PROVIDENCE VILLAGE, TEXAS

Mayor

ATTEST:

Town Secretary

APPENDIX A

GENERAL INFORMATION REGARDING THE TOWN AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General Information

The Town is located in Denton County, and sits approximately 43 miles north of Dallas, Texas. The Town is situated along U.S. Highway 380 near the intersection of FM 2931. The Town covers approximately 1.3 square miles. The Town’s 2020 census population was 7,729. The Town’s population estimate as of January 1, 2024 is 10,200.

Historical Employment in Denton County Texas (Average Annual)

The historical employment in Denton County, Texas is set forth the table below. Historical employment statistics for the Town are not available.

	Average Annual				
	2024 ⁽¹⁾	2023	2022	2021	2020
Civilian Labor Force	574,101	568,450	551,918	529,274	511,246
Total Employed	554,778	548,549	533,977	505,915	478,345
Total Unemployed	19,323	19,901	17,941	23,359	32,901
Unemployment Rate	3.4%	3.5%	3.3%	4.4%	6.4%

⁽¹⁾ Data through May 31 2024.
Source: Texas Workforce Commission

Major Employers in Denton County

The major employers in Denton County are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
University of North Texas	Education	8,891
Lewisville ISD	Education	7,500
Schwab	Financial Services	7,000
Nebraska Furniture Mart	Retail	5,006
Denton ISD	Education	4,431
Andretti Indoor Carting & Games	Entertainment Center	3,000
Peterbilt Motors	Manufacturing	2,000
Denton County	Government	1,822
Wal-Mart	Retail Store	1,734
AdventHealth	Healthcare	1,633

Source: Municipal Advisory Council of Texas

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

Surrounding Economic Activity

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

City of Frisco		City of Denton		City of Lewisville	
Approximately 16 miles from the City		Approximately 11 miles from the City		Approximately 18 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Frisco ISD	8,088	University of North Texas	8,891	Lewisville ISD	3,551
T-Mobile USA	1,800	Denton ISD	4,331	Wal-Mart	900
City of Frisco	1,688	Peterbilt Motors-Headquarters & Plant	2,000	City of Lewisville	842
Keurig Dr Pepper Inc.	1,100	Denton County	1,822	Medical City Lewisville	577
Mario Sinacola & Sons Excavating	935	Denton State Supported Living Center	1,146	Mary Kay	571
Conifer	903	City of Denton	1,104	Caliber Collision	545
Baylor Medical Center	663	Texas Presbyterian Hospital	1,100	SYSCO	476
Baylor Scott White/Centennial Hosp.	466	Texas Womens University	1,077	Hoya Vision Care	325
IKEA Frisco	423	Sally Beauty	1,000	Orthofix	250
UT Southwest/Texas Health Hosp	300	Medical Center Denton	799	The Flooring Services	250

City of Plano	
Approximately 32 miles from the City	
Employer	Employees
JP Morgan Chase	9,500
Capital One Finance	7,542
Toyota Motor North America Inc.	4,573
Bank of America	4,500
AT&T Foundry	2,500
Ericsson	2,406
Liberty Mutual Insurance Company	2,385
Medical City Plano	2,332
USAA	2,092
Fannie Mae	2,000

City of Dallas	
Approximately 48 miles from the City	
Employer	Employees
UT Southwestern Medical Center	23,817
Dallas ISD	23,271
City of Dallas	16,000
Southwest Airlines Co	14,618
Parkland Health System	13,000
Medical City Dallas	10,974
Dallas Co. Community College	8,230
Texas Instruments Inc.	7,722
Dallas County	6,500
Methodist Dallas Medical Center	6,452

Source: Municipal Advisory Council of Texas.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX B
FORM OF INDENTURE

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

INDENTURE OF TRUST

By and Between

TOWN OF PROVIDENCE VILLAGE, TEXAS

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

DATED AS OF AUGUST 1, 2024

SECURING

\$(PAR AMOUNT)
TOWN OF PROVIDENCE VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

Table of Contents

	ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	3
Section 1.1.	Definitions.....	3
Section 1.2.	Findings.....	11
Section 1.3.	Table of Contents, Titles and Headings.....	11
Section 1.4.	Interpretation.....	12
	ARTICLE II THE BONDS.....	12
Section 2.1.	Granting Clauses.....	12
Section 2.2.	Security for the Bonds Similarly Secured.....	13
Section 2.3.	Limited Obligations.	13
Section 2.4.	Authorization for Indenture.	14
Section 2.5.	Contract with Owners and Trustee.	14
	ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	14
Section 3.1.	Authorization.	14
Section 3.2.	Date, Denomination, Maturities, Numbers and Interest.	14
Section 3.3.	Conditions Precedent to Delivery of Bonds Similarly Secured.....	15
Section 3.4.	Medium, Method and Place of Payment.....	16
Section 3.5.	Execution and Registration of Bonds Similarly Secured.....	17
Section 3.6.	Refunding Bonds.	18
Section 3.7.	Ownership.	19
Section 3.8.	Registration, Transfer and Exchange.....	19
Section 3.9.	Cancellation.	20
Section 3.10.	Temporary Bonds Similarly Secured.....	20
Section 3.11.	Replacement Bonds Similarly Secured.....	21
Section 3.12.	Book-Entry Only System.....	22
Section 3.13.	Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	23
Section 3.14.	Payments to Cede & Co.....	23
	ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY.....	23
Section 4.1.	Limitation on Redemption.	23

	Page
Section 4.2. Mandatory Sinking Fund Redemption.....	23
Section 4.3. Optional Redemption.....	24
Section 4.4. Extraordinary Optional Redemption.....	24
Section 4.5. Partial Redemption.....	25
Section 4.6. Notice of Redemption to Owners.	25
Section 4.7. Payment Upon Redemption.	26
Section 4.8. Effect of Redemption.....	26
ARTICLE V FORM OF THE BONDS	26
Section 5.1. Form Generally.....	26
Section 5.2. CUSIP Registration.....	27
Section 5.3. Legal Opinion.	27
ARTICLE VI FUNDS AND ACCOUNTS	27
Section 6.1. Establishment of Funds and Accounts.....	27
Section 6.2. Initial Deposits to Funds and Accounts.	29
Section 6.3. Pledged Revenue Fund.	29
Section 6.4. Bond Fund.....	30
Section 6.5. Project Fund.....	30
Section 6.6. Redemption Fund.....	32
Section 6.7. Reserve Fund.	32
Section 6.8. Rebate Fund: Rebate Amount.	34
Section 6.9. Administrative Fund.	34
Section 6.10. Investment of Funds.....	35
Section 6.11. Security of Funds.....	36
ARTICLE VII COVENANTS.....	36
Section 7.1. Confirmation of Assessments.	36
Section 7.2. Collection and Enforcement of Assessments.....	36
Section 7.3. Against Encumbrances.....	37
Section 7.4. Records, Accounts, Accounting Reports.	37
Section 7.5. Covenants to Maintain Tax-Exempt Status.	38
ARTICLE VIII LIABILITY OF TOWN.....	41
Section 8.1. Liability of the Town	41
ARTICLE IX THE TRUSTEE	43

	Page
Section 9.1. Trustee as Paying Agent/Registrar.....	43
Section 9.2. Trustee Entitled to Indemnity.	43
Section 9.3. Responsibilities of the Trustee.....	43
Section 9.4. Property Held in Trust.	44
Section 9.5. Trustee Protected in Relying on Certain Documents.....	44
Section 9.6. Compensation.	45
Section 9.7. Permitted Acts.....	45
Section 9.8. Resignation of Trustee.	45
Section 9.9. Removal of Trustee.....	45
Section 9.10. Successor Trustee.....	46
Section 9.11. Transfer of Rights and Property to Successor Trustee.....	47
Section 9.12. Merger, Conversion or Consolidation of Trustee.	47
Section 9.13. Trustee To File Continuation Statements Only.	47
Section 9.14. Construction of Indenture.	47
ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE	48
Section 10.1. Amendments Permitted.....	48
Section 10.2. Owners’ Meetings.	49
Section 10.3. Procedure for Amendment with Written Consent of Owners.....	49
Section 10.4. Effect of Supplemental Indenture.	50
Section 10.5. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.	50
Section 10.6. Amendatory Endorsement of Bonds Similarly Secured.	50
Section 10.7. Waiver of Default.	50
Section 10.8. Execution of Supplemental Indenture.....	51
ARTICLE XI DEFAULT AND REMEDIES.....	51
Section 11.1. Events of Default.	51
Section 11.2. Immediate Remedies for Default.	51
Section 11.3. Restriction on Owner’s Action.	52
Section 11.4. Application of Revenues and Other Moneys After Default.....	53
Section 11.5. Effect of Waiver.....	54
Section 11.6. Evidence of Ownership of Bonds Similarly Secured.	54
Section 11.7. No Acceleration.	55

	Page
Section 11.8. Mailing of Notice.....	55
Section 11.9. Exclusion of Bonds Similarly Secured.....	55
Section 11.10. Remedies Not Exclusive.....	55
Section 11.11. Direction by Owners.....	55
ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS	56
Section 12.1. Representations as to Trust Estate.....	56
Section 12.2. Accounts, Periodic Reports and Certificates.....	56
Section 12.3. General.....	56
ARTICLE XIII SPECIAL COVENANTS	57
Section 13.1. Further Assurances; Due Performance.....	57
Section 13.2. Additional Obligations or Other Liens.....	57
Section 13.3. Books of Record.....	57
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....	58
Section 14.1. Trust Irrevocable.....	58
Section 14.2. Satisfaction of Indenture.....	58
Section 14.3. Bonds Similarly Secured Deemed Paid.....	58
ARTICLE XV MISCELLANEOUS.....	59
Section 15.1. Benefits of Indenture Limited to Parties.....	59
Section 15.2. Successor is Deemed Included in All References to Predecessor.....	59
Section 15.3. Execution of Documents and Proof of Ownership by Owners.....	59
Section 15.4. Waiver of Personal Liability.....	60
Section 15.5. Notices to and Demands on Town and Trustee.....	60
Section 15.6. Partial Invalidity.....	61
Section 15.7. Applicable Laws.....	62
Section 15.8. Payment on Business Day.....	62
Section 15.9. Counterparts.....	62
Section 15.10. Verification of Statutory Representations and Covenants.....	62
EXHIBIT A Form of Bond.....	1

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of August 1, 2024 is by and between the TOWN OF PROVIDENCE VILLAGE, TEXAS (the “Town”), and U.S. Bank Trust Company, National Association, Dallas, Texas, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted by the Petitioner (defined herein) and filed with the Town Secretary of the Town (the “Town Secretary”) pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “PID Act”), requesting the creation of a public improvement district located within the corporate limits of the Town to be known as the Force Ranch Public Improvement District (the “District”); and

WHEREAS, the petition contained the signature of the owner of taxable 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 Denton Central Appraisal District, and the signature of the property owner of 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 September 6, 2022, after due notice, the Town Council of the Town (the “Town 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 6, 2022 the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2022-253 adopted by a majority of the members of the Town Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, on September 7, 2022, the Town filed and recorded Resolution No. 2022-253 with the County Clerk of Denton County, the county in which the District is located; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the Town Secretary within 20 days after September 6, 2022; and

WHEREAS, the boundaries of the District are now entirely within the corporate limits of the Town; and

WHEREAS, on February 20, 2024, the Town Council by Resolution No. 2024-272 made findings and determinations relating to the Actual Costs of certain authorized improvements (the “Improvement Area #1 Improvements”) that will benefit property located within a portion of the District (“Improvement Area #1”), received and accepted a preliminary service and assessment plan and proposed assessment roll for Improvement Area #1 (the “Improvement Area #1 Assessment Roll”), called a public hearing for March 19, 2024 and directed Town staff to (i) file said proposed Improvement Area #1 Assessment Roll with the Town Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act and (ii) publish

such notice relating to the March 19, 2024, hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on March 1, 2024 the Town Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Post-Signal*, a newspaper of general circulation in the Town to consider the proposed Improvement Area #1 Assessment Roll and the “Foree Ranch Public Improvement District Service and Assessment Plan” (as updated or amended from time to time, the “Service and Assessment Plan”), and the levy of the Assessments (as defined herein) on assessable property within Improvement Area #1 (the “Assessments”); and

WHEREAS, the Town Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #1 Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the Town Council opened and convened the hearing on March 19, 2024, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Improvement Area #1 Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual Costs of the Improvement Area #1 Improvements, the purposes of the Assessments, the special benefits of the Improvement Area #1 Improvements, and the penalties and interest on Annual Installments (as defined herein) and on delinquent Annual Installments of the Assessments, and there were no written objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs of the Improvement Area #1 Improvements, the Improvement Area #1 Assessment Roll, and the levy of the Assessments; and

WHEREAS, the Town Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the Town, and on March 19, 2024, the Town Council approved Ordinance No. 2024-290 (the “Assessment Ordinance”), which approved and accepted the Service and Assessment Plan, as updated for Improvement Area #1, in conformity with the requirements of the PID Act as the service and assessment plan for Improvement Area #1 and levied the Assessments as provided in the Service and Assessment Plan and the Improvement Area #1 Assessment Roll; and

WHEREAS, the Town Secretary or Assistant Town Secretary of the Town filed a copy of the Assessment Ordinance not later than the seventh day after the date the Town Council approved the Assessment Ordinance and the Service and Assessment Plan with the County Clerk of Denton County; and

WHEREAS, the Town Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the bonds, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying the costs of issuance; and

WHEREAS, the Town Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “Town of Providence Village, Texas, Special Assessment

Revenue Bonds, Series 2024 (Foree Ranch 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 the preamble of this Indenture; and

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

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured 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 Town 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 Similarly Secured as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

“Actual Costs” means, with respect to the Improvement Area #1 Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Improvement Area #1 Improvements, as specified in an Improvement Area #1 Certification for Payment (with respect to Improvement Area #1 Improvements), that has been reviewed and approved by the Town. Actual Costs may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Improvement Area #1 Improvements, including general contractor construction management fees, if any (b) the costs of preparing the construction plans for such Improvement Area #1 Improvements, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Improvement Area #1 Improvements, (d) the costs for external professional costs associated with such Improvement Area #1 Improvements, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Improvement Area #1 Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, Town permit fees, and development fees), insurance premiums, miscellaneous expenses.

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

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

“Additional Interest Reserve Account” means the reserve account administrated by the Town and segregated from other funds of the Town in accordance with the provisions of Section 6.7 of this Indenture.

“Additional Interest Reserve Requirement” means an amount equal to 5.50% of the principal amount of the Outstanding Bonds Similarly Secured to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account.

“Additional Obligations” means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes or time warrants secured in whole or in part by an assessment, other than the Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 of the District in accordance with the PID Act.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including other reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Improvement Area #1 Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrative Fund” means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

“Administrator” means an employee or designee of the Town who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the Town related to the duties and responsibilities of the administration of the District. The initial Administrator is MuniCap, Inc.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and

(ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Assessment (including both principal and interest) as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix G as it relates to the Improvement Area #1 Improvements which annual payment includes Administrative Expenses and the Additional Interest collected on each annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

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

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

“Assessed Parcel” means each respective parcel of land located within Improvement Area #1 of the District against which an Assessment is levied by the Assessment Ordinance, in accordance with the Service and Assessment Plan.

“Assessed Property” means, collectively, all of the Assessed Parcels.

“Assessment Ordinance” means Ordinance No. 2024-290 adopted by the Town Council on March 19, 2024, that levied the Assessments on the Assessed Parcels located in Improvement Area #1 of the District.

“Assessments” means the aggregate Assessments as shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Assessment Roll, or in the Service and Assessment Plan, subject to the reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Assessment Revenue” means monies collected by or on behalf of the Town from any one or more of the following: (i) an Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

“Assessment Roll” means the Improvement Area #1 Assessment Roll attached as Appendix G to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessments against each Assessed Parcel related to the Bonds and the Improvement Area #1 Improvements, as updated, modified, or amended from time to time, in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Authorized Denomination” means \$25,000 and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than \$25,000 then the Authorized Denomination shall be the amount of such Outstanding Bond.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including, but not limited to, those listed in Section III-B and Section III-C of the Service and Assessment Plan.

“Bond” means any of the Bonds.

“Bonds” means the Town's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled “Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project)”.

“Bond Counsel” means Winstead PC or any other attorney or firm of attorneys designated by the Town that is nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

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

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

“Bond Ordinance” means Ordinance No. 2024-__ adopted by the Town Council on _____, 2024 authorizing the issuance of the Bonds pursuant to this Indenture.

“Bond Pledged Revenue Account” means the Account of such name established pursuant to Section 6.1.

“Bond Similarly Secured” or “Bonds Similarly Secured” means all bonds or any bonds authorized by a bond ordinance and issued in accordance with this Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof as permitted by 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.

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

“Closing Date” means the date of the initial delivery of and payment for the applicable Series of Bonds Similarly Secured.

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

“Costs of Issuance Account” means the Account of such name established pursuant to Section 6.1.

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

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

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

“Developer” means Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (including its respective successors and assigns).

“District Administration Account” means the Account of such name established pursuant to Section 6.1.

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

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

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

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

“Improvement Area #1” means that portion of the District and further identified and described in the Service and Assessment Plan as Improvement Area #1.

“Improvement Area #1 Assessment Roll” means the assessment roll attached as Appendix G to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessment against each Assessed Parcel located within Improvement Area #1 of the District related to the Bonds and the Improvement Area #1 Improvements, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area #1 Certification for Payment” means a certificate substantially in the form of Exhibit A attached to the Reimbursement Agreement or otherwise approved by the Developer and the Town Representative executed by an engineer, construction manager or other person or entity acceptable to the Town, as evidenced by the signature of a Town Representative, delivered to the Town Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof related to Improvement Area #1 Improvements, and requesting payment for such Actual Costs of the Improvement Area #1 Improvements from money on deposit in the Improvement Area #1 Improvement Account of the Project Fund as further described in Section 6.5 herein.

“Improvement Area #1 Improvement Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area #1 Improvements” means the Authorized Improvements which will only benefit Assessed Parcels located within Improvement Area #1 of the District more particularly described in Section III-C of the Service and Assessment Plan.

“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 Town who, or each of whom: (i) is judged by the Town, 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 Town; (iii) does not have any substantial interest, direct or indirect, with or in the Town, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the Town as an officer or employee of the Town, but who may be regularly retained to make reports to the Town.

“Initial Bond” means, with respect to the Bonds, the Initial Bond as set forth in Exhibit A to this Indenture and, with respect to any other Series of Bonds Similarly Secured, the Initial Bond set forth in an exhibit to a Supplemental Indenture.

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

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided that such investments are, at the time made, included in and authorized by the Town’s official investment policy as approved by the Town Council from time to time.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds Similarly Secured.

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

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

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

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

“Petitioner” means KLLB AIV LLC, a Delaware limited liability company.

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

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

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

“Pledged Revenues” means the sum of (i) Assessment Revenue less the Administrative Expenses, and (ii) any additional revenues that the Town may pledge to the payment of Bonds Similarly Secured.

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

“Principal and Interest Account” means the Account of such name established pursuant to Section 6.1.

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

“Purchaser” means, with respect to a Series of Bonds Similarly Secured, the initial purchaser of such Bonds Similarly Secured.

“Rebate Amount” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Rebate Fund” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.

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

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

“Redemption Price” means, when used with respect to any Bond Similarly Secured or portion thereof, the amount of par plus accrued and unpaid interest to the date of redemption.

“Refunding Bonds” means Bonds Similarly Secured issued pursuant to the PID Act, and/or Chapter 1207 of the Texas Government Code, or any other applicable law of the State of Texas (each as amended), to refund all or any portion of the then-Outstanding Bonds Similarly Secured.

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

“Reimbursement Agreement” means the reimbursement agreement between the Town and the Developer, dated as of December 19, 2023, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of the Authorized Improvements, including the Improvement Area #1 Improvements, within the District, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the Bonds for funds advanced by the Developer and used to pay costs of improvements, including the Improvement Area #1 Improvements, and other matters related thereto.

“Reserve Account” means the Account of such name established pursuant to Section 6.1.

“Reserve Account Requirement” means 100% of average Annual Debt Service on the Bonds Similarly Secured as of the Closing Date. As of the Closing Date, the Reserve Account Requirement is \$_____ which is an amount equal to 100% of average Annual Debt Service on the Bonds as of the Closing Date. The Reserve Account Requirement shall be adjusted in accordance with Section 13.2, in the event an additional Series of Bonds Similarly Secured is hereafter issued.

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

“Series” means any designated series of Bonds Similarly Secured issued under this Indenture or a Supplemental Indenture.

“Service and Assessment Plan” means the document entitled “Foree Ranch Public Improvement District Service and Assessment Plan” dated March 19, 2024, including the Improvement Area #1 Assessment Roll, as amended, including any annual updates thereto, a version of which was attached to the Assessment Ordinance.

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

“Stated Maturity” means the date the Bonds Similarly Secured, or any portion of the Bonds Similarly Secured, 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 the Town Representative pursuant to an ordinance adopted by the Town Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

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

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

“Town Representative” means any official or agent of the Town authorized by the Town Council to undertake the action referenced herein.

“Trust Estate” means the Trust Estate described in Section 2.1 of this Indenture.

“Trustee” means U.S. Bank Trust Company, National Association, Dallas, Texas, 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 Similarly Secured.

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. Granting Clauses

(a) In order to secure the payment of debt service on all Bonds, and the performance and observance by the Town of all the covenants expressed or implied herein, the Town does hereby grant to the Trustee, as good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquired, in, to, and under the following (the "Trust Estate"):

(i) All Pledged Revenues and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the Town to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

(ii) 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 Town 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.

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured 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 Town or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, 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 shall remain in full force and effect.

(c) Except as otherwise provided in the remaining provisions of this Indenture, nothing in this Section 2.1 shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligation of the Town hereunder except that nothing in this Section shall prejudice the rights of the Trustee under Articles IX and XI hereof; provided further that the priority of payment and the source for the repayment of the debt service on the Bonds shall be subject to the terms as set forth herein, including without limitation Article VI herein; provided further that the right to direct remedies following an Event of Default shall be limited to the Owners of the Bonds to the extent provided as set forth in Articles XI and XV herein.

(d) The Bonds are to be issued, registered, authenticated, and delivered, and the Trust Estate is to be held, dealt with and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Indenture.

Section 2.2. Security for the Bonds Similarly Secured.

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

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date for the applicable Series of Bonds Similarly Secured each issued under this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the Town under this Indenture, and such pledge is therefore valid, effective and perfected from and after the Closing Date. If Texas law is amended at any time while any of the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the Town under this 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 Similarly Secured the perfection of the security interest in said pledge, the Town 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.

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

(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 Similarly Secured and to prescribe the rights of the Owners, and the rights and duties of the Town and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds Similarly Secured 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 Town with the Owners, and shall be deemed to be and shall constitute a contract among the Town, 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 of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$[PAR AMOUNT] for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal of and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying the costs of issuance.

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

(a) The Bonds shall be dated August 1, 2024 (the “Bond Date”) and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on

March 1 and September 1 of each year, commencing March 1, 2025 computed on the basis of a 360-day year of twelve 30-day months.

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

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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 herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds Similarly Secured.

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

(a) The Bonds shall be executed by the Town 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 Town, but only upon delivery to the Trustee of:

- (i) a certified copy of the Assessment Ordinance;
- (ii) a certified copy of the Bond Ordinance;
- (iii) a copy of the executed Reimbursement Agreement;
- (iv) a copy of this Indenture executed by the Trustee and the Town;
- (v) a copy of the executed Continuing Disclosure Agreement of Issuer;
- (vi) a copy of the executed Continuing Disclosure Agreement of Developer;
- (vii) a copy of the executed opinion of Bond Counsel;

(viii) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and

(ix) a Town 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 in form and substance satisfactory to the Town.

(b) Each Series of Refunding Bonds shall be executed by the Town and delivered to the Trustee, whereupon the Trustee shall authenticate such Refunding Bonds and, upon payment of the purchase price of such Series of Refunding Bonds, shall deliver such Series of Refunding Bonds upon the order of the Town, but only upon delivery to the Trustee of:

(i) the items described in Section 3.3(a)(v), (iv) and (ix), if any, above;

(ii) a certified copy of the ordinance of the Town Council authorizing the issuance of such Series of Refunding Bonds and all actions necessary therefor;

(iii) an original executed counterpart of the Supplemental Indenture for each Series of Refunding Bonds that establishes, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Series of Refunding Bonds, which such terms shall include a deposit into the Reserve Account of the Reserve Fund of an amount equal to the Reserve Account Requirement taking into account the then Outstanding Bonds Similarly Secured and the Refunding Bonds then proposed to be issued;

(iv) a Town Certificate, including the requisite information as set forth in Section 3.3(a)(ix) above, to the effect that the issuance of such Series of Refunding Bonds complies with the requirements contained herein and in each Supplemental Indenture, including the requirements contained in Section 13.2 below; and

(v) the Town Representative shall certify to the Trustee in writing that the Town is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the Town contained herein or in any Supplemental Indenture.

Section 3.4. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 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 or on behalf of the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond Similarly Secured appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds Similarly Secured shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner 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 Similarly Secured shall be paid to the Owner of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured 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 Similarly Secured shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the Town 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 such 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 Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the Town to be used for any lawful purpose. Thereafter, none of the Town, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds Similarly Secured.

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

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to hold such office before the authentication of such Bonds Similarly Secured 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 Similarly Secured 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 or in a Supplemental Indenture, 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date for such Series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the Town, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On each Closing Date for each Series of Bonds Similarly Secured, one Initial Bond representing the entire principal amount of such Series of Bonds Similarly Secured, payable in stated installments to the Purchaser of such Series of Bonds Similarly Secured, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the Town Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser of such Series of Bonds Similarly Secured 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 of such Series of Bonds Similarly Secured one registered definitive bond for each year of maturity of such Series of Bonds Similarly Secured, in the aggregate principal amount of all Bonds for such maturity of such Series of Bonds Similarly Secured, 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 Town shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. The Town 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 Town 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 1 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 1 and September 1. 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 Town, the Refunding Bonds of a Series issued under this Section 3.6 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(b) above.

Section 3.7. Ownership.

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

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

Section 3.8. Registration, Transfer and Exchange.

(a) So long as any Bond Similarly Secured remains Outstanding, the Town 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 Similarly Secured in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will file and maintain a copy of the Register with the Town, 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 Similarly Secured 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 Similarly Secured shall be effective until entered in the Register.

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same Series, and of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged for other Bonds Similarly Secured in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured 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 Similarly Secured delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual

obligation of the Town and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

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

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds Similarly Secured. 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 Similarly Secured.

(g) Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured 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 Similarly Secured redeemed in part.

Section 3.9. Cancellation.

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

Section 3.10. Temporary Bonds Similarly Secured.

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

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

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds Similarly Secured in definitive form; thereupon, upon the presentation and

surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in an Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11. Replacement Bonds Similarly Secured.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond Similarly Secured, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond Similarly Secured 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 Similarly Secured is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured 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 Similarly Secured;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the Town 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 Town and the Trustee.

(c) After the delivery of such replacement Bond Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond Similarly Secured was issued presents for payment such original Bond Similarly Secured, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured 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 Town, 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 Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

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

Section 3.12. Book-Entry Only System.

The Bonds Similarly Secured shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the Town to DTC. On the Closing Date of each Series of Bonds Similarly Secured, the definitive Bonds Similarly Secured shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

With respect to Bonds Similarly Secured registered in the name of Cede & Co., as nominee of DTC, the Town 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 Similarly Secured. Without limiting the immediately preceding sentence, the Town 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 Similarly Secured, (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 Similarly Secured, 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 Similarly Secured. Notwithstanding any other provision of this Indenture to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on such Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured 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 Town's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the

provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

Section 3.13. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the Town determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the Town to DTC, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17A 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 Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their DTC accounts. In such event, the Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured, and all notices with respect to such Bonds Similarly Secured shall be made and given, respectively, in the manner provided in the blanket letter of representations from the Town 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. Each Series of Bonds Similarly Secured, other than the Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds Similarly Secured.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the Town in part at the price of par plus accrued and unpaid interest to the date of redemption (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 1, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

(b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2 the Trustee shall select a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds of a Stated Maturity 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 Town, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

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

Section 4.3. Optional Redemption.

The Town reserves the right and option to redeem Bonds maturing on or after September 1, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the Town, at the Redemption Price for such Bonds.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the Town reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part and in an amount specified in a Town Certificate, on the first day of any month, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to Sections 6.3(d), 6.7(d), 6.7(f)), or as a

result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture, or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. Partial Redemption.

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

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds in any method that results in a random selection.

(c) In selecting the Bonds to be redeemed pursuant to Section 4.3, the Trustee may rely on the directions provided in a Town Certificate.

(d) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or a portion of a Bond, as applicable, of such series to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds of such series.

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

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, 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. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture means Cede &Co., as nominee for DTC.

(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 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

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

(d) The Town 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 the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless 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 Town 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 Town 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.

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 Town and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

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

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in 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 Similarly Secured, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds Similarly Secured, (i) shall be, with respect to the Bonds, substantially in the form set forth in Exhibit A to this Indenture with such appropriate

insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and, with respect to any other Bonds Similarly Secured, substantially in the form set forth in an exhibit to a Supplemental Indenture 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 Town or by the officers executing such Bonds Similarly Secured, as evidenced by their execution thereof.

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

(c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.

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

Section 5.2. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Services managed by S&P Global Market 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 Similarly Secured shall be of no significance or effect as regards the legality thereof and none of the Town, the Trustee, nor the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on such Bonds Similarly Secured have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds Similarly Secured and that neither the Town nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the Town Secretary of the Town, 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.

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

(A) Principal and Interest Account

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) Improvement Area #1 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.

(v) The following Account is hereby created and established under the Administrative Fund:

(A) District Administration 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 Town. 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 Similarly Secured.

(d) Except as set forth in Section 6.10(f), 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.

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

- (a) to the Reserve Account of the Reserve Fund: \$ _____;
- (b) to the Costs of Issuance Account of the Project Fund: \$ _____;
- (c) to the Improvement Area #1 Improvement Account of the Project Fund: \$ _____;
- (d) to the District Administration Account of the Administrative Fund: \$ _____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15 of each year while the Bonds Similarly Secured are Outstanding and beginning February 15, 2025, the Town shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the Town shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected in accordance with Section 6.7(b) hereof, (iv) fourth, to the Improvement Area #1 Improvement Account of the Project Fund to pay other Actual Costs of the Improvement Area #1 Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account 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, 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 Similarly Secured 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 herein, 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, and, then, to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured, as described in Section 11.4(a) hereof.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds related, and third, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund, and the other deposits described in(a) above, the Town may direct the Trustee, to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the Town pursuant to a Town Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture.

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/or interest then due and payable on the Bonds Similarly Secured 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, in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Notwithstanding any other provisions, money on deposit in the Improvement Area #1 Improvement Account of the Project Fund shall only be used to pay Actual Costs of the Improvement Area #1 Improvements.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more Town Certificates. Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon

receipt by the Trustee of either a properly executed and completed Improvement Area #1 Certification for Payment, or written direction from the Town or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvement Account of the Project Fund pursuant to an Improvement Area #1 Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement, or as provided in such written direction from the Town; provided, however, all disbursement of funds for the Actual Costs of the Improvement Area #1 Improvements made pursuant to an Improvement Area #1 Certification for Payment shall be made from the Improvement Area #1 Improvement Account. Such provisions and procedures related to such disbursement contained in the Reimbursement Agreement, and no other provisions of the Reimbursement Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) If the Town Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #1 Improvement Account due to the abandonment, or constructive abandonment, of the Improvement Area #1 Improvements, such that, in the opinion of the Town Representative, it is unlikely that the amounts in the Improvement Area #1 Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #1 Improvement Account, the Town Representative shall file a Town Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund that are not expected to be used for purposes of paying Actual Costs of the Improvement Area #1 Improvements. If such Town Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

(e) Upon the filing of a Town Certificate stating that all Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any such Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvement Account of the Project Fund pursuant to an Improvement Area #1 Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvement Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the Town Representative in a Town Certificate filed with the Trustee and (ii) the Improvement Area #1 Improvement Account of the Project Fund shall be closed. If the Improvement Area #1 Improvement Account has been closed pursuant to the provisions of this Section and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f), the Project Fund shall be closed.

(f) Not later than six months following the Closing Date, upon a determination by the Town 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 another Account in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the Town in a Town Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of 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 Town agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits described in Sections 6.2 and 6.3(a) hereof, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement, except to the extent such deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2025 an amount equal to the Additional Interest collected, if any, as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the Town, in writing, of the amount of such shortfall, and the Town shall resume collecting the Additional Interest and shall file a Town 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 Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the Town shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the Town of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section,

the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a Town Certificate directing that a different amount be used.

(c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the Town, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the Town and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a Town Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments 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 Similarly Secured 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 Similarly Secured 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 in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a Town Certificate, as a result of such Prepayment and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a Town Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the Town 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 debt service on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty days of such notice to the Town Representative, the Trustee receives a Town Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date of the Bonds, or (iii) for such other use specified in such Town Certificate if the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

(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 Similarly Secured due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account of the Reserve Fund to the Bond 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 Similarly Secured, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(h) If, after a Reserve Account withdrawal pursuant to Section 6.7(f), the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds Similarly Secured as of such Interest Payment Date, the moneys in these funds shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds Similarly Secured as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

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

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) and shall not be liable or responsible if it follows the instructions of the Town and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the Town.

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

Section 6.9. Administrative Fund.

(a) The Town shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay the Administrative Expenses and Delinquent Collection Costs.

(b) Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and used as directed by a Town Certificate solely for the purposes set forth in the Service and Assessment Plan.

(c) The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee as directed by the Town pursuant to a Town Certificate. Each such Town Certificate shall be filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds Similarly Secured, unless and until the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or 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. To ensure that cash on hand is invested, in the absence of direction pursuant to a Town Certificate, money in any Fund or Account established pursuant to this Indenture shall be invested in the _____, CUSIP No. _____ until directed otherwise by the Town Certificate.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions of the Town Certificate or to ensure that the investment directed is a permitted 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.

(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 the Town and the Administrator with monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

(f) If, following an annual calculation of the Rebate Amount in accordance with Sections 6.8 and 7.5(h) hereof, it is determined that a Rebate Amount is owed with respect to the Bonds, the Town shall direct the Trustee, pursuant to a Town Certificate, to transfer to the Rebate Fund an amount equal to the Rebate Amount owed by the Town from investment earnings derived from the investment of the amount on deposit in Pledged Funds. The Town Certificate shall specify the amount to be transferred and identify the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

All Funds or Accounts 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 or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII
COVENANTS

Section 7.1. Confirmation of Assessments.

The Town hereby confirms, covenants, and agrees that the Assessments to be collected from the Assessed Property are as so reflected in the Service and Assessment Plan (as it may be updated from time to time) and, in accordance with, the Assessment Ordinance, it has levied the Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding, and/or amounts are due to the Developer to reimburse it for its funds it has contributed to pay Actual Costs of the Improvement Area #1 Improvements in accordance with the Reimbursement Agreement, the

Town covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The Town will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the Town will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the Town shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the Town, the Town Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the Town and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the Town 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, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder and except as set forth in Section 13.2 hereof, the Town shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, if any, 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 Similarly Secured.

Section 7.4. Records, Accounts, Accounting Reports.

The Town hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to reimburse it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Improvements in accordance with the Reimbursement Agreement remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the Town by the Trustee or duly authorized representative, as applicable. The Town shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating

to the Bonds Similarly Secured during the Town's regular business hours and on a mutually agreeable date not later than thirty days after the Town receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“*Closing Date*” means the date on which each Series of Bonds Similarly Secured are first authenticated and delivered to the respective initial purchasers against payment therefor.

“*Code*” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“*Investment*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Nonpurpose Investment*” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds Similarly Secured are invested and which is not acquired to carry out the governmental purposes of the Bonds Similarly Secured.

“*Regulations*” means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds Similarly Secured. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds Similarly Secured, as it pertains to a particular Series of Bonds Similarly Secured, has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Town shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Town receives a written opinion of counsel nationally recognized in the field of municipal

bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Town shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Town shall at all times prior to the last Stated Maturity of each Series of Bonds Similarly Secured:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds Similarly Secured of such Series, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds Similarly Secured of such Series or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Town or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Town shall not use Gross Proceeds of the Bonds Similarly Secured to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The Town covenants and agrees that the levied Assessments will meet the requirements of the “tax assessment loan exception” within the meaning of Section 1.141-5(d) of the Regulations on the date that each Series of Bonds Similarly Secured are delivered and will ensure that the Assessments continue to meet such requirements for so long as the Bonds Similarly Secured are Outstanding.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Town shall not at any time prior to the final Stated Maturity of any Series of Bonds Similarly Secured directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds Similarly Secured.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Town shall not take or omit to take any action which would cause the Bonds Similarly Secured to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Town shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe with respect to each Series of Bonds Similarly Secured.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Town shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond Similarly Secured is discharged. However, to the extent permitted by law, the Town may commingle Gross Proceeds of the Bonds Similarly Secured with other money of the Town, provided that the Town separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date for each Series of Bonds Similarly Secured, the Town shall calculate the Rebate Amount for the respective Series of Bonds Similarly Secured in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Town shall maintain such calculations with its official transcript of proceedings relating to the issuance of each Series of Bonds Similarly Secured until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Town shall, pursuant to a Town Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such Town Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds Similarly Secured equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any

other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Town shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Town shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds Similarly Secured, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds Similarly Secured not been relevant to either party.

(j) Elections. The Town hereby directs and authorizes the Mayor, Mayor Pro Tem, Town Manager, Assistant Town Manager, Director of Finance, or Town Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds Similarly Secured, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII LIABILITY OF THE TOWN

Section 8.1. Liability of the Town

Neither the full faith and credit nor the general taxing power of the Town is pledged to the payment of the Bonds Similarly Secured, and except for the Trust Estate, no Town taxes, fees, or revenue from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The Town shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in the Indenture.

The Town shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured assigned to or imposed upon it. The Town 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 Town 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 Similarly Secured, or as to the existence of a default or Event of Default thereunder.

In the absence of bad faith, the Town 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 Town and conforming to the requirements of this Indenture. The Town shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds Similarly Secured, 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 Similarly Secured (the "Bond Documents"), shall require the Town to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Administrative Expenses) 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 Town there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the Town or any of its officers, officials, agents, or employees, or any person designated by the Town Council to act on behalf of the Town, for damages suffered as a result of the Town'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 Town, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay the Administrative Expenses 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 Town or any of its officers, officials, agents, employees, or any person designated by the Town Council to act on behalf of the Town, to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

The Town 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 Town 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 Town 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 Town, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or Town Manager or other person designated by the Town Council to so act

on behalf of the Town, and such certificate shall be full warrant to the Town for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Town may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the Town may employ such persons or entities as it deems necessary or advisable. The Town shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, 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. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the District Administration Account of the Administrative Fund to pay all 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 Similarly Secured Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the Town and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds Similarly Secured 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 Similarly Secured 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 Town or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of

arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own gross negligence or willful misconduct, both before and after default by the Town.

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.

The Trustee may 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 believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a Town Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Town Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the Town to the Trustee shall be sufficiently executed if executed in the name of the Town by the Town Representative.

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 herein.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the Town shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund.

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 Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured 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 Town or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the Town and each Owner of any Outstanding Bond Similarly Secured. 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.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured 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 Town, or (ii) so long as the Town is not in default under this Indenture, the Town. Copies of each such instrument shall be delivered by the Town 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 Town or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds Similarly Secured.

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least twenty-five percent (25%) of the aggregate Outstanding principal of the Bonds Similarly Secured 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 Town.

Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, the Town shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the Town providing for any such appointment shall be delivered by the Town to the Trustee so appointed. The Town shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the Town immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured 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 Town shall be responsible for the costs of such appointment process.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

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 Town 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 Town 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 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 Town 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 Town.

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 Only.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the Town, or on behalf of the Town, 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.

Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured. Permissive rights of the Trustee are not to be construed as duties.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Town and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, executed by both the Town and the Trustee, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds Similarly Secured then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Town to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the Town of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds Similarly Secured required for the amendment hereof. Any such amendment may 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 Town 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 Town 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 Town;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured 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 Town 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 Similarly Secured;

(iv) to provide for the issuance of Refunding Bonds as set forth in Section 13.2 herein;

(v) to appoint or accept a successor trustee in accordance with the provisions of Section 9.10 hereof; provided, however, in no event shall this provision limit the Owners ability to appoint a successor trustee pursuant to 9.10 hereof; and

(vi) 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 Similarly Secured. The Trustee must receive an opinion of counsel for such Supplemental Indenture to the effect that the same is authorized or permitted by the terms of this Indenture.

Any modification or amendment made pursuant to this Section 10.1(b) shall not be subject to the notice procedures specified in Section 10.3 below.

Section 10.2. Owners' Meetings.

The Town may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the Town is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The Town and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the Town 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 Similarly Secured 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 Town and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the Town, the Trustee, and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The Town may determine that Bonds Similarly Secured 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 Town, as to such action. In that case, upon demand of the Owner of any Bond Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the Town may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The Town may determine that new Bonds Similarly Secured, so modified as in the opinion of the Town 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 Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.6. Amendatory Endorsement of Bonds Similarly Secured.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.7. Waiver of Default.

With the written consent of at least fifty-one percent (51%) in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive non-compliance by the Town with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the Town 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 such Supplemental Indenture which affects the Trustee's own rights, duties, and immunities under this Indenture.

ARTICLE XI
DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) 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 Town to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the Town to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the Town to make any such payments; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the Town under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the Town by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of at least 25% of the Bonds Similarly Secured at the time Outstanding requesting that the failure be remedied.

(b) Nothing in Section 11.1(a) will be viewed to be an Event of Default if it is in violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance

of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the Town may be sought or shall be permitted.

(b) THE PRINCIPAL OF THE BONDS SIMILARLY SECURED 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 all Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due under this Article, the Town shall determine, in its absolute discretion, and shall instruct the Trustee by Town 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 Town shall fail to deliver to the Trustee such Town 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 Town by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by 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 Town, 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 Town shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

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, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount

of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured 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 Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the Town to pay each Bond Similarly Secured 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 Similarly Secured.

(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 Town, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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

(a) All moneys, securities, funds and Pledged Revenues and 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), 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 hereof, shall be applied by the Trustee, on behalf of the Town, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, 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 Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured due on any date, then to the payment thereof

ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the Town 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 Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds Similarly Secured shall bind all future Owners of the same Bonds Similarly Secured in respect of anything done or suffered to be done by the Town 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 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. 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 Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the Town will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the Town shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII
GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The Town represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, 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 and the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The Town 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) The Town will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the Town, to the affected property owners on the same statement or such other mechanism that is used by the Town, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the Town.

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the Town, and the Owner or Owners of not less than 10% in principal amount of any Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The Town 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 Town under the provisions of this Indenture.

ARTICLE XIII
SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the Town 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 Town 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. Additional Obligations or Other Liens.

(a) The Town reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured issued in accordance with this Section, the Town will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or 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 anything to the contrary herein, no Refunding Bonds or Additional Obligations may be issued by the Town unless: (1) the principal (including sinking fund installments) of such Refunding Bonds or Additional Obligations are scheduled to mature on September 1 of the years in which principal is schedule to mature, and (2) the interest on such Refunding Bonds or Additional Obligations must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid.

(d) Notwithstanding any contrary provision of this Indenture, the Town shall not issue additional bonds, notes, or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Refunding Bonds. The Town 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.

Section 13.3. Books of Record.

(a) The Town shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the Town,

which relate to the Pledged Revenues, the Pledged Funds, the Trust Estate and the Bonds Similarly Secured.

(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 the same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV
PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED 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 Similarly Secured which are 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 Town 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 Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the Town to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Town copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the Town may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the Town.

Section 14.3. Bonds Similarly Secured Deemed Paid.

All Outstanding Bonds Similarly Secured shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds Similarly Secured are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for the same purpose, shall be sufficient to pay when due the principal of and interest on the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the Town verifying the sufficiency of the moneys and/or Defeasance

Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on the Bonds Similarly Secured. 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 Similarly Secured. 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 in writing by the Town maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured 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.

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 Town, 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 Town shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibit(s) 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 Town 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 Town 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.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged

to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the Town or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the Town, nor any person designated by the Town Council to act on behalf of the Town shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; 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 Town and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any Town Certificate, shall be in writing and shall be telexed, cabled, delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the Town:

Town of Providence Village, Texas
1755 Main Street
Providence Village, Texas 76227
Attn: Town Manager

If to the Trustee
or the Paying Agent/Registrar:

U.S. Bank Trust Company, National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240
Attn: Brian T. Jensen

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.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Similarly Secured Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Town shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Town whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Town understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Town shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the Town and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Town. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Town agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Town; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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 Town 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 Similarly Secured pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. 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 Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

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

Section 15.10. Verification of Statutory Representations and Covenants.

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276 of the Texas Government Code, as amended, in entering into this Indenture. As used in the following 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.

(a) *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, Texas Government Code, as amended. 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.

(b) *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, Texas Government Code, as amended.

(c) *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), Texas Government Code, as amended.

(d) *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), Texas Government Code, as amended.

[remainder of page left blank intentionally]

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

TOWN OF PROVIDENCE VILLAGE,
TEXAS

By: _____
Mayor

Attest:

Town Secretary

[TOWN SEAL]

U.S. Bank Trust Company, National Association
as Trustee

By: _____
Authorized Officer

Signature Page to Indenture of Trust relating to

*TOWN OF PROVIDENCE VILLAGE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)*

EXHIBIT A

(e) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE TOWN, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

TOWN OF PROVIDENCE VILLAGE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
PROJECT)

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

The Town of Providence Village, Texas (the "Town"), for value received, hereby promises to pay, solely from the Trust Estate, to

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on September 1 and March 1 of each year, commencing March 1, 2025, until maturity or prior redemption.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the “Designated Payment/Transfer Office”), of U.S. Bank Trust Company, National Association, as trustee and paying agent/registrant (the “Trustee”, which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrant, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the fifteenth calendar day 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 Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the Town 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 Town having the designation specified in its title (herein referred to as the “Bonds”), dated August 1, 2024 and issued in the aggregate principal amount of \$[PAR AMOUNT] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 1, 2024 (the “Indenture”), by and between the Town 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 Town, 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 Actual Costs of the Improvement Area #1 Improvements, (ii) funding a reserve fund for payment of principal of and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying the costs of issuing the Bonds.

The Bonds are limited obligations of the Town payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the Town, the Trustee and the Owners.

The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the Town 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 Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$25,000 and any multiple of \$1,000 in excess thereof.

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

<u>Term Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 1, 20__	
September 1, 20__	
September 1, 20__ *	
* maturity	

At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee shall select for redemption, subject to prior reductions authorized by the Indenture, pursuant to the provisions of the Indenture, 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 the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the Town, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Outstanding Sinking Fund Installments by the principal amount of any Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

The Town reserves the right and option to redeem the Bonds maturing on or after September 1, 20__, before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, at par plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the first day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund), other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

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

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 Town 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 Town 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 Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Town 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 Town 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 Town 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 redeemed in part.

The Town, 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 Town nor the Trustee shall be affected by notice to the contrary.

The Town has reserved the right to issue Refunding Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN OF PROVIDENCE VILLAGE, TEXAS, DENTON 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 Town, including the Bonds, does not exceed any Constitutional or statutory limitation.

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

Mayor, Town of Providence Village, Texas

[Town Secretary][Assistant Town Secretary], Town of Providence Village, Texas

[Town Seal]

(f) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §

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

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(g) 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.

U.S. Bank Trust Company, National
Association
Dallas, Texas, as Trustee

DATED: _____

By: _____
Authorized Signatory

(h) Form of Assignment.

ASSIGNMENT

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

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

Date: _____

Signature Guaranteed By:

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

Authorized Signatory

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

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

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

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

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

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

APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

FOREE RANCH PUBLIC IMPROVEMENT DISTRICT

TOWN OF PROVIDENCE VILLAGE, TEXAS

SERVICE AND ASSESSMENT PLAN

March 19, 2024

As Updated for Improvement Area #1 Bonds on

August 6, 2024

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

FOREE RANCH PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

TABLE OF CONTENTS

I. PLAN DESCRIPTION AND DEFINED TERMS	4
A. INTRODUCTION	4
B. DEFINITIONS	5
II. PROPERTY INCLUDED IN THE PID	12
A. PROPERTY INCLUDED IN THE PID	12
B. PROPERTY INCLUDED IN IMPROVEMENT AREA #1	12
C. PROPERTY INCLUDED IN FUTURE IMPROVEMENT AREAS	13
III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS	14
A. AUTHORIZED IMPROVEMENT OVERVIEW	14
B. DESCRIPTIONS AND BUDGETED COSTS OF MAJOR IMPROVEMENTS	15
C. DESCRIPTIONS OF IMPROVEMENT AREA #1 IMPROVEMENTS AND BUDGETED COSTS OF IMPROVEMENT AREA #1 PROJECTS	16
D. FUTURE IMPROVEMENT AREAS	18
IV. SERVICE PLAN	19
A. PROJECTED SOURCES AND USES OF FUNDS	19
B. PROJECTED FIVE-YEAR SERVICE PLAN	22
C. PID ASSESSMENT NOTICE	22
V. ASSESSMENT PLAN	23
A. INTRODUCTION	23
B. SPECIAL BENEFIT	25
C. ALLOCATION OF COSTS TO ASSESSED PROPERTY	26
D. ASSESSMENT METHODOLOGY	27
E. ASSESSMENTS	28
F. ADMINISTRATIVE EXPENSES	28
G. ADDITIONAL INTEREST RESERVE	29
VI. TERMS OF THE ASSESSMENTS	30
A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1	30
B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE IMPROVEMENT AREAS	30
C. REALLOCATION OF ASSESSMENTS	30
D. MANDATORY PREPAYMENT OF ASSESSMENTS	31
E. REDUCTION OF ASSESSMENTS	32
F. PAYMENT OF ASSESSMENTS	32
G. COLLECTION OF ANNUAL INSTALLMENTS	34
VII. THE ASSESSMENT ROLL	35

A. IMPROVEMENT AREA #1 ASSESSMENT ROLL.....	35
B. FUTURE IMPROVEMENT AREAS ASSESSMENT ROLL	36
C. ANNUAL ASSESSMENT ROLL UPDATES.....	36
VIII. MISCELLANEOUS PROVISIONS	37
A. ADMINISTRATIVE REVIEW	37
B. TERMINATION OF ASSESSMENTS	37
C. AMENDMENTS.....	37
D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS	38
E. SEVERABILITY	38
APPENDIX A - PID MAP	
APPENDIX B - BUDGETED COSTS OF THE AUTHORIZED IMPROVEMENTS	
APPENDIX C - LEGAL DESCRIPTION	
APPENDIX D - DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS	
APPENDIX E - PID ASSESSMENT NOTICE	
APPENDIX F - ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS	
APPENDIX G - IMPROVEMENT AREA #1 ASSESSMENT ROLL	

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On September 6, 2022 the Town Council of the Town of Providence Village, Texas (the “Town”) passed and approved Resolution No. 2022-253 approving and authorizing the creation of the Foree Ranch Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district, which was located within the corporate limits of the Town at the time the PID was created.

The property within the PID is proposed to be developed in multiple phases, and the PID will finance public improvements as the property within the PID is developed. Assessments will be imposed on the property within the PID that receives a special benefit from the Authorized Improvements for the public improvements to be constructed.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Foree Ranch Public Improvement District Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must (1) cover a period of at least five years; (2) define the annual indebtedness and the projected costs for improvements; and (3) include a copy of the notice form required by Section 5.014, Property Code.” Additionally, Section 372.013 of the PID Act requires that “the governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.” The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property within the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Roll for the PID is included as Appendix G of this Service and Assessment Plan. The Assessments as shown on each Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the Town. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, Town permit fees, development fees), insurance premiums, and miscellaneous expenses.

Actual Costs include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the Town or construction management fees in an amount up to five percent of the eligible Actual Costs described in a payment request in a form that has been reviewed and approved by the Town. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 372.018 of the PID Act. If and when Bonds are issued, the Additional Interest shall be charged as described in Section V.G of this Service and Assessment Plan.

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

“Additional Interest Reserve” has the meaning set forth in Section V.G of this Service and Assessment Plan.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the

administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the employee or designee of the Town, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the Town Council, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Roll attached hereto as Appendix G, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, and (ii) the Additional Interest Component designed for the Additional Interest Reserve described in Section V of this Service and Assessment Plan, and (iii) Administrative Expenses.

“Annual Service Plan Update” has the meaning set forth in Section IV.A of this Service and Assessment Plan.

“Assessed Property” means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes all Parcels within the PID other than Non-Benefited Property.

“Assessment” means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

“Assessment Ordinance” means an Assessment Ordinance adopted by the Town Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments against the relevant Assessed Property.

“Assessment Revenues” mean the revenues actually received by or on behalf of the Town from the collection of Assessments.

“Assessment Roll” means the Improvement Area #1 Assessment Roll or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

“Authorized Improvements” mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Bonds” mean any bonds issued by the Town in one or more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

“County” means Denton County, Texas.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, its successors and assigns.

“Development Agreement” means that certain “Development Agreement” by and between the Developer and the Town, related to the property within the PID, and effective as of November 30, 2021, and as the same may be amended or assigned from time to time.

“Equivalent Units” mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix F attached hereto.

“Future Improvement Area(s)” means those Improvement Area(s) to be defined and developed after Improvement Area #1, and within the boundaries of the PID (but which are not subject to development at this time).

“Future Improvement Area Assessed Property” means all Parcels within the Future Improvement Area other than Non-Benefited Property.

“Future Improvement Area Bonds” mean bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area that are secured by Assessments levied on Future Improvement Area Assessed Property. In connection with Future Improvement Area Bonds, Assessments related to such Future Improvement Area Bonds will be

levied only on property located within the applicable Future Improvement Area to finance Authorized Improvements which will only benefit such Future Improvement Area.

“Future Improvement Area Improvements” means those Authorized Improvements which will confer a special benefit to the related Future Improvement Area.

“Homeowner Association” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“Homeowner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a Homeowner’s Association.

“Improvement Area” means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within an Improvement Area are being assessed and/ or will be assessed in connection with the issuance of Bonds for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Improvement Area.

“Improvement Area #1” or **“IA #1”** means, collectively, Phase #1 and Phase #2 of the development, to be developed as generally shown in Appendix A, and as specifically depicted and described as the sum of all Parcels shown in Appendix G.

“Improvement Area #1 Assessed Property” means all Parcels within Improvement Area #1 other than Non-Benefited Property and shown in the Improvement Area #1 Assessment Roll against which an Assessment relating to the Improvement Area #1 Projects is levied.

“Improvement Area #1 Assessment Revenues” mean the actual revenues received by or on behalf of the Town from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Improvement Area #1 Projects.

“Improvement Area #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix G, 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 the issuance of Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #1 Bonds” mean those certain Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project) that are secured primarily by Improvement Area #1 Assessment Revenues. The term Improvement Area #1 Bonds may also include any additional bonds issued in the future to construct or acquire the Improvement Area #1 Projects currently being constructed pursuant to the Omnibus Reimbursement Agreement and which, if issued, will also be secured by the Improvement Area #1 Assessment Revenues.

“Improvement Area #1 Improvements” mean the Authorized Improvements which only benefit Improvement Area #1 Assessed Property, which are described in Section III.C.

“Improvement Area #1 Maximum Assessment Per Unit” means for Improvement Area #1, an Assessment per unit for Improvement Area #1 Projects for each applicable Lot Type as follows:

Lot Type 1 (50 Ft) - \$16,812.07
Lot Type 2 (45 Ft) - \$14,626.50
Lot Type 3 (40 Ft) - \$14,122.14
Lot Type 4 (30 Ft) - \$13,281.54

“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 Reimbursement Agreement Obligation” means the reimbursement obligation related to the Actual Costs of the Improvement Area #1 Projects to be paid from Assessments secured by the Improvement Area #1 Assessed Property for the Improvement Area #1 Projects under the terms of the Omnibus Reimbursement Agreement and/or a series of Future Improvement Area Bonds.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of Denton County, Texas.

“Lot Type” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the Town Council as shown in Appendix F. In the case of single-family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the Town Council.

“Major Improvements” means the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B of this Service and Assessment Plan.

“Mustang SUD” means Mustang Special Utility District.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.F of this Service and Assessment Plan.

“Omnibus Reimbursement Agreement” means that certain Foree Ranch Public Improvement District Reimbursement Agreement dated as of December 19, 2023, as amended by and between

the Town and the Developer in which the Developer agrees to fund certain Actual Costs of the Authorized Improvements and the Town agrees to reimburse the Developer with interest permitted by the PID Act solely from Assessment Revenues and/ or the net proceeds of Bonds for a portion of such Actual Costs of the Authorized Improvements funded by the Developer for Authorized Improvements constructed and accepted by the Town for the benefit of the Assessed Property.

“Parcel” or **“Parcels”** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Denton 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 the County.

“Phase #1” means the Improvement Area #1 Assessed Property identified as Phase #1 on the map attached as Appendix A.

“Phase #2” means the Improvement Area #1 Assessed Property identified as Phase #2 on the map attached as Appendix A.

“PID” has the meaning set forth in Section I.A of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“PID Assessment Notice” means the homebuyer disclosure required under section 372.013 of the PID Act and is further described in Section IV.C and Appendix E of this Service and Assessment Plan.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the Town as a result of any prepayment of an Assessment.

“Public Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the Town, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Service and Assessment Plan” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

“Town” means the Town of Providence Village, Texas.

“Town Council” means the duly elected governing body of the Town.

“Trustee” means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

(remainder of this page is intentionally left blank)

II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the corporate limits of the Town and contains approximately 419.13 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,450 single family residential units, commercial structures, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

The property within the PID is proposed to be developed as shown in Table II-A.

Table II-A
Proposed Development – PID

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft (Classic)	398	Units
Single-Family - 45 Ft (Watermill)	277	Units
Single-Family - 40 Ft (Cottage)	560	Units
Single-Family - 30 Ft (Welton)	215	Units
Total	1,450	Units

B. PROPERTY INCLUDED IN IMPROVEMENT AREA #1

Improvement Area #1 consists of approximately 141.61 acres and is projected to consist of 455 single family residential units, to be developed as Improvement Area #1, as further described in Section III. A map of the property within Improvement Area #1 is shown in Appendix A.

The property within Improvement Area #1 is proposed to be developed as shown in Table II-B.

Table II-B
Proposed Development – Improvement Area #1

Proposed Development	Quantity (Phase #1)	Quantity (Phase #2)	Total	Measurement
Single-Family - 50 Ft (Classic)	105	0	105	Units
Single-Family - 45 Ft (Watermill)	49	0	49	Units
Single-Family - 40 Ft (Cottage)	0	86	86	Units
Single-Family - 30 Ft (Welton)	0	215	215	Units
Total	154	301	455	Units

C. PROPERTY INCLUDED IN FUTURE IMPROVEMENT AREAS

The Future Improvement Areas consist of a total of approximately 277.52 acres and are projected to consist of 995 single family residential units. A map of the property within the Future Improvement Areas is shown in Appendix A.

The property within the Future Improvement Areas is proposed to be developed as follows:

Table II-C
Proposed Development – Future Improvement Areas

Proposed Development	Quantity	Measurement
Single-Family - 50 Ft (Classic)	293	Units
Single-Family - 45 Ft (Watermill)	228	Units
Single-Family - 40 Ft (Cottage)	474	Units
Single-Family - 30 Ft (Welton)	0	Units
Total	995	Units

As Future Improvement Areas are developed, Future Improvement Area Bonds may be issued and/or related reimbursements may be required pursuant to the Omnibus Reimbursement Agreement for each new Improvement Area. In connection with the issuance of each new Future Improvement Area Bond and/or execution of each reimbursement agreement, this Service and Assessment Plan will be updated to add additional details of each new Improvement Area(s) as shown for Improvement Area #1 in Section II.B. A map of the projected property within each Future Improvement Areas is shown in Appendix A. The Future Improvement Areas are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix G.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property in the PID, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

(remainder of this page is intentionally left blank)

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing.

After analyzing the public improvement projects authorized by the PID Act, the Town has determined at this time to undertake only Authorized Improvements listed in Section III.B and III.C. below and shown in the opinion of probable costs and on the diagrams included as Appendix B for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the Town and an update to this Service and Assessment Plan. Tables included in this Section may be rounded to the nearest whole dollar.

B. DESCRIPTIONS AND BUDGETED COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. Each of Improvement Area #1 and the Future Improvement Areas will be proportionally allocated the costs of the Major Improvements, as shown in Table III-A.

The Major Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs of the Major Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Improvements follows:

Roadway Improvements

The roadway improvements portion of the Major Improvements consist of subgrade stabilization, concrete and reinforcing steel for roadways and bridges; trails, sidewalks, asphalt for turn lane, testing, handicapped ramps, streetlights, striping, and signage. All related earthwork, excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Water Improvements

The water improvement portion of the Major Improvements consists of construction and installation of waterline mains, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Major Improvements consist of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, appurtenances, and regional detention necessary to provide adequate drainage to the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

(remainder of this page is intentionally left blank)

Other soft and miscellaneous costs

The soft and miscellaneous costs portion of the Major Improvements consists of engineering and surveying, project management fees, contingency, PID set up costs, and other soft and miscellaneous costs.

Table III-A
Budgeted Costs – Major Improvements

Authorized Improvements	Total Major Improvement Costs	Improvement Area #1 Allocated Amount	Future Improvement Areas Allocated Amount
Roadway improvements	\$9,474,164	\$2,886,301	\$6,587,863
Water improvements	\$1,831,774	\$558,049	\$1,273,725
Storm drainage improvements	\$3,167,484	\$964,973	\$2,202,511
Other soft and miscellaneous costs	\$2,894,684	\$881,864	\$2,012,820
Total Authorized Improvements	\$17,368,106	\$5,291,187	\$12,076,919

Note: Represents preliminary costs provided by the Developer. The figures shown in Table III-A represent the Budgeted Costs of the Major Improvements, are rounded, and may be reallocated between line items. At this time, the Town is levying Assessments for the costs of the Major Improvements allocated to Improvement Area #1, only, and is not levying Assessments for the costs of the Major Improvements allocated to Future Improvement Areas, though such costs may be levied for as part of Future Improvement Area Assessment levies. Budgeted Costs related to the Major Improvements will be funded by the Developer and are not anticipated to be funded from Bond proceeds.

C. DESCRIPTIONS OF IMPROVEMENT AREA #1 IMPROVEMENTS AND BUDGETED COSTS OF IMPROVEMENT AREA #1 PROJECTS

The descriptions of the Improvement Area #1 Improvements are presented below as provided by the project engineer. The Improvement Area #1 Projects include Improvement Area #1's proportionate share of the costs of the Major Improvements and the costs of the Improvement Area #1 Improvements. The Budgeted Costs of the Improvement Area #1 Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Improvement Area #1 Improvements are as follows, and a description of the Major Improvements that are a portion of the Improvement Area #1 Projects can be found in Section III-B above.

Roadway Improvements

The road improvement portion of the Improvement Area #1 Improvements consists of the construction of road improvements, including related paving, bridge, drainage, curbs, gutters, sidewalks, signage, traffic control devices, and right of way acquisition, which benefit the Improvement Area #1 Assessed Property. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Water Improvements

The water improvements portion of the Improvement Area #1 Improvements consists of construction and installation of a looped water main network, which includes waterlines, valves, fire hydrants, and appurtenances, necessary for the portion of the water distribution system that will service the Improvement Area #1 Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Improvement Area #1 Improvements consists of construction and installation of various sized sanitary sewer pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Improvement Area #1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Improvement Area #1 Improvements consists of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, and appurtenances necessary to provide adequate drainage to the Improvement Area #1 Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Other Soft and Miscellaneous Costs

The soft and miscellaneous costs portion of the Improvement Area #1 Improvements consists of engineering and surveying, project management fees, Town inspection fees, project management fees, contingency, and other soft and miscellaneous costs.

(remainder of this page is intentionally left blank)

Table III-B
Budgeted Costs – Improvement Area #1 Projects

Authorized Improvements	Improvement Area #1's Proportional Share of Major Improvements ^{1,2}	Phase #1 Authorized Improvements	Phase #2 Authorized Improvements	Total Improvement Area #1 Projects ³
Roadway improvements	\$2,886,301	\$2,187,635	\$1,867,158	\$6,941,094
Water improvements	\$558,049	\$1,355,527	\$1,152,721	\$3,066,297
Sanitary sewer improvements	\$0	\$2,168,829	\$1,119,724	\$3,288,553
Storm drainage improvements	\$964,973	\$950,496	\$1,191,291	\$3,106,760
Other soft and miscellaneous costs	\$881,864	\$2,236,720	\$1,987,780	\$5,106,364
Total Authorized Improvements	\$5,291,187	\$8,899,207	\$7,318,674	\$21,509,068

¹See Table III-A. Allocation of Major Improvements are based on the methodologies described in V.C and shown in Table V.A.

²Budgeted Costs related to the Major Improvements will be funded by the Developer and are not anticipated to be funded from Bond proceeds.

³Provided by Developer. The figures shown in Table III-B may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Improvement Area #1 Assessment related to the Improvement Area #1 Projects does not increase.

D. FUTURE IMPROVEMENT AREAS

As Future Improvement Areas are developed and Future Improvement Area Bonds are issued and/or related reimbursements are required pursuant to the Omnibus Reimbursement Agreement, this SAP will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the property inside each Future Improvement Area (e.g. a Table III-C will be added in a future update to this Service and Assessment Plan to show the costs for the specific Authorized Improvements financed within the specific Future Improvement Area being developed.)

(remainder of this page is intentionally left blank)

IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

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 PID during the five-year period. It is anticipated that the Improvement Area #1 Improvements will be completed and accepted by the Town in the third quarter of 2024. It is anticipated that the Major Improvements will be completed and accepted by the Town in the fourth quarter of 2026.

The original costs for Improvement Area #1 Projects and the expenses incurred in the establishment, administration, and operation of the PID are \$21,584,068 as shown in Table IV-A.1. The Budgeted Costs for Improvement Area #1 Projects plus costs related to the issuance of the Improvement Area #1 Bonds for the Improvement Area #1 Projects is \$22,756,560 as shown in Table IV-A.2. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Improvement Areas are developed in connection with the issuance of Future Improvement Area Bonds and/or additional reimbursements are required pursuant to the Omnibus Reimbursement Agreement, this Service and Assessment Plan will be updated (e.g. Table IV-B will be updated in a future update to this Service and Assessment Plan to include Improvement Area #2, etc.).

Improvement Area #1

Table IV-A.1 shows the original sources and uses for the Improvement Area #1 Projects allocable to Improvement Area #1 Assessed Property. Tables included in this Section may be rounded to the nearest whole dollar.

(remainder of this page is intentionally left blank)

Table IV-A.1
Original Sources and Uses – Improvement Area #1

Sources of Funds	Total
Assessment Amount	\$7,085,000
Other funding sources	\$14,499,068
Total Sources	\$21,584,068
Uses of Funds	
<i>Major Improvements:</i>	
Roadway improvements	\$2,886,301
Water improvements	\$558,049
Storm drainage improvements	\$964,973
Other soft and miscellaneous costs:	\$881,864
<i>Subtotal Major Improvement costs</i>	<i>\$5,291,187</i>
<i>Improvement Area #1 Improvements:</i>	
Roadway improvements	\$4,054,793
Water improvements	\$2,508,248
Sanitary sewer improvements	\$3,288,553
Storm drainage improvements	\$2,141,787
Other soft and miscellaneous costs	\$4,224,500
<i>Subtotal Improvement Area #1 costs</i>	<i>\$16,217,881</i>
<i>Other Assessment Related Costs:</i>	
Assessment levy fee and first year Administrative Expenses	\$75,000
<i>Subtotal Other Assessment Related Costs</i>	<i>\$75,000</i>
Total Uses	\$21,584,068

The Improvement Area #1 Bonds are being issued in 2024 to reimburse a portion of the Actual Costs of the Improvement Area #1 Projects and/or fulfill obligations under the portion of the Omnibus Reimbursement Agreement to Improvement Area #1.

Table IV-A.2 shows the projected sources and uses for the Improvement Area #1 Projects.

(remainder of this page is intentionally left blank)

Table IV-A.2
Updated Sources and Uses – Improvement Area #1

Sources of Funds	Total
Par Amount	\$6,552,000
Other funding sources	\$16,204,560
Total Sources	\$22,756,560
Uses of Funds	
<i>Major Improvements:</i>	
Roadway improvements	\$2,886,301
Water improvements	\$558,049
Storm drainage improvements	\$964,973
Other soft and miscellaneous costs:	\$881,864
<i>Subtotal Major Improvement costs</i>	<i>\$5,291,187</i>
<i>Improvement Area #1 Improvements:</i>	
Roadway improvements	\$4,054,793
Water improvements	\$2,508,248
Sanitary sewer improvements	\$3,288,553
Storm drainage improvements	\$2,141,787
Other soft and miscellaneous costs	\$4,224,500
<i>Subtotal Improvement Area #1 costs</i>	<i>\$16,217,881</i>
<i>Bond Issuance Costs:</i>	
Cost of Issuance	\$490,356
Reserve Fund	\$485,576
Administrative Expense	\$75,000
Underwriter's Discount	\$196,560
<i>Subtotal Bond Issuance Costs</i>	<i>\$1,247,492</i>
Total Uses	\$22,756,560

The Improvement Area #1 Projects were initially financed by the Developer and reimbursable pursuant to the Omnibus Reimbursement Agreement applicable to the Improvement Area # 1 Projects. Table IV-A.1 shows the original estimated sources and uses for the Improvement Area #1 Projects. Budgeted Costs related to the Major Improvements will be funded by the Developer through other funding sources and though reimbursable, they are not anticipated to be funded by Bond proceeds.

As Future Improvement Areas are developed, Future Improvement Area Bonds may be issued and/or additional obligations may be created pursuant to the Omnibus Reimbursement Agreement to finance the Authorized Improvements required for each new Improvement Area. Future Improvement Area Bonds may also be issued and/ or reimbursement agreements executed in one or more series.

B. PROJECTED FIVE-YEAR SERVICE PLAN

Improvement Area #1

The annual projected costs and annual projected indebtedness for Improvement Area #1 is shown by Table IV-B. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-B
Annual Projected Costs and Annual Projected Indebtedness – Improvement Area #1

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Annual Installments¹
2025	\$22,756,560	\$6,552,000	\$16,204,560	\$550,228
2026	\$0	\$0	\$0	\$549,540
2027	\$0	\$0	\$0	\$549,670
2028	\$0	\$0	\$0	\$549,571
2029	\$0	\$0	\$0	\$549,247
2030	\$0	\$0	\$0	\$549,696
2031	\$0	\$0	\$0	\$549,857
Total	\$22,756,560	\$6,552,000	\$16,204,560	\$3,847,809

¹Administrative Expenses for year 2025 will be funded with bond proceeds.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Improvement Area #1 Projects shown in Table III-B and the costs associated with setting up the PID, including the issuance costs and reserves as shown in Table IV-A.2. The difference between the total projected costs and the total projected indebtedness, if any, is the amount contributed by the Developer.

As Future Improvement Areas are developed, in association with issuing Future Improvement Area Bonds and/ or execution of a reimbursement agreement for each Future Improvement Area, a Table IV-C be added to identify the Authorized Improvements to be financed by each new series of the Future Improvement Area Bonds and/ or reimbursement agreements and the projected indebtedness resulting from each additional series of the Future Improvement Area Bonds and/ or reimbursement agreements.

C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan and each Annual Service Plan Update include a copy of the notice form required by Section 5.014 of the Texas Property Code. The PID Assessment Notice is attached hereto as Appendix E and may be updated in an Annual Service Plan Update.

V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the Town Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed Authorized Improvement program anticipates reimbursement agreements potentially followed by a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. This Service and Assessment Plan is being updated to provide for the Improvement Area #1 Bonds. Following the issuance of the Improvement Area #1 Bonds, subsequent financings may be issued and/ or executed over the upcoming decade as the subsequent Future Improvement Areas are gradually constructed.

The purpose of this gradual levy of Assessment and related execution of a reimbursement agreement and/or issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The levy of Assessment and related execution of a reimbursement agreement and/or issuance of bonds are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds and/or execute the reimbursement agreement when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For purposes of this Service and Assessment Plan, the Town Council has determined that the costs of the Major Improvements and Improvement Area #1 Improvements shall be allocated as described below:

1. The costs of the Improvement Area #1 Projects that only benefit Improvement Area #1 shall be allocated on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.

2. The Major Improvement costs are proportionally allocated to Future Improvement Areas and Improvement Area #1 Assessed Property based on estimated Equivalent Units calculated using the average home price for the Future Improvement Areas and Improvement Area #1 Assessed Property.

Table V-A below provides the estimated allocation of Budgeted Costs of the Authorized Improvements constituting Major Improvements.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Improvement Areas will receive from the direct Authorized Improvements that will benefit each individual Improvement Area and that are to be financed with Future Improvement Area Bonds. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Improvement Area #1 Projects, as applicable.

In connection with the issuance of Future Improvement Area Bonds and/ or additional obligations created pursuant to the Omnibus Reimbursement Agreement, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Improvement Areas receives from the specific Authorized Improvements funded with those Future Improvement Area Bonds issued and/ or reimbursement agreements executed with respect to that Future Improvement Areas. Prior to assessing Parcels located within Future Improvement Areas in connection with issuance of Future Improvement Area Bonds and/ or execution of reimbursement agreements, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Major Improvements and Improvement Area #1 Improvements, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments levied or to be levied on the Improvement Area #1 Assessed Property, and (iii) establishes the methodologies by which the Town Council allocates and reallocates the special benefit of the Major Improvements and Improvement Area #1 Improvements, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the Town Council of the assessment methodologies set forth below is the result of the discretionary exercise by the Town 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.

As Future Improvement Areas are developed in connection with the issuance of Future Improvement Area Bonds and/or additional reimbursements are required pursuant to the Omnibus Reimbursement Agreement, this Service and Assessment Plan will be updated based on the Town's determination of the assessment methodology for each Future Improvement Areas.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

The special assessments will repay financing that is on advantageous terms, as the Bonds issued, if any, to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer’s option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the Town Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the Town Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the Town Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ALLOCATION OF COSTS TO ASSESSED PROPERTY

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A summarizes the allocation of Budgeted Costs for each type of Major Improvement. The Budgeted Costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1 is projected to contain 455 residential units. As shown in Appendix F, the total Equivalent Units for Improvement Area #1 is calculated as 389.72. The Future Improvement Areas are projected to contain 995 residential units resulting in a total of 889.52 Equivalent Units as shown in Appendix F. The total projected Equivalent Units in the PID is, therefore, calculated

to be 1,279.24 (i.e., $389.72 + 889.52 = 1,279.24$). As a result, 30.46 percent of the Budgeted Costs of the Major Improvements (i.e. $389.72 \div 1,279.24 = 30.46\%$) are allocated to the Improvement Area #1 Assessed Property and 69.54% percent of the Budgeted Costs of the Major Improvements (i.e. $889.52 \div 1,279.24 = 69.54\%$) are allocated to the Future Improvement Areas. Improvement Area #1's proportionate share of the Budgeted Costs of the Major Improvements will be funded by the Developer. One hundred percent (100%) of the Improvement Area #1 Improvements are allocated to the Improvement Area #1 Assessed Property.

Table V-A
Allocation of Major Improvement Costs

Authorized Improvement	Budgeted Costs
Roadway improvements	\$9,474,164
Water improvements	\$1,831,774
Storm drainage improvements	\$3,167,484
Other soft and miscellaneous costs	\$2,894,684
Total Major Improvements	\$17,368,106
Improvement Area #1	
Projected Equivalent Units	389.72
% of total units ¹	30.46%
Proportionate share of costs	\$5,291,187
Future Improvement Areas	
Projected Equivalent Units	889.52
% of total units ¹	69.54%
Proportionate share of costs	\$12,076,919

¹Percentages shown are rounded to two decimal places, and calculations are based on unrounded values.

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the Town Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the amount of the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for Improvement Area #1 Projects

For purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the Improvement Area #1 Projects shall be allocated to the Improvement Area #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel.

Based on the estimates of the costs of the Improvement Area #1 Projects, as set forth in Table III-B, the Town Council has determined that the benefit to Improvement Area #1 Assessed Property of the Improvement Area #1 Projects is at least equal to the Assessments levied on the Improvement Area #1 Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units for Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

3. Assessment Methodology for Future Improvement Areas

When any given Future Improvement Area is developed, and Future Improvement Area Bonds for that Future Improvement Areas are to be issued and/ or a reimbursement agreement is executed, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Future Improvement Area.

E. ASSESSMENTS

The Assessments for Improvement Area #1 Bonds is being levied on each Parcel or Lot according to the Improvement Area #1 Assessment Roll, attached hereto as Appendix G. The Annual Installments for Improvement Area #1 Bonds will be collected on the dates and in the amounts shown on the Improvement Area #1 Assessment Roll, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix F for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

F. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

(remainder of this page is intentionally left blank)

G. ADDITIONAL INTEREST RESERVE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds, by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs (the “Additional Interest Reserve”). The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the Bond documents. Once the Additional Interest Reserve is funded in full, the Town may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture.

(remainder of this page is intentionally left blank)

VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1

The Assessment and Annual Installments for each Assessed Property located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Improvement Area #1 Assessed Property in an amount sufficient to pay (i) principal and interest on the Improvement Area #1, and (ii) to pay Administrative Expenses related to the PID. The Annual Installments shall include Additional Interest as described in Section V.G. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest, or other funds applicable to the Parcel.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE IMPROVEMENT AREAS

As Future Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Improvement Areas (e.g., an Appendix will be added as the Assessment Roll for Improvement Area #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

C. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated number of Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the Town Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the Town Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the Town Council.

D. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the Town the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per Unit on a Parcel exceeds the applicable Improvement Area #1 Maximum Assessment Per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the Town prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Unit for the Parcel exceeds the applicable Improvement Area #1 Maximum Assessment Per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

E. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds and/or reimbursement agreement have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs or Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds and/or related reimbursement agreements, resulting in excess proceeds being available to redeem Bonds and/or reduce obligations under a reimbursement agreement, and such excess proceeds shall be applied to redeem Bonds and/or the obligations under a reimbursement agreement may be reduced as provided in the Trust Indenture or the terms of the reimbursement agreement, then the Assessment securing such series of Bonds and/or related reimbursement agreement for each Parcel of Assessed Property shall be reduced by the Town Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds and/or amounts due under a related reimbursement agreement. If all of the Authorized Improvements are not completed, the Town may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.
2. If all the Authorized Improvements are not undertaken, resulting in excess Bonds proceeds being available to redeem Bonds and/or a need to reduce the obligations under a reimbursement agreement, and such excess proceeds shall be applied to redeem Bonds and/or reduce obligations under a reimbursement agreement, as the case may be, as provided in the Trust Indenture or the terms of the reimbursement agreement, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the Town Council to reflect only the amounts required to repay the Bonds and/ or repay obligations under a reimbursement agreement, including interest on the Bonds (including Additional Interest) and/ or interest due under a reimbursement agreement and Administrative Expenses. The Town Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the Town Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds and/ or repay the obligations under a reimbursement agreement, including interest thereon and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds and/or obligations under a reimbursement agreement is equal to the outstanding principal amount of the Bonds and/or reimbursement agreement.

F. PAYMENT OF ASSESSMENTS

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the

payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the Town shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.
- (d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the Town to collect interest, Administrative Expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Rolls, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Additional Interest Reserve if and when Bonds are issued. Payment of the Annual Installments shall commence with tax bills mailed after the initial issuance of Bonds.

Improvement Area #1

Each Assessment for the Improvement Area #1 Assessed Property shall be paid with interest related to the actual interest rate paid on the Improvement Area #1 Bonds (plus Additional Interest) allocable to Improvement Area #1, as shown in the Improvement Area #1 Assessment Roll. Interest on the Improvement Area #1 Bonds is based on an estimated interest rate of 5.79%, plus the Additional Interest at the rate of .5% to fund the Additional Interest Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessment Roll is shown as Appendix G.

Reduction of Assessments

The Annual Installments shall be reduced to equal the Actual Costs of repaying the Improvement Area #1 Bonds, and actual Administrative Expenses (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.

The Town reserves and shall have the right and option to refund the Improvement Area #1 Bonds, and/or issue additional Bonds in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Improvement Area #1 Bonds for purposes of this Service and Assessment Plan.

G. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the Town Council shall consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits for a prepayment reserve and for Parcels located within Improvement Area #1. Annual Installments shall be collected by the Town in the same manner and at the same time as 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 Town. The Town Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated as of September 1 and updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

The collection of the first Annual Installment for an Improvement Area #1 Lot or Parcel shall commence upon the earlier of: (i) with tax bills sent the first October after issuance of a series of Bonds, or (ii) September 1, 2025.

Any sale of Assessed Property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

(remainder of this page is intentionally left blank)

VII. THE ASSESSMENT ROLL

A. IMPROVEMENT AREA #1 ASSESSMENT ROLL

The Town Council has evaluated each Parcel in Improvement Area #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Improvement Area #1.

The Improvement Area #1 Assessed Property is being assessed for the special benefits conferred upon the property resulting from the Improvement Area #1 Projects. Table VII-A summarizes the \$22,756,560 from the Improvement Area #1 Projects, including a portion of the costs of the PID formation and applicable Improvement Area #1 Bond issuance costs. The Assessment amount of the Improvement Area #1 Bonds is \$6,552,000, which is less than the benefit received by the Improvement Area #1 Assessed Property. Accordingly, the total Assessment to be applied to all the Improvement Area #1 Assessed Property is \$6,552,000, plus interest and annual Administrative Expenses. The Assessment for each Improvement Area #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Improvement Area #1 Assessment Roll is attached hereto as Appendix G.

Table VII-A
Improvement Area #1
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements ¹	\$21,509,068
Bond Issuance Costs	
Cost of Issuance	\$490,356
Reserve Fund	\$485,576
Administrative Expense	\$75,000
Underwriter's Discount	\$196,560
<i>Subtotal Bond Issuance Costs</i>	\$1,247,492
Total Special Benefit	\$22,756,560
Special Benefit:	
Total Special Benefit	\$22,756,560
Projected Special Assessment	\$6,552,000
Excess Benefit	\$16,204,560

¹See Table III-B for details.

B. FUTURE IMPROVEMENT AREAS ASSESSMENT ROLL

As Future Improvement Areas are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Improvement Areas (e.g., an appendix will be added as the Assessment Roll for Future Improvement Areas).

C. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the Town Council for approval, annual updates to the Improvement Area #1 Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the Town and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.F of this Service and Assessment Plan.

The Assessment Rolls have been updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Improvement Area #1 Bonds. This update shall reflect the actual interest on the Improvement Area #1 Bonds on which the Annual Installments shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the Improvement Area #1 Bonds and Developer funds.

(remainder of this page is intentionally left blank)

VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The Town may elect to designate a third party to serve as Administrator. The Town shall notify Developer in writing at least thirty (30) days in advance before appointing a third-party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the Town not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the applicable Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the Town Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to an Assessment Roll may be appealed to the Town Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the Town Council, the decision of the Town Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the Town shall provide the owner of the affected Parcel a recordable “Notice of the PID Assessment Termination”.

C. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The Town Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels: (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, collection costs, and other charges imposed by the Service and Assessment Plan.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The Town Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

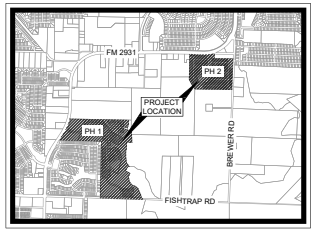
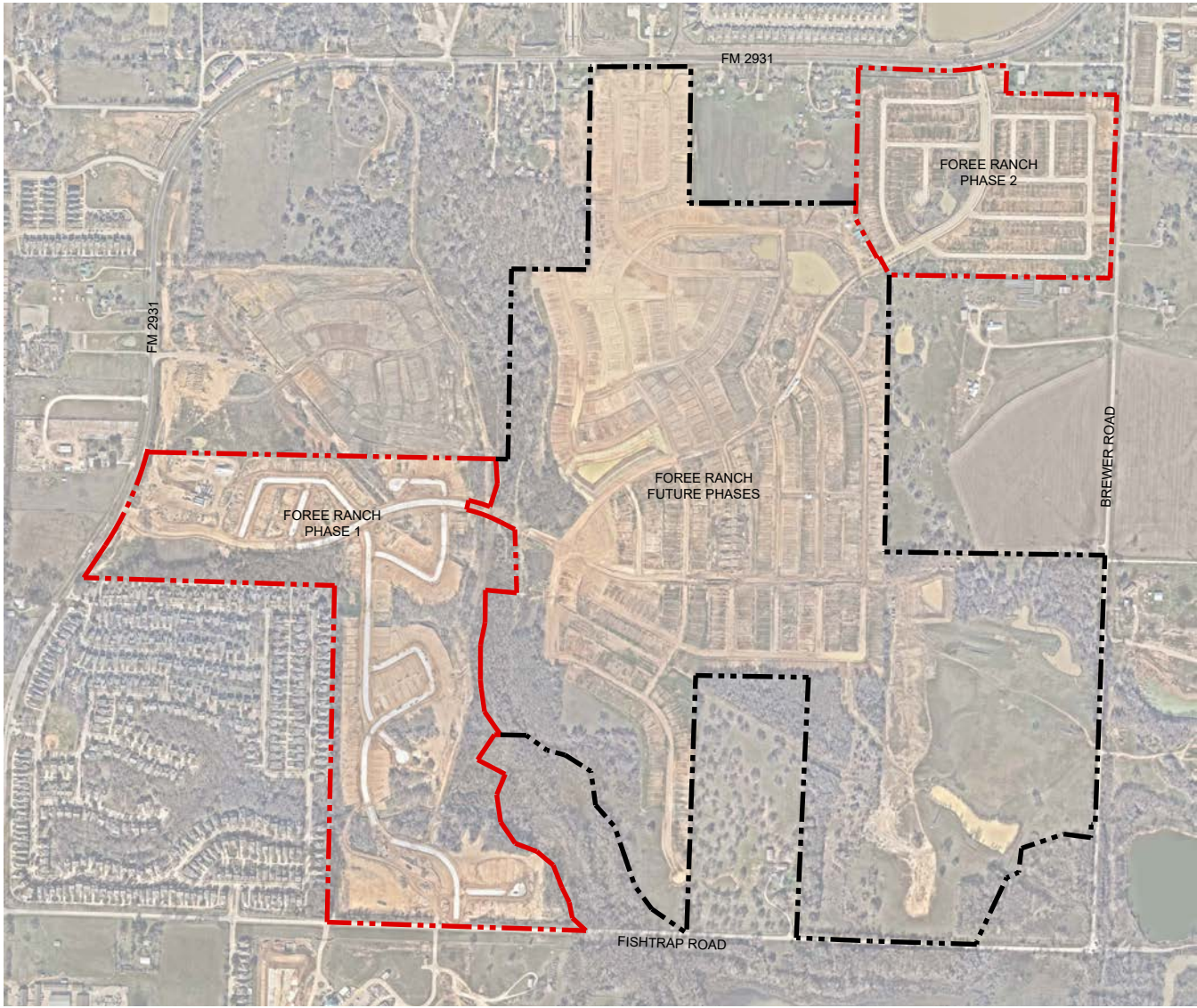
E. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Town Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Town.

(remainder of this page is intentionally left blank)

APPENDIX A
PID MAP

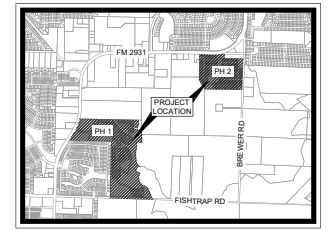
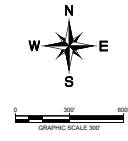
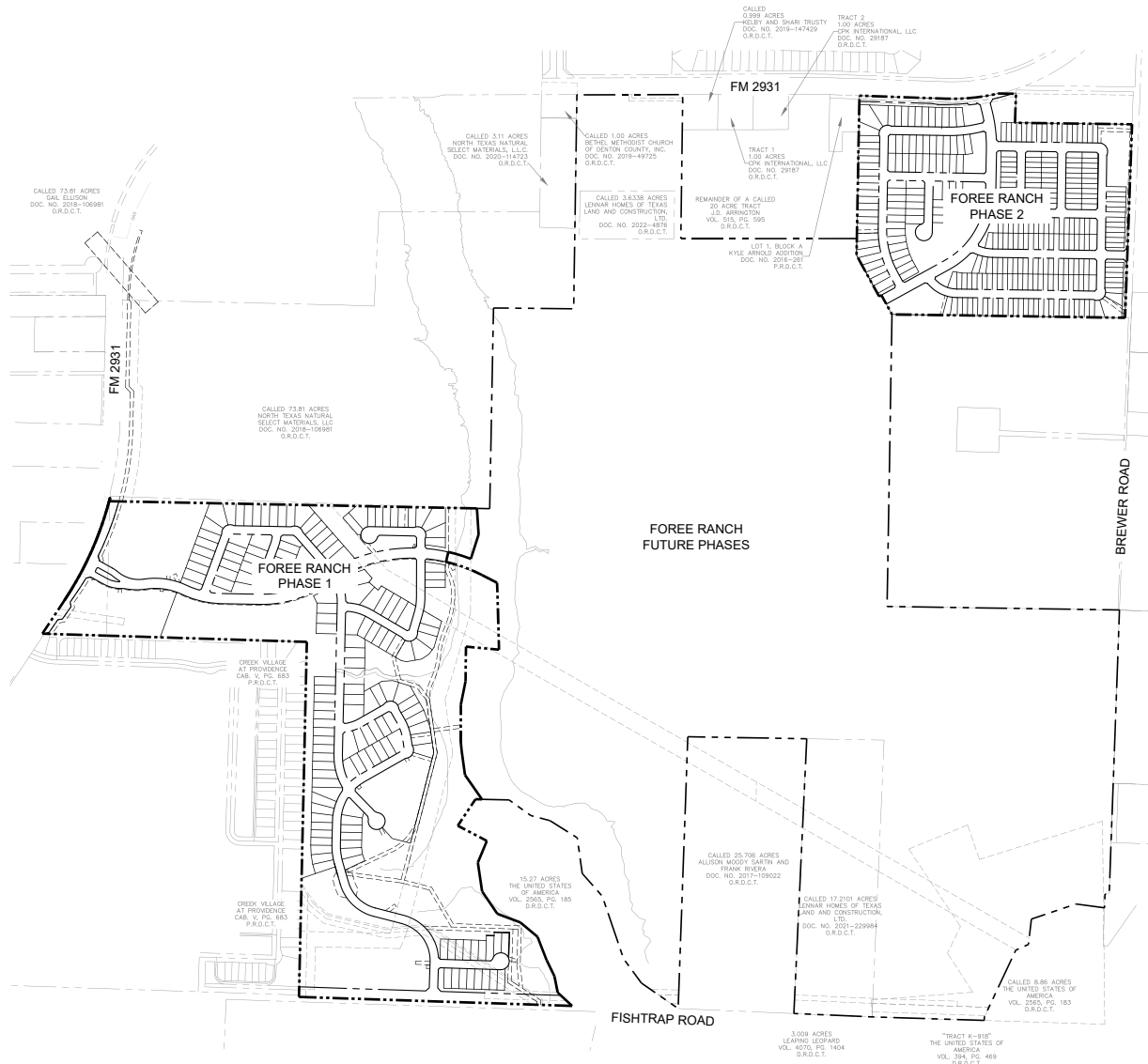


VICINITY MAP
SCALE: 1" = 2,000'

BOUNDARY MAP
FOREE RANCH
PHASE 1 & 2
Providence Village, Texas
February 2024

Kimley»Horn

©160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-5580
State of Texas Registration No. F-628



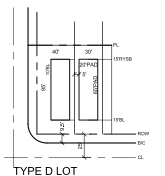
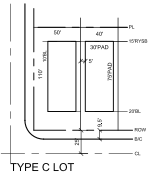
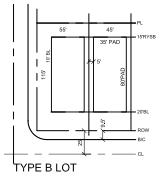
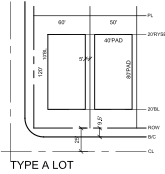
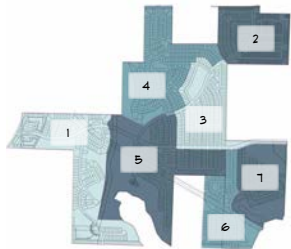
MASTER PLAN
FOREE RANCH
PHASE 1 & 2
 Providence Village, Texas
 February 2024
Kimley»Horn
 8160 Warren Parkway, Suite 210
 Fisco, Texas 75004
 972-335-5580
 State of Texas Registration No. F-228

CONCEPT PLAN

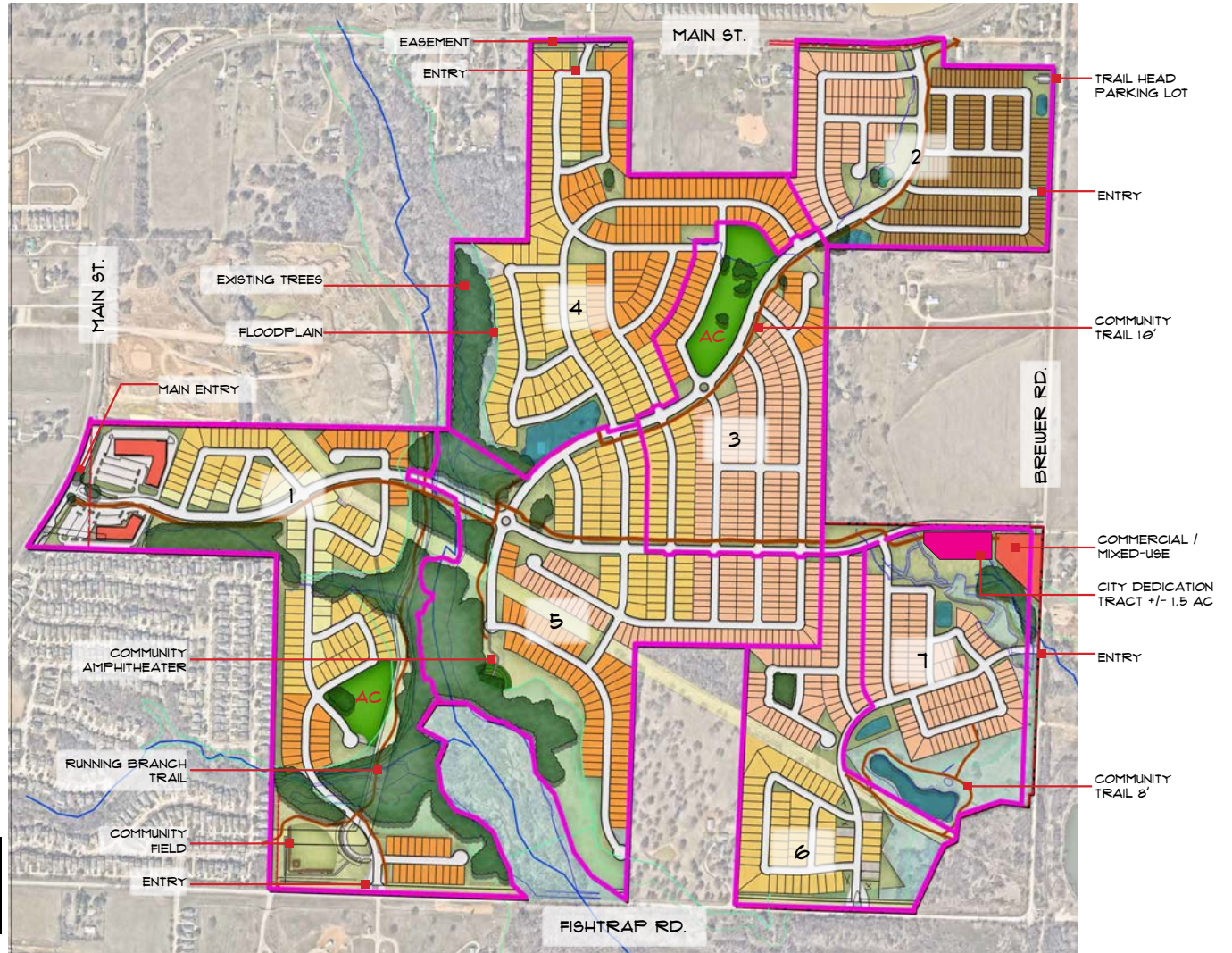
- PRODUCT TYPE A-1
60' x 120' - 41 UNITS
- PRODUCT TYPE A
50' x 120' - 332 UNITS
- PRODUCT TYPE B
45' x 115' - 324 UNITS
- PRODUCT TYPE C
40' x 110' 555 UNITS
- PRODUCT TYPE D
30' x 95' 150 UNITS
- AMENITY CENTER
- COMMERCIAL
- CITY DEDICATION TRACT

419.04 AC PROPERTY

PHASING PLAN



Product Type	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7
TYPE A-1 - 60'x120'	45	24		1	11	6	3	
TYPE A - 50'x120'	352	81		28	118	63	62	
TYPE B - 45'x115'	282	52		27	138	65		
TYPE C - 40'x110'	556		86	166		117	75	112
TYPE D - 30'x95'	215			215				
Total	1450	157	301	222	267	251	140	112



APPENDIX B
BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS



THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

PROJECT NAME:	<i>Brown Ranch</i>	LOT CT	1,450
CITY:	<i>Providence Village, Texas</i>	NET ACRES	419.0
JOB NUMBER:	<i>063461904</i>	GROSS ACRES	419.0

EXPENDITURE CATEGORIES	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	TOTAL
	DIRECT PUBLIC IMPROVEMENTS: <i>(Direct Benefit by Phase)</i>							
A. EXCAVATION	\$ 345,874	\$ 95,047	\$ 114,924	\$ 151,221	\$ 145,547	\$ 69,452	\$ 184,320	\$ 1,106,386
B. SANITARY SEWER SYSTEM	\$ 2,168,829	\$ 1,119,724	\$ 1,693,932	\$ 950,313	\$ 909,930	\$ 369,189	\$ 385,835	\$ 7,597,752
C. STORM SEWER SYSTEM	\$ 950,496	\$ 1,191,291	\$ 1,642,921	\$ 3,104,388	\$ 836,926	\$ 828,220	\$ 601,049	\$ 9,155,291
D. WATER DISTRIBUTION SYSTEM	\$ 1,355,527	\$ 1,152,721	\$ 1,485,534	\$ 651,042	\$ 482,149	\$ 415,918	\$ 361,867	\$ 5,904,758
E. STREET PAVING	\$ 1,841,761	\$ 1,772,111	\$ 2,026,465	\$ 2,048,447	\$ 1,315,921	\$ 1,302,233	\$ 945,045	\$ 11,251,983
F. RETAINING WALLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G. MISCELLANEOUS ITEMS	\$ 822,020	\$ 837,820	\$ 212,800	\$ 305,340	\$ 212,260	\$ 261,180	\$ 128,220	\$ 2,779,640
SUB-TOTAL:	\$ 7,484,807	\$ 6,168,714	\$ 7,176,577	\$ 7,210,752	\$ 3,902,733	\$ 3,246,192	\$ 2,606,336	\$ 37,796,811
ENGINEERING & SURVEYING (SECT. A-F): 10%	\$ 666,249	\$ 533,089	\$ 696,378	\$ 690,541	\$ 369,047	\$ 298,501	\$ 247,812	\$ 3,501,617
MISCELLANEOUS & CONTINGENCIES (SECT. A-G): 10%	\$ 748,451	\$ 616,871	\$ 717,858	\$ 721,075	\$ 390,273	\$ 324,619	\$ 260,634	\$ 3,779,581
TOTALS:	\$ 8,899,206	\$ 7,318,674	\$ 8,590,813	\$ 8,622,369	\$ 4,662,054	\$ 3,869,312	\$ 3,114,781	\$ 45,077,009

EXPENDITURE CATEGORIES	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	TOTAL
	COMMON COSTS:							
A. EXCAVATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. SANITARY SEWER SYSTEM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C. STORM SEWER SYSTEM	\$ -	\$ 5,674	\$ -	\$ 595,694	\$ 2,498,026	\$ 8,427	\$ 59,663	\$ 3,167,484
D. WATER DISTRIBUTION SYSTEM	\$ 631,728	\$ 365,577	\$ 379,740	\$ -	\$ 355,929	\$ 16,253	\$ 82,547	\$ 1,831,774
E. STREET PAVING	\$ 2,687,072	\$ 620,079	\$ 1,195,613	\$ 936,626	\$ 3,927,714	\$ 13,250	\$ 93,810	\$ 9,474,164
F. RETAINING WALLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G. MISCELLANEOUS ITEMS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUB-TOTAL:	\$ 3,318,801	\$ 991,330	\$ 1,575,353	\$ 1,532,320	\$ 6,761,868	\$ 37,930	\$ 238,020	\$ 14,473,423
ENGINEERING & SURVEYING (SECT. A-F): 10%	\$ 331,880	\$ 99,133	\$ 157,535	\$ 153,232	\$ 678,167	\$ 3,793	\$ 23,602	\$ 1,447,342
MISCELLANEOUS & CONTINGENCIES (SECT. A-G): 10%	\$ 331,880	\$ 99,133	\$ 157,535	\$ 153,232	\$ 678,167	\$ 3,793	\$ 23,602	\$ 1,447,342
TOTALS:	\$ 3,982,561	\$ 1,189,596	\$ 1,890,424	\$ 1,838,784	\$ 8,138,002	\$ 45,516	\$ 283,224	\$ 17,368,107

EXPENDITURE CATEGORIES	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	TOTAL
	PRIVATE IMPROVEMENTS:							
A. EXCAVATION	\$ 1,354,672	\$ 1,077,348	\$ 1,285,284	\$ 1,185,784	\$ 1,144,522	\$ 1,105,549	\$ 967,672	\$ 8,120,831
B. SANITARY SEWER SYSTEM	\$ -	\$ -	\$ -	\$ 169,494	\$ 168,116	\$ 97,838	\$ 81,302	\$ 516,750
C. STORM SEWER SYSTEM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. WATER DISTRIBUTION SYSTEM	\$ -	\$ -	\$ -	\$ 221,879	\$ 207,590	\$ 128,854	\$ 104,452	\$ 662,776
E. STREET PAVING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. RETAINING WALLS	\$ 1,265,506	\$ 603,155	\$ 759,586	\$ 615,000	\$ 610,000	\$ 355,000	\$ 295,000	\$ 4,503,247
G. MISCELLANEOUS ITEMS	\$ 3,321,798	\$ 897,930	\$ 2,637,500	\$ 939,000	\$ 991,000	\$ 738,000	\$ 1,727,000	\$ 11,252,227
SUB-TOTAL:	\$ 6,941,976	\$ 2,678,432	\$ 4,682,370	\$ 3,131,157	\$ 3,121,228	\$ 2,426,240	\$ 3,175,428	\$ 26,055,831
ENGINEERING & SURVEYING (SECT. A-F): 10%	\$ 262,018	\$ 168,050	\$ 204,487	\$ 219,216	\$ 213,023	\$ 168,724	\$ 144,843	\$ 1,380,360
MISCELLANEOUS & CONTINGENCIES (SECT. A-G): 10%	\$ 594,198	\$ 257,843	\$ 468,237	\$ 313,116	\$ 312,123	\$ 242,524	\$ 317,543	\$ 2,505,583
TOTALS:	\$ 6,798,191	\$ 3,004,326	\$ 5,355,094	\$ 3,663,489	\$ 3,646,374	\$ 2,836,489	\$ 3,637,812	\$ 28,941,774

EXPENDITURE CATEGORIES	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	TOTAL
	GRAND TOTAL IMPROVEMENTS:							
A. EXCAVATION	\$ 1,700,547	\$ 1,172,395	\$ 1,400,209	\$ 1,337,005	\$ 1,290,069	\$ 1,175,001	\$ 1,151,992	\$ 9,227,218
B. SANITARY SEWER SYSTEM	\$ 2,168,829	\$ 1,119,724	\$ 1,693,932	\$ 1,119,807	\$ 1,078,046	\$ 467,027	\$ 467,137	\$ 8,114,502
C. STORM SEWER SYSTEM	\$ 950,496	\$ 1,196,965	\$ 1,642,921	\$ 3,700,827	\$ 3,334,952	\$ 836,647	\$ 660,712	\$ 12,322,776
D. WATER DISTRIBUTION SYSTEM	\$ 1,987,255	\$ 1,518,297	\$ 1,865,275	\$ 872,922	\$ 1,045,868	\$ 561,024	\$ 548,866	\$ 8,399,308
E. STREET PAVING	\$ 4,528,833	\$ 2,392,190	\$ 3,222,078	\$ 2,985,073	\$ 5,243,635	\$ 1,315,483	\$ 1,038,855	\$ 20,726,147
F. RETAINING WALLS	\$ 1,265,506	\$ 603,155	\$ 759,586	\$ 615,000	\$ 610,000	\$ 355,000	\$ 295,000	\$ 4,503,247
G. MISCELLANEOUS ITEMS	\$ 4,143,818	\$ 1,735,750	\$ 2,850,300	\$ 1,244,340	\$ 1,203,260	\$ 999,180	\$ 1,855,220	\$ 14,031,867
SUB-TOTAL:	\$ 16,745,283	\$ 9,738,476	\$ 13,434,301	\$ 11,874,230	\$ 13,805,830	\$ 5,709,383	\$ 6,017,782	\$ 77,325,084
ENGINEERING & SURVEYING (SECT. A-F): 10%	\$ 1,260,147	\$ 800,273	\$ 1,058,400	\$ 1,062,989	\$ 1,260,237	\$ 471,018	\$ 416,256	\$ 6,329,320
MISCELLANEOUS & CONTINGENCIES (SECT. A-G): 10%	\$ -	\$ -	\$ -	\$ 1,187,423	\$ 1,380,563	\$ 570,936	\$ 601,778	\$ 7,732,506
TOTALS:	\$ 18,005,430	\$ 10,538,748	\$ 14,492,701	\$ 14,124,642	\$ 16,446,430	\$ 6,751,317	\$ 7,035,817	\$ 91,386,890

	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6	PHASE 7	TOTAL
GRAND TOTAL CONSTRUCTION COSTS:	\$ 18,005,430	\$ 10,538,748	\$ 14,492,701	\$ 14,124,642	\$ 16,446,430	\$ 6,751,317	\$ 7,035,817	\$ 91,386,890
TOTAL LOTS	\$ 164	\$ 301	\$ 245	\$ 248	\$ 244	\$ 142	\$ 118	\$ 1,450
COST PER LOT	\$ 116,918	\$ 35,012	\$ 59,154	\$ 57,417	\$ 67,403	\$ 47,544	\$ 59,628	\$ 63,025

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
SUMMARY OF IMPROVEMENTS BY TYPE AND PHASE
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
OCTOBER 21, 2021

NOTES:

Land Plan & Misc.

1. This estimate is based on the land plan prepared by Kimley-Horn dated August 2021. This estimate assumes a total of 1,416 lots in 7 phases.
2. Tree mitigation fees are not included. The proposed PD allows for credits within the creek to offset the tree mitigation requirements.
3. Unit prices to be confirmed by developer. Inflation or unit price variations are not within the scope of this estimate. Contractors or suppliers should be consulted for unit price inquiries that match the construction timing.
4. This estimate assumes this project will develop in five phases as illustrated on the phasing plan.
5. Impact fees for Mustang SUD are as follows:
 - 5/8" Water Service: \$4,000.00 per lot
 - 4" Wastewater Service: \$5,500.00 per lot
 - 1" Irrigation Service: \$8,500.00 per meter
 - 2" Irrigation Service: \$27,200.00 per meter
6. Landscaping values are included as placeholders in this estimate.
7. This estimate does not include land cost, land maintenance, interest, HOA support, legal, financing, marketing, impact fees, assessments, credits, construction administration, development management, etc.
8. This estimate does not include any costs for offsite easement acquisition.
9. This estimate does not include any costs associated with liens, rollback taxes, etc. that may be due on this property.
10. This estimate assumes a screening fence adjacent to the commercial zoned portion in Phase 1.
11. Placeholders have been provided for the entry monument and SOD & irrigation for open spaces.

Earthwork & Walls

1. Clearing and grubbing includes tree removal and haul-off.
2. This estimate assumes no rock excavation per the preliminary geotech report.
3. A jurisdictional determination has been completed. The concept plan minimizes impact to the streams under 300 feet. Therefore, WOUS mitigation is not anticipated.
4. Moisture conditioning was assumed to be 7-10' deep on 100% of the lots based on the preliminary geotech report.
5. A per-lot premium has been included for retaining walls

Sanitary Sewer

1. This estimate assumes connecting to the existing UTKWU line in Brewer Road through two proposed metering stations. This needs to be approved by UTKWU. If the connections are not allowed, a lift station will be required.
2. This estimate assumes parallel pipe at depths greater than 12'.
3. This estimate assumes the existing 21" sewer line in Fishtrap will need to be upsized to 24" from the east drive entrance to Brewer Road.

Water

1. Water line includes all fittings, tees, crosses, etc.
2. This estimate assumes all waterlines have a min. 4' cover.
3. This estimate assumes a 12" line from Brewer to the west entrance will be required to loop the water system and provide adequate pressure. This size will need to be confirmed by
4. This estimate includes 1,640 LF of 12" offsite water line to service to the property
5. This estimate includes 300 LF of 12" water line boring under Running Branch Creek. A steel casing pipe is included in this estimate.
6. This estimate assumes electrical poles along Main Street will have to be relocated for the installation of the offsite water.

Storm Sewer

1. This estimate assumes detention will be required. The downstream assessment is being completed to confirm this assumption.
2. All inlets are assumed to be 10'.
3. This estimate assumes two creek crossings per the preliminary flood study, consisting of (1) 10'x6' RCB and with 3-9'x8' RCB. The final flood study will need to determine the exact size of box culverts needed. These are identified as "Drainage Premiums" in Phase 1-A.
4. This OPC assumes a temporary swale will be graded adjacent to Highland Country Lane, which will remain a rural street section.
5. Storm sewer was sized based on a percentage of paving costs. Drainage premiums are included for box culvert crossings and crossings at
6. This assumes a pilot channel will not be required as the channel slope is greater than 1%.

Pavement

1. This estimate includes a cost for a traffic signal at the west entry and main street. The PHA anticipates this will be required after 1,000 homes have been constructed. A warrant analysis will need to be completed at that time to confirm.
2. Right and left turn lanes from FM 2931 are included in this estimate. Left turn lanes are anticipated after FM 2931 has been widened.
3. This estimate includes 6" pavement for residential streets and 7" concrete for collector streets.

Franchise

1. Costs for Electrical and Gas to be confirmed by Client.
2. Unit price for street lights to be confirmed by Client.

BROWN FAMILY RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 1	154	Phase 1 - 8,467 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	86.0				
JOB NUMBER:	063451304	GROSS ACRES	88				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

A. EXCAVATION									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>TOTAL COST</i>
CLEARING AND GRUBBING	ACRE	\$4,087.61	17	\$70,307	-	\$0.00	69	\$281,228	\$351,534
DEMO EXISTING WELL & SEPTIC	LS	\$18,000.00	-	\$0	-	\$0.00	1	\$18,000	\$18,000
REMOVE EXISTING FENCING	LS	\$0.00	-	\$0	-	\$0.00	-	\$10,000	\$10,000
LOT EXCAVATION (1.7 VF)	CY	\$3.17	-	\$0	-	\$0.00	42,516	\$134,776	\$134,776
STREET EXCAVATION (1.7 VF)	CY	\$3.17	10,629	\$33,694	-	\$0.00	-	\$0	\$33,694
MOISTURE CONDITIONING (6' DEEP) - 45' LOTS	LOT	\$2,200.00	-	\$0	-	\$0.00	52	\$114,400	\$114,400
MOISTURE CONDITIONING (6' DEEP) - 50' LOTS	LOT	\$2,400.00	-	\$0	-	\$0.00	81	\$194,400	\$194,400
MOISTURE CONDITIONING (6' DEEP) - 60' LOTS	LOT	\$2,600.00	-	\$0	-	\$0.00	24	\$62,400	\$62,400
PROCESS UTILITY SPOILS	CY	\$3.75	7,992	\$29,970	-	\$0.00	-	\$0	\$29,970
10 MIL POLY PADS	LOT	\$445.00	-	\$0	-	\$0.00	157	\$69,865	\$69,865
ROUGH LOT GRADING	LOT	\$150.00	-	\$0	-	\$0.00	154	\$23,100	\$23,100
FINAL LOT GRADING	LOT	\$100.00	-	\$0	-	\$0.00	154	\$15,400	\$15,400
CHANGE ORDER #1	CY	\$3.17	34,932	\$110,734	-	\$0.00	-	\$0	\$110,734
DETENTION POND	EA	\$50,000.00	2	\$100,000	-	\$0.00	-	\$0	\$100,000
GRADE TO DRAIN	CY	\$8.00	-	\$0	-	\$0.00	-	\$0	\$0
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0.00	154	\$61,600	\$61,600
EROSION CONTROL BLANKET	SY	\$15.00	-	\$0	-	\$0.00	24,154	\$362,310	\$362,310
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0	-	\$0.00	1	\$2,500	\$2,500
POWER POLE RELOCATION ALLOWANCE	LS	\$50,000.00	-	\$0	-	\$0.00	-	\$0	\$0
TESTING	CY	\$0.10	10,629	\$1,063	-	\$0.00	42,673	\$4,267	\$5,330
INSPECTION FEE	1%		10,629	\$106	-	\$0.00	42,673	\$427	\$533
SUB - EXCAVATION COST				\$345,874		\$0.00		\$1,354,672.32	\$1,700,547
		PER LOT		\$2,245.94		\$0.00		\$8,796.57	\$11,042.51

**BROWN FAMILY RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS**

OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.

NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 1	154	Phase 1 - 8,467 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	86.0				
JOB NUMBER:	063451304	GROSS ACRES	88				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

B. SANITARY SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" SDR-35 P.V.C. PIPE (0'-10' DEEP)	LF	\$59.30	6,060	\$359,358.00	-	\$0.00	-	\$0.00	\$359,358.00
8" SDR-26 P.V.C. PIPE (10'-15' DEEP)	LF	\$75.45	1,029	\$77,638.05	-	\$0.00	-	\$0.00	\$77,638.05
8" SDR-26 P.V.C. PIPE (15'-20' DEEP)	LF	\$98.44	1,508	\$148,447.52	-	\$0.00	-	\$0.00	\$148,447.52
8" SDR-26 P.V.C. PIPE (20'-25' DEEP)	LF	\$152.61	349	\$53,260.89	-	\$0.00	-	\$0.00	\$53,260.89
10" SDR-35 P.V.C. PIPE (10'-15' DEEP)	LF	\$80.56	172	\$13,856.32	-	\$0.00	-	\$0.00	\$13,856.32
10" SDR-26 P.V.C. PIPE (10'-15' DEEP)	LF	\$86.42	68	\$5,876.56	-	\$0.00	-	\$0.00	\$5,876.56
10" SDR-26 P.V.C. PIPE (15'-20' DEEP)	LF	\$105.98	1,145	\$121,347.10	-	\$0.00	-	\$0.00	\$121,347.10
10" SDR-26 P.V.C. PIPE (20'-25' DEEP)	LF	\$167.52	722	\$120,949.44	-	\$0.00	-	\$0.00	\$120,949.44
18" PVC SDR 26 (20'-25' DEEP)	LF	\$239.54	303	\$72,580.82	-	\$0.00	-	\$0.00	\$72,580.82
18" PVC SDR-26 (25'-30' DEEP)	LF	\$329.56	500	\$164,780.00	-	\$0.00	-	\$0.00	\$164,780.00
4' DIAMETER MANHOLE (< 8' DEEP)	EA	\$4,528.21	24	\$108,677.04	-	\$0.00	-	\$0.00	\$108,677.04
4' MANHOLE WITH SEALED RING AND COVER (< 8' DEEP)	EA	\$5,399.17	2	\$10,798.34	-	\$0.00	-	\$0.00	\$10,798.34
4' DIAMETER MANHOLE EXTRA DEPTH (> 8' DEEP)	VF	\$2,751.56	42	\$115,565.52	-	\$0.00	-	\$0.00	\$115,565.52
4' DIAMETER MANHOLE (TYPE S)	EA	\$5,336.16	3	\$16,008.48	-	\$0.00	-	\$0.00	\$16,008.48
5' DIAMETER MANHOLE (< 8' DEEP)	EA	\$6,479.17	9	\$58,312.53	-	\$0.00	-	\$0.00	\$58,312.53
5' DIAMETER MANHOLE (TYPE S)	EA	\$7,125.69	7	\$49,879.83	-	\$0.00	-	\$0.00	\$49,879.83
5' DROP DIAMETER MANHOLE (< 8' DEEP)	EA	\$7,379.17	8	\$59,033.36	-	\$0.00	-	\$0.00	\$59,033.36
5' DROP DIAMETER MANHOLE (TYPE S)	EA	\$8,879.17	2	\$17,758.34	-	\$0.00	-	\$0.00	\$17,758.34
5' MANHOLE WITHSEALED RING AND COVER	EA	\$7,250.77	1	\$7,250.77	-	\$0.00	-	\$0.00	\$7,250.77
5' DIAMETER MANHOLE EXTRA DEPTH (> 8' DEEP)	VF	\$753.93	246	\$185,466.78	-	\$0.00	-	\$0.00	\$185,466.78
CONNECT TO EX 5' MANHOLE	EA	\$1,729.48	1	\$1,729.48	-	\$0.00	-	\$0.00	\$1,729.48
CONNECT TO EX 18" SEWER	EA	\$1,200.00	2	\$2,400.00	-	\$0.00	-	\$0.00	\$2,400.00
BYPASS PUMPING	LS	\$11,820.00	1	\$11,820.00	-	\$0.00	-	\$0.00	\$11,820.00
REMOVE MANHOLE	EA	\$1,804.37	1	\$1,804.37	-	\$0.00	-	\$0.00	\$1,804.37
REMOVE 18" SEWER LINE	LF	\$38.12	577	\$21,995.24	-	\$0.00	-	\$0.00	\$21,995.24
16" STEEL CASING PIPE	LF	\$252.70	90	\$22,743.00	-	\$0.00	-	\$0.00	\$22,743.00
4" SEWER SERVICE	EA	\$887.51	151	\$134,014.01	-	\$0.00	-	\$0.00	\$134,014.01
CLEANOUT	EA	\$600.00	2	\$1,200.00	-	\$0.00	-	\$0.00	\$1,200.00
8" PLUG	EA	\$343.48	3	\$1,030.44	-	\$0.00	-	\$0.00	\$1,030.44
CONCRETE ENCASEMENT	LF	\$100.45	328	\$32,947.60	-	\$0.00	-	\$0.00	\$32,947.60
TRENCH SAFETY	LF	\$0.12	11,856	\$1,422.72	-	\$0.00	-	\$0.00	\$1,422.72
TESTING (EXCLUDING GEOTECH)	LF	\$2.88	11,856	\$34,145.28	-	\$0.00	-	\$0.00	\$34,145.28
TESTING (GEOTECH)	LF	\$1.25	11,856	\$14,820.00	-	\$0.00	-	\$0.00	\$14,820.00
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,998,530	\$39,970.59	-	\$0.00	-	\$0.00	\$39,970.59
INSPECTION FEE	PERCENT	4.0%	1,998,530	\$79,941.19	-	\$0.00	-	\$0.00	\$79,941.19
SUB - SANITARY SEWER SYSTEM				\$2,188,829.41		\$0.00		\$0.00	\$779,685.53
PER LOT				\$14,083.31		\$0.00		\$0.00	\$5,062.89

BROWN FAMILY RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 1	154	Phase 1 - 8,467 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	86.0				
JOB NUMBER:	063451304	GROSS ACRES	88				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

C. STORM SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
18" RCP	LF	\$ 81.14	54	\$4,381.56		\$0.00	-	\$0.00	\$4,381.56
21" RCP	LF	\$ 86.37	2552	\$220,416.24		\$0.00	-	\$0.00	\$220,416.24
24" RCP	LF	\$ 100.86	511	\$51,539.46		\$0.00	-	\$0.00	\$51,539.46
27" RCP	LF	\$ 109.58	61	\$6,684.38		\$0.00	-	\$0.00	\$6,684.38
30" RCP	LF	\$ 126.97	204	\$25,901.88		\$0.00	-	\$0.00	\$25,901.88
10'X6' RCB	LF	\$ 1,060.82	166	\$176,096.12		\$0.00	-	\$0.00	\$176,096.12
10' CURB INLET	EA	\$ 3,920.22	24	\$94,085.28		\$0.00	-	\$0.00	\$94,085.28
NON-STD 10' CURB INLET	EA	\$ 4,064.54	1	\$4,064.54		\$0.00	-	\$0.00	\$4,064.54
4'X4' STORM MANHOLE	EA	\$ 5,002.11	5	\$25,010.55		\$0.00	-	\$0.00	\$25,010.55
5'X5' STORM MANHOLE	EA	\$ 5,479.48	3	\$16,438.44		\$0.00	-	\$0.00	\$16,438.44
TXDOT PW HDWL - CULVERT C (WEST)	EA	\$ 33,000.00	1	\$33,000.00		\$0.00	-	\$0.00	\$33,000.00
SLOPED END HDWL - CULVERT A (EAST)	EA	\$ 2,488.44	1	\$2,488.44		\$0.00	-	\$0.00	\$2,488.44
TXDOT SW-0 HDWL - CULVERT B (WEST)	EA	\$ 35,000.00	1	\$35,000.00		\$0.00	-	\$0.00	\$35,000.00
TXDOT SW-0 HDWL - CULVERT B (EAST)	EA	\$ 27,250.00	1	\$27,250.00		\$0.00	-	\$0.00	\$27,250.00
TXDOT SW-0 HDWL - CULVERT C (EAST)	EA	\$ 33,000.00	1	\$33,000.00		\$0.00	-	\$0.00	\$33,000.00
TXDOT FW-0 HDWL - LINE SD-1C (SOUTH)	EA	\$ 2,728.44	1	\$2,728.44		\$0.00	-	\$0.00	\$2,728.44
TXDOT FW-0 HDWL - LINE SD-1D (SE)	EA	\$ 2,728.44	1	\$2,728.44		\$0.00	-	\$0.00	\$2,728.44
TXDOT FW-0 HDWL - LINE SD-1D (NW)	EA	\$ 2,728.44	1	\$2,728.44		\$0.00	-	\$0.00	\$2,728.44
TXDOT FW-0 HDWL - LINE SD-1F (EAST)	EA	\$ 2,608.44	1	\$2,608.44		\$0.00	-	\$0.00	\$2,608.44
TXDOT FW-0 HDWL - LINE SD-1G (SE)	EA	\$ 2,368.44	1	\$2,368.44		\$0.00	-	\$0.00	\$2,368.44
TXDOT FW-0 HDWL - LINE SD-1H (EAST)	EA	\$ 2,488.44	1	\$2,488.44		\$0.00	-	\$0.00	\$2,488.44
TXDOT FW-0 HDWL - LINE SD-1J (EAST)	EA	\$ 2,368.44	1	\$2,368.44		\$0.00	-	\$0.00	\$2,368.44
TXDOT FW-0 HDWL - LINE SD-1K (NORTH)	EA	\$ 2,608.44	1	\$2,608.44		\$0.00	-	\$0.00	\$2,608.44
2'X2' Y-INLET	EA	\$ 2,962.45	2	\$5,924.90	-	\$0.00	-	\$0.00	\$5,924.90
GROUTED RIPRAP	SY	\$ 145.25	706	\$102,546.50	-	\$0.00	-	\$0.00	\$102,546.50
CHANGE ORDER #1	LS	\$ 51,634.86	1	\$51,634.86	-	\$0.00	-	\$0.00	\$51,634.86
TRENCH SAFETY	LF	\$ 0.12	3,548	\$425.76	-	\$0.00	-	\$0.00	\$425.76
TV TESTING	LF	\$ 3.94	3,548	\$13,979.12	-	\$0.00	-	\$0.00	\$13,979.12
SUB - STORM SEWER SYSTEM				\$950,495.55		\$0.00		\$0.00	\$950,495.55
PER LOT				\$6,172.05		\$0.00		\$0.00	\$6,172.05

BROWN FAMILY RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 1	154	Phase 1 - 8,467 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	86.0				
JOB NUMBER:	063451304	GROSS ACRES	88				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

D. WATER DISTRIBUTION SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$54.60	9,384	\$512,366.40	-	\$0.00	-	\$0.00	\$512,366.40
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$103.44	-	\$0.00	4,818	\$498,373.92	-	\$0.00	\$498,373.92
12" WATER LINE W/ 24" STEEL CASING (BY BORE) (FM 2931)	LF	\$622.37	-	\$0.00	110	\$68,460.70	-	\$0.00	\$68,460.70
CONNECT TO EXISTING STUB	EA	\$2,786.74	-	\$0.00	1	\$2,786.74	-	\$0.00	\$2,786.74
8" GATE VALVE & BOX	EA	\$2,015.04	36	\$72,541.44	-	\$0.00	-	\$0.00	\$72,541.44
12" GATE VALVE & BOX	EA	\$3,723.60	10	\$37,236.00	3	\$11,170.80	-	\$0.00	\$48,406.80
TEMPORARY FLUSH VALVE	EA	\$2,894.36	1	\$2,894.36	-	\$0.00	-	\$0.00	\$2,894.36
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$5,929.26	19	\$112,655.94	2	\$11,858.52	-	\$0.00	\$124,514.46
1" SINGLE WATER SERVICE	EA	\$1,046.15	14	\$14,646.10	-	\$0.00	-	\$0.00	\$14,646.10
BULLHEAD WATER SERVICE	EA	\$1,589.12	68	\$108,060.16	-	\$0.00	-	\$0.00	\$108,060.16
24" PVC CASING	EA	\$315.96	256	\$80,885.76	-	\$0.00	-	\$0.00	\$80,885.76
48" SPLIT STEEL CASING FILLED WITH GROUT	EA	\$1,254.65	70	\$87,825.50	-	\$0.00	-	\$0.00	\$87,825.50
72" SOLID STEEL CASING	EA	\$1,105.25	70	\$77,367.50	-	\$0.00	-	\$0.00	\$77,367.50
84" SOLID STEEL CASING	EA	\$1,304.56	70	\$91,319.20	-	\$0.00	-	\$0.00	\$91,319.20
SEEDING EASEMENT RESTORATION	LS	\$5,400.12	-	\$0.00	2.63	\$14,202.32	-	\$0.00	\$14,202.32
4" IRRIGATION SLEEVES	EA	\$31.03	32	\$992.96	-	\$0.00	-	\$0.00	\$992.96
1" IRRIGATION SERVICE & METER	EA	\$1,520.58	5	\$7,602.90	-	\$0.00	-	\$0.00	\$7,602.90
TRENCH SAFETY	LF	\$0.12	9,384	\$1,126.08	4,818	\$578.16	-	\$0.00	\$1,704.24
TESTING (EXCLUDING GEOTECH)	LF	\$1.80	5	\$9.00	-	\$0.00	-	\$0.00	\$9.00
MAINTENANCE BOND	LS	\$95,862.00	1	\$95,862.00	-	\$0.00	-	\$0.00	\$95,862.00
INSPECTION FEE	PERCENT	4.0%	1,303,391	\$52,135.65	607,431	\$24,297.25	-	\$0.00	\$76,432.90
				\$1,355,526.95	\$631,728.40		\$0.00		\$1,987,255.35
SUB - WATER DISTRIBUTION SYSTEM									
				PER LOT	\$ 8,802.12	\$ 4,102.13	\$ -	\$ -	\$ 12,904.26

**BROWN FAMILY RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS**

OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.

NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 1	154	Phase 1 - 8,467 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	86.0				
JOB NUMBER:	063451304	GROSS ACRES	88				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

E. STREET PAVING										
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST	
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$49.05	25,886	\$1,269,708	-	\$0	-	\$0	\$1,269,708	
8" REINF. CONCRETE STREET PAVEMENT (37' B-B)	SY	\$57.50	-	\$0	10,626	\$610,995	-	\$0	\$610,995	
6" SUBGRADE PREP	SY	\$3.00	27,698	\$83,094	12,100	\$36,300	-	\$0	\$119,394	
HYDRATED LIME (32#/SY)	TON	\$235.00	443	\$104,145	194	\$45,496	-	\$0	\$149,641	
60' BRIDGE - WOUS TRIBUTARY	SF	\$259.20	-	\$0	3,060	\$793,152	-	\$0	\$793,152	
60' BRIDGE - RUNNING BRANCH TRIBUTARY	SF	\$259.20	-	\$0	3,060	\$793,152	-	\$0	\$793,152	
5' CONCRETE SIDEWALK	LF	\$35.00	4,775	\$167,125	-	\$0	-	\$0	\$167,125	
10' TRAIL	LF	\$95.00	-	\$0	5,041	\$478,895	-	\$0	\$478,895	
STREET SIGN	EA	\$1,300.00	6	\$7,800	-	\$0	-	\$0	\$7,800	
COMB. STREET & STOP SIGN	EA	\$1,500.00	13	\$19,500	1	\$1,500	-	\$0	\$21,000	
CONNECT TO EXISTING PAVEMENT	LF	\$30.00	88	\$2,640	-	\$0	-	\$0	\$2,640	
PAVEMENT HEADER	EA	\$900.00	1	\$900	-	\$0	-	\$0	\$900	
TYPE III BARRICADE	EA	\$1,000.00	1	\$1,000	-	\$0	-	\$0	\$1,000	
BARRIER FREE RAMP	EA	\$2,450.00	22	\$53,900	-	\$0	-	\$0	\$53,900	
2" SP-C PG 64-22 ASPHALT	SY	\$41.00	-	\$0	222	\$9,102	-	\$0	\$9,102	
12" CEMENT STABILIZED BASE	SY	\$63.50	-	\$0	222	\$14,097	-	\$0	\$14,097	
6" CONCRETE DRIVEWAY	SY	\$98.00	-	\$0	457	\$44,786	-	\$0	\$44,786	
1" SAND	SY	\$10.50	-	\$0	457	\$4,799	-	\$0	\$4,799	
SAWCUT & CONNECT TO EX. ASPHALT	LF	\$7.50	-	\$0	332	\$2,490	-	\$0	\$2,490	
STRIPING	LS	\$1,295.90	-	\$0	1	\$1,296	-	\$0	\$1,296	
CHANGE ORDER #1	LS	(\$301,542.48)	-	\$0	1	(\$301,542)	-	\$0	(\$301,542)	
TESTING (GEOTECH)	SY	\$1.00	27,698	\$27,698	457	\$457	-	\$0	\$28,155	
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,737,510	\$34,750	2,534,974	\$50,699	-	\$0	\$85,450	
INSPECTION FEE	PERCENT	4.0%	1,737,510	\$69,500	2,534,974	\$101,399	-	\$0	\$170,899	
SUB - STREET PAVING				\$1,841,781	\$2,687,072	\$0	\$4,528,833			
				PER LOT	\$11,959.48	\$17,448.52	\$0.00	\$29,408.01		

F. RETAINING WALLS										
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST	
RETAINING WALLS	LS	\$1,265,506.00	-	\$0.00	-	\$0.00	1	\$1,265,506	\$1,265,506	
SUB - RETAINING WALLS				\$0.00	\$0.00	\$1,265,506.00	\$1,265,506			
				PER LOT	\$0.00	\$0.00	\$8,217.57	\$8,217.57		

BROWN FAMILY RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
 OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
 NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 1	154	Phase 1 - 8,467 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	86.0				
JOB NUMBER:	063451304	GROSS ACRES	88				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

G. MISCELLANEOUS ITEMS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STREET LIGHT	EA	\$4,000.00	19	\$76,000	-	\$0	-	\$0	\$76,000
SCREENING FENCE	LF	\$120.00	1,353	\$162,360	-	\$0	-	\$0	\$162,360
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	154	\$77,000	-	\$0	-	\$0	\$77,000
LANDSCAPING	LS	\$150,000.00	-	\$0	-	\$0	2	\$300,000	\$300,000
TRAIL OVERLOOK	LS	\$75,000.00	-	\$0	-	\$0	1	\$75,000	\$75,000
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0	-	\$0	43,865	\$65,798	\$65,798
PRIMARY ENTRY FEATURE	LS	\$100,000.00	-	\$0	-	\$0	1	\$100,000	\$100,000
SECONDARY ENTRY FEATURE	LS	\$50,000.00	-	\$0	-	\$0	1	\$50,000	\$50,000
AMENITY CENTER	LS	\$2,500,000.00	-	\$0	-	\$0	1	\$2,500,000	\$2,500,000
BASEBALL FIELD	LS	\$500,000.00	1	\$500,000	-	\$0	-	\$0	\$500,000
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$3,330.00	1	\$3,330	-	\$0	-	\$0	\$3,330
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$3,330.00	1	\$3,330	-	\$0	-	\$0	\$3,330
FRANCHISE (ELECTRIC)	LOT	\$750.00	-	\$0	-	\$0	154	\$115,500	\$115,500
FRANCHISE (GAS)	LOT	\$750.00	-	\$0	-	\$0	154	\$115,500	\$115,500
SUB - MISCELLANEOUS ITEMS				\$822,020		\$0.00		\$3,321,798	\$4,143,818
PER LOT				\$5,337.79		\$0.00		\$21,570.11	\$26,907.91

GRAND TOTAL DIRECT PID COSTS - PHASE 1		\$7,484,506.89
	COST PER LOT	\$48,600.69
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 1		\$3,318,800.76
	COST PER LOT	\$21,550.65
GRAND TOTAL DEVELOPER COSTS - PHASE 1		\$5,941,975.82
	COST PER LOT	\$38,584.26
OVERALL DEVELOPMENT COSTS - PHASE 1		\$15,356,139.59
	COST PER LOT	\$99,715.19

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 2	301	Phase 2 - 8,622 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	38.1				
JOB NUMBER:	063451304	GROSS ACRES	44				
				DIRECT	ONSITE/OFFSITE	PRIVATE	OVERALL DEV.
				PID IMPROVEMENTS	MAJOR PID IMPROVEMENTS	IMPROVEMENTS	COST

A. EXCAVATION									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>TOTAL COST</i>
CLEARING AND GRUBBING	ACRE	\$2,654.99	8	\$20,231	-	\$0.00	30	\$80,924	\$101,155
REMOVE EXISTING FENCING	LS	\$2,000.00	-	\$0	-	\$0.00	-	\$0	\$0
LOT EXCAVATION (1.7 VF)	CY	\$3.50	-	\$0	-	\$0.00	63,640	\$222,740	\$222,740
STREET EXCAVATION (1.7 VF)	CY	\$3.50	15,910	\$55,685	-	\$0.00	-	\$0	\$55,685
PROCESS UTILITY SPOILS	CY	\$3.75	4,635	\$17,381	-	\$0.00	-	\$0	\$17,381
MOISTURE CONDITIONING (6' DEEP) - 20' LOT	CY	\$1,335.00	-	\$0	-	\$0.00	215	\$287,025	\$287,025
MOISTURE CONDITIONING (6' DEEP) - 30' LOT	CY	\$1,700.00	-	\$0	-	\$0.00	86	\$146,200	\$146,200
10 MIL POLY PADS	LOT	\$275.00	-	\$0	-	\$0.00	301	\$82,775	\$82,775
ROUGH LOT GRADING	LOT	\$150.00	-	\$0	-	\$0.00	301	\$45,150	\$45,150
FINAL LOT GRADING	LOT	\$100.00	-	\$0	-	\$0.00	301	\$30,100	\$30,100
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0.00	301	\$120,400	\$120,400
EROSION CONTROL BLANKET	SY	\$15.00	-	\$0	-	\$0.00	3,500	\$52,500	\$52,500
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0	-	\$0.00	1	\$2,500	\$2,500
TESTING	CY	\$0.10	15,910	\$1,591	-	\$0.00	63,941	\$6,394	\$7,985
INSPECTION FEE		1%	15,910	\$159	-	\$0.00	63,941	\$639	\$799
SUB - EXCAVATION COST				\$95,047	\$0.00	\$1,077,348	\$1,172,395		
				PER LOT	\$316	\$0	\$3,579	\$3,895	

B. SANITARY SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" SDR-35 P.V.C. PIPE (0'-10' DEEP)	LF	\$59.35	5,134	\$304,702.90	-	\$0.00	-	\$0.00	\$304,702.90
8" SDR-26 P.V.C. PIPE (10'-15' DEEP)	LF	\$75.48	1,604	\$121,069.92	-	\$0.00	-	\$0.00	\$121,069.92
8" SDR-26 P.V.C. PIPE (15'-20' DEEP)	LF	\$98.99	664	\$65,729.36	-	\$0.00	-	\$0.00	\$65,729.36
4' DIAMETER MANHOLE (< 8' DEEP)	EA	\$4,499.17	21	\$94,482.57	-	\$0.00	-	\$0.00	\$94,482.57
4' MANHOLE WITH SEALED RING AND COVER (< 8' DEEP)	EA	\$5,399.17	2	\$10,798.34	-	\$0.00	-	\$0.00	\$10,798.34
4' DIAMETER MANHOLE EXTRA DEPTH (> 8' DEEP)	VF	\$1,996.22	24	\$47,909.28	-	\$0.00	-	\$0.00	\$47,909.28
5' DIAMETER MANHOLE (< 8' DEEP)	EA	\$8,098.96	4	\$32,395.84	-	\$0.00	-	\$0.00	\$32,395.84
5' MANHOLE W/ SEALED RING & COVER (<8' COVER)	EA	\$9,295.66	3	\$27,886.98	-	\$0.00	-	\$0.00	\$27,886.98
5' DIAMETER MANHOLE EXTRA DEPTH (> 8' DEEP)	VF	\$715.73	60	\$42,943.80	-	\$0.00	-	\$0.00	\$42,943.80
CONNECT TO EX 5' MANHOLE	EA	\$1,729.48	1	\$1,729.48	-	\$0.00	-	\$0.00	\$1,729.48
4" SEWER SERVICE	EA	\$887.25	303	\$268,836.75	-	\$0.00	-	\$0.00	\$268,836.75
8" PLUG	EA	\$343.48	1	\$343.48	-	\$0.00	-	\$0.00	\$343.48
CONCRETE ENCASMENT	LF	\$78.00	286	\$22,308.00	-	\$0.00	-	\$0.00	\$22,308.00
12" STEEL CASING PIPE	LF	\$150.35	30	\$4,510.50	-	\$0.00	-	\$0.00	\$4,510.50
TRENCH SAFETY	LF	\$0.12	7,401	\$888	-	\$0	-	\$0	\$888
TESTING (EXCLUDING GEOTECH)	LF	\$2.82	7,401	\$20,871	-	\$0	-	\$0	\$20,871
TESTING (GEOTECH)	LF	\$1.25	7,401	\$9,251	-	\$0	-	\$0	\$9,251
INSPECTION FEE	PERCENT	4.0%	1,076,657	\$43,066	-	\$0	-	\$0	\$43,066
SUB - SANITARY SEWER SYSTEM				\$1,119,724	\$0	\$0	\$1,119,724		
				PER LOT	\$3,720	\$0	\$3,720		

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 2	301	Phase 2 - 8,622 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	38.1				
JOB NUMBER:	063451304	GROSS ACRES	44				
				DIRECT	ONSITE/OFFSITE	PRIVATE	OVERALL DEV.
				PID IMPROVEMENTS	MAJOR PID IMPROVEMENTS	IMPROVEMENTS	COST

C. STORM SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
18" RCP	LF	\$ 81.23	430	\$34,928.90		\$0.00		\$0.00	\$34,928.90
21" RCP	LF	\$ 86.46	1688	\$145,944.48		\$0.00		\$0.00	\$145,944.48
24" RCP	LF	\$ 100.95	1283	\$129,518.85		\$0.00		\$0.00	\$129,518.85
30" RCP	LF	\$ 127.07	823	\$104,578.61		\$0.00		\$0.00	\$104,578.61
36" RCP	LF	\$ 163.83	167	\$27,359.61		\$0.00		\$0.00	\$27,359.61
4'X3' RCB	LF	\$ 329.70	112	\$36,926.40		\$0.00		\$0.00	\$36,926.40
5'X4' RCB	LF	\$ 433.82	106	\$45,984.92		\$0.00		\$0.00	\$45,984.92
6'X3' RCB	LF	\$ 486.54	440	\$214,077.60		\$0.00		\$0.00	\$214,077.60
8" CURB INLET	LF	\$ 3,412.85	3	\$10,238.55		\$0.00		\$0.00	\$10,238.55
10" CURB INLET	EA	\$ 3,920.22	23	\$90,165.06		\$0.00		\$0.00	\$90,165.06
5'X5' STORM MANHOLE	EA	\$ 5,479.48	14	\$76,712.72		\$0.00		\$0.00	\$76,712.72
TXDOT PW HDWL - CULVERT A/E (NE)	EA	\$ 22,575.00	1	\$22,575.00		\$0.00		\$0.00	\$22,575.00
TXDOT PW HDWL - CULVERT A/E (SW)	EA	\$ 22,575.00	1	\$22,575.00		\$0.00		\$0.00	\$22,575.00
TXDOT PW HDWL - LINE SD-2G (SE)	EA	\$ 23,400.00	1	\$23,400.00		\$0.00		\$0.00	\$23,400.00
TXDOT PW HDWL - LINE SD-2K (WEST)	EA	\$ 18,780.00	1	\$18,780.00		\$0.00		\$0.00	\$18,780.00
TXDOT PW HDWL - CULVERT B (NW)	EA	\$ 21,090.00	1	\$21,090.00		\$0.00		\$0.00	\$21,090.00
TXDOT PW HDWL - CULVERT B (SE)	EA	\$ 21,090.00	1	\$21,090.00		\$0.00		\$0.00	\$21,090.00
TXDOT PW HDWL - CULVERT C (NW)	EA	\$ 15,150.00	1	\$15,150.00		\$0.00		\$0.00	\$15,150.00
TXDOT PW HDWL - CULVERT C (SE)	EA	\$ 15,150.00	1	\$15,150.00		\$0.00		\$0.00	\$15,150.00
21" SLOPED END HDWL	EA	\$ 2,368.44	2	\$4,736.88		\$0.00		\$0.00	\$4,736.88
24" SLOPED END HDWL	EA	\$ 2,488.44	1	\$2,488.44		\$0.00		\$0.00	\$2,488.44
30" SLOPED END HDWL	EA	\$ 5,456.88	1	\$5,456.88		\$0.00		\$0.00	\$5,456.88
36" SLOPED END HDWL	EA	\$ 5,082.66	2	\$10,165.32		\$0.00		\$0.00	\$10,165.32
SHOREMAX TRANSITION MAT	SY	\$ 132.00	54	\$7,128.00		\$0.00		\$0.00	\$7,128.00
WESTERN EXCELSIOR PP5-10 REINFORCEMENT MAT	SY	\$ 8.40	603	\$5,065.20		\$0.00		\$0.00	\$5,065.20
TRENCH SAFETY	LF	\$ 0.12	4,943	\$593.16		\$0.00		\$0.00	\$593.16
TV TESTING	LF	\$ 3.94	4,943	\$19,475.42		\$0.00		\$0.00	\$19,475.42
REMOVE HEADWALL	EA	\$ 3,148.44	0	\$0.00	1	\$3,148.44		\$0.00	\$3,148.44
SETP-FW-0 HEADWALL	EA	\$ -	1	\$0.00		\$0.00		\$0.00	\$0.00
2 - 36" RCP CULVERT EXTENSION	LF	\$ 329.62	0	\$0.00	7	\$2,307.34		\$0.00	\$2,307.34
CHANGE ORDER #1	LS	\$ 14,117.55	1	\$14,117.55		\$0.00		\$0.00	\$14,117.55
INSPECTION FEE	PERCENT	4.0%		\$1,145,473	\$45,819	\$5,456	\$218	\$0	\$0
SUB - STORM SEWER SYSTEM				\$1,191,291.45	\$5,674.01	\$0.00	\$1,196,965.46		
				PER LOT	\$3,957.78	\$18.85	\$0.00	\$3,976.63	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 2	301	Phase 2 - 8,622 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	38.1				
JOB NUMBER:	063451304	GROSS ACRES	44				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

D. WATER DISTRIBUTION SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$54.43	8,659	\$471,309.37	-	\$0.00	-	\$0.00	\$471,309.37
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$98.53	-	\$0.00	3,013	\$296,870.89	-	\$0.00	\$296,870.89
CONNECT TO EXISTING STUB	EA	\$2,786.74	-	\$0.00	2	\$5,573.48	-	\$0.00	\$5,573.48
8" GATE VALVE & BOX	EA	\$2,001.36	38	\$76,051.68	-	\$0.00	-	\$0.00	\$76,051.68
12" GATE VALVE & BOX	EA	\$3,516.73	-	\$0.00	9	\$31,650.57	-	\$0.00	\$31,650.57
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$5,929.27	19	\$112,656.13	2	\$11,858.54	-	\$0.00	\$124,514.67
1" SINGLE WATER SERVICE	EA	\$1,047.24	303	\$317,313.72	-	\$0.00	-	\$0.00	\$317,313.72
20" STEEL CASING	EA	\$222.62	30	\$6,678.60	-	\$0.00	-	\$0.00	\$6,678.60
CONCRETE ENCASEMENT	LF	\$78.00	20	\$1,560.00	-	\$0.00	-	\$0.00	\$1,560.00
4" IRRIGATION SLEEVES	LF	\$31.10	1,295	\$40,274.50	-	\$0.00	-	\$0.00	\$40,274.50
1" IRRIGATION SERVICE & METER	EA	\$1,521.67	3	\$4,565.01	-	\$0.00	-	\$0.00	\$4,565.01
TRENCH SAFETY	LF	\$0.12	8,659	\$1,039.08	3,013	\$361.56	-	\$0.00	\$1,400.64
TESTING (EXCLUDING GEOTECH)	LF	\$1.80	8,659	\$15,586.20	3,013	\$5,423.40	-	\$0.00	\$21,009.60
MAINTENANCE BOND	LS		1	\$64,470.00	-	\$0.00	-	\$0.00	\$64,470.00
INSPECTION FEE	PERCENT	4.0%	1,030,409	\$41,216.36	345,953	\$13,838.14	-	\$0.00	\$55,054.50
SUB - WATER DISTRIBUTION SYSTEM				\$ 1,152,721		\$ 365,577		\$ -	\$ 1,518,297
PER LOT				\$ 3,830		\$ 1,215		\$ -	\$ 5,044

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 2	301	Phase 2 - 8,622 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	38.1				
JOB NUMBER:	063451304	GROSS ACRES	44				
				DIRECT	ONSITE/OFFSITE	PRIVATE	OVERALL DEV.
				PID IMPROVEMENTS	MAJOR PID IMPROVEMENTS	IMPROVEMENTS	COST

E. STREET PAVING									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$49.05	25,848	\$1,267,844	-	\$0	-	\$0	\$1,267,844
8" REINF. CONCRETE STREET PAVEMENT (37' B-B)	SY	\$57.50	-	\$0	6,020	\$346,150	-	\$0	\$346,150
6" SUBGRADE PREP	SY	\$3.00	27,299	\$81,898	6,441	\$19,324	-	\$0	\$101,222
HYDRATED LIME (32#/SY)	TON	\$235.00	437	\$102,646	103	\$24,220	-	\$0	\$126,865
5' CONCRETE SIDEWALK	LF	\$35.00	2,843	\$99,505	-	\$0	-	\$0	\$99,505
10' TRAIL	LF	\$95.00	-	\$0	859	\$81,605	-	\$0	\$81,605
STREET SIGN	EA	\$1,050.00	6	\$6,300	-	\$0	-	\$0	\$6,300
COMB. STREET & STOP SIGN	EA	\$1,500.00	8	\$12,000	2	\$3,000	-	\$0	\$15,000
CONNECT TO EXISTING PAVEMENT	LF	\$30.00	127	\$3,810	-	\$0	-	\$0	\$3,810
PAVEMENT HEADER	EA	\$900.00	1	\$900	-	\$0	-	\$0	\$900
TYPE III BARRICADE	EA	\$1,000.00	1	\$1,000	-	\$0	-	\$0	\$1,000
BARRIER FREE RAMP	EA	\$2,450.00	28	\$68,600	-	\$0	-	\$0	\$68,600
2" SP-C PG 64-22 ASPHALT	SY	\$41.00	-	\$0	1,006	\$41,246	-	\$0	\$41,246
12" CEMENT STABILIZED BASE	SY	\$19.00	-	\$0	1,006	\$19,114	-	\$0	\$19,114
8" CONCRETE DRIVEWAY	SY	\$98.00	-	\$0	373	\$36,554	-	\$0	\$36,554
1" SAND	SY	\$10.50	-	\$0	373	\$3,917	-	\$0	\$3,917
SAWCUT & CONNECT TO EX. ASPHALT	LF	\$7.50	-	\$0	705	\$5,288	-	\$0	\$5,288
STRIPING	LS	\$4,190.60	-	\$0	1	\$4,191	-	\$0	\$4,191
TESTING (GEOTECH)	SY	\$1.00	27,299	\$27,299	373	\$373	-	\$0	\$27,672
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,671,802	\$33,436	584,980	\$11,700	-	\$0	\$45,136
INSPECTION FEE	PERCENT	4.0%	1,671,802	\$66,872	584,980	\$23,399	-	\$0	\$90,271
SUB - STREET PAVING				\$1,772,111		\$620,079		\$0	\$2,392,190
				PER LOT	\$5,887	\$2,080		\$0	\$7,947

F. RETAINING WALLS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
RETAINING WALLS	LS	\$599,908	-	\$0	\$0	\$0	1	\$599,908	\$599,908
CHANGE ORDER #1	LS	\$3,247.00	-	\$0.00	-	\$0.00	1	\$3,247.00	\$3,247.00
SUB - RETAINING WALLS				\$0		\$0		\$603,155	\$603,155
				PER LOT	\$0	\$0		\$2,004	\$2,004

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
 OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
 NOVEMBER 20, 2023

COST DESC:	Foreø Ranch	LOT CT PH 2	301	Phase 2 - 8,622 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	38.1				
JOB NUMBER:	063451304	GROSS ACRES	44				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

G. MISCELLANEOUS ITEMS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STREET LIGHT	EA	\$4,000.00	23	\$92,000	-	\$0	-	\$0	\$92,000
SCREENING FENCE	LF	\$120.00	1,094	\$131,280	-	\$0	-	\$0	\$131,280
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	301	\$150,500	-	\$0	-	\$0	\$150,500
LANDSCAPING	LS	\$150,000.00	-	\$0	-	\$0	2	\$300,000	\$300,000
CALF ROPING PARK	LS	\$150,000.00	-	\$0	-	\$0	1	\$150,000	\$150,000
TOT LOT	LS	\$150,000.00	-	\$0	-	\$0	1	\$150,000	\$150,000
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0	-	\$0	131,953	\$197,930	\$197,930
SECONDARY ENTRY FEATURE	LS	\$50,000.00	-	\$0	-	\$0	2	\$100,000	\$100,000
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$6,270.00	1	\$6,270	-	\$0	-	\$0	\$6,270
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$6,270.00	1	\$6,270	-	\$0	-	\$0	\$6,270
FRANCHISE (ELECTRIC)	LOT	\$750.00	301	\$225,750	-	\$0	-	\$0	\$225,750
FRANCHISE (GAS)	LOT	\$750.00	301	\$225,750	-	\$0	-	\$0	\$225,750
SUB - MISCELLANEOUS ITEMS				\$837,820		\$0		\$897,930	\$1,735,750
				PER LOT \$2,763		\$0		\$2,983	\$5,767

GRAND TOTAL DIRECT PID COSTS - PHASE 2	\$6,168,714	
COST PER LOT	\$20,494	
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 2	\$991,330	
COST PER LOT	\$3,283	
GRAND TOTAL DEVELOPER COSTS - PHASE 2	\$2,578,432	
COST PER LOT	\$8,566	
OVERALL DEVELOPMENT COSTS - PHASE 2	\$9,738,476	
COST PER LOT	\$32,354	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 3	245	Phase 3 - 10,439 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	46.5				
JOB NUMBER:	063451304	GROSS ACRES	46.5				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

A. EXCAVATION									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>TOTAL COST</i>
CLEARING AND GRUBBING	ACRE	\$3,771.67	9	\$35,077	\$0	\$0	37	\$140,306	\$175,383
REMOVE EXISTING FENCING	LS	\$2,000.00	-	\$0	\$0	\$0	0	\$0	\$0
LOT EXCAVATION	CY	\$2.91	-	\$0	\$0	\$0	80,040	\$232,916	\$232,916
STREET EXCAVATION	CY	\$2.91	20,010	\$58,229	\$0	\$0	0	\$0	\$58,229
MOISTURE CONDITIONING (6' DEEP) - 30' LOTS	LOT	\$1,800.00	-	\$0	\$0	\$0	166	\$298,800	\$298,800
MOISTURE CONDITIONING (6' DEEP) - 35' LOTS	LOT	\$1,900.00	-	\$0	\$0	\$0	50	\$95,000	\$95,000
MOISTURE CONDITIONING (6' DEEP) - 40' LOTS	LOT	\$2,600.00	-	\$0	\$0	\$0	28	\$72,800	\$72,800
MOISTURE CONDITIONING (6' DEEP) - 50' LOTS	LOT	\$2,800.00	-	\$0	\$0	\$0	1	\$2,800	\$2,800
PROCESS UTILITY SPOILS	CY	\$3.75	5,178	\$19,418	\$0	\$0	0	\$0	\$19,418
10 MIL POLY PADS	LOT	\$395.00	-	\$0	\$0	\$0	245	\$96,775	\$96,775
ROUGH LOT GRADING	LOT	\$175.00	-	\$0	\$0	\$0	245	\$42,875	\$42,875
FINAL LOT GRADING	LOT	\$100.00	-	\$0	\$0	\$0	245	\$24,500	\$24,500
GRADE TO DRAIN	CY	\$8.00	-	\$0	\$0	\$0	0	\$0	\$0
DRAIN & DEMUCK POND	LS	\$15,000.00	-	\$0	\$0	\$0	1	\$15,000	\$15,000
EXPORT MATERIAL TO PHASE 5	CY	\$2.25	-	\$0	\$0	\$0	0	\$0	\$0
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	\$0	\$0	245	\$98,000	\$98,000
CHANGE ORDER #1	CY	\$3.27	-	\$0	\$0	\$0	47,150	\$154,181	\$154,181
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0	\$0	\$0	1	\$2,500	\$2,500
TESTING	CY	\$0.10	20,010	\$2,001	\$0	\$0	\$80,285	\$8,029	\$10,030
INSPECTION FEE		1%	20,010	\$200	\$0	\$0	\$80,285	\$803	\$1,003
SUB - EXCAVATION COST				\$114,924	\$0	\$0	\$1,285,284	\$1,400,209	
PER LOT				\$469	\$0	\$0	\$5,246	\$5,715	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
 PROVIDENCE VILLAGE, TEXAS

OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.

NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 3	245	Phase 3 - 10,439 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	46.5				
JOB NUMBER:	063451304	GROSS ACRES	46.5				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

B. SANITARY SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" SDR-35 P.V.C. PIPE (0'-10' DEEP)	LF	\$59.29	5,661	\$335,640.69	-	\$0.00	-	\$0.00	\$335,640.69
8" SDR-26 P.V.C. PIPE (10'-15' DEEP)	LF	\$75.75	3,400	\$257,550.00	-	\$0.00	-	\$0.00	\$257,550.00
8" SDR-26 P.V.C. PIPE (15'-20' DEEP)	LF	\$98.87	76	\$7,514.12	-	\$0.00	-	\$0.00	\$7,514.12
12" SDR-26 P.V.C. PIPE (15'-20' DEEP)	LF	\$199.95	1,533	\$306,523.35	-	\$0.00	-	\$0.00	\$306,523.35
4' DIAMETER MANHOLE (< 8' DEEP)	EA	\$4,499.17	20	\$89,983.40	-	\$0.00	-	\$0.00	\$89,983.40
4' DIAMETER MANHOLE EXTRA DEPTH (> 8' DEEP)	VF	\$1,208.85	20	\$24,177.00	-	\$0.00	-	\$0.00	\$24,177.00
5' DIAMETER MANHOLE (< 8' DEEP)	EA	\$4,528.45	26	\$117,739.70	-	\$0.00	-	\$0.00	\$117,739.70
5' DROP DIAMETER MANHOLE (< 8' DEEP)	EA	\$7,439.17	2	\$14,878.34	-	\$0.00	-	\$0.00	\$14,878.34
5' DIAMETER MANHOLE EXTRA DEPTH (> 8' DEEP)	VF	\$835.13	151	\$126,104.63	-	\$0.00	-	\$0.00	\$126,104.63
4" SEWER SERVICE	EA	\$887.51	245	\$217,439.95	-	\$0.00	-	\$0.00	\$217,439.95
4" SEWER SERVICE - WYE ONLY	EA	\$887.51	35	\$31,062.85	-	\$0.00	-	\$0.00	\$31,062.85
CLEANOUT	EA	\$600.00	1	\$600.00	-	\$0.00	-	\$0.00	\$600.00
8" PLUG	EA	\$343.48	3	\$1,030.44	-	\$0.00	-	\$0.00	\$1,030.44
16" PVC ENCASMENT	LF	\$211.28	260	\$54,932.80	-	\$0.00	-	\$0.00	\$54,932.80
TRENCH SAFETY	LF	\$0.12	10,670	\$1,280.40	-	\$0.00	-	\$0.00	\$1,280.40
TESTING (EXCLUDING GEOTECH)	LF	\$2.88	10,670	\$30,729.60	-	\$0.00	-	\$0.00	\$30,729.60
TESTING (GEOTECH)	LF	\$1.25	10,670	\$13,337.50	-	\$0.00	-	\$0.00	\$13,337.50
INSPECTION FEE	PERCENT	4.0%	1,585,177	\$63,407.09	-	\$0.00	-	\$0.00	\$63,407.09
SUB - SANITARY SEWER SYSTEM				\$1,693,932	\$0	\$0	\$1,693,932		
PER LOT				\$6,914	\$0	\$0	\$6,914		



**THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS**

OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.

NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 3	245	Phase 3 - 10,439 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	46.5				
JOB NUMBER:	063451304	GROSS ACRES	46.5				
				DIRECT	ONSITE/OFFSITE	PRIVATE	OVERALL DEV.
				PID IMPROVEMENTS	MAJOR PID IMPROVEMENTS	IMPROVEMENTS	COST

C. STORM SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
21" RCP	LF	\$ 86.39	1172	\$101,249.08		\$0.00		\$0.00	\$101,249.08
24" RCP	LF	\$ 106.21	1290	\$137,010.90		\$0.00	-	\$0.00	\$137,010.90
30" RCP	LF	\$ 126.99	550	\$69,844.50		\$0.00	-	\$0.00	\$69,844.50
36" RCP	LF	\$ 163.75	672	\$110,040.00		\$0.00	-	\$0.00	\$110,040.00
42" RCP	LF	\$ 237.35	522	\$123,896.70		\$0.00	-	\$0.00	\$123,896.70
2'X2' RCB	LF	\$ 245.06	48	\$11,762.88		\$0.00	-	\$0.00	\$11,762.88
3'X2' RCB	LF	\$ 264.56	209	\$55,293.04		\$0.00	-	\$0.00	\$55,293.04
4'X3' RCB	LF	\$ 329.56	270	\$88,981.20		\$0.00	-	\$0.00	\$88,981.20
4'X4' RCB	LF	\$ 359.80	24	\$8,635.20		\$0.00	-	\$0.00	\$8,635.20
5'X3' RCB	LF	\$ 533.32	270	\$143,996.40		\$0.00	-	\$0.00	\$143,996.40
6'X4' RCB	LF	\$ 519.88	58	\$30,153.04		\$0.00	-	\$0.00	\$30,153.04
7'X2' RCB	LF	\$ 550.04	238	\$130,909.52		\$0.00	-	\$0.00	\$130,909.52
7'X3' RCB	LF	\$ 580.60	173	\$100,443.80		\$0.00	-	\$0.00	\$100,443.80
10' CURB INLET	EA	\$ 3,920.22	23	\$90,165.06		\$0.00	-	\$0.00	\$90,165.06
12' CURB INLET	LF	\$ 4,433.59	9	\$39,902.31		\$0.00	-	\$0.00	\$39,902.31
NON-STD 10' CURB INLET	EA	\$ 4,688.34	2	\$9,376.68		\$0.00	-	\$0.00	\$9,376.68
4' STORM MANHOLE	EA	\$ 5,002.11	4	\$20,008.44		\$0.00	-	\$0.00	\$20,008.44
5' STORM MANHOLE	EA	\$ 5,479.48	11	\$60,274.28		\$0.00	-	\$0.00	\$60,274.28
7' STORM MANHOLE	EA	\$ 6,524.22	2	\$13,048.44		\$0.00	-	\$0.00	\$13,048.44
8' STORM MANHOLE	EA	\$ 7,151.59	3	\$21,454.77		\$0.00	-	\$0.00	\$21,454.77
TXDOT PW HDWL - SD-3K (N)	EA	\$ 27,030.00	1	\$27,030.00		\$0.00	-	\$0.00	\$27,030.00
TXDOT PW HDWL - SD-3L (NW)	EA	\$ 25,875.00	1	\$25,875.00		\$0.00	-	\$0.00	\$25,875.00
TXDOT PW HDWL - SD-3L (SE)	EA	\$ 25,875.00	1	\$25,875.00		\$0.00	-	\$0.00	\$25,875.00
TXDOT PW HDWL - LINE SD-3D (EAST)	EA	\$ 10,200.00	1	\$10,200.00		\$0.00	-	\$0.00	\$10,200.00
TXDOT SW-0 HDWL - SD-3M (NW)	EA	\$ 7,200.00	1	\$7,200.00		\$0.00	-	\$0.00	\$7,200.00
TXDOT SW-0 HDWL - SD-3P (SW)	EA	\$ 8,394.00	1	\$8,394.00		\$0.00	-	\$0.00	\$8,394.00
TXDOT SW-0 HDWL - SD-3P (NE)	EA	\$ 8,394.00	1	\$8,394.00		\$0.00	-	\$0.00	\$8,394.00
GROUTED ROCK RIPRAP	SY	\$ 195.21	362	\$70,666.02		\$0.00	-	\$0.00	\$70,666.02
21" SLOPED END HDWL	EA	\$2,368.44	1	\$2,368.44		\$0.00	-	\$0.00	\$2,368.44
30" SLOPED END HDWL	EA	\$2,368.44	1	\$2,368.44		\$0.00	-	\$0.00	\$2,368.44
END & PLUG	EA	\$ 739.48	2	\$1,478.96		\$0.00	-	\$0.00	\$1,478.96
TRENCH SAFETY	LF	\$ 0.12	5,496	\$659.52		\$0.00	-	\$0.00	\$659.52
TV TESTING	LF	\$ 4.45	5,323	\$23,687.35		\$0.00	-	\$0.00	\$23,687.35
INSPECTION FEE	PERCENT	4.0%	1,556,956	\$62,278.22		\$0.00	-	\$0.00	\$62,278.22
				\$1,642,921.19			\$0.00	\$0.00	\$1,642,921.19
SUB - STORM SEWER SYSTEM							\$0.00	\$0.00	\$1,642,921.19
				PER LOT			\$0.00	\$0.00	\$6,705.80

**THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023**

COST DESC:	Foree Ranch	LOT CT PH 3	245	Phase 3 - 10,439 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	46.5				
		GROSS ACRES	46.5				
JOB NUMBER:	063451304						
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

D. WATER DISTRIBUTION SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$54.41	8,044	\$437,674.04	-	\$0.00	-	\$0.00	\$437,674.04
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$98.53	-	\$0.00	2,789	\$274,800.17	-	\$0.00	\$274,800.17
CONNECT TO EXISTING STUB	EA	\$2,786.74	-	\$0.00	1	\$2,786.74	-	\$0.00	\$2,786.74
8" GATE VALVE & BOX	EA	\$2,001.36	41	\$82,055.76	-	\$0.00	-	\$0.00	\$82,055.76
12" GATE VALVE & BOX	EA	\$3,516.73	-	\$0.00	17	\$59,784.41	-	\$0.00	\$59,784.41
8" PLUG	EA	\$2,001.36	2	\$4,002.72	-	\$0.00	-	\$0.00	\$4,002.72
12" PLUG	EA	\$3,516.73	-	\$0.00	3	\$10,550.19	-	\$0.00	\$10,550.19
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$5,929.27	21	\$124,514.67	2	\$11,858.54	-	\$0.00	\$136,373.21
4" IRRIGATION SLEEVES	LF	\$31.10	1,550	\$48,205.00	-	\$0.00	-	\$0.00	\$48,205.00
1" IRRIGATION SERVICE & METER	EA	\$1,521.67	3	\$4,565.01	-	\$0.00	-	\$0.00	\$4,565.01
1" SINGLE WATER SERVICE	EA	\$1,047.24	303	\$317,313.72	-	\$0.00	-	\$0.00	\$317,313.72
BULLHEAD WATER SERVICE	EA	\$1,047.24	303	\$317,313.72	-	\$0.00	-	\$0.00	\$317,313.72
20" STEEL CASING	EA	\$222.62	30	\$6,678.60	-	\$0.00	-	\$0.00	\$6,678.60
TRENCH SAFETY	LF	\$0.12	8,044	\$965.28	2,789	\$334.68	-	\$0.00	\$1,299.96
TESTING (EXCLUDING GEOTECH)	LF	\$1.80	8,044	\$14,479.20	2,789	\$5,020.20	-	\$0.00	\$19,499.40
MAINTENANCE BOND	LS	1	73,456	\$73,456.00	-	\$0.00	-	\$0.00	\$73,456.00
INSPECTION FEE	PERCENT	4.0%	1,357,768	\$54,310.71	365,135	\$14,605.40	-	\$0.00	\$68,916.11
SUB - WATER DISTRIBUTION SYSTEM				\$1,485,534.43		\$379,740.33		\$0.00	\$1,865,274.76
				PER LOT \$ 6,063.41		\$ 1,549.96		\$ -	\$ 7,613.37

E. STREET PAVING									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$49.05	28,020	\$1,374,381	-	\$0	-	\$0	\$1,374,381
8" REINF. CONCRETE STREET PAVEMENT (37' B-B)	SY	\$57.50	-	\$0	13,140	\$755,550	-	\$0	\$755,550
6" SUBGRADE PREP	SY	\$3.00	27,618	\$82,855	14,060	\$42,179	-	\$0	\$125,035
HYDRATED LIME (32#/SY)	TON	\$235.00	442	\$103,845	225	\$52,865	-	\$0	\$156,710
5' CONCRETE SIDEWALK	LF	\$35.00	4,680	\$163,800	-	\$0	-	\$0	\$163,800
10' TRAIL	LF	\$95.00	-	\$0	2,315	\$219,925	-	\$0	\$219,925
COMB. STREET & STOP SIGN	EA	\$1,500.00	16	\$24,000	2	\$3,000	-	\$0	\$27,000
CONNECT TO EXISTING PAVEMENT	LF	\$30.00	37	\$1,110	-	\$0	-	\$0	\$1,110
PAVEMENT HEADER	EA	\$900.00	10	\$9,000	-	\$0	-	\$0	\$9,000
TYPE III BARRICADE	EA	\$1,000.00	10	\$10,000	-	\$0	-	\$0	\$10,000
BARRIER FREE RAMP	EA	\$2,450.00	47	\$115,150	-	\$0	-	\$0	\$115,150
ROUNDABOUT PAVERS	SY	\$92.50	-	\$0	339	\$31,358	-	\$0	\$31,358
STRIPING	LS	\$9,000.00	-	\$0	1	\$9,000	-	\$0	\$9,000
TESTING (GEOTECH)	SY	\$1.00	27,618	\$27,618	14,060	\$14,060	-	\$0	\$41,678
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,911,760	\$38,235	\$1,127,937	\$22,559	\$0	\$0	\$60,794
INSPECTION FEE	PERCENT	4.0%	1,911,760	\$76,470	\$1,127,937	\$45,117	\$0	\$0	\$121,588
SUB - STREET PAVING				\$2,026,465.37		\$1,195,612.74		\$0.00	\$3,222,078.11
				PER LOT \$8,271.29		\$4,880.05		\$0.00	\$13,151.34

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
 OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
 NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 3	245	Phase 3 - 10,439 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	46.5				
JOB NUMBER:	063451304	GROSS ACRES	46.5				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

F. RETAINING WALLS									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
RETAINING WALLS	LS	\$759,586.00	-	\$0.00	-	\$0.00	1	\$759,586.00	\$759,586.00
SUB - RETAINING WALLS				\$0.00	\$0.00	\$759,586.00	\$759,586.00		
PER LOT				\$0.00	\$0.00	\$3,100.35	\$3,100.35		

G. MISCELLANEOUS ITEMS									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
STREET LIGHT	EA	\$4,000.00	20	\$80,000.00	-	\$0.00	-	\$0.00	\$80,000.00
SCREENING FENCE	LF	\$120.00	-	\$0.00	-	\$0.00	-	\$0.00	\$0.00
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	245	\$122,500.00	-	\$0.00	-	\$0.00	\$122,500.00
LANDSCAPING	LS	\$150,000.00	-	\$0.00	-	\$0.00	2	\$300,000.00	\$300,000.00
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0.00	-	\$0.00	80,000	\$120,000.00	\$120,000.00
AMENITY CENTER	LS	\$1,500,000.00	-	\$0.00	-	\$0.00	1	\$1,500,000.00	\$1,500,000.00
SPORT COURT	LS	\$250,000.00	-	\$0.00	-	\$0.00	1	\$250,000.00	\$250,000.00
PLAYGROUND	LS	\$100,000.00	-	\$0.00	-	\$0.00	1	\$100,000.00	\$100,000.00
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$5,150.00	1	\$5,150.00	-	\$0.00	-	\$0.00	\$5,150.00
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$5,150.00	1	\$5,150.00	-	\$0.00	-	\$0.00	\$5,150.00
FRANCHISE (ELECTRIC)	LOT	\$750.00	-	\$0.00	-	\$0.00	245	\$183,750.00	\$183,750.00
FRANCHISE (GAS)	LOT	\$750.00	-	\$0.00	-	\$0.00	245	\$183,750.00	\$183,750.00
SUB - MISCELLANEOUS ITEMS				\$212,800.00	\$0.00	\$2,637,500.00	\$2,850,300.00		
PER LOT				\$868.57	\$0.00	\$10,765.31	\$11,633.88		

GRAND TOTAL DIRECT PID COSTS - PHASE 3	\$7,176,577.09	
COST PER LOT	\$29,292.15	
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 3	\$1,575,353.07	
COST PER LOT	\$6,430.01	
GRAND TOTAL DEVELOPER COSTS - PHASE 3	\$4,682,370.37	
COST PER LOT	\$19,111.72	
OVERALL DEVELOPMENT COSTS - PHASE 3	\$13,434,300.53	
COST PER LOT	\$54,833.88	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	246	Phase 4 - 10,851 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	56.8				
JOB NUMBER:	063451304	GROSS ACRES	56.8				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

A. EXCAVATION									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>TOTAL COST</i>
CLEARING AND GRUBBING	ACRE	\$2,286.20	11	\$25,971	-	\$0	45	\$103,885	\$129,856
DEMO EXISTING STRUCTURE	LS	\$117,000.00	-	\$0	-	\$0	1	\$117,000	\$117,000
DEMO EXISTING UTILITIES (WATER WELL & IRRIGATION LINES)	LS	\$22,500.00	-	\$0	-	\$0	1	\$22,500	\$22,500
REMOVE EXISTING FENCING	LS	\$9,800.00	-	\$0	-	\$0	1	\$9,800	\$9,800
LOT EXCAVATION (1.7 VF)	CY	\$2.54	-	\$0	-	\$0	114,000	\$289,560	\$289,560
STREET EXCAVATION (1.7 VF)	CY	\$2.54	28,500	\$72,390	-	\$0	-	\$0	\$72,390
MOISTURE CONDITIONING (4' DEEP) - 50' LOTS	LOT	\$1,471.88	-	\$0	-	\$0	30	\$44,156	\$44,156
MOISTURE CONDITIONING (4' DEEP) - 60' LOTS	LOT	\$1,736.88	-	\$0	-	\$0	8	\$13,895	\$13,895
MOISTURE CONDITIONING (7' DEEP) - 45' LOTS	LOT	\$2,718.32	-	\$0	-	\$0	12	\$32,620	\$32,620
MOISTURE CONDITIONING (7' DEEP) - 50' LOTS	LOT	\$2,773.32	-	\$0	-	\$0	41	\$113,706	\$113,706
MOISTURE CONDITIONING (7' DEEP) - 60' LOTS	LOT	\$2,993.32	-	\$0	-	\$0	7	\$20,953	\$20,953
MOISTURE CONDITIONING (10' DEEP) - 45' LOTS	LOT	\$3,516.06	-	\$0	-	\$0	32	\$112,514	\$112,514
PROCESS UTILITY SPOILS	CY	\$3.25	15,300	\$49,725	-	\$0	-	\$0	\$49,725
10 MIL POLY PADS	LOT	\$424.83	-	\$0	-	\$0	145	\$61,600	\$61,600
ROUGH LOT GRADING	LOT	\$165.00	-	\$0	-	\$0	246	\$40,590	\$40,590
FINAL LOT GRADING	LOT	\$150.00	-	\$0	-	\$0	246	\$36,900	\$36,900
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0	246	\$98,400	\$98,400
EROSION CONTROL BLANKET	SY	\$15.00	-	\$0	-	\$0	3,510	\$52,650	\$52,650
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0	-	\$0	1	\$2,500	\$2,500
POWER POLE RELOCATION ALLOWANCE	LS	\$50,000.00	-	\$0	-	\$0	-	\$0	\$0
TESTING	CY	\$0.10	28,500	\$2,850	-	\$0	114,130	\$11,413	\$14,263
INSPECTION FEE		1%	28,500	\$285	-	\$0	114,130	\$1,141	\$1,426
SUB - EXCAVATION COST				\$151,221		\$0		\$1,185,784	\$1,337,005
PER LOT				\$615		\$0		\$4,820	\$5,435

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
 OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
 NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	246	Phase 4 - 10,851 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	56.8				
JOB NUMBER:	063451304	GROSS ACRES	56.8				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

B. SANITARY SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" SDR-35 PVC PIPE (0'-12' DEEP)	LF	\$40.00	8,612	\$344,480	-	\$0	-	\$0	\$344,480
8" SDR-35 PVC PIPE - PARALLEL PIPE	LF	\$40.00	1,530	\$61,200	-	\$0	-	\$0	\$61,200
8" SDR-26 PVC PIPE (12'-26' DEEP)	LF	\$50.00	1,530	\$76,500	-	\$0	-	\$0	\$76,500
4' DIAMETER MANHOLE	EA	\$6,000.00	46	\$276,000	-	\$0	-	\$0	\$276,000
5' DIAMETER MANHOLE	EA	\$7,500.00	5	\$37,500	-	\$0	-	\$0	\$37,500
5' DIAMETER DROP MANHOLE	EA	\$8,500.00	1	\$8,500	-	\$0	-	\$0	\$8,500
CEMENT STABILIZED SAND	LF	\$60.00	240	\$14,400	-	\$0	-	\$0	\$14,400
ADDITIONAL 4' MANHOLE DEPTH (> 8' DEEP)	VF	\$195.00	20	\$3,900	-	\$0	-	\$0	\$3,900
ADDITIONAL 5' MANHOLE DEPTH (> 8' DEEP)	VF	\$225.00	66	\$14,850	-	\$0	-	\$0	\$14,850
CONNECT TO EXISTING MANHOLE	EA	\$1,500.00		\$0	-	\$0	-	\$0	\$0
CONNECT TO EXISTING	EA	\$750.00	4	\$3,000	-	\$0	-	\$0	\$3,000
4" SERVICE LINES	EA	\$650.00	-	\$0	-	\$0	246	\$159,900	\$159,900
6" SERVICE LINES	EA	\$1,000.00	-	\$0	-	\$0	-	\$0	\$0
VACUUM TESTING	LF	\$1.00	11,672	\$11,672	-	\$0	-	\$0	\$11,672
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	1	\$750	-	\$0	-	\$0	\$750
TRENCH SAFETY	LF	\$1.00	11,672	\$11,672	-	\$0	-	\$0	\$11,672
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	11,672	\$17,508	-	\$0	-	\$0	\$17,508
TESTING (GEOTECH)	LF	\$1.25	11,672	\$14,590	-	\$0	-	\$0	\$14,590
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	896,522	\$17,930	-	\$0	159,900	\$3,198	\$21,128
INSPECTION FEE	PERCENT	4.0%	896,522	\$35,861	-	\$0	159,900	\$6,396	\$42,257
SUB - SANITARY SEWER SYSTEM				\$950,313.32		\$0.00		\$169,494.00	\$1,119,807.32
				PER LOT		\$0.00		\$689.00	\$4,552.06

C. STORM SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
STORM SEWER (PERCENTAGE OF PAVING)	%	60%	\$2,048,447	\$1,229,068	\$936,626	\$561,976	\$0	\$0	\$1,791,044
NORTHWEST DRAINAGE PREMIUM									
7' x 4' RCB	LF	\$ 425	580	\$246,500	-	\$0	-	\$0	\$246,500
8' x 4' RCB	LF	\$ 500	490	\$245,000	-	\$0	-	\$0	\$245,000
8' x 5' RCB	LF	\$ 550	400	\$220,000	-	\$0	-	\$0	\$220,000
9' x 5' RCB	LF	\$ 650	800	\$520,000	-	\$0	-	\$0	\$520,000
10' x 6' RCB	LF	\$ 850	380	\$323,000	-	\$0	-	\$0	\$323,000
10' x 4' JUNCTION BOX	EA	\$ 15,000	1	\$15,000	-	\$0	-	\$0	\$15,000
20' x 5' JUNCTION BOX	EA	\$ 20,000	1	\$20,000	-	\$0	-	\$0	\$20,000
TYPE M RISER MANHOLE	EA	\$ 12,500	3	\$37,500	-	\$0	-	\$0	\$37,500
FW HEADWALL	EA	\$ 20,000	1	\$20,000	-	\$0	-	\$0	\$20,000
POND OUTLET CONTROL STRUCTURE	EA	\$ 25,000	1	\$25,000	-	\$0	-	\$0	\$25,000
RIPRAP	SY	\$ 120	230	\$27,600	-	\$0	-	\$0	\$27,600
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	2,928,668	\$58,573	561,976	\$11,239.51	-	\$0	\$69,813
INSPECTION FEE	PERCENT	4.0%	2,928,668	\$117,147	561,976	\$22,479.02	-	\$0	\$139,626
SUB - STORM SEWER SYSTEM				\$3,104,388.32		\$595,694.03		\$0.00	\$3,700,082.36
				PER LOT		\$2,421.52		\$0.00	\$15,040.99

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	246	Phase 4 - 10,851 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	56.8				
JOB NUMBER:	063451304	GROSS ACRES	56.8				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

D. WATER DISTRIBUTION SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$35.00	11,210	\$392,350.00	-	\$0.00	-	\$0.00	\$392,350.00
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$50.00	218	\$10,900.00	-	\$0.00	-	\$0.00	\$10,900.00
8" GATE VALVE & BOX	EA	\$1,500.00	39	\$58,500.00	-	\$0.00	-	\$0.00	\$58,500.00
12" GATE VALVE & BOX	EA	\$2,500.00	1	\$2,500.00	-	\$0.00	-	\$0.00	\$2,500.00
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$4,600.00	23	\$105,800.00	-	\$0.00	-	\$0.00	\$105,800.00
1" SINGLE WATER SERVICE	EA	\$750.00	-	\$0.00	-	\$0.00	246	\$184,500.00	\$184,500.00
1.5" IRRIGATION SERVICE & METER	EA	\$2,800.00	-	\$0.00	-	\$0.00	5	\$14,000.00	\$14,000.00
4" IRRIGATION SLEEVES	EA	\$740.00	-	\$0.00	-	\$0.00	13	\$9,620.00	\$9,620.00
6" AMENITY CENTER SERVICE LINE	EA	\$1,200.00	-	\$0.00	-	\$0.00	1	\$1,200.00	\$1,200.00
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	2	\$1,500.00	-	\$0.00	-	\$0.00	\$1,500.00
CONNECT TO EXISTING STUB	EA	\$750.00	4	\$3,000.00	-	\$0.00	-	\$0.00	\$3,000.00
CONNECT TO EXISTING W/ 18"X8" CUT-IN TEE	EA	\$2,500.00	1	\$2,500.00	-	\$0.00	-	\$0.00	\$2,500.00
TRENCH SAFETY	LF	\$0.50	11,428	\$5,714.00	-	\$0.00	-	\$0.00	\$5,714.00
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	11,428	\$17,142.00	-	\$0.00	-	\$0.00	\$17,142.00
TESTING (GEOTECH)	LF	\$1.25	11,428	\$14,285.00	-	\$0.00	-	\$0.00	\$14,285.00
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	614,191	\$12,283.82	-	\$0.00	209,320	\$4,186.40	\$16,470.22
INSPECTION FEE	PERCENT	4.0%	614,191	\$24,567.64	-	\$0.00	209,320	\$8,372.80	\$32,940.44
SUB - WATER DISTRIBUTION SYSTEM				\$651,042.46		\$0.00		\$221,879.20	\$872,921.66
PER LOT				\$ 2,646.51		\$ -		\$ 901.95	\$ 3,548.46

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	246	Phase 4 - 10,851 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	56.8				
JOB NUMBER:	063451304	GROSS ACRES	56.8				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

E. STREET PAVING									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$38.50	36,685	\$1,412,373	-	\$0	-	\$0	\$1,412,373
6" SUBGRADE PREP	SY	\$3.50	39,253	\$137,385	-	\$0	-	\$0	\$137,385
7" REINF. CONCRETE STREET PAVEMENT (37' B-B)	SY	\$42.00	-	\$0	1,650	\$69,300	-	\$0	\$69,300
8" SUBGRADE PREP	SY	\$4.00	-	\$0	1,766	\$7,062	-	\$0	\$7,062
HYDRATED LIME (48#/SY)	TON	\$175.00	942.1	\$164,862	42.4	\$7,415	-	\$0	\$172,277
ROUNDOABOUT	EA	\$250,000.00	-	\$0	1	\$250,000	-	\$0	\$250,000
LEFT TURN LANE IMPROVEMENTS (FM 2931)	LS	\$100,000.00	-	\$0	1	\$100,000	-	\$0	\$100,000
5' CONCRETE SIDEWALK	LF	\$28.00	4,369	\$122,332	-	\$0	-	\$0	\$122,332
PAVEMENT HEADER	EA	\$15.00	124	\$1,860	-	\$0	-	\$0	\$1,860
TYPE III BARRICADE	EA	\$1,200.00	4	\$4,800	1	\$1,200	-	\$0	\$6,000
REMOVE BARRICADE & CONNECT TO EXISTING STREET	EA	\$500.00	3	\$1,500	-	\$0	-	\$0	\$1,500
CONNECT TO EXISTING PAVEMENT	EA	\$500.00	-	\$0	1	\$500	-	\$0	\$500
BARRIER FREE RAMP	EA	\$1,400.00	22	\$30,800	-	\$0	-	\$0	\$30,800
STREET SIGN	EA	\$500.00	17	\$8,500	-	\$0	-	\$0	\$8,500
STOP SIGN	EA	\$600.00	19	\$11,400	-	\$0	-	\$0	\$11,400
TRAFFIC CONTROL (TXDOT TURN LANES)	LS	\$10,000.00	-	\$0	1	\$10,000	-	\$0	\$10,000
TRAFFIC SIGNAL (WEST ENTRY)	LS	\$300,000.00	-	\$0	1	\$300,000	-	\$0	\$300,000
10" CRCP	SY	\$250.00	-	\$0	246	\$61,500	-	\$0	\$61,500
4" HMA - TYPE B PG70-22	SY	\$250.00	-	\$0	263	\$65,805	-	\$0	\$65,805
21" SUBGRADE PREP	SY	\$15.00	-	\$0	282	\$4,225	-	\$0	\$4,225
HYDRATED LIME (95#/SY)	TON	\$200.00	-	\$0	11.7	\$2,337	-	\$0	\$2,337
STRIPING	LS	\$2,500.00	-	\$0	1	\$2,500	-	\$0	\$2,500
TESTING (GEOTECH)	SY	\$1.00	36,685	\$36,685	1,766	\$1,766	-	\$0	\$38,451
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,932,497	\$38,650	883,609	\$17,672	-	\$0	\$56,322
INSPECTION FEE	PERCENT	4.0%	1,932,497	\$77,300	883,609	\$35,344	-	\$0	\$112,644
SUB - STREET PAVING				\$2,048,447.05	\$936,625.84	\$0.00	\$2,985,072.89		
PER LOT				\$8,327.02	\$3,807.42	\$0.00	\$12,134.44		

F. RETAINING WALLS									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
RETAINING WALL ALLOWANCE	LOT	\$2,500.00	-	\$0	-	\$0.00	246	\$615,000	\$615,000
SUB - RETAINING WALLS				\$0.00	\$0.00	\$615,000.00	\$615,000.00		
PER LOT				\$0.00	\$0.00	\$2,500.00	\$2,500.00		

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	246	Phase 4 - 10,851 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	56.8				
JOB NUMBER:	063451304	GROSS ACRES	56.8				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

G. MISCELLANEOUS ITEMS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STREET LIGHT	EA	\$4,000.00	25	\$100,000	-	\$0	-	\$0	\$100,000
SCREENING FENCE	LF	\$120.00	600	\$72,000	-	\$0	-	\$0	\$72,000
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	246	\$123,000	-	\$0	-	\$0	\$123,000
LANDSCAPING	LS	\$150,000.00	-	\$0	-	\$0	1	\$150,000	\$150,000
FISHING POND W/ FOUNTAINS & OVERLOOK	LS	\$250,000.00	-	\$0	-	\$0	1	\$250,000	\$250,000
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0	-	\$0	80,000	\$120,000	\$120,000
SECONDARY ENTRY FEATURE	LS	\$50,000.00	-	\$0	-	\$0	1	\$50,000	\$50,000
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$5,170.00	1	\$5,170	-	\$0	-	\$0	\$5,170
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$5,170.00	1	\$5,170	-	\$0	-	\$0	\$5,170
FRANCHISE (ELECTRIC)	LOT	\$750.00	-	\$0	-	\$0	246	\$184,500	\$184,500
FRANCHISE (GAS)	LOT	\$750.00	-	\$0	-	\$0	246	\$184,500	\$184,500
SUB - MISCELLANEOUS ITEMS				\$305,340		\$0		\$939,000	\$1,244,340
				PER LOT	\$1,241	\$0		\$3,817	\$5,068

GRAND TOTAL DIRECT PID COSTS - PHASE 4		\$7,210,752
	COST PER LOT	\$29,912
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 4		\$1,532,320
	COST PER LOT	\$6,229
GRAND TOTAL DEVELOPER COSTS - PHASE 4		\$3,131,157
	COST PER LOT	\$12,728
OVERALL DEVELOPMENT COSTS - PHASE 4		\$11,874,230
	COST PER LOT	\$48,289

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS

OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.

NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 5	244	Phase 5 - 9,233 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	54.2				
JOB NUMBER:	063451304	GROSS ACRES	54.2				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

A. EXCAVATION									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
CLEARING AND GRUBBING	ACRE	\$3,195.20	11	\$34,635.97	-	\$0.00	43	\$138,544	\$173,180
DEMO EXISTING FENCING & CATTLE GUARD	LS	\$8,500.00	-	\$0.00	-	\$0.00	1	\$6,500	\$6,500
LOT EXCAVATION (1.7 VF)	CY	\$2.56	-	\$0.00	-	\$0.00	104,024	\$266,301	\$266,301
STREET EXCAVATION (1.7 VF)	CY	\$2.56	26,006	\$66,575.36	-	\$0.00	-	\$0	\$66,575
EXPORT TO PHASE 4	CY	\$3.85	6,000	\$23,100.00	-	\$0.00	-	\$0	\$23,100
MOISTURE CONDITIONING (4' DEEP) - 40' LOTS	LOT	\$1,353.31	-	\$0	-	\$0	35	\$47,366	\$47,366
MOISTURE CONDITIONING (4' DEEP) - 50' LOTS	LOT	\$1,403.51	-	\$0	-	\$0	45	\$63,158	\$63,158
MOISTURE CONDITIONING (4' DEEP) - 60' LOTS	LOT	\$1,603.51	-	\$0	-	\$0	3	\$4,811	\$4,811
MOISTURE CONDITIONING (7' DEEP) - 40' LOTS	LOT	\$2,270.86	-	\$0	-	\$0	61	\$138,522	\$138,522
MOISTURE CONDITIONING (7' DEEP) - 50' LOTS	LOT	\$2,315.86	-	\$0	-	\$0	4	\$9,263	\$9,263
MOISTURE CONDITIONING (7' DEEP) - 60' LOTS	LOT	\$2,355.86	-	\$0	-	\$0	1	\$2,356	\$2,356
PROCESS UTILITY SPOILS	CY	\$3.75	4,900	\$18,375.00	-	\$0.00	-	\$0	\$18,375
10 MIL POLY PADS	LOT	\$388.87	-	\$0.00	-	\$0.00	149	\$57,942	\$57,942
ROUGH LOT GRADING	LOT	\$150.00	-	\$0.00	-	\$0.00	244	\$36,600	\$36,600
FINAL LOT GRADING	LOT	\$150.00	-	\$0.00	-	\$0.00	244	\$36,600	\$36,600
MISC EROSION CONTROL	LOT	\$400.00	-	\$0.00	-	\$0.00	244	\$97,600	\$97,600
EROSION CONTROL BLANKET	SY	\$15.00	-	\$0.00	-	\$0.00	15,000	\$225,000	\$225,000
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0.00	-	\$0.00	1	\$2,500	\$2,500
TESTING	CY	\$0.10	26,006	\$2,600.60	-	\$0.00	104,173	\$10,417	\$13,018
INSPECTION FEE		1%	26,006	\$260.06	-	\$0.00	104,173	\$1,042	\$1,302
SUB - EXCAVATION COST				\$145,547		\$0		\$1,144,522	\$1,290,089
PER LOT				\$597		\$0		\$4,691	\$5,287

B. SANITARY SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" SDR-35 PVC PIPE (0'-12' DEEP)	LF	\$40.00	4,953	\$198,120	-	\$0.00	-	\$0	\$198,120
8" SDR-35 PVC PIPE - PARALLEL PIPE	LF	\$40.00	4,086	\$163,440	-	\$0.00	-	\$0	\$163,440
8" SDR-26 PVC PIPE (12'-25' DEEP)	LF	\$45.00	3,422	\$153,990	-	\$0.00	-	\$0	\$153,990
8" PLUG	EA	\$450.00	-	\$0	-	\$0.00	-	\$0	\$0
4' DIAMETER MANHOLE	EA	\$6,000.00	20	\$120,000	-	\$0.00	-	\$0	\$120,000
5' DIAMETER MANHOLE	EA	\$7,500.00	13	\$97,500	-	\$0.00	-	\$0	\$97,500
5' DIAMETER DROP MANHOLE	EA	\$8,500.00	2	\$17,000	-	\$0.00	-	\$0	\$17,000
CEMENT STABILIZED SAND	LF	\$60.00	100	\$6,000	-	\$0.00	-	\$0	\$6,000
ADDITIONAL 4' MANHOLE DEPTH (> 8' DEEP)	VF	\$195.00	13	\$2,535	-	\$0.00	-	\$0	\$2,535
ADDITIONAL 5' MANHOLE DEPTH (> 8' DEEP)	VF	\$225.00	174	\$39,150	-	\$0.00	-	\$0	\$39,150
CONNECT TO EXISTING	EA	\$750.00	2	\$1,500	-	\$0.00	-	\$0	\$1,500
4" SERVICE LINES	EA	\$650.00	-	\$0	-	\$0.00	244	\$158,600	\$158,600
VACUUM TESTING	LF	\$1.00	12,461	\$12,461	-	\$0.00	-	\$0	\$12,461
TRENCH SAFETY	LF	\$1.00	12,461	\$12,461	-	\$0.00	-	\$0	\$12,461
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	12,461	\$18,692	-	\$0.00	-	\$0	\$18,692
TESTING (GEOTECH)	LF	\$1.25	12,461	\$15,576	-	\$0.00	-	\$0	\$15,576
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	858,425	\$17,168	-	\$0.00	158,600	\$3,172	\$20,340
INSPECTION FEE	PERCENT	4.0%	858,425	\$34,337	-	\$0.00	158,600	\$6,344	\$40,681
SUB - SANITARY SEWER SYSTEM				\$908,930.24		\$0.00		\$168,116.00	\$1,078,046.24
PER LOT				\$3,729.22		\$0.00		\$689.00	\$4,418.22

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 5	244	Phase 5 - 9,233 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	54.2				
JOB NUMBER:	063451304	GROSS ACRES	54.2				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

C. STORM SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STORM SEWER (PERCENTAGE OF PAVING)	%	60%	\$1,315,920.87	\$789,553	\$3,927,713.82	\$2,356,628	\$0.00	\$0.00	\$3,146,181
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	789,553	\$15,791	2,356,628	\$47,133	-	\$0.00	\$62,924
INSPECTION FEE	PERCENT	4.0%	789,553	\$31,582	2,356,628	\$94,265	-	\$0.00	\$125,847
				\$636,925.67	\$2,498,025.99		\$0.00	\$3,334,952	
SUB - STORM SEWER SYSTEM				PER LOT	\$3,430.02	\$10,237.81	\$0.00	\$13,667.83	

D. WATER DISTRIBUTION SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$35.00	7,927	\$277,445	-	\$0	-	\$0	\$277,445
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$50.00	-	\$0	3,179	\$158,950	-	\$0	\$158,950
8" GATE VALVE & BOX	EA	\$1,500.00	25	\$37,500	6	\$9,000	-	\$0	\$46,500
12" GATE VALVE & BOX	EA	\$2,500.00	-	\$0	6	\$15,000	-	\$0	\$15,000
12" WATER LINE W/ 21" STEEL CASING (BY BORE)	LF	\$475.00	-	\$0	300	\$142,500	-	\$0	\$142,500
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$4,600.00	24	\$110,400	-	\$0	-	\$0	\$110,400
1" SINGLE WATER SERVICE	EA	\$750.00	-	\$0	-	\$0	244	\$183,000	\$183,000
1.5" IRRIGATION SERVICE & METER	EA	\$2,800.00	-	\$0	-	\$0	3	\$8,400	\$8,400
4" IRRIGATION SLEEVES	EA	\$740.00	-	\$0	-	\$0	6	\$4,440	\$4,440
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	2	\$1,500	-	\$0	-	\$0	\$1,500
CONNECT TO EXISTING STUB	EA	\$750.00	3	\$2,250	-	\$0	-	\$0	\$2,250
TRENCH SAFETY	LF	\$0.50	7,927	\$3,964	3,179	\$1,590	-	\$0	\$5,553
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	7,927	\$11,891	3,179	\$4,769	-	\$0	\$16,659
TESTING (GEOTECH)	LF	\$1.25	7,927	\$9,909	3,179	\$3,974	-	\$0	\$13,883
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	454,858	\$9,097	335,782	\$6,716	195,840	\$3,917	\$19,730
INSPECTION FEE	PERCENT	4.0%	454,858	\$18,194	335,782	\$13,431	195,840	\$7,834	\$39,459
				\$482,149.22	\$355,928.66		\$207,590.40	\$1,045,668.27	
SUB - WATER DISTRIBUTION SYSTEM				PER LOT	\$ 1,976.02	\$ 1,458.72	\$ 850.78	\$ 4,285.53	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 5	244	Phase 5 - 9,233 LF Street				
LOCATION:	Providence Village, TX	NET ACRES	54.2					
JOB NUMBER:	063451304	GROSS ACRES	54.2					
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST	

E. STREET PAVING									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$38.50	24,020	\$924,770	-	\$0	-	\$0	\$924,770
6" SUBGRADE PREP	SY	\$3.50	25,701	\$89,955	-	\$0	-	\$0	\$89,955
7" REINF. CONCRETE STREET PAVEMENT (37' B-B)	SY	\$42.00	-	\$0	11,600	\$487,200	-	\$0	\$487,200
8" SUBGRADE PREP	SY	\$4.00	-	\$0	12,412	\$49,648	-	\$0	\$49,648
HYDRATED LIME (48#/SY)	TON	\$175.00	616.8	\$107,946	297.9	\$52,130	-	\$0	\$160,076
BRIDGE	LF	\$6,000.00	-	\$0	500	\$3,000,000	-	\$0	\$3,000,000
5' CONCRETE SIDEWALK	LF	\$28.00	2,503	\$70,084	-	\$0	-	\$0	\$70,084
8' TRAIL	LF	\$40.00	-	\$0	600	\$24,000	-	\$0	\$24,000
10' TRAIL	LF	\$50.00	-	\$0	1,600	\$80,000	-	\$0	\$80,000
PAVEMENT HEADER	EA	\$15.00	124	\$1,860	-	\$0	-	\$0	\$1,860
TYPE III BARRICADE	EA	\$1,200.00	4	\$4,800	-	\$0	-	\$0	\$4,800
REMOVE BARRICADE & CONNECT TO EXISTING STREET	EA	\$500.00	1	\$500	-	\$0	-	\$0	\$500
CONNECT TO EXISTING PAVEMENT	EA	\$500.00	2	\$1,000	-	\$0	-	\$0	\$1,000
BARRIER FREE RAMP	EA	\$1,400.00	5	\$7,000	-	\$0	-	\$0	\$7,000
STREET SIGN	EA	\$500.00	7	\$3,500	-	\$0	-	\$0	\$3,500
STOP SIGN	EA	\$600.00	10	\$6,000	-	\$0	-	\$0	\$6,000
TESTING (GEOTECH)	SY	\$1.00	24,020	\$24,020	12,412	\$12,412	-	\$0	\$36,432
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,241,435	\$24,829	3,705,390	\$74,108	-	\$0	\$98,937
INSPECTION FEE	PERCENT	4.0%	1,241,435	\$49,657	3,705,390	\$148,216	-	\$0	\$197,873
SUB - STREET PAVING				\$1,315,920.87	\$3,927,713.82	\$0.00	\$0.00	\$5,243,634.69	
				PER LOT	\$5,393.12	\$16,097.19	\$0.00	\$21,490.31	

F. RETAINING WALLS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
RETAINING WALL ALLOWANCE	LOT	\$2,500.00	-	\$0.00	-	\$0.00	244	\$610,000	\$610,000
SUB - RETAINING WALLS				\$0.00	\$0.00	\$610,000	\$610,000		
				PER LOT	\$0.00	\$0.00	\$2,500.00	\$2,500.00	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 5	244	Phase 5 - 9,233 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	54.2				
JOB NUMBER:	063451304	GROSS ACRES	54.2				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

G. MISCELLANEOUS ITEMS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STREET LIGHT	EA	\$4,000.00	20	\$80,000	-	\$0	-	\$0	\$80,000
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	244	\$122,000	-	\$0	-	\$0	\$122,000
LANDSCAPING	LS	\$150,000.00	-	\$0	-	\$0	1	\$150,000	\$150,000
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0	-	\$0	50,000	\$75,000	\$75,000
AMPHITHEATRE	LS	\$400,000.00	-	\$0	-	\$0	1	\$400,000	\$400,000
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$5,130.00	1	\$5,130	-	\$0	-	\$0	\$5,130
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$5,130.00	1	\$5,130	-	\$0	-	\$0	\$5,130
FRANCHISE (ELECTRIC)	LOT	\$750.00	-	\$0	-	\$0	244	\$183,000	\$183,000
FRANCHISE (GAS)	LOT	\$750.00	-	\$0	-	\$0	244	\$183,000	\$183,000
SUB - MISCELLANEOUS ITEMS				\$212,260.00		\$0.00		\$991,000.00	\$1,203,260.00
				PER LOT	\$869.92	\$0.00		\$4,061.48	\$4,931.39

GRAND TOTAL DIRECT PID COSTS - PHASE 5		\$3,902,732.98	
	COST PER LOT	\$15,994.81	
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 5			\$6,781,688.47
	COST PER LOT	\$27,793.72	
GRAND TOTAL DEVELOPER COSTS - PHASE 5			\$3,121,228.46
	COST PER LOT	\$12,791.92	
OVERALL DEVELOPMENT COSTS - PHASE 5			\$13,805,629.91
	COST PER LOT		\$56,580.45

**THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS**

OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.

NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	142	Phase 6 - 6,323 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	39				
JOB NUMBER:	063451304	GROSS ACRES	39				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

A. EXCAVATION									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
CLEARING AND GRUBBING	ACRE	\$1,500.00	8	\$11,712	-	\$0	31	\$46,848	\$58,560
REMOVE EXISTING FENCING	LS	\$2,000.00	1	\$2,000	-	\$0	-	\$0	\$2,000
LOT EXCAVATION (1.7 VF)	CY	\$2.25	-	\$0	-	\$0	85,700	\$192,825	\$192,825
STREET EXCAVATION (1.7 VF)	CY	\$2.25	21,500	\$48,375	-	\$0	-	\$0	\$48,375
FLOODPLAIN GRADING/RECLAMATION	CY	\$2.50	-	\$0	-	\$0	50,000	\$125,000	\$125,000
MOISTURE CONDITIONING (7" DEEP)	CY	\$3.25	-	\$0	-	\$0	140,907	\$457,949	\$457,949
STOCKPILE TOPSOIL & RESPREAD PARKWAYS	CY	\$2.00	2,500	\$5,000	-	\$0	-	\$0	\$5,000
10 MIL POLY PADS	SF	\$0.10	-	\$0	-	\$0	639,000	\$63,900	\$63,900
ROUGH LOT GRADING	LOT	\$250.00	-	\$0	-	\$0	142	\$35,500	\$35,500
FINAL LOT GRADING	LOT	\$150.00	-	\$0	-	\$0	142	\$21,300	\$21,300
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0	142	\$56,800	\$56,800
EROSION CONTROL BLANKET	SY	\$15.00	-	\$0	-	\$0	1,500	\$22,500	\$22,500
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0	-	\$0	1	\$2,500	\$2,500
POWER POLE RELOCATION ALLOWANCE	LS	\$50,000.00	-	\$0	-	\$0	1	\$50,000	\$50,000
TESTING	CY	\$0.10	21,500	\$2,150	-	\$0	276,607	\$27,661	\$29,811
INSPECTION FEE		1%	21,500	\$215	-	\$0	276,607	\$2,766	\$2,981
SUB - EXCAVATION COST				\$89,452		\$0		\$1,105,549	\$1,175,001
				PER LOT	\$489	\$0		\$7,786	\$8,275

B. SANITARY SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" SDR-35 PVC PIPE (0'-12" DEEP)	LF	\$40.00	3,573	\$142,920	-	\$0	-	\$0	\$142,920
8" SDR-35 PVC PIPE - PARALLEL PIPE	LF	\$40.00	1,562	\$62,480	-	\$0	-	\$0	\$62,480
8" PLUG	EA	\$450.00	2	\$900	-	\$0	-	\$0	\$900
4" DIAMETER MANHOLE	EA	\$6,000.00	16	\$96,000	-	\$0	-	\$0	\$96,000
CEMENT STABILIZED SAND	LF	\$60.00	260	\$15,600	-	\$0	-	\$0	\$15,600
CONNECT TO EXISTING	EA	\$750.00	6	\$4,500	-	\$0	-	\$0	\$4,500
4" SERVICE LINES	EA	\$650.00	-	\$0	-	\$0	142	\$92,300	\$92,300
VACUUM TESTING	LF	\$1.00	5,135	\$5,135	-	\$0	-	\$0	\$5,135
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	2	\$1,500	-	\$0	-	\$0	\$1,500
TRENCH SAFETY	LF	\$1.00	5,135	\$5,135	-	\$0	-	\$0	\$5,135
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	5,135	\$7,703	-	\$0	-	\$0	\$7,703
TESTING (GEOTECH)	LF	\$1.25	5,135	\$6,419	-	\$0	-	\$0	\$6,419
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	348,291	\$6,966	-	\$0	92,300	\$1,846	\$8,812
INSPECTION FEE	PERCENT	4.0%	348,291	\$13,932	-	\$0	92,300	\$3,692	\$17,624
SUB - SANITARY SEWER SYSTEM				\$369,188.73		\$0.00		\$97,838.00	\$467,026.73
				PER LOT	\$2,699.92	\$0.00		\$689.00	\$3,288.92

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	142	Phase 6 - 6,323 LF Street					
LOCATION:	Providence Village, TX	NET ACRES	39						
JOB NUMBER:	063451304	GROSS ACRES	39						
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST		

C. STORM SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
STORM SEWER (PERCENTAGE OF PAVING)	%	60%	\$1,302,233.30	\$781,340	\$13,250.00	\$7,950	\$0	\$0	\$789,290
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	781,340	\$15,627	7,950	\$159	-	\$0	\$15,786
INSPECTION FEE	PERCENT	4.0%	781,340	\$31,254	7,950	\$318	-	\$0	\$31,572
				\$628,220.38			\$8,427.00		
SUB - STORM SEWER SYSTEM				\$5,832.54			\$59.35	\$0.00	\$583,647.38
PER LOT				\$5,832.54			\$59.35	\$0.00	\$5,891.88

D. WATER DISTRIBUTION SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$35.00	6,900	\$241,500	-	\$0	-	\$0	\$241,500
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$50.00	-	\$0	241	\$12,050	-	\$0	\$12,050
8" GATE VALVE & BOX	EA	\$1,500.00	31	\$46,500	-	\$0	-	\$0	\$46,500
12" GATE VALVE & BOX	EA	\$2,500.00	-	\$0	1	\$2,500	-	\$0	\$2,500
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$4,600.00	17	\$78,200	-	\$0	-	\$0	\$78,200
1" SINGLE WATER SERVICE	EA	\$750.00	-	\$0	-	\$0	142	\$106,500	\$106,500
1.5" IRRIGATION SERVICE & METER	EA	\$2,800.00	-	\$0	-	\$0	3	\$8,400	\$8,400
4" IRRIGATION SLEEVES	EA	\$740.00	-	\$0	-	\$0	9	\$6,660	\$6,660
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	3	\$2,250	-	\$0	-	\$0	\$2,250
CONNECT TO EXISTING STUB	EA	\$750.00	2	\$1,500	-	\$0	-	\$0	\$1,500
TRENCH SAFETY	LF	\$0.50	6,900	\$3,450	241	\$121	-	\$0	\$3,571
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	6,900	\$10,350	241	\$362	-	\$0	\$10,712
TESTING (GEOTECH)	LF	\$1.25	6,900	\$8,625	241	\$301	-	\$0	\$8,926
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	392,375	\$7,848	15,333	\$307	121,560	\$2,431	\$10,585
INSPECTION FEE	PERCENT	4.0%	392,375	\$15,695	15,333	\$613	121,560	\$4,862	\$21,171
				\$415,917.50			\$16,253.25		
SUB - WATER DISTRIBUTION SYSTEM				\$ 2,929.00			\$ 114.46	\$ 907.42	\$ 3,950.88
PER LOT				\$ 2,929.00			\$ 114.46	\$ 907.42	\$ 3,950.88

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	142	Phase 6 - 6,323 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	39				
JOB NUMBER:	063451304	GROSS ACRES	39				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

E. STREET PAVING									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$38.50	22,820	\$878,570	-	\$0	-	\$0	\$878,570
6" SUBGRADE PREP	SY	\$3.50	24,417	\$85,461	-	\$0	-	\$0	\$85,461
7" REINF. CONCRETE STREET PAVEMENT (37' B-B)	SY	\$42.00	-	\$0	-	\$0	-	\$0	\$0
8" SUBGRADE PREP	SY	\$4.00	-	\$0	-	\$0	-	\$0	\$0
HYDRATED LIME (48#/SY)	TON	\$175.00	586.02	\$102,553	-	\$0	-	\$0	\$102,553
ROUNDABOUT	EA	\$250,000.00	-	\$0	-	\$0	-	\$0	\$0
LEFT TURN LANE IMPROVEMENTS (FM 2931)	LS	\$100,000.00	-	\$0	-	\$0	-	\$0	\$0
BRIDGE	LF	\$5,000.00	-	\$0	-	\$0	-	\$0	\$0
TEMPORARY TURN AROUND	SY	\$30.00	-	\$0	-	\$0	-	\$0	\$0
5' CONCRETE SIDEWALK	LF	\$28.00	3,871	\$108,388	-	\$0	-	\$0	\$108,388
10' TRAIL	LF	\$50.00	-	\$0	250	\$12,500	-	\$0	\$12,500
STREET BARRICADE	EA	\$1,920.00	-	\$0	-	\$0	-	\$0	\$0
PAVEMENT HEADER	EA	\$15.00	62	\$930	-	\$0	-	\$0	\$930
TYPE III BARRICADE	EA	\$1,200.00	2	\$2,400	-	\$0	-	\$0	\$2,400
REMOVE BARRICADE & CONNECT TO EXISTING STREET	EA	\$500.00	1	\$500	-	\$0	-	\$0	\$500
CONNECT TO EXISTING PAVEMENT	EA	\$500.00	1	\$500	-	\$0	-	\$0	\$500
BARRIER FREE RAMP	EA	\$1,400.00	11	\$15,400	-	\$0	-	\$0	\$15,400
STREET SIGN	EA	\$500.00	10	\$5,000	-	\$0	-	\$0	\$5,000
STOP SIGN	EA	\$600.00	10	\$6,000	-	\$0	-	\$0	\$6,000
TESTING (GEOTECH)	SY	\$1.00	22,820	\$22,820	-	\$0	-	\$0	\$22,820
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,228,522	\$24,570	12,500	\$250	-	\$0	\$24,820
INSPECTION FEE	PERCENT	4.0%	1,228,522	\$49,141	12,500	\$500	-	\$0	\$49,641
SUB - STREET PAVING				\$1,302,233.30	\$13,250.00	\$0.00	\$1,315,483.30		
PER LOT				\$8,170.66	\$93.31	\$0.00	\$9,263.97		

F. RETAINING WALLS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
RETAINING WALL ALLOWANCE	LOT	\$2,500.00	-	\$0.00	-	\$0.00	142	\$355,000.00	\$355,000.00
SUB - RETAINING WALLS				\$0.00	\$0.00	\$355,000.00	\$355,000.00		
PER LOT				\$0.00	\$0.00	\$2,500.00	\$2,500.00		

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	142	Phase 6 - 6,323 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	39				
JOB NUMBER:	063451304	GROSS ACRES	39				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

G. MISCELLANEOUS ITEMS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STREET LIGHT	EA	\$4,000.00	16	\$64,000	-	\$0	-	\$0	\$64,000
SCREENING FENCE	LF	\$120.00	1,000	\$120,000	-	\$0	-	\$0	\$120,000
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	142	\$71,000	-	\$0	-	\$0	\$71,000
LANDSCAPING	LS	\$150,000.00	-	\$0	-	\$0	1	\$150,000	\$150,000
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0	-	\$0	50,000	\$75,000	\$75,000
SPORT COURT	LS	\$250,000.00	-	\$0	-	\$0	1	\$250,000	\$250,000
SECONDARY ENTRY FEATURE	LS	\$50,000.00	-	\$0	-	\$0	1	\$50,000	\$50,000
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$3,090.00	1	\$3,090	-	\$0	-	\$0	\$3,090
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$3,090.00	1	\$3,090	-	\$0	-	\$0	\$3,090
FRANCHISE (ELECTRIC)	LOT	\$750.00	-	\$0	-	\$0	142	\$106,500	\$106,500
FRANCHISE (GAS)	LOT	\$750.00	-	\$0	-	\$0	142	\$106,500	\$106,500
SUB - MISCELLANEOUS ITEMS				\$261,180.00		\$0.00		\$738,000.00	\$999,180.00
				PER LOT	\$1,839.30	\$0.00		\$5,197.18	\$7,036.48

GRAND TOTAL DIRECT PID COSTS - PHASE 6		\$3,246,191.90
	COST PER LOT	\$22,860.51
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 6		\$37,930.25
	COST PER LOT	\$267.11
GRAND TOTAL DEVELOPER COSTS - PHASE 6		\$2,425,240.49
	COST PER LOT	\$17,079.16
OVERALL DEVELOPMENT COSTS - PHASE 6		\$5,709,362.64
	COST PER LOT	\$40,206.78

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	118	Phase 7 - 5,946 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	47				
JOB NUMBER:	063451304	GROSS ACRES	47				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

A. EXCAVATION									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
CLEARING AND GRUBBING	ACRE	\$2,000.00	9	\$18,668	-	\$0	37	\$74,672	\$93,340
REMOVE EXISTING FENCING	LS	\$2,000.00	-	\$0	-	\$0	1	\$2,000	\$2,000
LOT EXCAVATION (1.7 VF)	CY	\$2.25	-	\$0	-	\$0	102,500	\$230,625	\$230,625
STREET EXCAVATION (1.7 VF)	CY	\$2.25	25,700	\$57,825	-	\$0	-	\$0	\$57,825
MOISTURE CONDITIONING (7' DEEP)	CY	\$3.25	-	\$0	-	\$0	122,500	\$398,125	\$398,125
STOCKPILE TOPSOIL & RESPREAD PARKWAYS	CY	\$2.00	2,500.00	\$5,000	-	\$0	-	\$0	\$5,000
10 MIL POLY PADS	SF	\$0.10	-	\$0	-	\$0	531,000	\$53,100	\$53,100
ROUGH LOT GRADING	LOT	\$250.00	-	\$0	-	\$0	118	\$29,500	\$29,500
FINAL LOT GRADING	LOT	\$150.00	-	\$0	-	\$0	118	\$17,700	\$17,700
DETENTION POND	EA	\$50,000.00	2	\$100,000	-	\$0	-	\$0	\$100,000
DRAIN & DEMUCK POND	LS	\$15,000.00	-	\$0	-	\$0	1	\$15,000	\$15,000
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0	118	\$47,200	\$47,200
EROSION CONTROL BLANKET	SY	\$15.00	-	\$0	-	\$0	1,500	\$22,500	\$22,500
CONSTRUCTION ENTRANCE	EA	\$2,500.00	-	\$0	-	\$0	1	\$2,500	\$2,500
POWER POLE RELOCATION ALLOWANCE	LS	\$50,000.00	-	\$0	-	\$0	1	\$50,000	\$50,000
TESTING	CY	\$0.10	25,700	\$2,570	-	\$0	225,000	\$22,500	\$25,070
INSPECTION FEE		1%	25,700	\$257	-	\$0	225,000	\$2,250	\$2,507
SUB - EXCAVATION COST				\$184,320.00	\$0.00	\$967,672	\$1,151,992		
PER LOT				\$1,562.03	\$0.00	\$8,200.61	\$9,762.64		

B. SANITARY SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	ITEM COST
8" SDR-35 PVC PIPE (0'-12' DEEP)	LF	\$40.00	4,712	\$188,480	-	\$0	-	\$0	\$188,480
8" SDR-35 PVC PIPE - PARALLEL PIPE	LF	\$40.00	481	\$19,240	-	\$0	-	\$0	\$19,240
8" SDR-26 PVC PIPE (12'-20' DEEP)	LF	\$45.00	126	\$5,670	-	\$0	-	\$0	\$5,670
4' DIAMETER MANHOLE	EA	\$6,000.00	17	\$102,000	-	\$0	-	\$0	\$102,000
5' DIAMETER MANHOLE	EA	\$7,500.00	1	\$7,500	-	\$0	-	\$0	\$7,500
CEMENT STABILIZED SAND	LF	\$60.00	120	\$7,200	-	\$0	-	\$0	\$7,200
ADDITIONAL 4' MANHOLE DEPTH (> 8' DEEP)	VF	\$195.00	32	\$6,240	-	\$0	-	\$0	\$6,240
ADDITIONAL 5' MANHOLE DEPTH (> 8' DEEP)	VF	\$225.00	4	\$900	-	\$0	-	\$0	\$900
CONNECT TO EXISTING	EA	\$750.00	2	\$1,500	-	\$0	-	\$0	\$1,500
4" SERVICE LINES	EA	\$650.00	-	\$0	-	\$0	118	\$76,700	\$76,700
VACUUM TESTING	LF	\$1.00	5,319	\$5,319	-	\$0	-	\$0	\$5,319
TRENCH SAFETY	LF	\$1.00	5,319	\$5,319	-	\$0	-	\$0	\$5,319
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	5,319	\$7,979	-	\$0	-	\$0	\$7,979
TESTING (GEOTECH)	LF	\$1.25	5,319	\$6,649	-	\$0	-	\$0	\$6,649
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	363,995	\$7,280	-	\$0	76,700	\$1,534	\$8,814
INSPECTION FEE	PERCENT	4.0%	363,995	\$14,560	-	\$0	76,700	\$3,068	\$17,628
SUB - SANITARY SEWER SYSTEM				\$385,835	\$0.00	\$81,302	\$467,137		
PER LOT				\$3,269.79	\$0.00	\$689.00	\$3,958.79		

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	118	Phase 7 - 5,946 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	47				
JOB NUMBER:	063451304	GROSS ACRES	47				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

C. STORM SEWER SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STORM SEWER (PERCENTAGE OF PAVING)	%	60%	\$945,045.29	\$567,027.18	\$93,810.00	\$56,286.00	\$0.00	\$0.00	\$623,313.18
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	567,027	\$11,340.54	56,286	\$1,125.72	-	\$0.00	\$12,466.26
INSPECTION FEE	PERCENT	4.0%	567,027	\$22,681.09	56,286	\$2,251.44	-	\$0.00	\$24,932.53
				\$601,048.81	\$59,063.16		\$0.00		\$660,711.97
SUB - STORM SEWER SYSTEM				PER LOT	\$5,093.63	\$505.62	\$0.00	\$5,599.25	

D. WATER DISTRIBUTION SYSTEM									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
8" AWWA C900 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$35.00	6,278	\$219,730	-	\$0	-	\$0	\$219,730
12" DR-14 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$50.00	-	\$0	1,223	\$61,150	-	\$0	\$61,150
8" GATE VALVE & BOX	EA	\$1,500.00	20	\$30,000	3	\$4,500	-	\$0	\$34,500
12" GATE VALVE & BOX	EA	\$2,500.00	-	\$0	3	\$7,500	-	\$0	\$7,500
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$4,600.00	15	\$69,000	-	\$0	-	\$0	\$69,000
1" SINGLE WATER SERVICE	EA	\$750.00	-	\$0	-	\$0	118	\$88,500	\$88,500
1.5" IRRIGATION SERVICE & METER	EA	\$2,800.00	-	\$0	-	\$0	2	\$5,600	\$5,600
4" IRRIGATION SLEEVES	EA	\$740.00	-	\$0	-	\$0	6	\$4,440	\$4,440
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	1	\$750	1	\$750	-	\$0	\$1,500
CONNECT TO EXISTING STUB	EA	\$750.00	2	\$1,500	-	\$0	-	\$0	\$1,500
TRENCH SAFETY	LF	\$0.50	6,278	\$3,139	1,223	\$612	-	\$0	\$3,751
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	6,278	\$9,417	1,223	\$1,835	-	\$0	\$11,252
TESTING (GEOTECH)	LF	\$1.25	6,278	\$7,848	1,223	\$1,529	-	\$0	\$9,376
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	341,384	\$6,828	77,875	\$1,557	98,540	\$1,971	\$10,356
INSPECTION FEE	PERCENT	4.0%	341,384	\$13,655	77,875	\$3,115	98,540	\$3,942	\$20,712
				\$361,866.51	\$82,547.24		\$104,462.40		\$548,866.15
SUB - WATER DISTRIBUTION SYSTEM				PER LOT	\$ 3,066.67	\$ 699.55	\$ 885.19	\$ 4,651.41	

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	118	Phase 7 - 5,946 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	47				
JOB NUMBER:	063451304	GROSS ACRES	47				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

E. STREET PAVING									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
6" REINF. CONCRETE STREET PAVEMENT (31' B-B)	SY	\$38.50	16,076	\$618,926	-	\$0	-	\$0	\$618,926
6" SUBGRADE PREP	SY	\$3.50	17,201	\$60,205	-	\$0	-	\$0	\$60,205
HYDRATED LIME (48#/SY)	TON	\$175.00	412.83	\$72,246	-	\$0	-	\$0	\$72,246
5' CONCRETE SIDEWALK	LF	\$28.00	3,425	\$95,900	-	\$0	-	\$0	\$95,900
8' TRAIL	LF	\$40.00	-	\$0	1,650	\$66,000	-	\$0	\$66,000
10' TRAIL	LF	\$50.00	-	\$0	450	\$22,500	-	\$0	\$22,500
REMOVE BARRICADE & CONNECT TO EXISTING STREET	EA	\$500.00	1	\$500	-	\$0	-	\$0	\$500
CONNECT TO EXISTING PAVEMENT	EA	\$500.00	2	\$1,000	-	\$0	-	\$0	\$1,000
BARRIER FREE RAMP	EA	\$1,400.00	12	\$16,800	-	\$0	-	\$0	\$16,800
STREET SIGN	EA	\$500.00	9	\$4,500	-	\$0	-	\$0	\$4,500
STOP SIGN	EA	\$600.00	9	\$5,400	-	\$0	-	\$0	\$5,400
TESTING (GEOTECH)	SY	\$1.00	16,076	\$16,076	-	\$0	-	\$0	\$16,076
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	891,552	\$17,831	88,500	\$1,770	-	\$0	\$19,601
INSPECTION FEE	PERCENT	4.0%	891,552	\$35,662	88,500	\$3,540	-	\$0	\$39,202
SUB - STREET PAVING				\$945,045.29		\$93,810.00		\$0.00	\$1,038,855.29
				PER LOT		\$8,008.86		\$795.00	\$8,803.86

F. RETAINING WALLS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
RETAINING WALL ALLOWANCE	LOT	\$2,500.00	-	\$0.00	-	\$0.00	118	\$295,000	\$295,000
SUB - RETAINING WALLS				\$0.00		\$0.00		\$295,000	\$295,000
				PER LOT		\$0.00		\$2,500.00	\$2,500.00

THE RANCH - PUBLIC IMPROVEMENT DISTRICT - IMPORTANT NOTES APPLY
PROVIDENCE VILLAGE, TEXAS
OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.
NOVEMBER 20, 2023

COST DESC:	Foree Ranch	LOT CT PH 4	118	Phase 7 - 5,946 LF Street			
LOCATION:	Providence Village, TX	NET ACRES	47				
JOB NUMBER:	063451304	GROSS ACRES	47				
				DIRECT PID IMPROVEMENTS	ONSITE/OFFSITE MAJOR PID IMPROVEMENTS	PRIVATE IMPROVEMENTS	OVERALL DEV. COST

G. MISCELLANEOUS ITEMS									
<i>ITEM DESCRIPTION</i>	<i>UNIT</i>	<i>UNIT PRICE</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>QUANTITY</i>	<i>ITEM COST</i>	<i>ITEM COST</i>
STREET LIGHT	EA	\$4,000.00	16	\$64,000	-	\$0	-	\$0	\$64,000
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	118	\$59,000	-	\$0	-	\$0	\$59,000
LANDSCAPING	LS	\$150,000.00	-	\$0	-	\$0	2	\$300,000	\$300,000
SOD & IRRIGATE (OPEN SPACES)	SF	\$1.50	-	\$0	-	\$0	800,000	\$1,200,000	\$1,200,000
SECONDARY ENTRY FEATURE	LS	\$50,000.00	-	\$0	-	\$0	1	\$50,000	\$50,000
PRELIMINARY PLAT FEE (\$250 plus \$20 per lot)	LS	\$2,610.00	1	\$2,610	-	\$0	-	\$0	\$2,610
FINAL PLAT REVIEW FEE (\$250 plus \$20 per lot)	LS	\$2,610.00	1	\$2,610	-	\$0	-	\$0	\$2,610
FRANCHISE (ELECTRIC)	LOT	\$750.00	-	\$0	-	\$0	118	\$88,500	\$88,500
FRANCHISE (GAS)	LOT	\$750.00	-	\$0	-	\$0	118	\$88,500	\$88,500
SUB - MISCELLANEOUS ITEMS				\$128,220		\$0.00		\$1,727,000.00	\$1,855,220
PER LOT				\$1,086.61		\$0.00		\$14,835.59	\$15,722.20

GRAND TOTAL DIRECT PID COSTS - PHASE 7		\$2,606,335.58	
	COST PER LOT	\$22,087.59	
GRAND TOTAL ONSITE/OFFSITE MAJOR PID COSTS - PHASE 7		\$236,020.40	
	COST PER LOT	\$2,000.17	
GRAND TOTAL DEVELOPER COSTS - PHASE 7		\$3,175,426.40	
	COST PER LOT	\$26,910.39	
OVERALL DEVELOPMENT COSTS - PHASE 7		\$6,017,782.37	
	COST PER LOT	\$50,998.16	

APPENDIX C
LEGAL DESCRIPTION

PID
Metes and Bounds Description

BEING a tract of land situated in the James Bridges Survey, Abstract No. 36, Town of Providence Village, Denton County, Texas and being all of a called 395.406 acre tract described in the Special Warranty Deed to Brown Development I, LTD., recorded in Document No. 2011-123204, Official Records, Denton County, Texas (O.R.D.C.T.), all of a 3.634 acre tract of land described in the Special Warranty Deed to Connie L. Brown, recorded in Document No. 2012-31199, O.R.D.C.T., all of a called 2.895 acre tract of land described in the Special Warranty Deed to Teddy C. Johnson, recorded in Volume 4003, Page 251, Deed Records, Denton County, Texas, (D.R.D.C.T.), and all of a called 17.206 acre tract described in the Special Warranty Deed to QT Properties, LLC, recorded in Document No. 2018-94381, O.R.D.C.T. and being more particularly described as follows:

BEGINNING at a northeast corner of Creek Village at Providence, an addition to the County of Denton, Texas, according to the plat thereof recorded in Cabinet V, Page 683, Plat Records, Denton County, Texas, Plat Records, Denton County, Texas (P.R.D.C.T.);

THENCE North 88°12'34" West, with the north line of said Creek Village at Providence, passing at a distance of 1186.39 feet the southeast corner of said 2.895 acre tract, continuing with said north line, a total distance of 1562.71 feet to the southwest corner of said 2.895 acre tract and being in the east right-of-way line of Farm to Market Road 2931 (a variable width right-of-way);

THENCE with said east right-of-way line of Farm to Market Road 2931, the following courses and distances:

North 33°21'53" East, a distance of 251.58 feet to the beginning of a non-tangent curve to the left having a central angle of 18°21'51", a radius of 1960.01 feet, a chord bearing and distance of North 24°10'04" East, 625.53 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 628.22 feet to the north corner of said 2.895 acre tract;

THENCE South 88°55'28" East, with a north line of said 395.406 acre tract and the south line of a called 73.81 acre tract of land described in the Warranty Deed with Vendor's Lien to North Texas Natural Select Material, LLC, recorded in Document No. 2018-106981, O.R.D.C.T., a distance of 2248.10 feet to the southeast corner of said 73.81 acre tract;

THENCE with the east line of said 73.81 acre tract and west line of said 395.406 acre tract, the following courses and distances:

North 1°02'40" East, a distance of 1185.99 feet to a point for corner;

South 89°28'39" East, a distance of 475.31 feet to a point for corner;

North 0°49'07" East, passing at a distance of 474.42 feet the northeast corner of said 73.81 acre tract and being the southeast corner of a called 3.11 acre tract of land described in the General Warranty Deed to North Texas Natural Select Materials, LLC, recorded in Document No. 2020-114723, O.R.D.C.T., continuing with the east line of said 3.11 acre tract a total distance of 1124.47 feet to the northeast corner of said 3.11

acre tract and being the southeast corner of a called 1.00 acre tract of land described in the Deed to Bethel Methodist Church of Denton County, Inc., recorded in Document No 2019-49725, O.R.D.C.T.;

THENCE North 0°54'15" East, with the east line of said 1.00 acre tract, distance of 140.40 feet to the northwest corner of said 395.406 acre tract, and being in the south right-of-way line of said F.M. 2931;

THENCE North 89°53'44" East, with said south right-of-way line, a distance of 625.29 feet to the northwest corner of a called 0.999 acre tract of land described in the Warranty Deed with Vendor's Lien, to Kelby Trusty and Shari Trusty, recorded in Document No. 2019-147429, O.R.D.C.T.;

THENCE South 0°46'43" West, with the west line of said 0.999 acre tract, passing at a distance of 208.56, the southwest corner of said 0.999 acre tract, continuing with the west line of the remainder of a called 20 acre tract of land described in the Warranty Deed to J. D. Arrington, recorded in Volume 515, Page 595, D.R.D.C.T., a total distance of 852.65 feet to a the southwest corner of said J.D. Arrington tract;

THENCE North 89°55'35" East, with the common line of said 395.406 acre tract and said 20 acre tract, a distance of 1039.63 feet to an interior el corner of said 395.406 acre tract;

THENCE North 1°00'57" East, with a common line of said 395.406 acre tract and said 20 acre tract, passing at a distance of 630.18, the south east corner of Lot 1, Block A, of Kyle Arnold Addition, an addition to Denton County, Texas, according to the plat thereof recorded in Document No. 2016-261, P.R.D.C.T., continuing with the east line of said Lot 1, Block A, a total distance of 844.00 feet to a point for corner in said south right-of-way line of F.M. 2931;

THENCE with said south right-of-way line, the following courses and distances:

South 87°51'15" East, a distance of 507.33 feet to a point at the beginning of a tangent curve to the left having a central angle of 15°38'23", a radius of 1195.92 feet, a chord bearing and distance of North 84°19'33" East, 325.43 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 326.44 feet to a point for corner;

THENCE South 89°05'42" East, with the north line of said 395.406 acre tract, a distance of 95.51 feet to a point for corner in the west line of a called 3.05 acre tract described in the Warranty Deed to Dan Wilson, recorded Volume 4515, Page 1133, D.R.D.C.T.;

THENCE South 1°25'48" West, with said west line, a distance of 171.76 feet to the southwest corner of said 3.05 acre tract;

THENCE South 89°14'14" East, with the south line of said 3.05 acre tract, a distance of 688.68 feet to the southeast corner of said 3.05 acre tract and being in the west right-of-way of Brewer Road (a variable width right-of-way);

THENCE South 2°04'00" West, with said west right-of-way line, a distance of 1143.48 feet to a point for corner;

THENCE North 89°09'57" West, with the occupied north line of a called 55 acre tract of land described in the Special Warranty Deed to L.D. Aaron and Naomi R. Aaron, recorded in Document No. 97-R0067763, O.R.D.C.T., a distance of 1379.87 feet to a point for corner;

THENCE South 0°51'51" West, with the occupied west line of said 55 acre tract, a distance of 1727.07 feet to the southwest corner of said 55 acre tract;

THENCE South 89°10'32" East, with the south line of said 55 acre tract, a distance of 1372.54 feet to a point for corner in the centerline of said Brewer Road;

THENCE South 2°03'30" West, with said centerline, a distance of 1681.20 feet to a point for corner;

THENCE North 87°33'21" West, crossing said Brewer Road, a distance of 24.76 feet to a point for corner;

THENCE South 2°04'42" West, the east line of said 395.406 acre tract, a distance of 81.26 feet to the northeast corner of a called 8.86 acre tract of land described in the General Warranty Deed to the United State of America, recorded in Volume 2565, Page 181, D.R.D.C.T.;

THENCE with the west line of said 8.86 acre tract, the following courses and distances;

North 82°17'39" West, a distance of 170.31 feet to a point for corner;

South 71°17'59" West, a distance of 277.48 feet to a point for corner;

South 6°46'23" West, a distance of 151.10 feet to a point for corner;

South 65°38'59" West, a distance of 82.00 feet to a point for corner;

South 25°10'53" West, a distance of 436.91 feet to a point for corner;

South 1°18'36" West, a distance of 19.84 feet to the most southerly southeast corner of said 395.406 acre tract and being in Fish Trap Road (a variable width right-of-way);

THENCE North 88°11'25" West, with the south line of said 395.406 acre tract and said Fish Trap Road, a distance of 662.85 feet to the southeast corner of said 17.206 acre tract;

THENCE North 87°26'52" West, with the south line of said 17.206 acre tract and with said Fish Trap Road, a distance of 462.18 feet to the southeast corner of a called 25.706 acre tract of land described in the General Warranty Deed with Vendor's Lien, to Allison Moody Sartin and Frank Rivera, recorded in Document No. 2017-109022, O.R.D.C.T

THENCE North 2°38'27" East, with the east line of said 25.706 acre tract, a distance of 1624.56 feet to the northeast corner of said 25.706 acre tract;

THENCE North 89°01'58" West, with the north line of said 25.706 acre tract, a distance of 701.61 feet to the northwest corner of said 25.706 acre tract;

THENCE South 2°01'52" West, with the west line of said 25.706 acre tract, a distance of 1606.71 feet to the southwest corner of said 25.706 acre tract and being in Fish Trap Road and being the southeast corner of a called 15.27 acre tract of land described in the General Warranty Deed to the United State of America, recorded in Volume 2565, Page 185, D.R.D.C.T.;

THENCE with the easterly, northerly and westerly lines of said 15.27 acre tract, the following courses and distances:

North 55°17'55" West, a distance of 263.63 feet to a point for corner;

North 36°21'38" West, a distance of 177.81 feet to a point for corner;

North 18°49'01" West, a distance of 391.55 feet to a point for corner;

North 41°24'38" West, a distance of 178.85 feet to a point for corner;

North 7°53'14" West, a distance of 212.41 feet to a point for corner;

North 57°47'15" West, a distance of 190.44 feet to a point for corner;

North 75°08'30" West, a distance of 117.27 feet to a point for corner;

North 54°13'41" West, a distance of 158.00 feet to a point for corner;

North 88°42'28" West, a distance of 198.38 feet to a point for corner;

South 33°47'30" West, a distance of 188.88 feet to a point for corner;

South 62°31'05" East, a distance of 193.92 feet to a point for corner;

South 22°31'41" West, a distance of 138.63 feet to a point for corner;

South 8°18'55" East, a distance of 172.00 feet to a point for corner;

South 34°15'01" East, a distance of 160.42 feet to a point for corner;

South 69°26'08" East, a distance of 144.32 feet to a point for corner;

South 50°05'29" East, a distance of 133.38 feet to a point for corner;

South 21°16'04" East, a distance of 148.63 feet to a point for corner;

South 26°04'04" East, a distance of 104.35 feet to a point for corner;

South 11°06'18" East, a distance of 98.82 feet to a point for corner;

South 47°20'44" East, a distance of 116.06 feet to a point for corner in the south line of said 395.406 acre tract;

THENCE North 88°07'33" West, with the south line of said 395.406 acre tract and with said Fish Trap Road, a distance of 1614.61 feet to the southwest corner of said 395.406 acre tract;

THENCE North 1°16'28" East, with a west line of said 395.406 acre tract and the east line of said Creek Village at Providence, a distance of 2098.34 feet to the **POINT OF BEGINNING** and containing 419.04 acres of land more or less.

Notes:

Bearing system based on the Texas Coordinate System, North Central Zone 4202, North American Datum of 1983.

This document was prepared under 22 TAC §138.95, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

Improvement Area #1

FOREE RANCH PHASE 1

WHEREAS KLLB AIV LLC is the owner of a tract of land situated in the James Bridges Survey, Abstract No. 36, Town of Providence Village, Denton County, Texas and being a portion of a called 419.1344-acre tract of land described in the Special Warranty Deed to KLLB AIV LLC, recorded in Document No. 2022-30170, Official Records, Denton County, Texas (O.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "KHA" found at the northeast corner of the Creek Village at Providence, an addition to the Town of Providence Village, Denton County, Texas, according to the plat thereof recorded in Cabinet V, Page 683, Public Records, Denton County, Texas (P.R.D.C.T.);

THENCE North 88°13'03" West, with the north boundary line of said Creek Village at Providence, at a distance of 270.46 feet passing a 5/8" iron rod with yellow plastic cap stamped "Petitt" found for the northwest corner of Lot 23, Block A, of said Creek Village at Providence, and continuing with the north boundary line of a 20 foot alley as dedicated in said Creek Village at Providence, a distance of 1,562.71 feet to a 5/8-inch iron rod with red plastic cap stamped "KHA" set for the southwest corner of said 419.1344 acre tract, in the east right-of-way line of F.M. Highway No. 2931, (a variable width right-of-way);

THENCE North 33°32'20" East, with the east right-of-way line of said F.M. Highway No. 2931, a distance of 241.57 feet to a 5/8-inch iron rod with red plastic cap stamped "KHA" set for corner at the beginning of a tangent curve to the left with a radius of 1959.86 feet, a central angle of 19°15'41", and a chord bearing and distance of North 23°54'30" East, 655.76 feet;

THENCE in a northerly direction, continuing with said east right-of-way line and said curve to the left, an arc distance of 658.86 feet to a 5/8-inch iron rod with red plastic cap stamped "KHA" set for the most westerly northwest corner of said 419.1344-acre tract;

THENCE South 01°29'43" West, with a north line of said 419.1344-acre tract, a distance of 18.05 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner;

THENCE South 88°52'20" East, with a northerly boundary line of said 419.1344 acre tract, a distance of 2168.43 feet to a 5/8-inch iron rod with plastic cap stamped KHA Set for corner, from which 1/2" iron rod found for an interior corner of said 419.1344 acre tract, and at the southeast corner of a called 73.81 acre tract of land described in the Warranty Deed with Vendor's Lien to North Texas Natural Select Materials, LLC, recorded in Document No. 2018-106981, O.R.D.C.T. bears South 88°52'20 " East, a distance of 75.43 feet;

THENCE over and across said 419.1344-acre tract, the following courses and distances:

South 03°45'37" East, a distance of 153.83 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 17°42'32" West, a distance of 151.84 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left having a central angle of 08°17'50", a radius of 960.00 feet, a chord bearing and distance of North 73°01'21" West, 138.90 feet;

In a westerly direction, with said non-tangent curve to the left, an arc distance of 139.02 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 12°49'44" West, a distance of 60.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right having a central angle of 14°22'32", a radius of 900.00 feet, a chord bearing and distance of South 69°59'01" East, 225.22 feet;

In an easterly direction, with said non-tangent curve to the right, an arc distance of 225.81 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 62°47'45" East, a distance of 100.98 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 01°38'23" East, a distance of 395.57 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 84°44'52" West, a distance of 196.11 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'17" West, a distance of 205.30 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 11°28'23" West, a distance of 140.01 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°10'45" West, a distance of 217.90 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 07°16'59" East, a distance of 199.73 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 34°53'02" East, a distance of 175.16 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner in the north line of a called 15.27 acre tract of land described in a General Warranty Deed to the United States of America, recorded in Volume 2565, Page 185, Deed Records, Dallas County, Texas (D.R.D.C.T.);

THENCE with with the northerly, westerly and southwesterly boundary lines of said 15.27 acre tract, the following courses and distances:

North 88°42'28" West, a distance of 38.11 feet to a point for corner;

South 33°47'30" West, a distance of 188.88 feet to a point for corner;

South 62°31'05" East, a distance of 193.92 feet to a point for corner;

South 22°31'41" West, a distance of 138.63 feet to a point for corner;

South 08°18'55" East, a distance of 172.00 feet to a point for corner;

South 34°15'01" East, a distance of 160.42 feet to a point for corner;

South 69°26'08" East, a distance of 144.32 feet to a point for corner;

South 50°05'29" East, a distance of 133.38 feet to a point for corner;

South 21°16'04" East, a distance of 148.63 feet to a point for corner;

South 26°04'04" East, a distance of 104.35 feet to a point for corner;

South 11°06'18" East, a distance of 98.82 feet to a point for corner;

South 47°20'44" East, a distance of 116.06 feet to a PK nail found at the southwest corner of said 15.27-acre tract and being in Fish Trap Road (a variable width right-of-way);

THENCE North 88°07'05" West, with the south boundary line of said 419.1344-acre tract and with said Fish Trap Road, a distance of 1614.26 feet to a PK nail found for the southwest corner of said 419.1344 acre tract;

THENCE North 01°15'51" East, at a distance of 11.31 feet passing the southeast corner of said Creek Village at Providence, and continuing with the east boundary line of said Creek Village at Providence for a total distance of 2098.32 feet to the POINT OF BEGINNING and containing a computed area of 4,237,555 square feet or 97.281 acres of land;

FOREE RANCH PHASE 2

WHEREAS KLLB AIV LLC is the owner of a tract of land situated in the James Bridges Survey, Abstract No. 36, Town of Providence Village, Denton County, Texas and being a portion of a called 419.1344-acre tract of land described in the Special Warranty Deed to KLLB AIV LLC., recorded in Document No. 2022-30170, Official Records, Denton County, Texas (O.R.D.C.T.), and being more particularly described as follows:

BEGINNING at a 60D nail found at the base of a fence post for the northeast corner of said 419.1344-acre tract, the southeast corner of a called 3.05 acre tract of land described in the Warranty Deed to Dan Wilson recorded in Volume 4515, Page 1133, Deed Records, Denton County, Texas (D.R.D.C.T.) and in the west right-of-way of Brewer Road (a variable width right-of-way);

THENCE South 02°04'15" West, with said west right-of-way line, a distance of 1,143.85 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE North 89°09'57" West, with the occupied north line of a called 55 acre tract of land described in the Special Warranty Deed to L.D. Aaron and Naomi R. Aaron, recorded in Document No. 97-R0067763, O.R.D.C.T., a distance of 1,377.00 feet to a fence post found for corner;

THENCE over and across said 419.1344-acre tract, the following courses and distances:

North 28°44'48" West, a distance of 129.46 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 61°15'12" West, a distance of 15.58 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 28°34'44" West, a distance of 278.76 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 01°02'18" East, passing at a distance of 97.22 feet, a fence post found for the southeast corner of the remainder of a called 20 acre tract of land described in a Deed to J.D. Arrington recorded in Volume 515, Page 595, D.R.D.C.T., and passing at a distance of 727.41 feet, a 1/2" iron rod with cap stamped "RPLS 4561" found for the southeast corner of Lot 1, Block A of Kyle Arnold Addition, an addition to the Town of Providence Village, Denton County, Texas, according to the plat thereof recorded in Document No. 2016-261 Plat Records, Denton County, Texas, and passing at a distance of 921.22 feet a 1/2" iron rod with cap stamped "RPLS 4561" found for the northeast corner of said Lot 1, Block A, and continuing for a total distance of 941.56 feet to a wooden TXDOT marker found in the south right-of-way line of F.M. Highway No. 2931 (a variable width right-of-way);

THENCE with said south right-of-way line, and the north line of said 419.1344-acre tract, the following courses and distances:

South 87°59'09" East, a distance of 506.38 feet to a point for corner from which a wooden TXDOT marker found bears North 01°59'39" East, a distance of 0.58 feet, said point being the beginning of a

tangent curve to the left with a radius of 1,195.92 feet, a central angle of 15°12'16", and a chord bearing and distance of North 84°24'43" East, 316.43 feet;

In a northeasterly direction, with said tangent curve to the left, an arc distance of 317.36 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" found at the most northerly northeast corner of said 419.1344-acre tract;

THENCE South 88°55'25" East, with said north line of the 419.1344-acre tract, a distance of 103.61 feet to a point for corner on a water meter in the west line of said 3.05 acre tract;

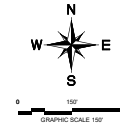
THENCE with the common line of said 419.1344-acre tract and said 3.05 acre tract, the following courses and distances:

South 01°55'31" West, a distance of 171.47 feet to a fence post found for corner;

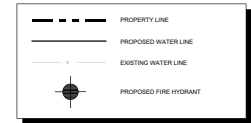
South 89°15'58" East, a distance of 691.63 feet to the **POINT OF BEGINNING** and containing a computed area of 1,930,796 square feet or 44.3250 acres of land.

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

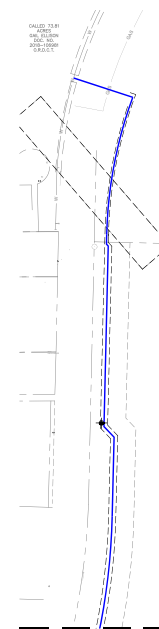
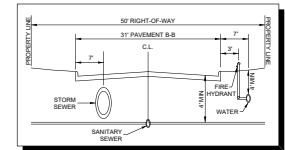
MATCH LINE SEE THIS SHEET



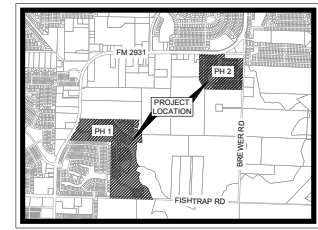
WATER LEGEND



TYPICAL UTILITY LOCATION



MATCH LINE SEE THIS SHEET



VICINITY MAP
SCALE: 1" = 2,000'

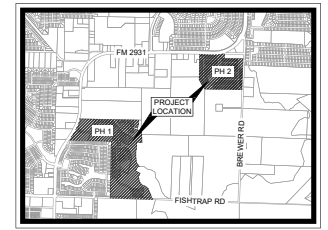
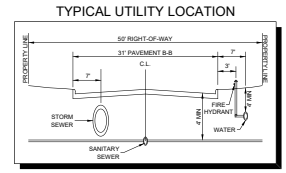
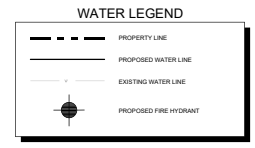
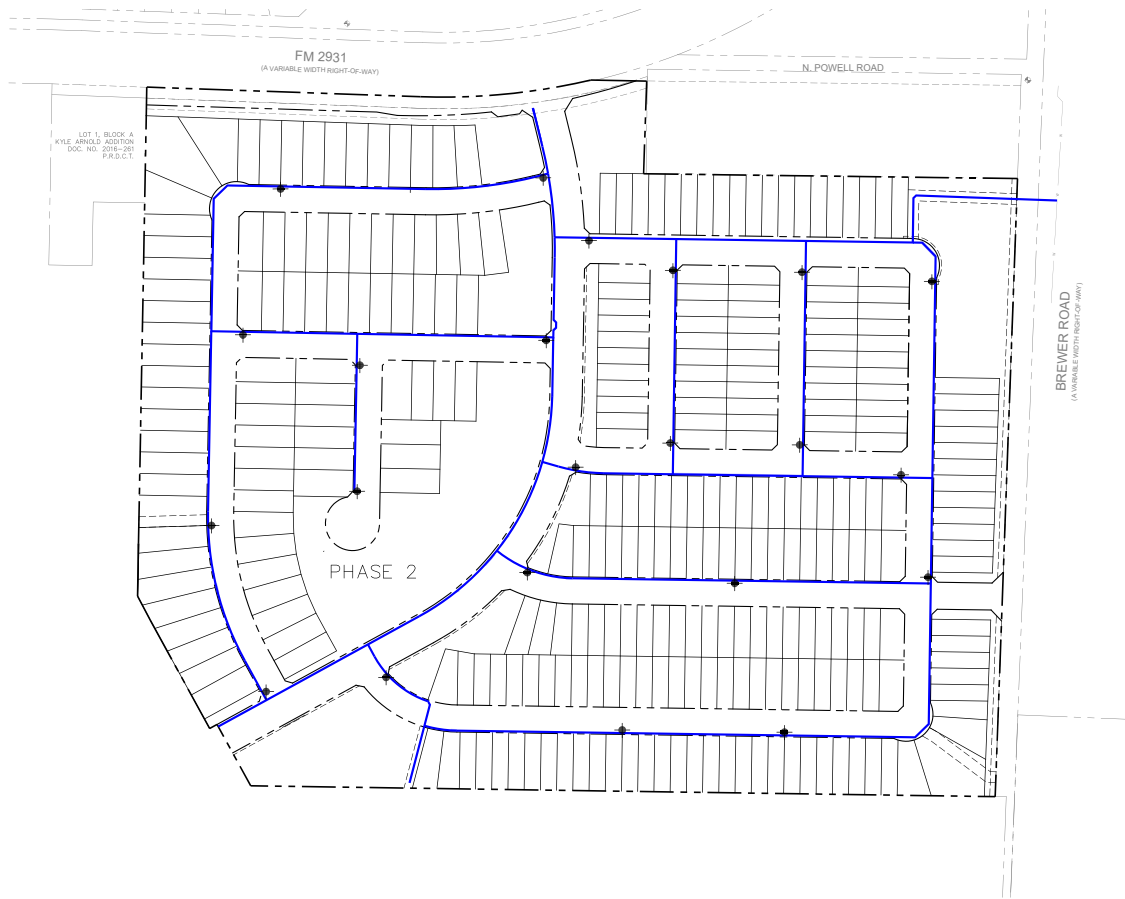
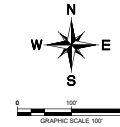
WATER IMPROVEMENTS

FORE RANCH PHASE 1 & 2

Providence Village, Texas
February 2024



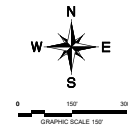
6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-5580
State of Texas Registration No. F-028



WATER IMPROVEMENTS
FORE RANCH
PHASE 1 & 2
Providence Village, Texas
February 2024



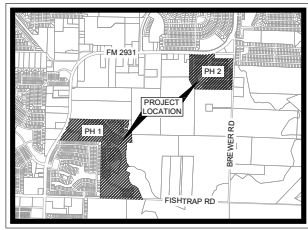
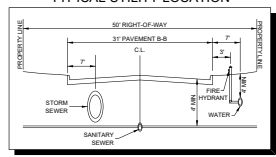
6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-5580
State of Texas Registration No. F-428



SANITARY SEWER LEGEND



TYPICAL UTILITY LOCATION

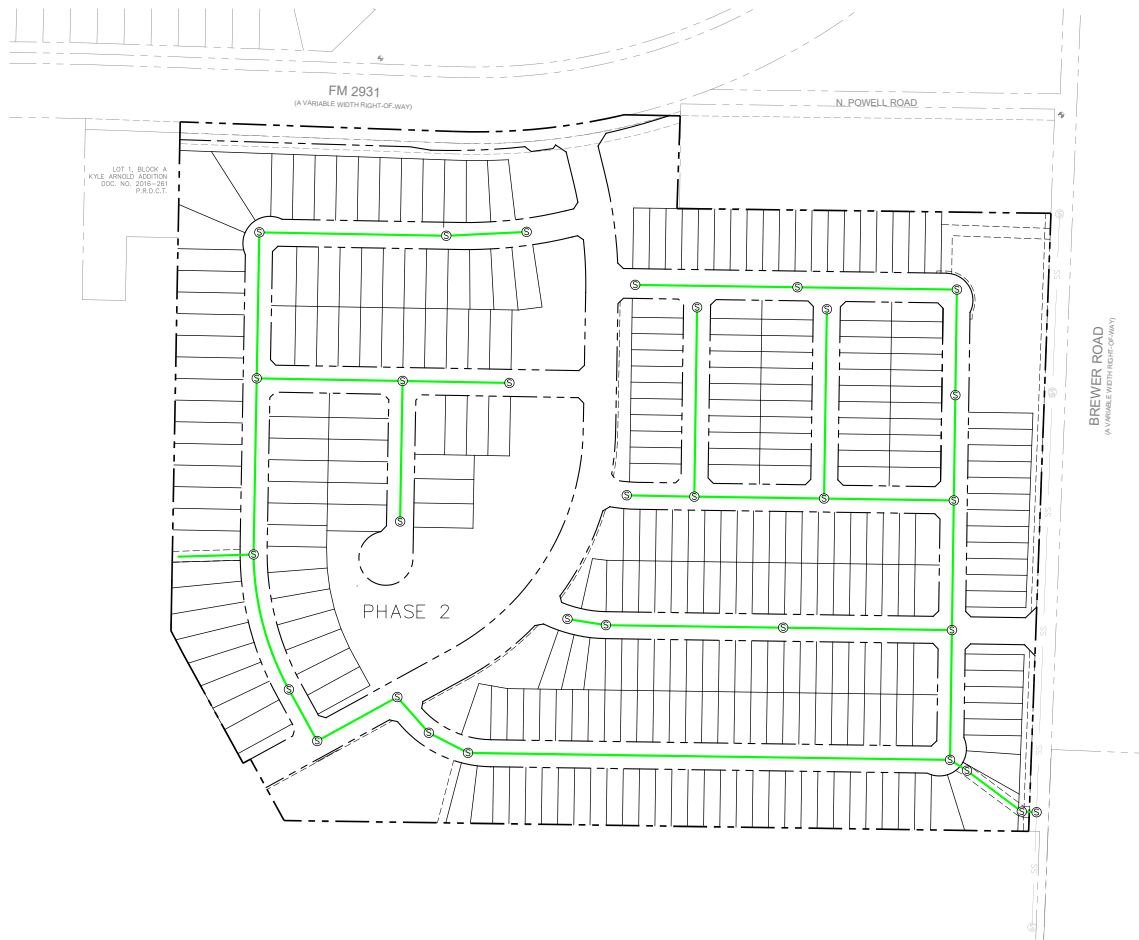
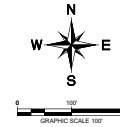


VICINITY MAP
SCALE: 1" = 2,000'

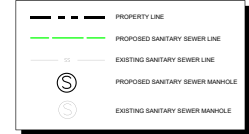
SANITARY SEWER IMPROVEMENTS
FORE RANCH
PHASE 1 & 2
Providence Village, Texas
February 2024



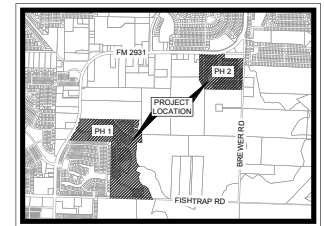
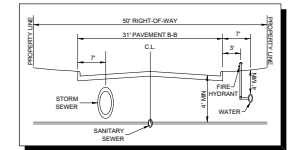
6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-3580
State of Texas Registration No. F-628



SANITARY SEWER LEGEND



TYPICAL UTILITY LOCATION



VICINITY MAP
SCALE: 1" = 2,000'

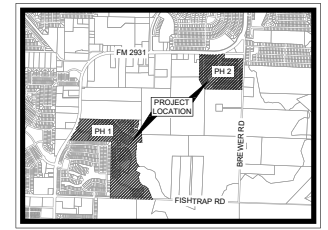
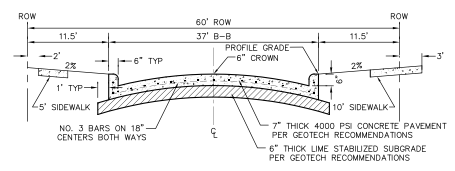
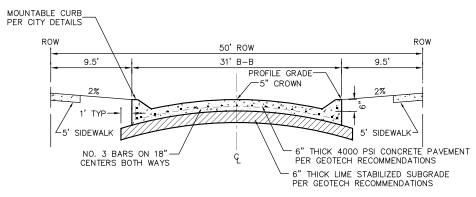
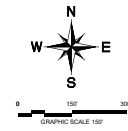
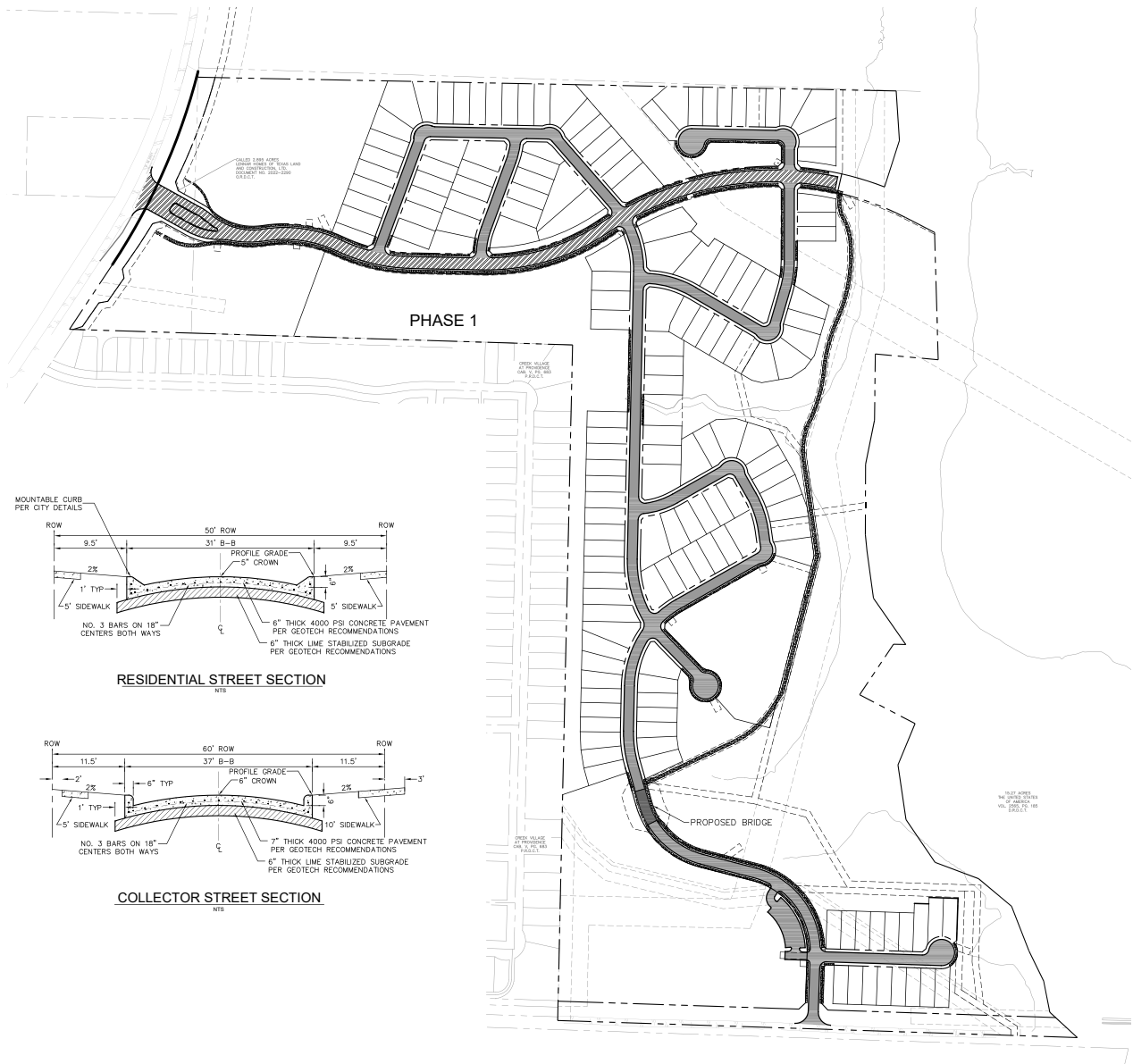
SANITARY SEWER IMPROVEMENTS

**FOREE RANCH
PHASE 1 & 2**

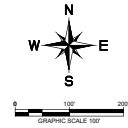
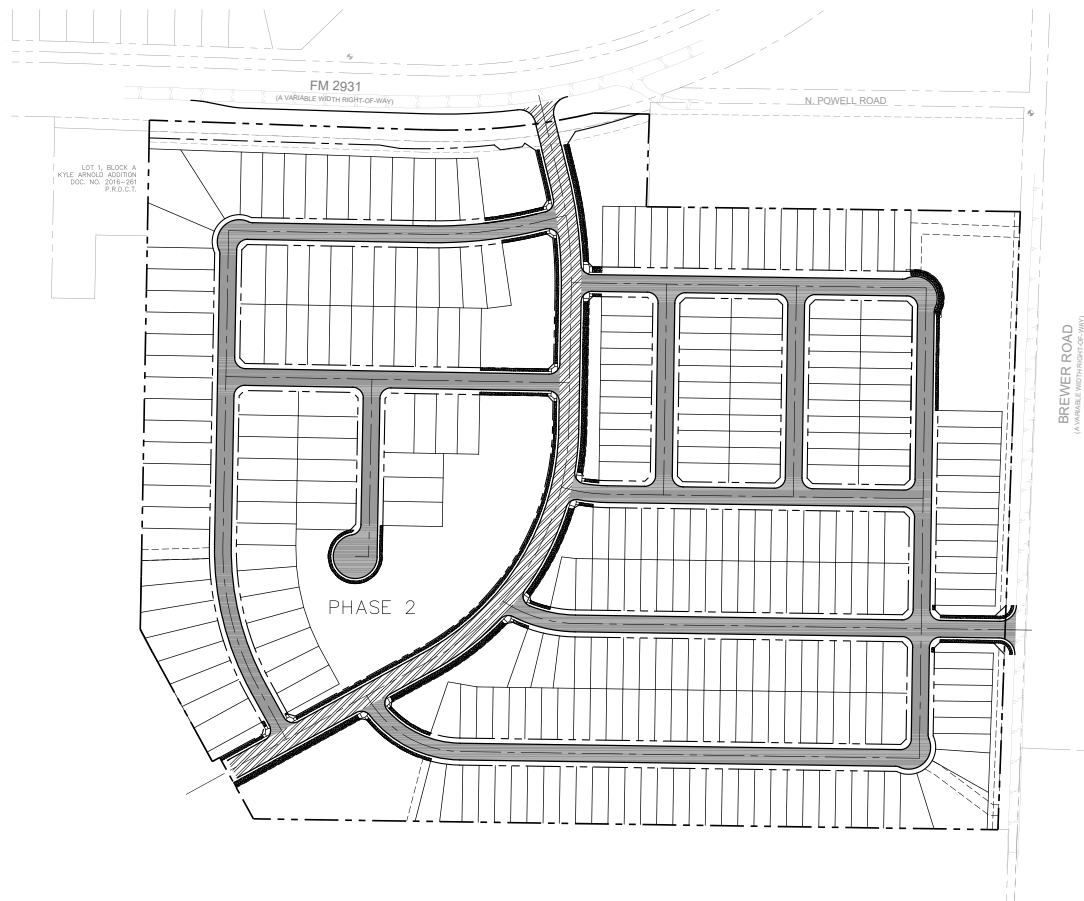
Providence Village, Texas
February 2024

Kimley»Horn

6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-5580
State of Texas Registration No. F-628

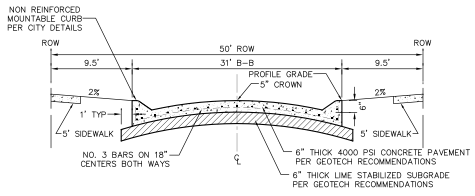
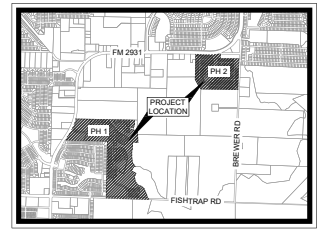


ROADWAY IMPROVEMENTS
FORE RANCH
PHASE 1 & 2
 Providence Village, Texas
 February 2024
Kimley»Horn
 6160 Warren Parkway, Suite 210
 Fisco, Texas 75004
 972-335-5580
 State of Texas Registration No. F-028

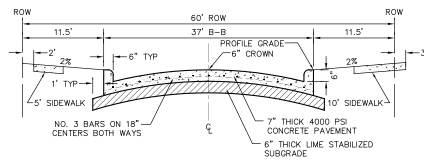


PAVING LEGEND

	COLLECTOR STREET (37' B-B, 60' ROW)
	RESIDENTIAL STREET (31' B-B, 50' ROW)
	PROPOSED CONCRETE SIDEWALK



RESIDENTIAL STREET SECTION



COLLECTOR STREET SECTION

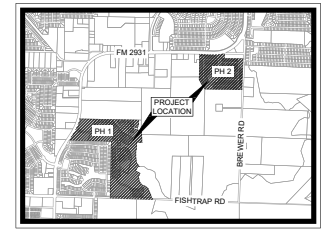
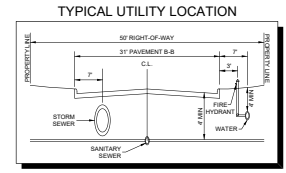
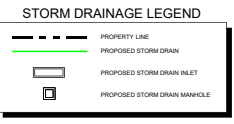
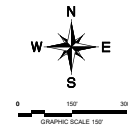
ROADWAY IMPROVEMENTS

FORE RANCH PHASE 1 & 2

Providence Village, Texas
February 2024

Kimley»Horn

6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-5580
State of Texas Registration No. F-928

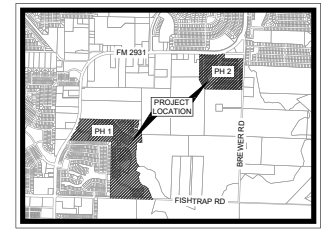
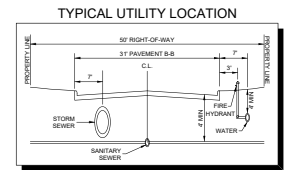
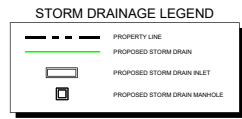
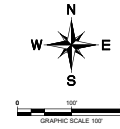


VICINITY MAP
SCALE: 1" = 2,000'

STORM DRAINAGE IMPROVEMENTS
FORE RANCH
PHASE 1 & 2
Providence Village, Texas
February 2024



6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-5580
State of Texas Registration No. F-428



VICINITY MAP
SCALE: 1" = 2,000'

STORM DRAINAGE IMPROVEMENTS
FOREE RANCH
PHASE 1 & 2
Providence Village, Texas
February 2024

Kimley»Horn

6160 Warren Parkway, Suite 210
Frisco, Texas 75034
972-335-3580
State of Texas Registration No. F-428

APPENDIX E
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____]¹

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOWN OF PROVIDENCE VILLAGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS OF PROPERTY

LOT TYPE _____ **PRINCIPAL ASSESSMENT: \$** _____

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Providence Village, Texas (the "Town"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Foree Ranch 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 Town. The exact amount of each annual installment will be approved each year by the Town 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 Town.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County, Texas.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

STATE OF TEXAS §
 §
COUNTY OF DENTON §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County, Texas.

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 DENTON

§

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County, Texas.

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE
EQUIVALENTS

Appendix F

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of four Lot Types.

“**Lot Type 1**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

“**Lot Type 2**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 45 feet.

“**Lot Type 3**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 40 feet.

“**Lot Type 4**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 30 feet.

A) Proposed Residential Development

Table F-A.1 shows the proposed residential units to be developed within the PID.

Table F-A.1
Proposed Development within the PID

Lot Type	Proposed Development	
Lot Type 1 (50 Ft)	398	Units
Lot Type 2 (45 Ft)	277	Units
Lot Type 3 (40 Ft)	560	Units
Lot Type 4 (30 Ft)	215	Units
Total	1,450	Units

Table F-A.2 shows the proposed residential units within Improvement Area #1.

Table F-A.2
Proposed Development – Improvement Area #1

Lot Type	Proposed Development	
Lot Type 1 (50 Ft)	105	Units
Lot Type 2 (45 Ft)	49	Units
Lot Type 3 (40 Ft)	86	Units
Lot Type 4 (30 Ft)	215	Units
Total	455	Units

Table F-A.3 shows the proposed residential Lot Types within Future Improvement Areas.

Table F-A.3
Proposed Development – Future Improvement Areas

Lot Type	Proposed Development	
Lot Type 1 (50 Ft)	293	Units
Lot Type 2 (45 Ft)	228	Units
Lot Type 3 (40 Ft)	474	Units
Lot Type 4 (30 Ft)	0	Units
Total	995	Units

B) Calculation of Equivalent Units

As explained under Section V.D, for the purposes of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the Improvement Area #1 Projects to be financed with the Improvement Area #1 Reimbursement Agreement Obligation shall be allocated to the Improvement Area #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For the purposes of this Service and Assessment Plan, the Town Council has determined that the Assessments shall be allocated to the Improvement Area #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the Town Council has taken into consideration (i) the Lot Types (i.e., 50 Ft, 45 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the Town Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications from Lot Type 1 (50 Ft Lots) representing the highest value to Lot Type 4 (30 Ft Lot) representing the lowest value for residential lots are set forth in Table F-B.1. Assessments are allocated to each Lot Type on the basis of the average home value for each class of Lot. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (50 Ft Lots) to 1.0.

Table F-B.1
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor	
Lot Type 1 (50 Ft)	\$382,000	1.00	Per dwelling unit
Lot Type 2 (45 Ft)	\$334,000	0.87	Per dwelling unit
Lot Type 3 (40 Ft)	\$320,000	0.84	Per dwelling unit
Lot Type 4 (30 Ft)	\$301,000	0.79	Per dwelling unit

The total estimated Equivalent Units for Improvement Area #1 are shown in Table F-B.2 as calculated based on the Equivalent Unit factors shown in Table F-B.1, estimated Lot Types and number of units estimated to be built within Improvement Area #1.

Table F-B.2
Estimated Equivalent Units - Improvement Area #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (50 Ft)	105	1.00	105.00
Lot Type 2 (45 Ft)	49	0.87	42.63
Lot Type 3 (40 Ft)	86	0.84	72.24
Lot Type 4 (30 Ft)	215	0.79	169.85
Total	455		389.72

The total estimated Equivalent Units for the Future Improvement Areas is shown in Table F-B.3 as calculated based on the Equivalent Unit factors shown in Table F-B.1, estimated Lot Types and number of units estimated to be built within the Future Improvement Areas.

Table F-B.3
Estimated Equivalent Units - Future Improvement Areas

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (50 Ft)	293	1.00	293.00
Lot Type 2 (45 Ft)	228	0.87	198.36
Lot Type 3 (40 Ft)	474	0.84	398.16
Lot Type 4 (30 Ft)	0	0.79	0.00
Total	995		889.52

C) Allocation of Assessments to Lots within Improvement Area #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Improvement Area #1 Bonds, which represents the total Assessment to be allocated on all Parcels within Improvement Area #1, is \$7,085,000. As shown in Table F-5, there are a total of 389.72 estimated Equivalent Units in Improvement Area #1, resulting in an original Assessment per Equivalent Unit of \$18,179.72.

The original Assessment per dwelling unit is calculated as the product of (i) \$18,179.72 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is \$18,179.72 (i.e. $\$18,179.72 \times 1.00$). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is \$15,816.36 (i.e. $\$18,179.72 \times 0.84$), and so on. Table F-C.1.1 sets forth the original Assessment per dwelling unit for each Lot Type in Improvement Area #1.

Table F-C.1.1
Assessment Per Unit – Improvement Area #1 - Original

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
Lot Type 1 (50 Ft)	105	\$18,179.72	1.00	\$18,179.72 Per dwelling unit	\$1,908,870
Lot Type 2 (45 Ft)	49	\$18,179.72	0.87	\$15,816.36 Per dwelling unit	\$775,001
Lot Type 3 (40 Ft)	86	\$18,179.72	0.84	\$15,270.96 Per dwelling unit	\$1,313,303
Lot Type 4 (30 Ft)	215	\$18,179.72	0.79	\$14,361.98 Per dwelling unit	\$3,087,825
Total	455				\$7,085,000

The revised Assessment per dwelling unit is calculated as the product of (i) \$16,812.07 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is \$16,812.07 (i.e. $\$16,812.07 \times 1.00$). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is \$16,812.07 (i.e. $\$16,812.07 \times 0.84$), and so on. Table F-C.1.2 sets forth the revised Assessment per dwelling unit for each Lot Type in Improvement Area #1.

Table F-C.1.2
Assessment Per Unit – Improvement Area #1 – Updated

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
Lot Type 1 (50 Ft)	105	\$16,812.07	1.00	\$16,812.07 Per dwelling unit	\$1,765,267
Lot Type 2 (45 Ft)	49	\$16,812.07	0.87	\$14,626.50 Per dwelling unit	\$716,699
Lot Type 3 (40 Ft)	86	\$16,812.07	0.84	\$14,122.14 Per dwelling unit	\$1,214,504
Lot Type 4 (30 Ft)	215	\$16,812.07	0.79	\$13,281.54 Per dwelling unit	\$2,855,530
Total	455				\$6,552,000

The original projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-C.2.1.

Table F-C.2.1
Projected Leverage – Improvement Area #1 - Original

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (50 Ft)	105	\$76,400	\$382,000	\$18,179.72	4.20	21.01
Lot Type 2 (45 Ft)	49	\$66,800	\$334,000	\$15,816.36	4.22	21.12
Lot Type 3 (40 Ft)	86	\$64,000	\$320,000	\$15,270.96	4.19	20.95
Lot Type 4 (30 Ft)	215	\$60,200	\$301,000	\$14,361.98	4.19	20.96

The revised projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-C.2.2.

Table F-C.2.2
Projected Leverage – Improvement Area #1 - Updated

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (50 Ft)	105	\$76,400	\$382,000	\$16,812.07	4.54	22.72
Lot Type 2 (45 Ft)	49	\$66,800	\$334,000	\$14,626.50	4.57	22.84
Lot Type 3 (40 Ft)	86	\$64,000	\$320,000	\$14,122.14	4.53	22.66
Lot Type 4 (30 Ft)	215	\$60,200	\$301,000	\$13,281.54	4.53	22.66

The original projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-C.3.1.

Table F-C.3.1
Estimated Tax Rate Equivalent per unit – Improvement Area #1 - Original

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (50 Ft)	105	\$76,400	\$382,000	\$1,413.21	\$1.8497	\$0.3699
Lot Type 2 (45 Ft)	49	\$66,800	\$334,000	\$1,229.49	\$1.8406	\$0.3681
Lot Type 3 (40 Ft)	86	\$64,000	\$320,000	\$1,187.09	\$1.8548	\$0.3710
Lot Type 4 (30 Ft)	215	\$60,200	\$301,000	\$1,116.43	\$1.8545	\$0.3709

The revised projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-C.3.2.

Table F-C.3.2
Estimated Tax Rate Equivalent per unit – Improvement Area #1 - Updated

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per \$100 Lot Value)	Tax Rate Equivalent (per \$100 Home Value)
Lot Type 1 (50 Ft)	105	\$76,400	\$382,000	\$1,410.62	\$1.8464	\$0.3693
Lot Type 2 (45 Ft)	49	\$66,800	\$334,000	\$1,227.24	\$1.8372	\$0.3674
Lot Type 3 (40 Ft)	86	\$64,000	\$320,000	\$1,184.92	\$1.8514	\$0.3703
Lot Type 4 (30 Ft)	215	\$60,200	\$301,000	\$1,114.39	\$1.8512	\$0.3702

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX G
IMPROVEMENT AREA #1 ASSESSMENT ROLL

**Appendix G-1
Improvement Area #1 Assessment Roll**

132742, 52277, 52663, 52678, 52728,
76773
\$6,552,000
389.72

Parcels
Assessment
Total Equivalent Units

Year	Principal	Interest¹	Administrative Expenses²	Additional Interest	Total Annual Installment³
2025	\$76,000	\$381,468	\$60,000	\$32,760	\$550,228
2026	\$81,000	\$374,960	\$61,200	\$32,380	\$549,540
2027	\$85,000	\$370,271	\$62,424	\$31,975	\$549,670
2028	\$89,000	\$365,349	\$63,672	\$31,550	\$549,571
2029	\$93,000	\$360,196	\$64,946	\$31,105	\$549,247
2030	\$98,000	\$354,811	\$66,245	\$30,640	\$549,696
2031	\$103,000	\$349,137	\$67,570	\$30,150	\$549,857
2032	\$108,000	\$343,173	\$68,921	\$29,635	\$549,729
2033	\$134,000	\$336,920	\$50,000	\$29,095	\$550,015
2034	\$142,000	\$329,162	\$50,500	\$28,425	\$550,087
2035	\$150,000	\$320,940	\$51,005	\$27,715	\$549,660
2036	\$159,000	\$312,255	\$51,515	\$26,965	\$549,735
2037	\$168,000	\$303,049	\$52,030	\$26,170	\$549,249
2038	\$179,000	\$293,321	\$52,551	\$25,330	\$550,202
2039	\$189,000	\$282,957	\$53,076	\$24,435	\$549,468
2040	\$201,000	\$272,014	\$53,607	\$23,490	\$550,111
2041	\$213,000	\$260,376	\$54,143	\$22,485	\$550,004
2042	\$226,000	\$248,044	\$54,684	\$21,420	\$550,148
2043	\$239,000	\$234,958	\$55,231	\$20,290	\$549,479
2044	\$254,000	\$221,120	\$55,783	\$19,095	\$549,999
2045	\$269,000	\$206,414	\$56,341	\$17,825	\$549,580
2046	\$285,000	\$190,838	\$56,905	\$16,480	\$549,223
2047	\$303,000	\$174,337	\$57,474	\$15,055	\$549,866
2048	\$321,000	\$156,793	\$58,048	\$13,540	\$549,382
2049	\$341,000	\$138,207	\$58,629	\$11,935	\$549,771
2050	\$362,000	\$118,463	\$59,215	\$10,230	\$549,909
2051	\$384,000	\$97,504	\$59,807	\$8,420	\$549,731
2052	\$408,000	\$75,270	\$60,405	\$6,500	\$550,175
2053	\$433,000	\$51,647	\$61,009	\$4,460	\$550,116
2054	\$459,000	\$26,576	\$61,620	\$2,295	\$549,491
Total	\$6,552,000	\$7,550,531	\$1,738,557	\$651,850	\$16,492,938

¹The interest is calculated using an interest rate of 5.79% for years 1 through 30.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2 through 8, and a 1% increase per year thereafter.

Appendix G-3
Improvement Area #1 Assessment Roll by Lot Type

**Parcel
Assessment
Equivalent Units**

Lot Type 1 (50 Ft)
\$16,812.07
1.00

Year	Principal	Interest¹	Administrative Expenses²	Additional Interest	Total Annual Installment³
2025	\$195	\$979	\$154	\$84	\$1,412
2026	\$208	\$962	\$157	\$83	\$1,410
2027	\$218	\$950	\$160	\$82	\$1,410
2028	\$228	\$937	\$163	\$81	\$1,410
2029	\$239	\$924	\$167	\$80	\$1,409
2030	\$251	\$910	\$170	\$79	\$1,410
2031	\$264	\$896	\$173	\$77	\$1,411
2032	\$277	\$881	\$177	\$76	\$1,411
2033	\$344	\$865	\$128	\$75	\$1,411
2034	\$364	\$845	\$130	\$73	\$1,411
2035	\$385	\$824	\$131	\$71	\$1,410
2036	\$408	\$801	\$132	\$69	\$1,411
2037	\$431	\$778	\$134	\$67	\$1,409
2038	\$459	\$753	\$135	\$65	\$1,412
2039	\$485	\$726	\$136	\$63	\$1,410
2040	\$516	\$698	\$138	\$60	\$1,412
2041	\$547	\$668	\$139	\$58	\$1,411
2042	\$580	\$636	\$140	\$55	\$1,412
2043	\$613	\$603	\$142	\$52	\$1,410
2044	\$652	\$567	\$143	\$49	\$1,411
2045	\$690	\$530	\$145	\$46	\$1,410
2046	\$731	\$490	\$146	\$42	\$1,409
2047	\$777	\$447	\$147	\$39	\$1,411
2048	\$824	\$402	\$149	\$35	\$1,410
2049	\$875	\$355	\$150	\$31	\$1,411
2050	\$929	\$304	\$152	\$26	\$1,411
2051	\$985	\$250	\$153	\$22	\$1,411
2052	\$1,047	\$193	\$155	\$17	\$1,412
2053	\$1,111	\$133	\$157	\$11	\$1,412
2054	\$1,178	\$68	\$158	\$6	\$1,410
Total	\$16,812	\$19,374	\$4,461	\$1,673	\$42,320

¹The interest is calculated using an interest rate of 5.79% for years 1 through 30.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2 through 8, and a 1% increase per year thereafter.

Appendix G-3
Improvement Area #1 Assessment Roll by Lot Type

Lot Type
Assessment
Equivalent Units

Lot Type 2 (45 Ft)
\$14,626.50
0.87

Year	Principal	Interest¹	Administrative Expenses²	Additional Interest	Total Annual Installment³
2025	\$170	\$852	\$134	\$73	\$1,228
2026	\$181	\$837	\$137	\$72	\$1,227
2027	\$190	\$827	\$139	\$71	\$1,227
2028	\$199	\$816	\$142	\$70	\$1,227
2029	\$208	\$804	\$145	\$69	\$1,226
2030	\$219	\$792	\$148	\$68	\$1,227
2031	\$230	\$779	\$151	\$67	\$1,227
2032	\$241	\$766	\$154	\$66	\$1,227
2033	\$299	\$752	\$112	\$65	\$1,228
2034	\$317	\$735	\$113	\$63	\$1,228
2035	\$335	\$716	\$114	\$62	\$1,227
2036	\$355	\$697	\$115	\$60	\$1,227
2037	\$375	\$677	\$116	\$58	\$1,226
2038	\$400	\$655	\$117	\$57	\$1,228
2039	\$422	\$632	\$118	\$55	\$1,227
2040	\$449	\$607	\$120	\$52	\$1,228
2041	\$475	\$581	\$121	\$50	\$1,228
2042	\$505	\$554	\$122	\$48	\$1,228
2043	\$534	\$525	\$123	\$45	\$1,227
2044	\$567	\$494	\$125	\$43	\$1,228
2045	\$601	\$461	\$126	\$40	\$1,227
2046	\$636	\$426	\$127	\$37	\$1,226
2047	\$676	\$389	\$128	\$34	\$1,228
2048	\$717	\$350	\$130	\$30	\$1,226
2049	\$761	\$309	\$131	\$27	\$1,227
2050	\$808	\$264	\$132	\$23	\$1,228
2051	\$857	\$218	\$134	\$19	\$1,227
2052	\$911	\$168	\$135	\$15	\$1,228
2053	\$967	\$115	\$136	\$10	\$1,228
2054	\$1,025	\$59	\$138	\$5	\$1,227
Total	\$14,627	\$16,856	\$3,881	\$1,455	\$36,818

¹The interest is calculated using an interest rate of 5.79% for years 1 through 30.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2 through 8, and a 1% increase per year thereafter.

**Appendix G-3
Improvement Area #1 Assessment Roll by Lot Type**

**Lot Type
Assessment
Equivalent Units**

**Lot Type 3 (40 Ft)
\$14,122.14
0.84**

Year	Principal	Interest¹	Administrative Expenses²	Additional Interest	Total Annual Installment³
2025	\$164	\$822	\$129	\$71	\$1,186
2026	\$175	\$808	\$132	\$70	\$1,184
2027	\$183	\$798	\$135	\$69	\$1,185
2028	\$192	\$787	\$137	\$68	\$1,185
2029	\$200	\$776	\$140	\$67	\$1,184
2030	\$211	\$765	\$143	\$66	\$1,185
2031	\$222	\$753	\$146	\$65	\$1,185
2032	\$233	\$740	\$149	\$64	\$1,185
2033	\$289	\$726	\$108	\$63	\$1,185
2034	\$306	\$709	\$109	\$61	\$1,186
2035	\$323	\$692	\$110	\$60	\$1,185
2036	\$343	\$673	\$111	\$58	\$1,185
2037	\$362	\$653	\$112	\$56	\$1,184
2038	\$386	\$632	\$113	\$55	\$1,186
2039	\$407	\$610	\$114	\$53	\$1,184
2040	\$433	\$586	\$116	\$51	\$1,186
2041	\$459	\$561	\$117	\$48	\$1,185
2042	\$487	\$535	\$118	\$46	\$1,186
2043	\$515	\$506	\$119	\$44	\$1,184
2044	\$547	\$477	\$120	\$41	\$1,185
2045	\$580	\$445	\$121	\$38	\$1,185
2046	\$614	\$411	\$123	\$36	\$1,184
2047	\$653	\$376	\$124	\$32	\$1,185
2048	\$692	\$338	\$125	\$29	\$1,184
2049	\$735	\$298	\$126	\$26	\$1,185
2050	\$780	\$255	\$128	\$22	\$1,185
2051	\$828	\$210	\$129	\$18	\$1,185
2052	\$879	\$162	\$130	\$14	\$1,186
2053	\$933	\$111	\$131	\$10	\$1,186
2054	\$989	\$57	\$133	\$5	\$1,184
Total	\$14,122	\$16,274	\$3,747	\$1,405	\$35,549

¹The interest is calculated using an interest rate of 5.79% for years 1 through 30.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2 through 8, and a 1% increase per year thereafter.

**Appendix G-3
Improvement Area #1 Assessment Roll by Lot Type**

**Lot Type
Assessment
Equivalent Units**

**Lot Type 4 (30 Ft)
\$13,281.54
0.79**

Year	Principal	Interest¹	Administrative Expenses²	Additional Interest	Total Annual Installment³
2025	\$154	\$773	\$122	\$66	\$1,032
2026	\$164	\$760	\$124	\$66	\$1,030
2027	\$172	\$751	\$127	\$65	\$1,031
2028	\$180	\$741	\$129	\$64	\$1,031
2029	\$189	\$730	\$132	\$63	\$1,030
2030	\$199	\$719	\$134	\$62	\$1,031
2031	\$209	\$708	\$137	\$61	\$1,031
2032	\$219	\$696	\$140	\$60	\$1,031
2033	\$272	\$683	\$101	\$59	\$1,031
2034	\$288	\$667	\$102	\$58	\$1,032
2035	\$304	\$651	\$103	\$56	\$1,031
2036	\$322	\$633	\$104	\$55	\$1,031
2037	\$341	\$614	\$105	\$53	\$1,030
2038	\$363	\$595	\$107	\$51	\$1,032
2039	\$383	\$574	\$108	\$50	\$1,030
2040	\$407	\$551	\$109	\$48	\$1,032
2041	\$432	\$528	\$110	\$46	\$1,031
2042	\$458	\$503	\$111	\$43	\$1,032
2043	\$484	\$476	\$112	\$41	\$1,030
2044	\$515	\$448	\$113	\$39	\$1,031
2045	\$545	\$418	\$114	\$36	\$1,031
2046	\$578	\$387	\$115	\$33	\$1,030
2047	\$614	\$353	\$117	\$31	\$1,031
2048	\$651	\$318	\$118	\$27	\$1,030
2049	\$691	\$280	\$119	\$24	\$1,031
2050	\$734	\$240	\$120	\$21	\$1,031
2051	\$778	\$198	\$121	\$17	\$1,031
2052	\$827	\$153	\$122	\$13	\$1,032
2053	\$878	\$105	\$124	\$9	\$1,032
2054	\$930	\$54	\$125	\$5	\$1,030
Total	\$13,127	\$14,532	\$3,403	\$1,255	\$29,896

¹The interest is calculated using an interest rate of 5.79% for years 1 through 30.

²Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2 through 8, and a 1% increase per year thereafter.

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1020950	B	1	50'	1.00	\$16,812.07
1020951	B	2	50'	1.00	\$16,812.07
1020952	B	3	50'	1.00	\$16,812.07
1020953	B	4	50'	1.00	\$16,812.07
1020954	B	5	50'	1.00	\$16,812.07
1020955	B	6	50'	1.00	\$16,812.07
1020956	B	7	50'	1.00	\$16,812.07
1020957	B	8	50'	1.00	\$16,812.07
1020958	B	9	50'	1.00	\$16,812.07
1020959	B	10	50'	1.00	\$16,812.07
1020960	B	11	50'	1.00	\$16,812.07
1020961	B	12	50'	1.00	\$16,812.07
1020962	B	13	50'	1.00	\$16,812.07
1020963	B	14	50'	1.00	\$16,812.07
1020964	B	15	50'	1.00	\$16,812.07
1020965	B	16	50'	1.00	\$16,812.07
1020966	B	17	50'	1.00	\$16,812.07
1021038	B	18	45'	0.87	\$14,626.50
1021039	B	19	45'	0.87	\$14,626.50
1021040	B	20	45'	0.87	\$14,626.50
1021041	B	21	45'	0.87	\$14,626.50
1021042	B	22	45'	0.87	\$14,626.50
1021043	B	23	45'	0.87	\$14,626.50
1021044	B	24	45'	0.87	\$14,626.50
1021045	B	25	45'	0.87	\$14,626.50
1021046	B	26	45'	0.87	\$14,626.50
1021047	B	27	45'	0.87	\$14,626.50
1021255	B	1-HOA	HOA	0.00	\$0.00
1021256	B	2-HOA	HOA	0.00	\$0.00
1021266	B	1-COMM	Commercial	0.00	\$0.00
1021159	C	1	50'	1.00	\$16,812.07
1021160	C	2	50'	1.00	\$16,812.07
1021161	C	3	50'	1.00	\$16,812.07
1021162	C	4	50'	1.00	\$16,812.07
1021163	C	5	50'	1.00	\$16,812.07
1021164	C	6	50'	1.00	\$16,812.07
1021197	C	7	50'	1.00	\$16,812.07
1021198	C	8	50'	1.00	\$16,812.07
1021199	C	9	50'	1.00	\$16,812.07
1021200	C	10	50'	1.00	\$16,812.07

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1021201	C	11	50'	1.00	\$16,812.07
1021263	C	1-HOA	HOA	0.00	\$0.00
1021207	D	1	50'	1.00	\$16,812.07
1021208	D	2	50'	1.00	\$16,812.07
1021209	D	3	50'	1.00	\$16,812.07
1021210	D	4	50'	1.00	\$16,812.07
1021211	D	5	50'	1.00	\$16,812.07
1021233	D	6	50'	1.00	\$16,812.07
1021234	D	7	50'	1.00	\$16,812.07
1021259	D	1-HOA	HOA	0.00	\$0.00
1021260	D	2-HOA	HOA	0.00	\$0.00
1021239	E	1	50'	1.00	\$16,812.07
1021240	E	2	50'	1.00	\$16,812.07
1021217	E	3	50'	1.00	\$16,812.07
1021218	E	4	50'	1.00	\$16,812.07
1021219	E	5	50'	1.00	\$16,812.07
1021220	E	6	50'	1.00	\$16,812.07
1021221	E	7	50'	1.00	\$16,812.07
1021264	E	1-HOA	HOA	0.00	\$0.00
1021080	F	1	45'	0.87	\$14,626.50
1021081	F	2	45'	0.87	\$14,626.50
1021082	F	3	45'	0.87	\$14,626.50
1021083	F	4	50'	1.00	\$16,812.07
1021084	F	5	50'	1.00	\$16,812.07
1021085	F	6	50'	1.00	\$16,812.07
1021086	F	7	50'	1.00	\$16,812.07
1021096	F	8	50'	1.00	\$16,812.07
1021097	F	9	50'	1.00	\$16,812.07
1021098	F	10	50'	1.00	\$16,812.07
1021099	F	11	50'	1.00	\$16,812.07
1021100	F	12	50'	1.00	\$16,812.07
1021101	F	13	50'	1.00	\$16,812.07
1021102	F	14	50'	1.00	\$16,812.07
1021178	F	15	50'	1.00	\$16,812.07
1021179	F	16	50'	1.00	\$16,812.07
1021180	F	17	50'	1.00	\$16,812.07
1021181	F	18	50'	1.00	\$16,812.07
1021182	F	19	50'	1.00	\$16,812.07
1021183	F	20	50'	1.00	\$16,812.07
1021226	F	21	50'	1.00	\$16,812.07

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1021227	F	22	50'	1.00	\$16,812.07
1021228	F	23	50'	1.00	\$16,812.07
1021111	F	24	50'	1.00	\$16,812.07
1021112	F	25	50'	1.00	\$16,812.07
1021113	F	26	50'	1.00	\$16,812.07
1021114	F	27	50'	1.00	\$16,812.07
1021115	F	28	50'	1.00	\$16,812.07
1021116	F	29	50'	1.00	\$16,812.07
1021117	F	30	50'	1.00	\$16,812.07
1021126	F	31	45'	0.87	\$14,626.50
1021127	F	32	45'	0.87	\$14,626.50
1021128	F	33	45'	0.87	\$14,626.50
1021129	F	34	45'	0.87	\$14,626.50
1021130	F	35	45'	0.87	\$14,626.50
1021131	F	36	45'	0.87	\$14,626.50
1021132	F	37	45'	0.87	\$14,626.50
1020989	F	38	45'	0.87	\$14,626.50
1020990	F	39	45'	0.87	\$14,626.50
1020991	F	40	45'	0.87	\$14,626.50
1020992	F	41	45'	0.87	\$14,626.50
1020993	F	42	45'	0.87	\$14,626.50
1020994	F	43	45'	0.87	\$14,626.50
1020995	F	44	45'	0.87	\$14,626.50
1020996	F	45	45'	0.87	\$14,626.50
1020997	F	46	45'	0.87	\$14,626.50
1020998	F	47	45'	0.87	\$14,626.50
1020999	F	48	45'	0.87	\$14,626.50
1021000	F	49	45'	0.87	\$14,626.50
1021001	F	50	45'	0.87	\$14,626.50
1021002	F	51	45'	0.87	\$14,626.50
1021003	F	52	45'	0.87	\$14,626.50
1021004	F	53	45'	0.87	\$14,626.50
1021005	F	54	45'	0.87	\$14,626.50
1024508	F	1-HOA	HOA	0.00	\$0.00
1024507	F	2-HOA	HOA	0.00	\$0.00
1021172	G	1	50'	1.00	\$16,812.07
1021173	G	2	50'	1.00	\$16,812.07
1021174	G	3	50'	1.00	\$16,812.07
1021175	G	4	50'	1.00	\$16,812.07
1021176	G	5	50'	1.00	\$16,812.07

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1021177	G	6	50'	1.00	\$16,812.07
1021073	G	7	50'	1.00	\$16,812.07
1021074	G	8	50'	1.00	\$16,812.07
1021075	G	9	50'	1.00	\$16,812.07
1021076	G	10	50'	1.00	\$16,812.07
1021077	G	11	50'	1.00	\$16,812.07
1021078	G	12	50'	1.00	\$16,812.07
1021079	G	13	50'	1.00	\$16,812.07
1009150	V	45	30'	0.79	\$13,281.54
1009151	V	46	30'	0.79	\$13,281.54
1009152	V	47	30'	0.79	\$13,281.54
1009153	V	48	30'	0.79	\$13,281.54
1009154	V	49	30'	0.79	\$13,281.54
1009155	V	50	30'	0.79	\$13,281.54
1009156	V	51	30'	0.79	\$13,281.54
1009157	V	52	30'	0.79	\$13,281.54
1009158	V	53	30'	0.79	\$13,281.54
1009159	V	54	30'	0.79	\$13,281.54
1009160	V	55	30'	0.79	\$13,281.54
1009161	V	56	30'	0.79	\$13,281.54
1009162	V	57	30'	0.79	\$13,281.54
1009163	V	58	30'	0.79	\$13,281.54
1009164	V	59	30'	0.79	\$13,281.54
1009165	V	60	30'	0.79	\$13,281.54
1009166	V	61	30'	0.79	\$13,281.54
1009167	V	62	30'	0.79	\$13,281.54
1009168	V	63	30'	0.79	\$13,281.54
1009169	V	64	30'	0.79	\$13,281.54
1009170	V	65	30'	0.79	\$13,281.54
1009171	V	66	30'	0.79	\$13,281.54
1009172	V	67	30'	0.79	\$13,281.54
1009173	V	68	30'	0.79	\$13,281.54
1009174	V	69	30'	0.79	\$13,281.54
1009175	V	70	30'	0.79	\$13,281.54
1009176	V	71	30'	0.79	\$13,281.54
1009177	V	72	30'	0.79	\$13,281.54
1009178	V	73	30'	0.79	\$13,281.54
1009179	V	74	30'	0.79	\$13,281.54
1009452	V	75	30'	0.79	\$13,281.54
1009441	V	76	30'	0.79	\$13,281.54

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009442	V	77	30'	0.79	\$13,281.54
1009443	V	78	30'	0.79	\$13,281.54
1009444	V	79	30'	0.79	\$13,281.54
1009445	V	80	30'	0.79	\$13,281.54
1009446	V	81	30'	0.79	\$13,281.54
1009447	V	82	30'	0.79	\$13,281.54
1009462	V	2-HOA	HOA	0.00	\$0.00
1009463	V	3-HOA	HOA	0.00	\$0.00
1009208	AL	53	40'	0.84	\$14,122.14
1009209	AL	54	40'	0.84	\$14,122.14
1009210	AL	55	40'	0.84	\$14,122.14
1009211	AL	56	40'	0.84	\$14,122.14
1009212	AL	57	40'	0.84	\$14,122.14
1009213	AL	58	40'	0.84	\$14,122.14
1009214	AL	59	40'	0.84	\$14,122.14
1009215	AL	60	40'	0.84	\$14,122.14
1009216	AL	61	40'	0.84	\$14,122.14
1009217	AL	62	40'	0.84	\$14,122.14
1009218	AL	63	40'	0.84	\$14,122.14
1009219	AL	64	40'	0.84	\$14,122.14
1009220	AL	65	40'	0.84	\$14,122.14
1009221	AL	66	40'	0.84	\$14,122.14
1009222	AL	67	40'	0.84	\$14,122.14
1009223	AL	68	40'	0.84	\$14,122.14
1009224	AL	69	40'	0.84	\$14,122.14
1009225	AL	70	40'	0.84	\$14,122.14
1009226	AL	71	40'	0.84	\$14,122.14
1009227	AL	72	40'	0.84	\$14,122.14
1009228	AL	73	40'	0.84	\$14,122.14
1009229	AL	74	40'	0.84	\$14,122.14
1009230	AL	75	40'	0.84	\$14,122.14
1009231	AL	76	40'	0.84	\$14,122.14
1009341	AL	77	40'	0.84	\$14,122.14
1009342	AL	78	40'	0.84	\$14,122.14
1009343	AL	79	40'	0.84	\$14,122.14
1009344	AL	80	40'	0.84	\$14,122.14
1009345	AL	81	40'	0.84	\$14,122.14
1009346	AL	82	40'	0.84	\$14,122.14
1009347	AL	83	40'	0.84	\$14,122.14
1009348	AL	84	40'	0.84	\$14,122.14

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009349	AL	85	40'	0.84	\$14,122.14
1009350	AL	86	40'	0.84	\$14,122.14
1009351	AL	87	40'	0.84	\$14,122.14
1009352	AL	88	40'	0.84	\$14,122.14
1009454	AL	4-HOA	HOA	0.00	\$0.00
1009455	AL	5-HOA	HOA	0.00	\$0.00
1009315	AN	1	40'	0.84	\$14,122.14
1009316	AN	2	40'	0.84	\$14,122.14
1009317	AN	3	40'	0.84	\$14,122.14
1009318	AN	4	40'	0.84	\$14,122.14
1009319	AN	5	40'	0.84	\$14,122.14
1009320	AN	6	40'	0.84	\$14,122.14
1009321	AN	7	40'	0.84	\$14,122.14
1009322	AN	8	40'	0.84	\$14,122.14
1009323	AN	9	40'	0.84	\$14,122.14
1009324	AN	10	40'	0.84	\$14,122.14
1009325	AN	11	40'	0.84	\$14,122.14
1009326	AN	12	40'	0.84	\$14,122.14
1009327	AN	13	40'	0.84	\$14,122.14
1009328	AN	14	40'	0.84	\$14,122.14
1009432	AN	15	40'	0.84	\$14,122.14
1009433	AN	16	40'	0.84	\$14,122.14
1009434	AN	17	40'	0.84	\$14,122.14
1009435	AN	18	40'	0.84	\$14,122.14
1009436	AN	19	40'	0.84	\$14,122.14
1009437	AN	20	40'	0.84	\$14,122.14
1009438	AN	21	40'	0.84	\$14,122.14
1009439	AN	22	40'	0.84	\$14,122.14
1009440	AN	23	40'	0.84	\$14,122.14
1009448	AN	24	40'	0.84	\$14,122.14
1009449	AN	25	40'	0.84	\$14,122.14
1009450	AN	26	40'	0.84	\$14,122.14
1009451	AN	27	40'	0.84	\$14,122.14
1009453	AN	1-HOA	HOA	0.00	\$0.00
1009421	AO	1	40'	0.84	\$14,122.14
1009422	AO	2	40'	0.84	\$14,122.14
1009423	AO	3	40'	0.84	\$14,122.14
1009424	AO	4	40'	0.84	\$14,122.14
1009425	AO	5	40'	0.84	\$14,122.14
1009426	AO	6	40'	0.84	\$14,122.14

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009427	AO	7	40'	0.84	\$14,122.14
1009428	AO	8	40'	0.84	\$14,122.14
1009429	AO	9	40'	0.84	\$14,122.14
1009430	AO	10	40'	0.84	\$14,122.14
1009431	AO	11	40'	0.84	\$14,122.14
1009353	AO	12	40'	0.84	\$14,122.14
1009354	AO	13	40'	0.84	\$14,122.14
1009355	AO	14	40'	0.84	\$14,122.14
1009356	AO	15	40'	0.84	\$14,122.14
1009357	AO	16	40'	0.84	\$14,122.14
1009358	AO	17	40'	0.84	\$14,122.14
1009359	AO	18	40'	0.84	\$14,122.14
1009360	AO	19	40'	0.84	\$14,122.14
1009361	AO	20	40'	0.84	\$14,122.14
1009362	AO	21	40'	0.84	\$14,122.14
1009363	AO	22	40'	0.84	\$14,122.14
1009364	AO	23	40'	0.84	\$14,122.14
1009456	AO	1-HOA	HOA	0.00	\$0.00
1009296	AP	1	30'	0.79	\$13,281.54
1009297	AP	2	30'	0.79	\$13,281.54
1009298	AP	3	30'	0.79	\$13,281.54
1009299	AP	4	30'	0.79	\$13,281.54
1009300	AP	5	30'	0.79	\$13,281.54
1009301	AP	6	30'	0.79	\$13,281.54
1009302	AP	7	30'	0.79	\$13,281.54
1009303	AP	8	30'	0.79	\$13,281.54
1009304	AP	9	30'	0.79	\$13,281.54
1009305	AP	10	30'	0.79	\$13,281.54
1009306	AP	11	30'	0.79	\$13,281.54
1009307	AP	12	30'	0.79	\$13,281.54
1009308	AP	13	30'	0.79	\$13,281.54
1009309	AP	14	30'	0.79	\$13,281.54
1009310	AP	15	30'	0.79	\$13,281.54
1009311	AP	16	30'	0.79	\$13,281.54
1009312	AP	17	30'	0.79	\$13,281.54
1009313	AP	18	30'	0.79	\$13,281.54
1009314	AP	19	30'	0.79	\$13,281.54
1009329	AP	20	30'	0.79	\$13,281.54
1009330	AP	21	30'	0.79	\$13,281.54
1009331	AP	22	30'	0.79	\$13,281.54

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009332	AP	23	30'	0.79	\$13,281.54
1009333	AP	24	30'	0.79	\$13,281.54
1009334	AP	25	30'	0.79	\$13,281.54
1009335	AP	26	30'	0.79	\$13,281.54
1009336	AP	27	30'	0.79	\$13,281.54
1009337	AP	28	30'	0.79	\$13,281.54
1009338	AP	29	30'	0.79	\$13,281.54
1009339	AP	30	30'	0.79	\$13,281.54
1009340	AP	31	30'	0.79	\$13,281.54
1009457	AP	1-HOA	HOA	0.00	\$0.00
1009458	AP	2-HOA	HOA	0.00	\$0.00
1009365	AQ	1	30'	0.79	\$13,281.54
1009366	AQ	2	30'	0.79	\$13,281.54
1009367	AQ	3	30'	0.79	\$13,281.54
1009368	AQ	4	30'	0.79	\$13,281.54
1009369	AQ	5	30'	0.79	\$13,281.54
1009370	AQ	6	30'	0.79	\$13,281.54
1009371	AQ	7	30'	0.79	\$13,281.54
1009372	AQ	8	30'	0.79	\$13,281.54
1009373	AQ	9	30'	0.79	\$13,281.54
1009374	AQ	10	30'	0.79	\$13,281.54
1009375	AQ	11	30'	0.79	\$13,281.54
1009459	AQ	1-HOA	HOA	0.00	\$0.00
1009376	AR	1	30'	0.79	\$13,281.54
1009377	AR	2	30'	0.79	\$13,281.54
1009378	AR	3	30'	0.79	\$13,281.54
1009379	AR	4	30'	0.79	\$13,281.54
1009380	AR	5	30'	0.79	\$13,281.54
1009381	AR	6	30'	0.79	\$13,281.54
1009382	AR	7	30'	0.79	\$13,281.54
1009383	AR	8	30'	0.79	\$13,281.54
1009384	AR	9	30'	0.79	\$13,281.54
1009385	AR	10	30'	0.79	\$13,281.54
1009386	AR	11	30'	0.79	\$13,281.54
1009387	AR	12	30'	0.79	\$13,281.54
1009388	AR	13	30'	0.79	\$13,281.54
1009389	AR	14	30'	0.79	\$13,281.54
1009390	AR	15	30'	0.79	\$13,281.54
1009391	AR	16	30'	0.79	\$13,281.54
1009392	AR	17	30'	0.79	\$13,281.54

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009393	AR	18	30'	0.79	\$13,281.54
1009394	AR	19	30'	0.79	\$13,281.54
1009395	AR	20	30'	0.79	\$13,281.54
1009396	AR	21	30'	0.79	\$13,281.54
1009397	AR	22	30'	0.79	\$13,281.54
1009398	AS	1	30'	0.79	\$13,281.54
1009399	AS	2	30'	0.79	\$13,281.54
1009400	AS	3	30'	0.79	\$13,281.54
1009401	AS	4	30'	0.79	\$13,281.54
1009402	AS	5	30'	0.79	\$13,281.54
1009403	AS	6	30'	0.79	\$13,281.54
1009404	AS	7	30'	0.79	\$13,281.54
1009405	AS	8	30'	0.79	\$13,281.54
1009406	AS	9	30'	0.79	\$13,281.54
1009407	AS	10	30'	0.79	\$13,281.54
1009408	AS	11	30'	0.79	\$13,281.54
1009409	AS	12	30'	0.79	\$13,281.54
1009410	AS	13	30'	0.79	\$13,281.54
1009411	AS	14	30'	0.79	\$13,281.54
1009412	AS	15	30'	0.79	\$13,281.54
1009413	AS	16	30'	0.79	\$13,281.54
1009414	AS	17	30'	0.79	\$13,281.54
1009415	AS	18	30'	0.79	\$13,281.54
1009416	AS	19	30'	0.79	\$13,281.54
1009417	AS	20	30'	0.79	\$13,281.54
1009418	AS	21	30'	0.79	\$13,281.54
1009419	AS	22	30'	0.79	\$13,281.54
1009277	AT	1	30'	0.79	\$13,281.54
1009278	AT	2	30'	0.79	\$13,281.54
1009279	AT	3	30'	0.79	\$13,281.54
1009280	AT	4	30'	0.79	\$13,281.54
1009281	AT	5	30'	0.79	\$13,281.54
1009282	AT	6	30'	0.79	\$13,281.54
1009283	AT	7	30'	0.79	\$13,281.54
1009284	AT	8	30'	0.79	\$13,281.54
1009285	AT	9	30'	0.79	\$13,281.54
1009286	AT	10	30'	0.79	\$13,281.54
1009287	AT	11	30'	0.79	\$13,281.54
1009288	AT	12	30'	0.79	\$13,281.54
1009289	AT	13	30'	0.79	\$13,281.54

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009290	AT	14	30'	0.79	\$13,281.54
1009291	AT	15	30'	0.79	\$13,281.54
1009292	AT	16	30'	0.79	\$13,281.54
1009293	AT	17	30'	0.79	\$13,281.54
1009294	AT	18	30'	0.79	\$13,281.54
1009295	AT	19	30'	0.79	\$13,281.54
1009255	AT	20	30'	0.79	\$13,281.54
1009256	AT	21	30'	0.79	\$13,281.54
1009257	AT	22	30'	0.79	\$13,281.54
1009258	AT	23	30'	0.79	\$13,281.54
1009259	AT	24	30'	0.79	\$13,281.54
1009260	AT	25	30'	0.79	\$13,281.54
1009261	AT	26	30'	0.79	\$13,281.54
1009262	AT	27	30'	0.79	\$13,281.54
1009263	AT	28	30'	0.79	\$13,281.54
1009264	AT	29	30'	0.79	\$13,281.54
1009265	AT	30	30'	0.79	\$13,281.54
1009266	AT	31	30'	0.79	\$13,281.54
1009267	AT	32	30'	0.79	\$13,281.54
1009268	AT	33	30'	0.79	\$13,281.54
1009269	AT	34	30'	0.79	\$13,281.54
1009270	AT	35	30'	0.79	\$13,281.54
1009271	AT	36	30'	0.79	\$13,281.54
1009272	AT	37	30'	0.79	\$13,281.54
1009273	AT	38	30'	0.79	\$13,281.54
1009274	AT	39	30'	0.79	\$13,281.54
1009275	AT	40	30'	0.79	\$13,281.54
1009460	AT	1-HOA	HOA	0.00	\$0.00
1009232	AU	1	30'	0.79	\$13,281.54
1009233	AU	2	30'	0.79	\$13,281.54
1009234	AU	3	30'	0.79	\$13,281.54
1009235	AU	4	30'	0.79	\$13,281.54
1009236	AU	5	30'	0.79	\$13,281.54
1009237	AU	6	30'	0.79	\$13,281.54
1009238	AU	7	30'	0.79	\$13,281.54
1009239	AU	8	30'	0.79	\$13,281.54
1009240	AU	9	30'	0.79	\$13,281.54
1009241	AU	10	30'	0.79	\$13,281.54
1009242	AU	11	30'	0.79	\$13,281.54
1009243	AU	12	30'	0.79	\$13,281.54

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
1009244	AU	13	30'	0.79	\$13,281.54
1009245	AU	14	30'	0.79	\$13,281.54
1009246	AU	15	30'	0.79	\$13,281.54
1009247	AU	16	30'	0.79	\$13,281.54
1009248	AU	17	30'	0.79	\$13,281.54
1009249	AU	18	30'	0.79	\$13,281.54
1009250	AU	19	30'	0.79	\$13,281.54
1009251	AU	20	30'	0.79	\$13,281.54
1009252	AU	21	30'	0.79	\$13,281.54
1009253	AU	22	30'	0.79	\$13,281.54
1009254	AU	23	30'	0.79	\$13,281.54
1009180	AU	24	30'	0.79	\$13,281.54
1009181	AU	25	30'	0.79	\$13,281.54
1009182	AU	26	30'	0.79	\$13,281.54
1009183	AU	27	30'	0.79	\$13,281.54
1009184	AU	28	30'	0.79	\$13,281.54
1009185	AU	29	30'	0.79	\$13,281.54
1009186	AU	30	30'	0.79	\$13,281.54
1009187	AU	31	30'	0.79	\$13,281.54
1009188	AU	32	30'	0.79	\$13,281.54
1009189	AU	33	30'	0.79	\$13,281.54
1009190	AU	34	30'	0.79	\$13,281.54
1009191	AU	35	30'	0.79	\$13,281.54
1009192	AU	36	30'	0.79	\$13,281.54
1009193	AU	37	30'	0.79	\$13,281.54
1009194	AU	38	30'	0.79	\$13,281.54
1009195	AU	39	30'	0.79	\$13,281.54
1009196	AU	40	30'	0.79	\$13,281.54
1009197	AU	41	30'	0.79	\$13,281.54
1009198	AU	42	30'	0.79	\$13,281.54
1009199	AU	43	30'	0.79	\$13,281.54
1009200	AU	44	30'	0.79	\$13,281.54
1009201	AU	45	30'	0.79	\$13,281.54
1009202	AU	46	30'	0.79	\$13,281.54
1009203	AU	47	30'	0.79	\$13,281.54
1009204	AU	48	30'	0.79	\$13,281.54
1009205	AU	49	30'	0.79	\$13,281.54
1009206	AU	50	30'	0.79	\$13,281.54
1009207	AU	51	30'	0.79	\$13,281.54
1009461	AU	1-HOA	HOA	0.00	\$0.00

Appendix G-2
Improvement Area #1 Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
Total		455		389.72	\$6,552,000.00

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

August 29, 2024

Town of Providence Village, Texas
1755 Main Street
Providence Village, Texas 76227

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

**TOWN OF PROVIDENCE VILLAGE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)
IN THE ORIGINAL PRINCIPAL AMOUNT OF \$ _____**

We have acted as “Bond Counsel” to the Town of Providence Village, Texas (the “Town”) in connection with the issuance of the bonds described above (the “Bonds”) to finance improvements in Improvement Area #1 of the Foree Ranch Public Improvement District (the “PID”) for the sole purpose of providing legal advice and traditional legal services to the Town including rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Town or the disclosure thereof in connection with the sale of the Bonds. We have relied solely on information and certifications furnished to us by the Town with respect to the current outstanding indebtedness of the Town and the adequacy of the “Trust Estate” described in the Indenture (as defined below), for payment of the Bonds.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds that contains certified copies of certain proceedings of the Town Council of the Town (the “Council”); an ordinance of the Council authorizing the Bonds adopted on August 6, 2024 (the “Ordinance”); the Indenture of Trust dated as of August 1, 2024, between the Town and U.S. Bank Trust Company, National Association (the “Indenture”); the Bond Purchase Agreement dated _____, 2024 between the underwriter named therein and the Town; the approving opinion of the Attorney General of the State of Texas; customary certificates of officers, agents, and representatives of the Town (including a “Federal Tax Certificate”), and other public officials; and other documents relating to the issuance of the Bonds. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service (the “Service”) as we have deemed relevant. We have examined the executed Bond No. T-1.

Based on said examination and in accordance with customary legal practice, it is our opinion that:

1. The Town is a validly existing municipal corporation of the State of Texas with power to adopt the Ordinance, perform its agreements therein, and issue the Bonds.
2. The Bonds have been authorized, sold, and delivered in accordance with law.
3. The Bonds constitute valid and legally binding obligations of the Town enforceable in accordance with their terms except as the enforceability thereof may be limited by principles of sovereign immunity and bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors' rights generally.
4. The Bonds are obligations of the Town secured solely by the special assessments collected on the subject property within the PID. The Town is obligated to levy and collect special assessments upon certain parcels within the PID pursuant to the Assessment Roll and Service and Assessment Plan of the PID which special assessments shall be used to pay principal of and interest on the Bonds.
5. Interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest may be taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

We call your attention to the fact that the ownership of obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

The Service has an ongoing audit program to determine compliance with rules relating to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit is commenced, under current procedures, the Service would treat the Town as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. We observe that the Town 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.

In rendering these opinions, we have relied upon representations and certifications of the Town, the Town's financial advisor, and the underwriter of the Bonds with respect to matters solely within the knowledge of such parties, respectively, which we have not independently verified, and we assume continuing compliance by the Town with covenants pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. If such representations and certifications are determined to be inaccurate or incomplete, or the Town fails to comply with the foregoing covenants, interest on the Bonds could become includable in gross income

retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Bonds.

The opinions set forth above are based on existing laws of the United States (including statutes, regulations, published rulings, and court decisions) and the State of Texas, which are 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based on our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Limited Offering Memorandum relating to the Bonds, the sufficiency of the security for, or the marketability of the Bonds.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed therein and is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. In rendering a legal opinion, we do 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 our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

**TOWN OF PROVIDENCE VILLAGE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of August 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among the Town of Providence Village, Texas (the “Issuer”), MuniCap, Inc., (as more fully defined herein, the “Administrator”) and U.S. Bank Trust Company, National Association, Dallas, Texas, acting solely in its capacity as dissemination agent (as more fully defined herein, the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (Foree Ranch 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 (as defined below), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected MuniCap, Inc. as the initial Administrator.

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collection Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from

time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and its respective successors and assigns.

“Disclosure Agreement of Developer” shall mean the Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project) Continuing Disclosure Agreement of the Developer dated as of August 1, 2024, executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Administrator 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 U.S. Bank Trust Company, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Foree Ranch Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an Annual Collections Report Filing Date.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the one-year period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Indenture” shall mean the Indenture of Trust dated August 1, 2024, entered into by and between the Issuer and the Trustee.

“Listed Events” shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #1 in accordance with the PID Act

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

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

“Prepayment” shall 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.

“SAP Update” shall have the meaning assigned to such term in Section 4(a)(iii) of this Disclosure Agreement.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Tax Year” means the calendar year or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“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 Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements.

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual

Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information.* The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) for the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the aggregate principal amount Outstanding and the total interest amount due on aggregate principal amount Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) the assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a “SAP Update”).

(iv) Until certificates of occupancy (“COs”) have been issued (or, if COs are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within Improvement Area #1, the Annual Financial Information (in the SAP Update or otherwise) shall include the following:

(A) the number of COs issued for new homes completed in Improvement Area #1 during such Fiscal Year; and

(B) the aggregate number of COs issued for new homes completed within Improvement Area #1 since filing the initial Annual Financial Information for Fiscal Year ended September 30, 2024.

(v) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant. If the audited financial statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Annual Financials Filing Date and audited financial statements as described in the preceding sentence when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. The Issuer has designated MuniCap, Inc., as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer’s staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Financial Information, if such Annual Collections Report is available when the Annual Financial Information is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to

the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer 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(a), each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within Improvement Area #1 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 the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination

Agent to disseminate the information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a

successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be U.S. Bank Trust Company, National Association, Dallas, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5 or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the Fiscal Year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including

any other information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer, and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) 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 Administrative Expenses 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 resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with Section 3(a) and 3(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer

contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Administrative Expenses 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 their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC

PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or 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 Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the 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 respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Disclosure Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

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

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business

entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Denton County, 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.

(Signature pages follow)

TOWN OF PROVIDENCE VILLAGE, TEXAS
(as Issuer)

By: _____
Town Manager

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
(as Dissemination Agent)

By: _____
Authorized Officer

MUNICAP, INC.
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL
STATEMENTS][ANNUAL COLLECTIONS REPORT]**

Name of Issuer: Town of Providence Village, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(Foree Ranch Public Improvement District Improvement Area #1
Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the Town of Providence Village, Texas, has not provided [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] for fiscal year ended _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of August 1, 2024, by and among the Issuer, MuniCap, Inc., as the “Administrator,” and U.S. Bank Trust Company, National Association, as “Dissemination Agent.” The Issuer anticipates that [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] will be filed by _____.

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
on behalf of the Town of Providence Village,
Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: Town of Providence Village, Texas

EXHIBIT B

**TOWN OF PROVIDENCE VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL FINANCIAL INFORMATION¹

Delivery Date: _____, 20__

CUSIP NOs: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: U.S. Bank Trust Company, National Association
Address: 13737 Noel Road, Suite 800
City: Dallas, Texas
Telephone:
Contact Person: Attn: Brian Jensen

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

¹ Excluding Annual Financial Statements of the Issuer.

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[] Trust Statements: Audited Unaudited

Accounting Type: Cash Accrual Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

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

Top [Five] Assessment Payers in Improvement Area #1⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of Parcels/Lots</u>	<u>Outstanding Assessments</u>	<u>Percentage of Total Assessments</u>
-----------------------	----------------------------	---------------------------------------	------------------------------------	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

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 Denton Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Assessments Collected⁽²⁾</u>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTIONS 4(a)(iii) – (v) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO TOWN OF PROVIDENCE VILLAGE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (FOREE RANCH PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

[Insert a line item for each applicable listing]

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

EXHIBIT C

**TOWN OF PROVIDENCE VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: U.S. Bank Trust Company, National Association
Address: 13737 Noel Road, Suite 800
City: Dallas, Texas
Telephone:
Contact Person: Attn: Brian Jensen

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
COLLECTION OF THE ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SECTION 5(A) OF THE CONTINUING DISCLOSURE
AGREEMENT OF ISSUER RELATING TO TOWN OF PROVIDENCE VILLAGE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (FOREE RANCH PUBLIC
IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)**

Foreclosure History Related To The Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Annual Installment Amount in Foreclosure <u>Proceedings</u>	Foreclosure <u>Sales</u>	Foreclosure Proceeds <u>Received</u>
20	\$		\$		\$

(i) Period covered includes October 1, 20__ through March 1, 20__.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

Collection and Delinquency Annual Installments⁽¹⁾

Succeeding Fiscal Year 20__	Total Annual Installment <u>Levied</u> \$	Parcels <u>Levied</u> ⁽²⁾	Delinquent Amount as <u>of 3/1</u> \$	Delinquent <u>% as of 3/1</u> %	Total Annual Installments <u>Collected</u> ⁽³⁾ \$
--------------------------------	---	---	---	---------------------------------------	--

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments⁽¹⁾

Succeeding <u>Fiscal Year</u>	Number of <u>Prepayments</u>	Amount of <u>Prepayments</u> \$	<u>Bond Call Date</u>	Amount of Bonds <u>Redeemed</u> \$
----------------------------------	---------------------------------	---------------------------------------	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.

Issuer and/or Administrator should be aware of actual and specific delinquencies

Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.**

Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.

At this point, if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the Town Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of**

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the “Code”), and the Denton County Tax Assessor-Collector’s procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

foreclosure, in accordance with the Denton County Tax Assessor-Collector's procedures².

If there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Denton County Tax Assessor-Collector procedures².

March 15

43/44

Trustee pays Bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Denton County Tax Assessor-Collector procedures².

Preliminary Foreclosure activity commences, in accordance with the Denton County Tax Assessor-Collector procedures², and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

² If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Trustee requests that the Issuer commence foreclosure or provide plan for collection and deliver such plan to the Dissemination Agent.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court, in accordance with the Denton County Tax Assessor-Collector procedures³.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Town Manager, Assistant Town Manager or the Finance Administrator 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 Annual Installments of Assessments.

³ If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

**TOWN OF PROVIDENCE VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER

This Continuing Disclosure Agreement of the Developer dated as of August 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”), MuniCap, Inc. (the “Administrator”), and U.S. Bank Trust Company, National Association, Dallas, Texas (in such capacity, and as more fully defined herein, the “Dissemination Agent”) with respect to the “Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined herein) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined herein) or the SEC (defined herein), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined herein).

SECTION 2. Definitions. In addition to the definitions set forth above and those in the Indenture (as defined below), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Additional Improvements” shall mean, collectively, the Ball Field, the Bridge, and the Running Branch Trail, all as defined in the Development Agreement, to be constructed by the Developer within the District and to be owned and operated by the Issuer.

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected MuniCap, Inc. as the initial Administrator.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessed Parcel” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, as listed in the Service and Assessment Plan.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, including its respective affiliates, successors and assigns.

“Development Agreement” shall mean that certain “Development Agreement” by and between the Developer and the Issuer, related to the property within the District, and effective as of November 30, 2021, as amended.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of the Issuer” shall mean the Town of Providence Village, Texas Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project) Continuing Disclosure Agreement of the Issuer dated as of August 1, 2024 executed and delivered by and among the Issuer, the Administrator and U.S. Bank Trust Company, National Association, Dallas, Texas, acting solely in its capacity as dissemination agent thereunder.

“Dissemination Agent” shall mean U.S. Bank Trust Company, National Association, Dallas, Texas, 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 Foree Ranch Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“HOA Amenities” shall mean, collectively, the Primary Amenity Center, Secondary Amenity Center, Amphitheater, Fishing Pond, Calf Roping Park and the remaining portions of the trails depicted on the Open Space and Trail Plan other than Running Branch Trail, all as defined and described in the Development Agreement, to be constructed by the Developer within the District and to be owned and operated by a homeowners’ association.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer and/or another merchant homebuilder, and the affiliates and/or 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 Improvements” means the Authorized Improvements which only benefit property within Improvement Area #1 of the District, as described and depicted in the Service and Assessment Plan.

“Indenture” shall mean the Indenture of Trust dated August 1, 2024 entered into by and between the Issuer and the Trustee.

“Issuer” shall mean the Town of Providence Village, 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, any lot purchase and sale agreement between one or more Homebuilders and/or the Developer to purchase lots or to purchase land intended for single family residential development and use, including detached or attached single family homes or townhomes.

“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.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“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 May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilders who have acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns five percent (5%) 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, with respect to Improvement Area #1 and all real property in Improvement Area #1 (except as provided in the last sentence of this subsection (a)), and any other 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 December 31, 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 so 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. The Developer agrees that each Lot Purchase Agreement that is executed with a Homebuilder after the date hereof will contain a provision obligating the applicable Homebuilder to provide the Developer the information required by Section 3(d) as and when required for the Developer to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. 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 Quarterly 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 occurrences 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 an Assessed Parcel within Improvement Area #1 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 4(a) 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 Improvement Area #1 Improvements, Additional Improvements and HOA 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 the 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 the 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 material change in the legal structure, chief executive officer or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 or 6 herein; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(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 Series 2024 Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a lot or Assessed Parcel within Improvement Area #1 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 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of such Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any material change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a 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 Reporting Party, 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 subsection (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, unless an affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements, Additional Improvements or the HOA Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person, unless an affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements, Additional Improvements or the HOA 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 assigned construction of the Improvement Area #1 Improvements, Additional Improvements or the HOA Amenities. Notwithstanding anything to the contrary elsewhere herein, after such assignment, 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 having the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements, Additional Improvements or the HOA Amenities in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilders.

(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 Sections 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 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 (a)(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 F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) 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. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer, including its respective affiliates and/or successors and assigns, no longer owns five percent (5%) or more of the single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Assessed Parcel within Improvement Area #1 owned by the Developer, including its respective affiliates and/or successors and assigns. Notwithstanding the

foregoing, if the Developer is reporting on behalf of a Significant Homebuilder, the Developer's reporting obligations, with respect to the property owned by the Significant Homebuilder, terminates in accordance with subsection (b) below.

(b) The reporting obligations of a Significant Homebuilder that is a Reporting Party, if any, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when such Significant Homebuilder, including its respective affiliates and/or successors and assigns, no longer owns five percent (5%) or more of the single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Assessed Parcel within Improvement Area #1 owned by such Significant Homebuilder, including its respective affiliates and/or successors and assigns.

(c) 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) or (b), as applicable, 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.

(d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b) of this Section 7 and any Termination Notice required by subsection (c) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be U.S. Bank Trust Company, National Association, Dallas, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of the Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the 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 Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no

Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made by a Reporting Party and/or the Administrator pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) 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 OTHER REPORTING PARTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A REPORTING PARTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds

to be provided from the Administrative Expenses 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 Administrative Expenses and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of 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. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer:

Lennar Homes of Texas Land and
Construction, Ltd.,
Attn: Greg Urech
1707 Market Place Blvd, Ste 100
Irving, TX 75063
E-mail: greg.urech@lennar.com

If to the Dissemination Agent or
Trustee:

U.S. Bank Trust Company, National
Association
13737 Noel Road, Suite 800
Dallas, Texas 75240
E-mail: brian.jensen@usbank.com

If to Administrator:

MuniCap, Inc.
600 E. John Carpenter Freeway, Suite
150
Irving, TX 75062
Email: TXPID@municap.com

If to the Issuer: Town of Providence Village, Texas
Attn: Finance Administrator
1755 Main Street
Providence Village, Texas 76227
E-mail: jenny.sawyers@pvtx.gov

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: tdavenport@fmsbonds.com

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.
a Texas limited partnership
(as Developer)

By: _____
Name: _____
Its: _____

MUNICAP, INC.

(as Administrator)

By: _____
Name: _____
Title: _____

EXHIBIT A

**TOWN OF PROVIDENCE VILLAGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(FOREE RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

**DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]**

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: U.S. Bank Trust Company, National Association
Address: 13737 Noel Road, Suite 800
City: Dallas, Texas 75240
Telephone: [_____]
Contact Person: Attn: Brian Jensen

I. Unit Mix in Improvement Area #1

Product Type	Number of Units
Lot Type 1 – Single Family 50’	105
Lot Type 2 – Single Family 45’	49
Lot Type 3 – Single Family 40’	86
Lot Type 4 – Single Family 30’	215

II. Ownership of Lots/Units in Improvement Area #1

PLANNED LOTS IN IMPROVEMENT AREA #1: [_____]

Of the [_____] lots in Improvement Area #1:

1. Number of lots owned by the Developer: [_____]
 - a. Number of lots under contract but not closed to Homebuilder(s) [_____]
2. Number of lots owned by all Homebuilder(s): [_____]
 - a. Number of lots owned by [insert name of Homebuilder]: [_____]*
 - b. Number of lots owned by [insert name of Homebuilder]: [_____]

* Include a line item for each individual Homebuilder.

c. CHART**

3. Number of units owned by homeowners: [_____]

III. Lot Status in Improvement Area #1

Of the lots in Improvement Area #1, status:

1. Planned lots as of the date of issuance of the Bonds: [_____]
2. If different from (1), Planned lots as of the date of this Quarterly Report: [_____]
3. Number of Lots developed: [_____]
4. Expected completion date of all lots in Improvement Area #1 (if incomplete):
[_____]

IV. Home Sales Information in Improvement Area #1

PLANNED HOMES IN IMPROVEMENT AREA #1: [_____]

Of the [_____] homes planned for Improvement Area #1:

2. 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*]: [_____]*
 - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [_____]*
3. 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*]: [_____]*
 - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [_____]*
4. How many total homes have closed with homebuyers **cumulatively**? [_____]
 - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [_____]*
 - b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [_____]*

** 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.

* Include a line item for each individual Homebuilder.

V. Expenditures Paid from Accounts under Indenture

1. Total Budgeted Costs for Improvement Area #1 Improvements:
 - a. Improvement Area #1 Improvement Account \$[_____]
2. Of the total budgeted costs, the total amount drawn from the Improvements Accounts:
 - a. Improvement Area #1 Improvement Account \$[_____]

VI. Status of Improvements in Improvement Area #1

1. Actual/Excepted date of completion of the Improvement Area #1 Improvements:
[_____]
2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed:

VII. Additional Improvements and HOA Amenities

TOTAL EXPECTED/ACTUAL COSTS OF ADDITIONAL IMPROVEMENTS**:
\$[_____]

Of the \$[_____] [expected/actual] costs of the Additional Improvements:

1. Amount spent as of Quarterly Ending Date: \$[_____]
- [Actual/Expected] completion date of Additional Improvements: [_____]

TOTAL EXPECTED/ACTUAL COSTS OF HOA AMENITIES***: \$[_____]

Of the \$[_____] [expected/actual] costs of the HOA Amenities:

2. Amount spent as of Quarterly Ending Date: \$[_____]
3. [Actual/Expected] completion date of HOA 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.

** Additional Improvements expected to consist a baseball field and a bridge to serve the District.

*** HOA Amenities expected to consist of, among other things, a primary amenity center, a secondary amenity center, an amphitheater, a fishing pond, a calf roping park and parks and trails to serve the District.

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 Acknowledgment pursuant to the Disclosure Agreement?
5. **Completion Agreement** – Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #1 Improvements pursuant to the terms of a Completion Agreement? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #1 Improvements. If the Developer has completed the Improvement Area #1 Improvements, please attach the Completion Agreement Release (as defined in the related Completion Agreement).
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.

[Remainder of page intentionally left blank]

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: Town of Providence Village, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(Foree Ranch 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 [“Developer¹”] [“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 the Developer
dated as of August 1, 2024, by and among Lennar Homes of Texas Land and Construction, Ltd.,
a Texas limited partnership (the “Developer”), MuniCap, Inc., as the “Administrator” and U.S.
Bank Trust Company, National Association, Dallas, Texas as the “Dissemination Agent.” The
[Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly
Report] will be [provided][filed] by _____.

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
on behalf of the Developer
(acting solely in its capacity as
Dissemination Agent)

By: _____

Title: _____

cc: Town of Providence Village, Texas

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: Town of Providence Village, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
 (Foree Ranch Public Improvement District Improvement Area #1
 Project) (the "Bonds")
 CUSIP Numbers: [insert CUSIP Numbers]
 Date of Delivery: _____, 20__

FMSbonds, Inc. Lennar Homes of Texas Land and Construction, Ltd.
 5 Cowboys Way, Suite 300-25 [_____] [_____]
 Frisco, Texas 75034 [_____] [_____]

Town of Providence Village, Texas U.S. Bank Trust Company, Nation Association
 1755 Main St., Attn: Brian Jensen
 Providence Village, Texas 76227 13737 Noel Road, Suite 800
 Dallas, Texas 75240

[Insert Significant Homebuilder
Contact Information]

NOTICE IS HEREBY GIVEN that that _____, a
 _____ (the ["Developer"¹] ["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 the Developer dated as of August 1, 2024, by and among Lennar Homes of Texas
 Land and Construction, Ltd., a Texas limited partnership (the "Developer"), MuniCap, Inc., as the
 "Administrator" and U.S. Bank Trust Company, National Association, as the "Dissemination
 Agent."

Dated: _____

MuniCap, Inc.
 on behalf of the [Developer] [Significant Homebuilder]
 (solely in its capacity as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: Town of Providence Village, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(Foree Ranch Public Improvement District Improvement Area #1
Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Foree Ranch Public Improvement District Improvement Area #1 Project

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Developer dated as of August 1, 2024 by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”), MuniCap, Inc., as the “Administrator”, and U.S. Bank Trust Company, National Association, as the “Dissemination Agent,” this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by 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.

**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.,**
a Texas limited partnership
(as Developer)

By: _____
Name: _____
Its: _____

OR

[SIGNIFICANT HOMEBUILDER]
(as Significant Homebuilder)
By: _____
Title: _____]

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Foree Ranch 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 Improvements, Additional Improvements or HOA Amenities (each as defined in the Disclosure Agreement of the Developer) within the Foree Ranch Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer dated as of August 1, 2024 (the “Disclosure Agreement of the Developer”) by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”), MuniCap, Inc. (the “Administrator”), and U.S. Bank Trust Company, National Association (the “Dissemination Agent”) with respect to the “Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch 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 Improvements, Additional Improvements or HOA Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of the Developer, you acknowledge and assume the reporting obligations under Sections 3 and 4(a) of the Disclosure Agreement of the Developer for the construction of the Improvement Area #1 Improvements, Additional Improvements or HOA Amenities as detailed in the Disclosure Agreement of the Developer, which is included herewith.

Sincerely,

Lennar Homes of Texas Land and Construction, Ltd.,
a Texas limited partnership

By: _____

Name: _____

Title: _____

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: Foree Ranch Public Improvement District Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1 of the Foree Ranch Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer dated as of August 1, 2024 (the “Disclosure Agreement of the Developer”) by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”), MuniCap, Inc. (the “Administrator”), and U.S. Bank Trust Company, National Association (the “Dissemination Agent”) with respect to the “Town of Providence Village, Texas, Special Assessment Revenue Bonds, Series 2024 (Foree Ranch Public Improvement District Improvement Area #1 Project),” any entity that owns five percent (5%) 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, you acknowledge and assume the reporting obligations under Sections 3 and 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.,**
a Texas limited partnership
(as Developer)

By: _____

Name: _____

Its: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F
REIMBURSEMENT AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

**AMENDED AND RESTATED
REIMBURSEMENT AGREEMENT
Foree Ranch Public Improvement District**

This Amended and Restated Reimbursement Agreement (this “Agreement”) is entered into by LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership (“Developer”), and the TOWN OF PROVIDENCE VILLAGE, TEXAS (the “Town”), effective as of July 2, 2024 (the “Effective Date”) in relation to the Foree Ranch Public Improvement District (the “PID”). Developer and the Town are individually referred to herein as a “Party” and collectively as the “Parties.”

**SECTION 1.
RECITALS**

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to “sections” shall mean sections of this Agreement; (2) all references to “exhibits” shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to “ordinances” or “resolutions” shall mean ordinances or resolutions adopted by the Town Council;

1.3 WHEREAS, Developer and the Town have entered into a Development Agreement, effective as of November 30, 2021, relating to the development of the property within the PID and the financing of public improvements within the PID;

1.4 WHEREAS, the Town Council has approved a PID Creation Resolution authorizing the creation of the PID pursuant to the authority of the Act dated September 6, 2022, covering approximately 419.04 contiguous acres within the Town’s corporate limits;

1.5 WHEREAS, prior to the issuance of PID Bonds, Developer has paid and may continue to pay for the Actual Costs of the PID Projects benefitting the property within the PID;

1.6 WHEREAS, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act;

1.7 WHEREAS, the recitals: (a) are part of this Agreement for all purposes; (b) are true and correct; and (c) each Party has relied upon such recitals in entering into this Agreement; and

1.8 WHEREAS, The Town and the Developer have entered into the Reimbursement Agreement (the “Original Agreement”) dated as of December 19, 2023 (the “Original Effective Date”);

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth herein, the Parties agree as follows:

SECTION 2.
DEFINITIONS

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

“Actual Cost(s)” means with respect to PID Projects, the actual costs paid or incurred by or on behalf of the Developer, including: (1) the costs incurred by the Developer, or on behalf of the Developer (either directly or through affiliates) or the Town for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such PID Projects; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such PID Projects; (3) 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; (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 PID Projects; (5) all related permitting, and public approval expenses, architectural, engineering, legal and consulting fees, and governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities. Actual Costs refers to the PID Project costs actually incurred.

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the operation of the PID, including, but not limited to, costs and expenses for: (1) the PID administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the Town; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and annual service plan updates; (5) paying and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the Act with respect to the PID Bonds, including the Town’s continuing disclosure and arbitrage rebate 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 Installment” means the annual installment payment of an Assessment, as calculated by the PID administrator and approved by the Town Council, that includes: (1) principal; (2) interest; and (3) Annual Collection Costs.

“Assessed Parcel(s)” means any parcel within the PID against which an Assessment is levied.

“Assessment(s)” means an assessment levied against Assessed Parcels pursuant to the provisions of the Act for payment of PID Project Costs, including the payment of PID Bonds and obligations under this Agreement.

“Assessment Ordinance” means the ordinance(s) adopted by the Town Council levying Assessments on an Assessed Parcel within the PID to pay PID Project Costs, PID Bonds and obligations under this Agreement.

“Assessment Revenue” means the revenues received by the Town from the collection of

Assessments, including Prepayments, Annual Installments, and Foreclosure Proceeds.

“Assessment Roll” means any assessment roll for the Assessed Parcel within the District, 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 the issuance of PID Bonds or any annual service plan update.

“Authorized Improvements” means (1) improvements authorized by Section 372.003 of the PID Act, (2) the costs of issuance of the PID Bonds, and (3) the costs of the formation of the PID. Authorized Improvements includes PID Projects.

“Bond Indenture” means the indenture of trust pursuant to which PID Bonds are issued.

“Bond Proceeds” mean the proceeds derived from the issuance and sale of PID Bonds that are deposited into the PID Project Fund and made available to pay PID Project Costs including design, engineering, construction and inspection costs in accordance with this Agreement and any Bond Indenture or SAP.

“Budgeted Cost” means the estimated cost for an Authorized Improvement as provided for in the Service and Assessment Plan.

“Certificate for Payment” means a certificate (substantially in the form of Exhibit A or as attached to the Bond Indenture or as otherwise approved by Developer and the Town Representative) executed by a representative of Developer and approved by the Town Representative, delivered to the Town Representative (and/or, if applicable, to the Trustee named in the Bond Indenture), specifying the work performed and the amount charged (including materials and labor costs) for PID Project Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for Town construction projects and evidence that the PID Projects (or their completed segment(s)) covered by the certificate have been inspected by the Town.

“Closing Disbursement Request” means a request in the form of Exhibit B or as otherwise approved by the Parties and the trustee named in the Bond Indenture.

“Cost Overrun” means, with respect to each Authorized Improvement, the amount of the Actual Cost paid for the Authorized Improvement in excess of the Budgeted Cost for such Authorized Improvement as provided for in the Service and Assessment Plan.

“Default” is defined in Section 4.6.1.

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

“Development Agreement” means that certain Development Agreement, effective as of November 30, 2021, by and between the Developer and the Town.

“Developer Advances” mean monetary advances made by Developer to pay PID Project Costs.

“Developer Continuing Disclosure Agreement” means the Continuing Disclosure Agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

“Failure” is defined in Section 4.6.1.

“Final Completion” means completion of an Authorized Improvement in compliance with existing Town standards for dedication under the Town’s ordinances and the Development Agreement.

“Maturity Date” is the date one year after the final scheduled and non-delinquent Annual Installment is collected.

“PID” means the Foree Ranch Public Improvement District created by the PID Creation Resolution.

“PID Bonds” means the bonds issued pursuant to the provisions of the Act in one or more series to fund PID Project Costs or to reimburse Developer for PID Project Costs.

“PID Creation Resolution” means the resolution passed and approved by the Town Council on September 6, 2022 authorizing the creation of the PID.

“PID Pledged Revenue Fund” means the Pledged Revenue Fund, as defined in the Bond Indenture, established or to be established by the Town (and segregated from all other funds of the Town) into which the Town deposits Assessment Revenue securing PID Bonds issued and still outstanding, as described in the Bond Indenture.

“PID Project Fund” means the Project Fund, as defined in the Bond Indenture, including all accounts created within such fund, established or to be established by the Town (and segregated from all other funds of the Town) into which the Town deposits Bond Proceeds in the amounts and as described in the Bond Indenture.

“PID Reimbursement Fund” means the fund established by the Town under this Agreement (and segregated from all other funds of the Town) into which the Town deposits Assessment Revenue until they are required to be deposited into the PID Pledged Revenue Fund.

“PID Projects” means the public improvements or services to be constructed or acquired by or on behalf of the Developer within the PID and described in the SAP, whether the SAP defines such public improvements or services as PID Projects or utilizes another term.

“PID Project Costs” mean the actual costs of the PID Projects.

“Reimbursement Agreement Balance” is defined in Section 3.3.1.

“Service and Assessment Plan” or “SAP” means the service and assessment plan and any updates thereto approved by the Town Council, prepared in relation to the property within the PID.

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

“Town Representative” means the Mayor or Town Manager of the Town, who are hereby authorized by the Town Council to undertake the actions referenced herein.

“Trustee” is defined in Section 3.5.2.

SECTION 3. FUNDING PROJECT COSTS

3.1 Fund Deposits.

3.1.1 Unless and until PID Bonds are issued, the Town shall bill, collect, and immediately deposit all Assessment Revenue into the PID Reimbursement Fund, which PID Reimbursement Fund is hereby created and established as a fund under this Agreement. After the issuance and delivery of PID Bonds for the PID Projects, the Town shall bill, collect, and immediately deposit all Assessment Revenue in the manner set forth in the Bond Indenture. The Town shall also deposit Bond Proceeds in the manner set forth in the Bond Indenture. Annual Installments shall be billed and collected by the Town (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as the Town ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the Bond Indenture. Funds in the PID Reimbursement Fund shall only be used to pay all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement.

3.1.2 The Town hereby confirms, covenants, and agrees that for so long as amounts are due to Developer under this Agreement and/or for so long as PID Bonds are outstanding, that the Town will do the following in the manner and to the maximum extent permitted by applicable law, subject to any conflicting provisions in the Bond Indenture: (a) take and pursue all actions necessary to cause the Assessments to be levied and collected; (b) take and pursue all actions necessary to cause the liens related to the Assessments to be enforced continuously, including diligently prosecuting an action in district court to foreclose for delinquent or nonpayment of Assessments, including Annual Installments; and (c) take and pursue all actions necessary to cause no reduction, abatement or exemption of the Assessments. Notwithstanding the foregoing, the Town shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding Assessed Parcel. The Town 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 for such purpose on deposit in the PID Reimbursement Fund. Notwithstanding its collection efforts, if the Town fails to receive all or any part of the Assessment Revenue and, as a result, is unable to make transfers from the PID Reimbursement Fund for payments to the Developer as required under this Agreement, such failure and inability shall not constitute a Failure or Default by the Town under this Agreement. The Bond Indenture shall control in the event of any conflicts with this Agreement.

3.2 Payment of PID Project Costs.

3.2.1 Unless or until PID Bonds are issued to pay PID Project Costs, Developer may elect to make Developer Advances to pay such PID Project Costs. Prior to the Town’s

adoption of an ordinance authorizing the issuance of a series of PID Bonds, Developer shall provide evidence of available funds of the Developer or of financial security from the project lender evidencing that sufficient funds are available and reserved for completion of the PID Projects or portion thereof to be funded by PID Bonds. If such evidence of financial security is not available, Developer shall deposit into the PID Project Fund an amount equal to the remaining costs not funded by the PID Bonds necessary to pay PID Project Costs.

3.2.2 Bond Proceeds (i) may be used to construct PID Projects and directly pay PID Project Costs in lieu of Developer Advances and reimbursement and (ii) shall be used in the manner provided in the Bond Indenture. Developer may, but shall not have the obligation, to make Developer Advances, unless the Bond Proceeds on deposit in the PID Project Fund, are insufficient to pay any remaining PID Project Costs, in which case Developer shall make Developer Advances to pay the deficit.

3.2.3 As evidence of Developer Advances required in connection with the issuance of PID Bonds, Developer shall submit to the Town for approval all information related to such costs that would be required by a Closing Disbursement Request at least fifteen (15) business days prior to the closing of the PID Bonds. The Developer shall also make Developer Advances to pay for Cost Overruns (after applying cost savings or reallocation of budget line items to reflect actual costs). Cost Overruns shall be paid in accordance with the Development Agreement. An individual line item exceeding its estimated cost shall not be construed as a Cost Overrun; rather, the cost for each phase within the PID shall be viewed in its entirety. Upon the Final Completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if the Actual Costs of such Authorized Improvement is less than the Budgeted Cost (a "Cost Underrun"), any remaining budgeted cost, as shown in the Service and Assessment Plan, will be available to pay Cost Overruns on any other Authorized Improvement. The Town Representative shall promptly confirm that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the Town Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement. The lack of Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of Developer to pay PID Project Costs.

3.3 Payment of Reimbursement Agreement Balance.

3.3.1 Unless or until PID Bonds are issued, the Town agrees to pay Developer solely from funds on deposit in the PID Reimbursement Fund, and Developer shall be entitled to receive payments from the Town, from such source for amounts shown on each Certificate for Payment (which amounts include only PID Project Costs paid by or at the direction of Developer) (any unpaid amount owed Developer for all Certificates of Payment is referred to as the "Reimbursement Agreement Balance"). Upon the issuance of PID Bonds, the Town agrees to pay Developer first from funds on deposit in the PID Project Fund and then from funds on deposit in the PID Reimbursement Fund, if any; and, notwithstanding anything in this Agreement to the contrary, the maximum amount that Developer may be reimbursed under this Agreement shall be equal to the amount of Bond Proceeds on deposit in the PID Project Fund plus amounts in the PID Reimbursement Fund, if any, plus simple interest on the unpaid principal balance of the

Reimbursement Agreement Balance at a rate not to exceed the rates permitted under subsections (e)(1) and (e)(2) of Section 372.023 of the Act, or if PID Bonds are issued, then the interest rate on the PID Bonds; provided, however, that the interest rate for the unpaid balance of the Reimbursement Agreement Balance as set forth in this paragraph shall not exceed the rates permitted under subsections (e)(1) and (e)(2) of Section 372.023 of the Act. Interest on the unpaid principal balance of the Reimbursement Agreement Balance shall begin to accrue at the Town acceptance of the PID Projects.

3.3.2 The obligation of the Town to pay the Reimbursement Agreement Balance is payable solely from the PID Reimbursement Fund or from Bond Proceeds on deposit in the PID Project Fund. No other Town funds, revenue, taxes, income, or property shall be used. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment. If there is a dispute over the amount of any payment, the Town shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made.

3.4 PID Bonds. The Town, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the Town Council determines it is financially feasible for the purposes of: (a) paying all or a portion of the Reimbursement Agreement Balance; or (b) paying PID Project Costs directly. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the Bond Indenture. Upon the issuance of PID Bonds for such purpose, Developer's right to receive payments each year in accordance herewith shall be subordinate to the deposits required under the Bond Indenture related to any outstanding PID Bonds. The failure of the Town to issue PID Bonds shall not constitute a Failure by the Town or otherwise result in a Default by the Town. Upon the issuance of the PID Bonds, Developer has a duty to construct related PID Projects and shall not be relieved of such duty even if there are insufficient funds in the PID Project Fund to pay PID Project Costs.

3.5 Disbursements and Transfers at and after Bond Closing.

3.5.1 If PID Bonds are issued, the Town will cause the Trustee under the Bond Indenture to pay from the Bond Proceeds at closing of the PID Bonds approved amounts from the appropriate account to the Town, Developer, or their designees, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items for which funds have been expended by Developer and the Town as of the time of the delivery of the PID Bonds. In order to receive such a disbursement, Developer shall execute a Closing Disbursement Request substantially in the form attached hereto as Exhibit B to be delivered to the Town no less than fifteen (15) business days prior to the scheduled closing date for the PID Bonds for payment in accordance with the provisions of the Bond Indenture. In order to receive additional disbursements from the applicable fund under the Bond Indenture, if PID Bonds are issued, or from the PID Reimbursement Fund, Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the Town for payment in accordance with the provisions of the Bond Indenture, if applicable, and/or this Agreement.

3.5.2 Upon receipt of a Certificate for Payment (along with all accompanying documentation reasonably required by the Town) from Developer, the Town shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefor with the terms of this Agreement and any other agreement between the Parties related to property in the PID, and to verify and approve PID Project Costs of such work specified in such Certificate for Payment. The Town shall also conduct such review as is required to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the Town in conducting each such review and to provide the Town with such additional information and documentation as is reasonably necessary for the Town to conclude each such review. Within fifteen (15) business days following receipt of any Certificate for Payment, the Town shall either: (a) approve the Certificate for Payment and (i) forward it to the trustee bank named in the Bond Indenture (the "Trustee") for payment or (ii) pay such amount from the PID Reimbursement Fund; or, (b) provide Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying in detail the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3.2 herein. If PID Bonds are issued, the Town shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment.

3.6 Obligations Limited. The obligations of the Town under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the Town or constitute a debt or other obligation of the Town payable from any source other than the PID Reimbursement Fund or the PID Project Fund. Unless approved by the Town, no other Town funds, revenues, taxes, or income of any kind other than the funds on deposit in the PID Reimbursement Fund or the PID Project Fund shall be used to pay: (a) the PID Project Costs; (b) the Reimbursement Agreement Balance, even if the Reimbursement Agreement Balance is not paid in-full on or before the Maturity Date; or (c) debt service on any PID Bonds. None of the Town or any of its elected or appointed officials or any of its officers, employees, consultants, or representatives shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. If Developer is then in current compliance with its obligations under the Development Agreement, the Developer Continuing Disclosure Agreement if applicable, and this Agreement, and is not delinquent in payment of the Special Assessments and paying property taxes, then following the inspection and approval of any portion of the PID Projects for which Developer seeks reimbursement of the PID Project Costs by submission of a Certificate for Payment or Town approval of a Closing Disbursement Request, the obligations of the Town under this Agreement to pay disbursements (whether to Developer or to any person designated by Developer) identified in any Closing Disbursement Request or in any Certificate for Payment are unconditional and not subject to any defenses or rights of offset except as may be provided in any Bond Indenture.

3.8 Town Delegation of Authority. All PID Projects shall be constructed by or at the direction of Developer in accordance with the Development Agreement and this Agreement and any other applicable agreement between the Parties related to property in the PID. 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 PID Projects in a good and workmanlike 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. Developer has sole responsibility of ensuring that all PID Projects are constructed in a good and workmanlike manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer shall, at all time, employ 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 PID Projects to be acquired and accepted by the Town from Developer. If any PID Projects are or will be on land owned by the Town, the Town hereby grants to Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) thereof. Inspection and acceptance of PID Projects will be in accordance with applicable Town ordinances and regulations.

3.9 Security for PID Projects. The Developer shall provide or cause to be provided a two (2) year maintenance bond relating to the PID Projects. Nothing in this Agreement shall be deemed to prohibit Developer or the Town 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 Developer or the Town with respect thereto so long as such delay in performance shall not subject the PID Projects to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the PID Projects is contested, Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the Town, in an amount reasonably determined by the Town, not to exceed one hundred percent (100%) of the disputed amount.

3.10 Ownership and Transfer of PID Projects. The Developer shall furnish to the Town a preliminary title report for land related to the PID Projects to be acquired and accepted by the Town from Developer and not previously dedicated or otherwise conveyed to the Town. The report shall be made available for Town review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The Town shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the Town, would materially affect the common use and enjoyment subscribed to such PID Projects. If the Town objects to any preliminary title report, the Town shall not be obligated to accept title to the applicable PID Projects until Developer has cured the objections to the reasonable satisfaction of the Town.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earliest to occur of: (i) the Maturity Date, (ii) the date on which the Reimbursement Agreement Balance is paid in full, or (iii) the date on which the PID Bonds are fully retired.

4.2 No Competitive Bidding. Construction of the PID Projects shall not require competitive bidding pursuant to Section 252.022(a)(9), Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and

approved, in writing, by the Town prior to Developer selecting the contractor.

4.3 Independent Contractor. In performing this Agreement, Developer is an independent contractor and not the agent or employee of the Town.

4.4 Audit. The Town Representative shall have the right, during normal business hours and upon three (3) business days' prior written notice to Developer, to review all books and records of Developer pertaining to costs and expenses incurred by Developer with respect to any of the PID Projects. For a period of two (2) years after completion of the PID Projects, books shall be maintained in accordance with customary real estate accounting principles.

4.5 Representations and Warranties.

4.5.1 The Developer represents and warrants to the Town that: (a) Developer has the authority to enter into and perform its obligations under this Agreement; (b) Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (c) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (d) this Agreement is binding upon Developer in accordance with its terms; (e) the Developer is current on all taxes, assessments, fees and obligations to the Town; (f) the Developer is not in default under the Development Agreement or any other agreement with the Town related to the PID; and (g) the execution of this Agreement and the performance by Developer of its obligations under this Agreement do not constitute a breach or event of default by Developer under any other agreement, instrument, or order to which Developer is a party or by which Developer is bound.

4.5.2 The Town represents and warrants to Developer that: (a) the Town has the authority to enter into and perform its obligations under this Agreement; (b) the person executing this Agreement on behalf of the Town has been duly authorized to do so; (c) this Agreement is binding upon the Town in accordance with its terms; and (d) the execution of this Agreement and the performance by the Town of its obligations under this Agreement do not constitute a breach or event of default by the Town under any other agreement, instrument, or order to which the Town is a party or by which the Town is bound.

4.6 Default/Remedies.

4.6.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) business days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure. However, if the non-monetary Failure is of such a nature that it cannot reasonably be expect to be cured within thirty (30) days, then the Party who failed to perform shall have such time as is necessary to cure the default, so long as the failing Party commences the cure within thirty (30) days and diligently pursues such cure to completion.

4.6.2 If Developer is in Default, the Town shall have available all remedies at law or in equity; provided, however, no default by Developer shall entitle the Town to terminate this Agreement, cease collection of the Assessments and deposit of the Assessment Revenues, or to

withhold properly due payments to Developer from the PID Reimbursement Fund or the PID Project Fund in accordance with this Agreement and the Bond Indenture or on deposit in the PID Reimbursement Fund.

4.6.3 Subject to Section 3.7, if the Town is in Default, Developer shall have available all remedies at law or in equity; provided, however, that no Default by the Town shall entitle Developer to terminate this Agreement and that any financial obligation of the Town will only be payable from monies available under the Bond Indenture or under this Agreement.

4.7 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the Town of any remedy the Town may have outside this Agreement against Developer or any other person or entity involved in the design, construction, or installation of the PID Projects. The obligations of Developer hereunder shall be those of a Party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the Town's or Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.8 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Denton County, Texas.

4.9 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (a) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (b) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the Town:	Town of Providence Village, Texas Attn: Town Manager 1755 Main Street Providence Village, Texas 76227
With a copy to:	Messer Fort Attn: Julie Fort 6371 Preston Road Suite 200 Frisco, Texas 75034
To Developer:	Lennar Homes of Texas Land and Construction, Ltd.
With a copy to:	Attn. Greg Urech

Any Party may change its address by delivering notice of the change in accordance with this section.

4.10 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the Bond Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.11 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.12 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.13 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the Town and Developer, any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the Town and Developer.

4.14 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.15 Employment of Undocumented Workers. During the term of this Agreement, Developer agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), Developer shall repay the amount of any Reimbursement Payment or other funds received by Developer from Town from the date of this Agreement to the date of such violation within 120 days after the date Developer is notified by Town of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Developer is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Developer or by a person with whom Developer contracts.

4.16 State Law Verifications. The Developer and the Town represent that the following verifications apply to the Original Agreement as of the Original Effective Date:

(a) Anti-Boycott Verification. 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" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 4.16(a) shall survive termination of this Agreement until the statute of limitations has run.

(b) Verification Pursuant to Chapters 2252 and 2270 of the Texas Government Code. The Developer represents that neither it nor any of its parent company, wholly- or majority- owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code. The foregoing representation excludes the Developer and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 4.16(b) shall survive termination of the Agreement until the statute of limitations has run.

(c) Verification Pursuant to Chapter 2276 of the Texas Government Code. The Developer hereby verifies that it and its parent companies, 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" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 4.16(c) shall survive termination of the Agreement until the statute of limitations has run.

(d) Firearms. The Developer hereby verifies that it and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any,

- (i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 4.16(d) shall survive termination of the Agreement until the statute of limitations has run.

4.17 Form 1295. The Developer represents that it has complied with Texas Government Code, Section 2252.908 and in connection therewith, the Developer has completed a Texas Ethics Commission Form 1295 Certificate generated by the Texas Ethics Commission's electronic filing system in accordance with the rules promulgated by the Texas Ethics Commission. The Developer further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics


Commission and provide to the Town at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate. The Parties agree that, except for the information identifying the Town and the contract identification number, the Town is not responsible for the information contained in the Form 1295 completed by the Developer. The information contained in the Form 1295 completed by the Developer has been provided solely by the Developer and the Town has not verified such information.

4.18 Assignment. The Developer may, in its sole discretion, assign this Agreement with respect to all or part of the property within the PID from time to time to any party in connection with the sale of the property within the PID or any portion thereof so long as the assigned rights and obligations are assumed without modifications to this Agreement. The Developer shall provide the Town thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, the Developer shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement for the part of the property within the PID so assigned.

[Execution pages follow.]

TOWN:

TOWN OF PROVIDENCE VILLAGE, TEXAS

By: 
Name: Brian D. Robertson
Title: Town Manager
Date: 7-3-24

Attest:

By: 
Town Secretary

Approved as to form:

By: _____
Town Attorney

DEVELOPER:

LENNAR HOMES OF TEXAS LAND
AND CONSTRUCTION, LTD.,
a Texas limited partnership

By: U.S. Home LLC,
a Delaware limited liability company,
its General Partner

By: Jennifer Ellis
Name: Jennifer Ellis
Its: Authorized Agent

Exhibit A

FORM OF CERTIFICATE FOR PAYMENT

The undersigned is an agent Lennar Homes of Texas Land and Construction, Ltd. (“Developer”), and requests payment from the Town of Providence Village, Texas (the “Town”) out of the [*PID Project Fund (as defined in the Bond Indenture) / PID Reimbursement Fund*] in the amount of \$_____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain PID Projects providing a special benefit to property within the Foree Ranch Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement, Foree Ranch Public Improvement District, effective _____, as amended (the “Reimbursement Agreement”). In connection with the above referenced payment, Developer represents and warrants to the Town as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Certificate for Payment Form on behalf of Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced PID Projects has not been the subject of any prior payment request submitted for the same work to the Town or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed below is a true and accurate representation of the PID Project Costs associated with the creation, acquisition, or construction of said PID Projects and such costs: (a) are in compliance with the Reimbursement Agreement; and (b) are consistent with the Service and Assessment Plan.
4. Developer is in compliance with the terms and provisions of the Development Agreement, Developer Continuing Disclosure Agreement, Reimbursement Agreement and the Service and Assessment Plan.
5. Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity Developer controls owes, located in the Foree Ranch Public Improvement District and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.
7. The work with respect to the PID Projects referenced below (or its completed segment, section, or portion thereof) has been completed, and the Town has inspected such PID Projects.
8. Developer agrees to cooperate with the Town in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the Town to complete said review.
9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for PID Project Costs identified may be paid until the work with respect to such PID Project Costs (or

segment) has been completed and the Town has accepted such PID Project Costs (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to Town acceptance of such PID Projects Costs (or segment)

10. The Developer confirms that based on all prior amounts paid to Developer from the PID Reimbursement Fund as of the date of this Certification for Payment and based on the percentage of completion of the PID Project Costs as of the date of this Certification for Payment as verified by the Town payment of the amounts requested in this Certification for Payment, taking into account all prior payments for the PID Project Costs and the amount of work related to the PID Project Costs remaining to be completed as of the date of this Certification for Payment will not cause the amounts on deposit in the PID Reimbursement Fund to fall below the amount necessary to complete the remaining PID Project Costs taking into account the amounts available to the Developer under its private loan, a line of credit and/or any other form acceptable to the Town.

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment / Wire Instructions

Attached hereto are invoices, cancelled checks, receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **"bills paid" affidavits and supporting documentation** in the standard form for Town construction projects.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the Town has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

[remainder of page left blank intentionally]

DEVELOPER:

LENNAR HOMES OF TEXAS LAND
AND CONSTRUCTION, LTD.,
a Texas limited partnership

By: U.S. Home LLC,
a Delaware limited liability company,
its General Partner

By: _____
Name: _____
Its: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the PID Projects (or its completed segment) covered by the certificate have been inspected by the Town, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the Town approves the Certificate for Payment and directs _____ to make such payments from the PID Project Fund to Developer or to any person designated by Developer.

TOWN OF PROVIDENCE VILLAGE, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

Exhibit B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for Lennar Homes of Texas Land and Construction, Ltd. (“Developer”) and requests payment to Developer (or to the person designated by Developer) from the applicable account of the PID Project Fund from _____ (the “Trustee”) in the amount of _____ (\$ _____) to be transferred from the applicable account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of Foree Ranch Public Improvement District (the “District”) and costs associated with the issuance of PID Bonds, as follows.

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the Town and the Trustee dated as of _____ (the “Indenture”) relating to the [_____] (the “PID Bonds”).

In connection with the above referenced payment, Developer represents and warrants to the Town as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Closing Disbursement Request on behalf of Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the Town.

3. The amount listed for the below costs is a true and accurate representation of the PID Project Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID 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 Reimbursement Agreement, the Bond Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the Town in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the Town to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

LENNAR HOMES OF TEXAS LAND
AND CONSTRUCTION, LTD.,
a Texas limited partnership

By: U.S. Home LLC,
a Delaware limited liability company,
its General Partner

By: _____
Name: _____
Its: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the Town approves the Closing Disbursement Request and directs payment to be made from Costs of Issuance Account upon delivery of the PID Bonds.

TOWN OF PROVIDENCE VILLAGE, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

